

SEC - 0061

**MINDORO BIODIVERSITY CONSERVATION FOUNDATION, INC.**  
**(A Non-stock, non-profit Corporation)**

**FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEARS ENDED**  
**DECEMBER 31, 2014 & 2013**

And

**INDEPENDENT AUDITOR'S REPORT**

Revenue Region No. 9, San Pablo City  
RDO No. 63-Calepan City  
**R** APR 15 2015 **D**

### Report of Independent Auditor

To the Board of Directors and Members  
Mindoro Biodiversity Conservation Foundation, Inc.  
Gumamela Street, Barangay Suqui, Calapan City,  
Oriental Mindoro

I have audited the accompanying financial statements of Mindoro Biodiversity Conservation Foundation, Inc. which comprise the statement of assets, liabilities and fund balance as of December 31, 2014, statement of receipts and expenses and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### *Management's Responsibility for the Financial Statements*

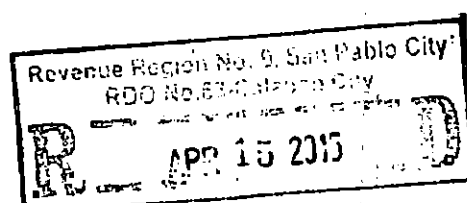
Management is responsible for the preparation and the fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

My responsibility is to express opinion on these financial statements based on my audits. I conducted my audits in accordance with Philippine Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



*Opinion*

In my opinion, the financial statements present fairly, in all material respects, the financial position of Mindoro Biodiversity Conservation Foundation, Inc. as of December 31, 2014, and its financial performance and cash flows for the year ended in accordance with Philippine Financial Reporting Standards for Small and Medium-sized Entities.

*Report on the supplementary information required under Revenue Regulations 15-2010*

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required as per Revenue Regulations 15-2010 as shown in the notes to financial statements are presented for purposes of filing with the Bureau of Internal Revenue and are not a required part of the basic financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in my audit of the basic financial statements. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Other Matters*

The financial statements as of and for the year ended December 31, 2013 was examined by another auditor wherein an unqualified opinion was rendered. Said financial statements are included in this year's presentation for comparative purposes.

~~\_\_\_\_\_~~  
Noli G. Valera

Tax Identification No. 132-311-595

CPA Certificate No. 80304

PTR No: 0556554/Bacoor/January 16, 2015

SEC Accreditation No. 1264-A

valid until November 8, 2015

BOA Accreditation No. 5016

valid until December 31, 2014 extended up to

April 30, 2015 as per PRC BOA Resolution NO. 41(d)

CDA Accreditation No. 0851

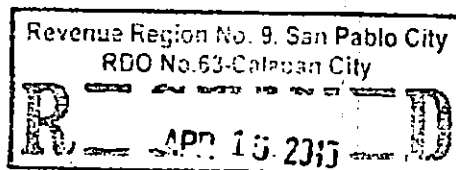
valid until January 31, 2016

BIR Accreditation No. 09-006105-001-2015

valid until February 26, 2017

April 13, 2015

Makati City



**NOLI G. VALERA**  
Certified Public Accountant

Unit 224 Makati Executive Tower 3,  
Sen. Gil Puyat Ave, Makati City  
Telefax: (632)856-01-58  
Email: valera.flores@gmail.com

SEC Accreditation No. 1264-A  
BOA/PRC Reg. No. 5016  
CDA CEA No. 0851  
BIR Accreditation No. AN 09-006105-001-2015

**TO THE SECURITIES AND EXCHANGE COMMISSION**

In connection with my examination of the financial statements of Mindoro Biodiversity Conservation Foundation, Inc. as of December 31, 2014 & 2013 which are to be submitted to the Commission, I hereby represent the following:

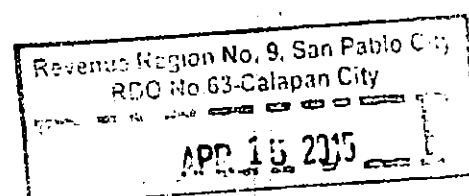
1. The said financial statements are presented in conformity with generally accepted accounting principles in all cases where I shall express an unqualified opinion; Except that in case of any departure, from such principles, I shall indicate the nature of the departure, the effects thereof, and the reasons why compliance with principles would result in the misleading statement, if such is a fact;
2. That I shall fully meet the requirements of Independence as provided for in Section 14 of the Code of Professional Ethics for CPA's;
3. That in conduct of the audit, I shall comply with the generally accepted auditing standards promulgated by the Board of Accountancy. In case of my departure from such standards or any limitation in the scope of my examination, I shall indicate the nature of departure and the extent of the limitation, the reasons thereof on the expression of my opinion or which may necessitate the negation of expression of an opinion;
4. The relative to the expression of my opinion on the said financial statements, I shall not commit any acts discreditable to the profession as provided for in Section 23 of the Code of Professional Ethics for CPA's.
5. That I am in the active practice of the accounting profession and duly registered with the Board of Accountancy; and
6. That I shall comply with the Securities and Exchange Commission in the preparation and Submission of financial statements.

As a CPA engaged in public practice, I make the representation in my individual capacity.

  
Noli G. Valera

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April 13, 2015  
Makati City



**NOLI G. VALERA**  
Certified Public Accountant

Unit 224 Makati Executive Tower 3,  
Sen. Gil Puyat Ave, Makati City  
Telefax: (632)856-01-58  
Email: valera.flores@gmail.com

SEC Accreditation No. 1264-A  
BOA/PRC Reg. No. 5016  
CDA CEA No. 0851  
BIR Accreditation No. AN 09-006105-001-2015

**INDEPENDENT AUDITORS' REPORT  
TO ACCOMPANY INCOME TAX RETURN**

To the Board of Directors and Members  
Mindoro Biodiversity Conservation Foundation, Inc.  
Gumamela Street, Barangay Suqui, Calapan City,  
Oriental Mindoro

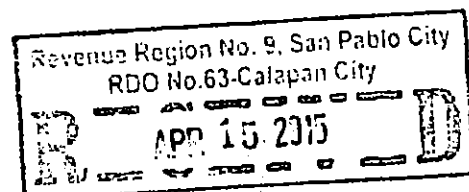
I have audited the financial statements of Mindoro Biodiversity Conservation Foundation, Inc. (the Company) for the year ended December 31, 2014, on which I have rendered the attached report dated April 13, 2015.

In compliance with Revenue Regulation V-20, I am stating that I have no financial interest in the Company or any family relationships with its president and executive director.

  
Noli G. Valera

Tax Identification No. 132-311-595  
CPA Certificate No. 80304  
PTR No. 0556554/Manila/January 16, 2015  
SEC Accreditation No. 1264-A  
valid until November 8, 2015  
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valid until February 26, 2017

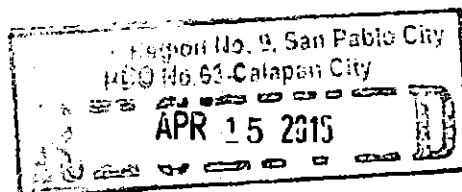
April 13, 2015  
Makati City



**MINDORO BIODIVERSITY CONSERVATION FOUNDATION, INC.**  
**( A Non-stock, non-profit Corporation )**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2014 AND 2013**  
(In Philippine Pesos)

	Note	2014	2013
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash	2,4	5,822,301	699,570
Other current assets	2,5	291,064	127,190
		<b>6,113,365</b>	<b>826,760</b>
<b>NON-CURRENT ASSETS</b>			
Property and equipment	2,6	109,419	180,112
<b>TOTAL ASSETS</b>		<b>6,222,784</b>	<b>1,006,872</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Trade & Other Liabilities	2,7	847,955	128,235
<b>FUND BALANCE</b>		<b>5,374,830</b>	<b>878,638</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>		<b>6,222,784</b>	<b>1,006,872</b>

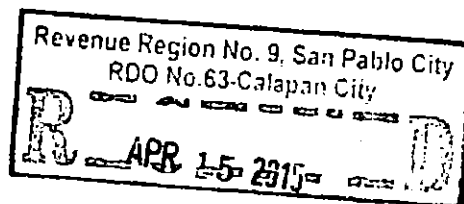
*See accompanying notes to financial statements.*



**MINDORO BIODIVERSITY CONSERVATION FOUNDATION, INC.**  
**( A Non-stock, non-profit Corporation)**  
**STATEMENTS OF RECEIPTS AND DISBURSEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**  
(In Philippine Pesos)

	Note	2014	2013
<b>RECEIPTS</b>			
Donations	2,8	10,625,828	4,670,031
Interest income	2	3,361	2,204
		<b>10,629,189</b>	<b>4,672,235</b>
<b>DISBURSEMENTS</b>			
Program costs	2,9	4,481,758	3,438,455
Administrative costs	2,10	1,489,351	893,908
		<b>5,971,110</b>	<b>4,332,363</b>
<b>EXCESS OF RECEIPTS OVER DISBURSEMENTS BEFORE DEPRECIATION</b>			
		<b>4,658,080</b>	<b>339,872</b>
Depreciation	6	161,888	-
<b>EXCESS OF RECEIPTS OVER DISBURSEMENTS AFTER DEPRECIATION</b>			
		<b>4,496,192</b>	<b>339,872</b>

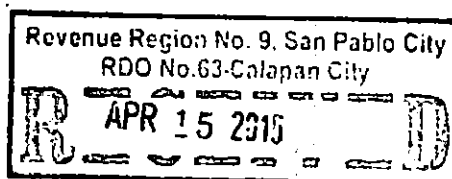
*See accompanying notes to financial statements.*



**MINDORO BIODIVERSITY CONSERVATION FOUNDATION, INC.**  
**(A Non-stock, non-profit corporation)**  
**STATEMENTS OF FUND BALANCE**  
**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**  
*(In Philippine Pesos)*

	Note	2014	2013
FUND BALANCE, BEG.		878,638	538,766
EXCESS OF RECEIPTS OVER DISBURSEMENTS		4,496,192	339,872
<b>FUND BALANCE, END</b>		<b>5,374,830</b>	<b>878,638</b>

*See accompanying notes to financial statements.*

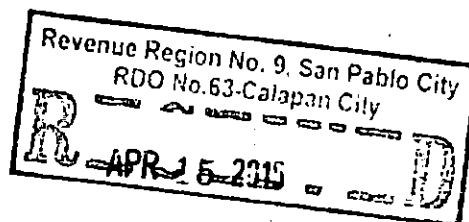




**MINDORO BIODIVERSITY CONSERVATION FOUNDATION, INC.**  
**(A Non-stock, non-profit corporation)**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**  
(In Philippine Pesos)

	Note	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Excess of receipts over disbursements		4,496,192	339,872
Add(deduct): Adjustments			
Interest earned		(3,361)	(2,204)
Depreciation	2,6	161,888	174,903
Operating income before working capital changes		4,654,718	512,571
Changes in working capital:			
Other current assets	2,5	(163,874)	(9,342)
Trade and other liabilities	2,7	719,720	69,896
Cash generated from (absorbed from) operations		5,210,564	573,125
Interest received		3,361	2,204
Net cash provided by (used in) operating activities		5,213,925	575,329
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property and equipment	2,6	(91,195)	(7,990)
<b>NET INCREASE IN CASH</b>		<b>5,122,731</b>	<b>567,339</b>
<b>CASH</b>			
Beginning		699,570	132,231
End	2,4	5,822,301	699,570

See accompanying notes to financial statements.



**MINDORO BIODIVERSITY CONSERVATION FOUNDATION, INC.**

**( A Non-stock, nonprofit corporation)**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014 & 2013**

**(Amounts in Philippine Pesos)**

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**Note 1 – Company Information**

Mindoro Biodiversity Conservation Foundation, Inc. (the Company) was registered with the Securities and Exchange Commission (SEC) on March 19, 2008 under SEC Registration No. CN200803432 as a non stock, nonprofit corporation primarily to (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 conservation program; (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 resource management.

Its operations are funded mainly by Malampaya Joint Ventures Partners (Shell Philippines Exploration B.V., Chevron Malampaya LLC, and PNOC-EC) and out of contributions of other organizations and individuals.

The registered office address of the Foundation is Gumamela Street, Barangay Suqui, Calapan City, Oriental Mindoro.

The Bureau of Internal issued a certificate of tax exemption enjoyed by a civic league or organization not organized form profit but operated exclusively for the promotion of social welfare pursuant to Section 30 (G) of the Tax Code of 1997, as amended; BIR Ruling No. 494-11 and BIR Ruling No. 267-11.

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**Note 2 - Summary of Significant Accounting Policies**

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

**Basis of Preparation**

The financial statements of the Company have been prepared on a historical cost convention.

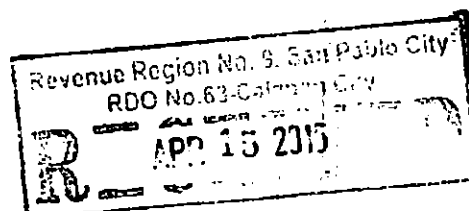
The accompanying financial statements have been prepared on a going concern basis, which contemplate the realization of assets and settlement of liabilities in the normal course of business.

**Statement of Compliance**

The financial statements of the Company have been prepared in accordance with 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 SEC.

**Functional and Presentation Currency**

Items included in the Company's financial statements and 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 Company's functional and presentation currency.



All values represent absolute amounts and are rounded to the nearest peso, except when otherwise indicated.

### **Note 3 - Summary of Significant Accounting Policies**

#### Use of Judgments, Estimates and Assumptions

The preparation of the financial statements in compliance with PFRS for SMEs necessitates the use of judgments, estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and contingent liabilities at the reporting date, as well as the reported revenue and expenses for the year. Although estimates are based on management's best knowledge and judgment of current facts as of the reporting date, the actual outcome may differ from these estimates, possibly significantly.

#### Donations and grants

The Company's donations are sourced from individuals and corporate entities which are used to finance a specific or general program. (see Note 8).

#### Program costs

Program costs are direct expenses necessary to carry-out the different activities undertaken by the company. (see Note 9)

#### Expenses

Expenses constitute costs of operating the business. These are recognized as expenses when incurred. (see Note 10)

#### Cash

Cash includes cash on hand and in bank. Interest earned amounted to P3,361.

#### Other current assets

This consists of advances to subject to liquidation, prepayments and deposits. (see Note 5).

#### Financial liabilities

Financial liabilities includes accounts payable, accrued expenses and statutory liabilities. Accounts payable and accrued expenses are costs incurred related to the different programs. Statutory liabilities consist of withholding tax payable. (see Note 7).

#### Provisions

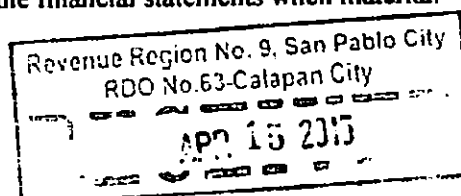
Provisions are recognized only when the Company has a present obligation ( legal or constructive) as a result of a past event, is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

#### Contingencies

Contingent liabilities are not recognized in the financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefit is probable.

#### Events After the Reporting Date

Post year-end events that provide additional information about the Company'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 financial statements when material.



**Note 4 - Cash**

The account at December 31 consists of:

	2014	2013
Cash on hand	20,000	
Cash in bank (Peso)	5,388,792	673,704
Cash in bank (US\$)	25,909	25,866
	<b>5,434,701</b>	<b>699,570</b>

**Note 5 - Other current assets**

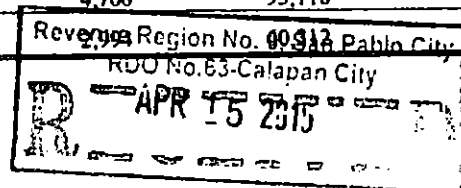
The account at December 31 consists of:

	2014	2013
Advances	201,332	53606
Prepayments	82,232	73,584
Deposits	7,500	-
Advances	<b>291,064</b>	<b>127,190</b>

**Note 6 - Property and equipment**

The account as of December 31 consists of:

2014				
	Leasehold improvement	Furniture and equipment	Computer software and accessories	Total
<b>Cost</b>				
January 1	7,700	153,430	365,576	526,706
Additions	-	15,500	75,695	91,195
December 31	7,700	168,930	441,271	617,901
<b>Accumulated depreciation:</b>				
January 1	4,706	93,118	248,770	346,594
Depreciation for the year	2,567	51,574	107,747	161,888
December 31	7,273	144,692	356,517	508,482
<b>Book Value</b>	<b>427</b>	<b>24,238</b>	<b>84,754</b>	<b>109,419</b>
<b>2013</b>				
	Leasehold improvement	Furniture and equipment	Computer software and accessories	Total
<b>Cost</b>				
January 1	7,700	153,430	365,576	526,706
Additions	-	-	-	-
December 31	7,700	153,430	365,576	526,706
<b>Accumulated depreciation:</b>				
January 1	2,139	41,975	127,577	171,691
Depreciation for the year	2,567	51,143	121,193	174,903
December 31	4,706	93,118	248,770	346,594
<b>Book Value</b>	<b>16,806</b>	<b>168,012</b>	<b>116,806</b>	<b>180,112</b>



**Note 7 – Accounts payable and accrued expenses**

The account at December 31 consists of:

	2014	2013
Accounts payable	205,795	113,794
Accrued expenses	557,850	-
Payable to Government agencies	-	14,441
Withholding tax payable	84,311	-
	<b>847,955</b>	<b>128,235</b>

**Note 8 - Donations**

The account at December 31, consists of:

	2014	2013
Shell Philippines Exploration BV	8,464,439	3,972,061
Others	2,161,389	697,970
	<b>10,625,828</b>	<b>4,670,031</b>

**Note 9 – Program Costs**

The account at December 31 consists of:

	2014	2013
Community capacity building	1,821,442	1,218,169
Data gathering	923,994	1,386,106
Information, education and communication	580,814	-
Staff cost	491,768	-
Conservation awareness	444,435	777,767
Site development	141,453	17,466
National Commission for Indigenous People	63,945	26,441
Relationship management	13,907	12,506
	<b>4,481,758</b>	<b>3,438,455</b>

**Note 10 – Administrative costs**

The account at December 31 consists of:

	2014	2013
Professional fees	502,268	269,444
SSS, PHIC, HDMF contributions	164,614	116,378
Contract fees	158,657	-
Communication, light and water	119,559	115,960
Rental	82,125	82,500
Supplies	64,665	38,431
Staff meeting/workshops	51,412	109,817
Transportation and travel	39,052	53,320
Board meetings and planning	38,624	25,889
Insurance	-	20,130
Representation and entertainment	33,978	35,344
Taxes and licenses	13,359	2,239
Miscellaneous	21,037	24,456
	<b>1,489,351</b>	<b>893,908</b>

Revenue Region No. 9, San Pablo City  
RDO No. 63-Calapan City

APR 15 2015

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**Note 11 – Supplementary information required under BIR Revenue Regulation 15-2010**  
The Company paid the following taxes in 2014:

- **Withholding taxes**

Taxes withheld at sources amounted to P328,480.

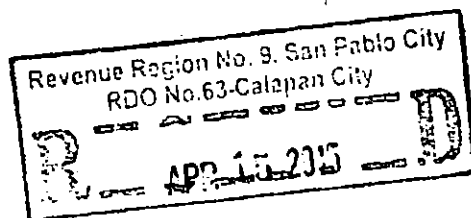
- **Taxes and licenses**

This includes all other taxes, local and national including licenses and permit fees lodged under the “Taxes and licenses” section in the Statement of Revenue and Expenses. The account consists of the following business permits and BIR registration fee amounting to P13,359.

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**Note 12-Approval of financial statements**

The financial statements have been authorized for issuance by the Company’s Board of Directors on April 13, 2015.

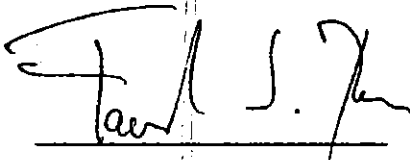


## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

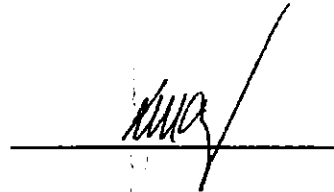
The management of MINDORO FOUNDATION CONSERVATION FOUNDATION, INC. is responsible for the preparation and fair presentation of the financial statements as at and for the year ended December 31, 2014 including the additional components attached therein, in accordance with prescribed financial reporting framework indicated therein. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Trustees reviews and approves the financial statements and submits the same to the members of the foundation.

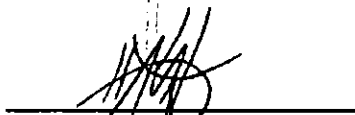
NGV Accounting and Auditing Office, the independent auditors appointed by the stockholders, has examined the financial statements of the company in accordance with Philippine Standards on Auditing and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such examination.



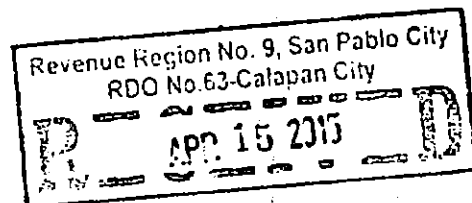
Facundo S. Roco  
Chairman of the Board



Leticia A. Afuang  
President



Karen H. Agabin  
Treasurer



## "STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN"

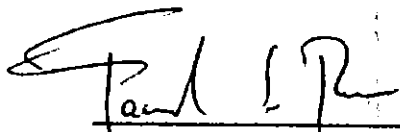
The Management of MINDORO BIODIVERSITY CONSERVATION FOUNDATION, INC. is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2014. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended December 31, 2014 and the accompanying Annual Income Tax Return are in accordance with the books and records of MALAMPAYA MINDORO BIODIVERSITY CONSERVATION FOUNDATION, INC, complete and correct in all material respects. Management likewise affirms that:

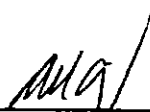
a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;

b) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;

MINDORO BIODIVERSITY CONSERVATION FOUNDATION, INC. has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.



14. 04. 15  
Facundo S. Roco  
Chairman of the Board



Leticia Atuang  
President

  
Karen H. Agabin  
Treasurer

