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FOR RETURNS WITH PAYMENT

Please print this e-mail together with the RETURN and proceed to pay through the Authorized Agent Bank / Collection Agent / GCASH or use other payment options.

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Bureau of Internal Revenue


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DISCLAIMER  
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Republic of the Philippines  
Department of Finance  
Bureau of Internal Revenue

For BIR Use Only: BCS/Item:

**BIR Form No. 1702-EX**  
January 2018 (ENCS) v2 Page 1

**Annual Income Tax Return**  
Corporation, Partnership and Other Non-Individual Taxpayer EXEMPT under the Tax Code, as Amended, [Sec. 30 and those exempted in Sec. 27(C)] and Other Special Laws, with NO Other Taxable Income  
*Enter all required information in CAPITAL LETTERS. Mark applicable boxes with an "X". Two copies MUST be filed with the BIR and one held by the taxpayer.*

  
 1702-EX 01/18ENCS v2 P1

1 For  Calendar  Fiscal    3 Amended Return?  Yes  No    4 Short Period Return  Yes  No    5 Alphanumeric Tax Code (ATC)

2 Year Ended (MM/20YY) 12/2019    IC 011 Exempt Corporation on Exempt Activities     IC 021 General Professional Partnership

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**Background Information**

6 Taxpayer Identification Number (TIN) 278-184-152-0000    7 RDO Code 041

8 Registered Name (Enter only 1 letter per box using CAPITAL LETTERS)  
INSTITUTE OF ELECTRONICS ENGINEERS OF THE PHILIPPINES INC.

9 Registered Address (Indicate complete address. If the registered address is different from the payment address, go to the RDO to update payment address by using BIR Form 1902)  
712 CITYLAND SHAW TOWER SHAW BOULEVARD MANDALUYONG CITY

10 Date of Incorporation/Organization (MM/DD/YYYY) 03/14/2005    11 Contact Number 66877187

12 Email Address grace.jocson@gajocson.com

13 Method of Deductions  Itemized Deductions (Section 34 (A-J), NIRC)     Optional Standard Deduction (OSD) - 40% of Gross Income (applicable only to General Profession Partnership (GPP) per RA No. 10963)

14 Legal Basis of Tax Relief / Exemption (Specify) RA    15 Investment Promotion Agency (IPA) / Government Agency (specify) PRC

16 Registered Activity / Program (Registration Number) 000    17 Effectivity Date of Tax Relief / Exemption (MM/DD/YYYY)  
From 01/05/2014 To 01/05/2020

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**PART II - TOTAL TAX PAYABLE (DO NOT ENTER CENTAVOS, 49 centavos or less drop down; 50 or more round up)**

18 Tax Due (From Part I / Item 41)	0.00
19 Less: Total Tax Credits/Payments (From Part IV Item 50)	0.00
20 Total (Overpayment) (Item 18 Less Item 19) (From Part IV Item 51)	0.00
21 Add: Penalty - Compromise	0
22 TOTAL AMOUNT PAYABLE / (Overpayment) (Sum of Items 20 & 21)	0.00

If overpayment, mark one (1) box only. (Once the choice is made, the same is irrevocable)  
 To be refunded     To be issued a Tax Credit Certificate (TCC)     To be carried over as a tax credit for next year/quarter

We declare under the penalties of perjury that this return and all its attachments, have been made in good faith, verified by us, and to the best of our knowledge and belief, are true and correct, pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof. *It signed by an Authorized Representative. Indicate TIN and attach authorization letter.*

CHRISTIAN LEAR P. MIQUIABAS    23 Number of Attachments 00

Signature over Printed Name of President/Principal Officer/Authorized Representative: \_\_\_\_\_    Signature over Printed Name of Treasurer/Assistant Treasurer: \_\_\_\_\_

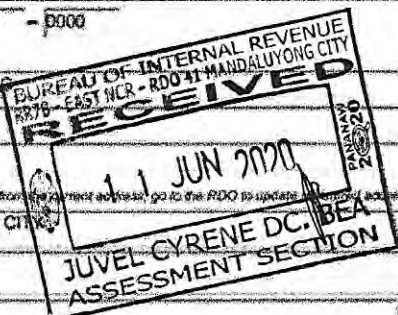
Title of Signatory: PRESIDENT TIN: 0    Title of Signatory: \_\_\_\_\_ TIN: 0


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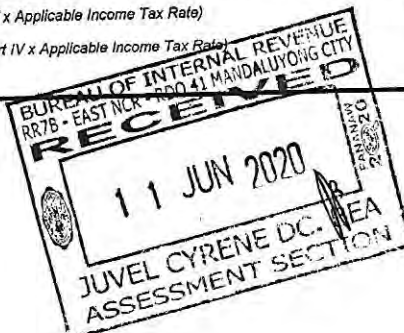
**Part III - Details of Payment**


Particulars	Draw to Bank Agency	Number	Date (MM/DD/YYYY)	Amount
24 Cash/Bank Debit Memo				
25 Check				
26 Tax Debit Memo				
27 Others (Specify Below)				

Machine Validation / Revenue Official Receipt Details (if not filed with an Authorized Agent Bank (AAB))    Stamp of Receiving Office/AAB and Date of Receipt (RO's Signature/Bank Teller's Initial)



BIR Form No. <b>1702-EX</b> January 2018 (ENCS) v2 Page 2	<b>Annual Income Tax Return</b> Corporation, Partnership and Other Non-Individual Taxpayer EXEMPT under the Tax Code, as Amended, [Sec. 30 and those exempted in Sec. 27(C)] and Other Special Laws, with NO Other Taxable Income	 1702-EX 01/18ENCS v2 P2
TIN 278 184 152 0000		Registered Name INSTITUTE OF ELECTRONICS ENGINEERS OF THE PHILIPPINES INC.
<b>Part IV - Computation of Tax</b>		
		(Do NOT enter Centavos; 49 centavos or less drop down; 50 or more round up)
28 Sales/Receipts/Revenues/Fees		14897507.00
29 Less: Sales Returns, Allowances and Discounts		0
30 Net Sales/Receipts/Revenues/Fees (Item 28 less Item 29)		14897507.00
31 Less: Cost of Sales/Services		0
32 Gross Income from Operation (Item 30 Less Item 31)		14897507.00
33 Add: Other Income		0
34 Total Gross Income (Sum of Items 32 and 33)		14897507.00
Less: Deductions Allowable under Existing Law		
<b>A. Itemized Deduction</b>		
35 Ordinary Allowable Itemized Deductions (From Part VI Schedule I Item 18)		7,629,449.00
36 Special Allowable Itemized Deductions (From Part VI Schedule II Item 5)		0.00
37 Total Itemized Deductions (Sum of Items 35 and 36)		7,629,449.00
<b>B. Optional Standard Deduction (OSD)</b>		
38 OSD (40% of Item 34)(applicable to GPP per RA No. 10963)		0
39 Net Taxable Income / (Loss) (If Itemized: Item 34 Less Item 37; If OSD: Item 34 Less Item 38)		7,268,058.00
40 Tax Rate		0.00 %
41 Tax Due (Item 39 x Item 40) (To Part II Item 18)		0.00
Less: Tax Credits / Payments (attach proof)		
42 Prior Year's Excess Credits		0
43 Income Tax Payment from Previous Quarter/s		0
44 Creditable Tax Withheld from Previous Quarter/s per BIR Form No. 2307		0
45 Creditable Tax Withheld per BIR Form No. 2307 for the 4th Quarter		0
46 Foreign Tax Credits, if applicable		0
47 Tax Paid in Return Previously Filed, if this is an Amended Return		0
Other Tax Credits / Payments (specify)		
48		0
49		0
50 Total Tax Credits / Payments (Sum of Items 42 to 49) (To Part II Item 19)		0.00
51 Total (Overpayment) (Item 41 Less Item 50) (To Part II Item 20)		0.00
<b>Part V - Tax Relief Availment</b>		
52 Regular Income Tax Otherwise Due (Item 39 of Part IV x Applicable Income Tax Rate)		0.00
53 Special Allowable Itemized Deductions (Item 36 of Part IV x Applicable Income Tax Rate)		0.00
54 Total Tax Relief Availment (Sum of Items 52 and 53)		0.00



BIR Form No. <b>1702-EX</b> January 2018 (ENCS) v2 Page 3	<b>Annual Income Tax Return</b> Corporation, Partnership and Other Non-Individual Taxpayer EXEMPT under the Tax Code, as Amended, [Sec. 30 and those exempted in Sec. 27(C)] and Other Special Laws, with NO Other Taxable Income	 1702-EX 01/18ENCS v2 P3
Tax Identification Number (TIN) 278 184 132 0000		Registered Name INSTITUTE OF ELECTRONICS ENGINEERS OF THE PHILIPPINES INC.
<b>Part VI - Schedules</b>		
(Do NOT enter Centavos; 49 centavos or less drop down; 50 or more round up)		
<b>Schedule 1 - Ordinary Allowable Itemized Deductions</b> <i>(attach additional sheets, if necessary)</i>		
1 Ammortizations	0	
2 Bad Debts	0	
3 Charitable and Contributions	0	
4 Depletion	0	
5 Depreciation	0	
6 Entertainment, Amusement and Recreation	0	
7 Fringe Benefits	0	
8 Interest	0	
9 Losses	0	
10 Pension Trusts	0	
11 Rental	0	
12 Research and Development	0	
13 Salaries, Wages, and Allowances	1,055,006.00	
14 SSS, GSIS, Philhealth, HDMF, and Other Contributions	96,112.00	
15 Taxes and Licenses	30,618.00	
16 Transportation and Travel	134,994.00	
17 Others (Deductions Subject to Withholding Tax and Other Expenses) [Specify below; Add additional sheet(s) if necessary]	0.00	
a Janitorial and Messengerial Services	535,334.00	
b Professional Fees	0	
c Security Services	5,777,385.00	
d OTHER EXPENSE	0	
e	0	
f	0	
g	0	
h	0	
i	0	
<b>18 Total Ordinary Allowable Itemized Deductions</b> (Sum of Items 1 to 17) (To Part IV Item 35)	<b>7,629,449.00</b>	
<b>Schedule 2 - Special Allowable Itemized Deductions</b> <i>(attach additional sheets, if necessary)</i>		
Description	Legal Basis	Amount
1		0
2		0
3		0
4		0
<b>5 Total Special Allowable Itemized Deductions</b> (Sum of Items 1 to 4) (To Part IV Item 36)		<b>0</b>
<b>Schedule 3 - Reconciliation of Net Income per Books Against Taxable Income</b> <i>(attach additional sheets, if necessary)</i>		
1 Net Income(loss) per Books	7,279,940	
Add: Non-Deductible Expenses/Other Income	0	
2	0	
3	7,279,940	
4 Total (Sum of Items 1 to 3)	7,279,940	
Less: A) Non-Taxable income and Income Subjected to Final Tax	11,882.00	
5 INTEREST INCOME	0	
6	0	
B) Special Deductions	0	
7	0	
8	11,882	
9 Total (Sum of Items 5 to 8)	7,268,058	
<b>10 Net Taxable Income/(Loss)</b> (Item 4 Less Item 9)	<b>7,268,058</b>	

## **INDEPENDENT AUDITOR'S REPORT**

To The Board of Directors and Stockholders  
**INSTITUTE OF ELECTRONICS ENGINEERS OF THE PHILIPPINES INC.**  
Room 712 Cityland Shaw Tower Shaw Boulevard  
Corner St. Francis Sts. Mandaluyong City

### *Report on the Audits of the Financial Statements*

#### *My Opinion*

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **INSTITUTE OF ELECTRONICS ENGINEERS OF THE PHILIPPINES INC.** as at December 31, 2019 and 2018 and its financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standards for SMEs.

#### *What I audited*

The financial statements of the Company comprise of:

- the statements of assets, liabilities and equity as at December 31, 2019 and 2018;
- the statements of revenues and expenses 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*

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

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

#### *Independence*

I am independent of the Company 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 my audits of the financial statements in the Philippines, and I have fulfilled my 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, 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 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 have no realistic alternative but to do so.

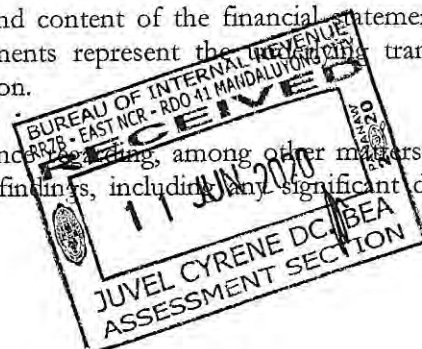
Those charged with governance are responsible for overseeing the Company's financial reporting process.

***Auditor's Responsibilities for the Audit of the Financial Statements***

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Philippine Standard of Audit will always detect material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individual 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:

- 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 the risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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, misrepresentation, 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 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 company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I can 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 I identify during my audit.



***Report on the supplementary information required under Revenue Regulatory 15-2010 of the Bureau of Internal Revenue***

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes and license fee to the financial statements is presented for the purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of **INSTITUTE OF ELECTRONICS ENGINEERS OF THE PHILIPPINES INC.** The information has been subjected to the auditing procedures applied in my audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



**JESON G. MARCIAL**

CPA Cert. No. 107355

BOA/PRC Accreditation No. 3429

Issued on October 16, 2019

Effective until January 7, 2022

BIR Accreditation No. 08-005793-001-2019

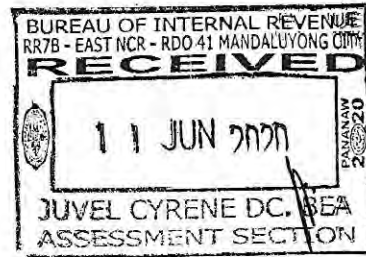
Issued on September 30, 2019

Effective until September 30, 2022

TIN: 912-534-601-000

PTR No. 8121540 issued on January 3, 2020

at Makati City



Date signed: June 5, 2020

**Statements Required by Rule 68, Part I, Section 3B(v)  
Securities Regulation Code (SRC)  
As Amended on October 20, 2011**

**To the Board of Directors and Shareholders of  
INSTITUTE OF ELECTRONICS ENGINEERS OF THE PHILIPPINES INC.**  
Room 712 Cityland Shaw Tower Shaw Boulevard  
Corner St. Francis Sts. Mandaluyong City

I have audited the accompanying financial statements of **INSTITUTE OF ELECTRONICS ENGINEERS OF THE PHILIPPINES INC.** as at and for the year ended **December 31, 2019**, on which I have rendered the attached report dated June 5, 2020.

In compliance with SRC Rule 68 and based on the certification received from the Company's corporate secretary and the results of our work done, as at December 31, 2019. I am stating that the said company has a total number of 5 stockholders owing one (1) share or more.

By:



**JESON G. MARCIAL**  
CPA Cert. No. 107355  
BOA/PRC Accreditation No. 3429  
Issued on October 16, 2019  
Effective until January 7, 2022  
BIR Accreditation No. 08-005793-001-2019  
Issued on September 30, 2019  
Effective until September 30, 2022  
TIN: 912-534-601-000  
PTR No. 8121540 issued on January 3, 2020  
at Makati City



Date signed: June 5, 2020



**Statements Required by Section 8-A, Revenue Regulations No. V-1**

**To the Board of Directors and Shareholders of  
INSTITUTE OF ELECTRONICS ENGINEERS OF THE PHILIPPINES INC.**  
Room 712 Cityland Shaw Tower Shaw Boulevard  
Corner St. Francis Sts. Mandaluyong City

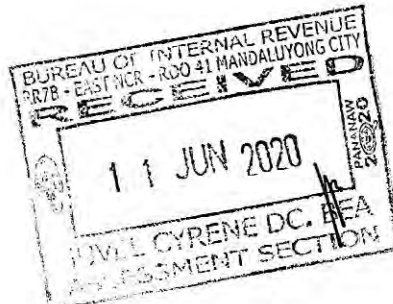
I have no financial interest in the Company or any family relationships with its president, manager, or principal shareholder.

The supplementary information on taxes and licenses is presented in Note 11 to the financial statements.

By:



**JESON G. MARCIAL**  
CPA Cert. No. 107355  
BOA/PRC Accreditation No. 3429  
Issued on October 16, 2019  
Effective until January 7, 2022  
BIR Accreditation No. 08-005793-001-2019  
Issued on September 30, 2019  
Effective until September 30, 2022  
TTN: 912-534-601-000  
PTR No. 8121540 issued on January 3, 2020  
at Makati City




Date signed: June 5, 2020

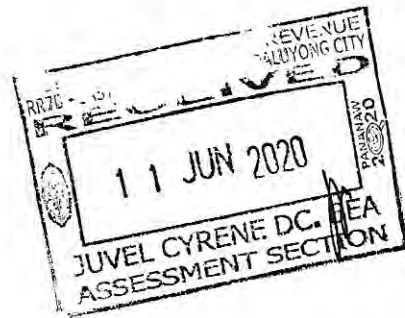
**Statements Required by Rule 68, Part 1, Section 4,  
Securities Regulation Code (SRC),  
As Amended on October 20, 2011**

**To the Board of Directors and Shareholders of  
INSTITUTE OF ELECTRONICS ENGINEERS OF THE PHILIPPINES INC.**  
Room 712 Cityland Shaw Tower Shaw Boulevard  
Corner St. Francis Sts. Mandaluyong City

I have audited the financial statements of **INSTITUTE OF ELECTRONICS ENGINEERS OF THE PHILIPPINES INC.** as at and for the year ended **December 31, 2019** and **2018**, on which I have rendered the attached report dated June 5, 2020. The supplementary information shown in the Schedule of Philippine Financial Reporting Standards effective as at December 31, 2019 as required by Part I, Section 4 of Rule 68 of the Securities Regulation Code, is presented for purpose of filing with the Securities and Exchange Commission 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 the audits of the basic financial statements. In my opinion, the supplementary information has been prepared in accordance with Part I, Section 4 of Rule 68 of the Securities Regulation Code.

By:

  
**JESON G. MARCIAL**  
CPA Cert. No. 107355  
BOA/PRC Accreditation No. 3429  
Issued on October 16, 2019  
Effective until January 7, 2022  
BIR Accreditation No. 08-005793-001-2019  
Issued on September 30, 2019  
Effective until September 30, 2022  
TIN: 912-534-601-000  
PTR No. 8121540 issued on January 3, 2020  
at Makati City



Date signed: June 5, 2020



# INSTITUTE OF ELECTRONICS ENGINEERS OF THE PHILIPPINES, INC. (IECEP)

7<sup>th</sup> F, Suite 712 Cityland Shaw Tower, Shaw Blvd. corner St. Francis Street,  
Mandaluyong City, Philippines

Tel. No: (632) 687-7187 E-mail: [iecep.secretariat@gmail.com](mailto:iecep.secretariat@gmail.com)

## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

SECURITIES AND EXCHANGE COMMISSION (SEC)

G/F Secretariat Building  
PICC Complex, Roxas Boulevard  
Pasay City, 1307

The management of **INSTITUTE OF ELECTRONICS ENGINEERS OF THE PHILIPPINES, 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 to do so.

The Board of Directors is responsible for overseeing the company's financial reporting process.

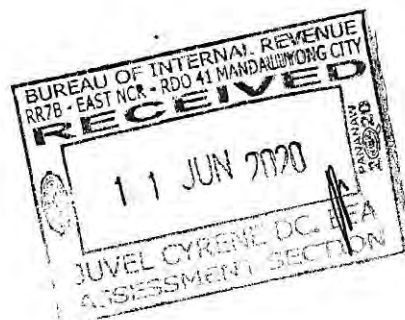
The Board of Directors reviews and approves the financial statements, including the schedules attached therein, and submits the same to the stockholders.

**JESON G. MARCIAL**, the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in her report to the stockholders, have expressed her opinion on the fairness of presentation upon completion of such audit.

  
**CHRISTIAN LEAR F. MIQUIABAS**  
Chairman & President  
TIN No. 919-318-064

  
**ALLAN L. BARGAMENTO**  
Treasurer  
TIN No. 148-442-644

  
**ANTHONY M. LAID**  
Secretary General  
TIN No. 242-558-011



Signed this \_\_\_\_ day of \_\_\_\_\_, 2020



# INSTITUTE OF ELECTRONICS ENGINEERS OF THE PHILIPPINES, INC. (IECEP)

7<sup>th</sup> F, Suite 712 Cityland Shaw Tower, Shaw Blvd. corner St. Francis Street,  
Mandaluyong City, Philippines

Tel. No: (632) 687-7187 E-mail: [iecep.secretariat@gmail.com](mailto:iecep.secretariat@gmail.com)

## Statement of Management 's Responsibility for Annual Income Tax Return

The management of **INSTITUTE OF ELECTRONICS ENGINEERS OF THE PHILIPPINES, INC.** is responsible for all information and representations contained in the Annual Income Tax Return for the year ended **December 31, 2019**. 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 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 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, 2019** and the accompanying Annual Income Tax Return are in accordance with the books and records of **INSTITUTE OF ELECTRONICS ENGINEERS OF THE PHILIPPINES, 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;

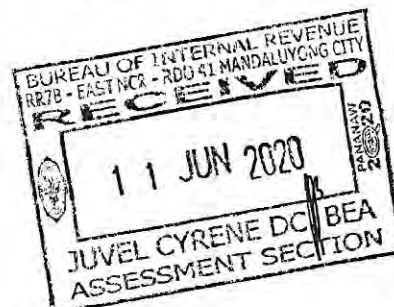
(c) the **INSTITUTE OF ELECTRONICS ENGINEERS OF THE PHILIPPINES, INC.** has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

Signed under oath by:

**CHRISTIAN LEAR F. MIQUIABAS**

Chairman & President

TIN No. 919-318-064



**ALLAN L. BARGAMENTO**

Treasurer

TIN No. 148-442-644

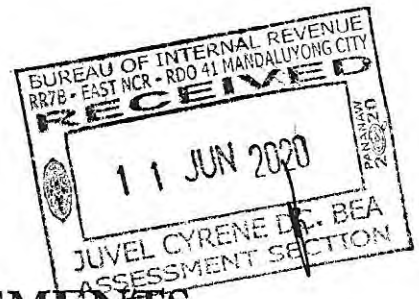
**ANTHONY M. LAID**

Secretary General

TIN No. 242-558-011

Signed this \_\_\_\_ day of \_\_\_\_\_, 2020

# COVER SHEET for AUDITED FINANCIAL STATEMENTS



SEC Registration Number

CN	2	0	0	5	0	4	0	4	1
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COMPANY NAME

I	N	S	T	I	T	U	T	E		O	F		E	L	E	C	T	R	O	N	I	C	S				
E	N	G	I	N	E	E	R	S		O	F		T	H	E		P	H	I	L	I	P	P	I	N	E	S
I	N	C	.																								

PRINCIPAL OFFICE

S	U	I	T	E		7	1	2	,		C	I	T	Y	L	A	N	D		S	H	A	W		T	O	W	E	R
S	H	A	W		B	O	U	L	E	V	A	R	D		C	O	R	.		S	T.		F	R	A	N	C	I	S
S	T	.		M	A	N	D	A	L	U	Y	O	N	G		C	I	T	Y										

Form Type

A	A	F	S
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Department requiring the report

C	R	M
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COMPANY INFORMATION

<p>Company's Email Address</p> <div style="border: 1px solid black; padding: 2px;">iecep.secretariat@gmail.com</div>	<p>Company's Telephone Number/s</p> <div style="border: 1px solid black; padding: 2px;">687-7187</div>	<p>Mobile Number</p> <div style="border: 1px solid black; padding: 2px;">N/A</div>
<p>No. of Stockholders</p> <div style="border: 1px solid black; padding: 2px; text-align: center;">11</div>	<p>Annual Meeting (Month/Day)</p> <div style="border: 1px solid black; padding: 2px; text-align: center;">NONE</div>	<p>Fiscal Year (Month/Day)</p> <div style="border: 1px solid black; padding: 2px; text-align: center;">12 / 31</div>

CONTACT PERSON INFORMATION

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

<p>Name of Contact Person</p> <div style="border: 1px solid black; padding: 2px; text-align: center;">Arvin Mistades</div>	<p>Email Address</p> <div style="border: 1px solid black; padding: 2px;"> </div>	<p>Telephone Number/s</p> <div style="border: 1px solid black; padding: 2px; text-align: center;">687-7187</div>
<p>Mobile Number</p> <div style="border: 1px solid black; padding: 2px;"> </div>		

CONTACT PERSON'S ADDRESS

Suite 712, Cityland Shaw Tower, Shaw Boulevard, Mandaluyong City
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NOTE 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

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

SEC Number : CN 200504041  
TIN Number : 278184152000

**INSTITUTE OF ELECTRONICS ENGINEERS  
OF THE PHILIPPINES, INC.**  
(Company's Full Name)

**712 CITYLAND SHAW TOWER, SHAW BOULEVARD,  
MANDALUYONG CITY**  
(Company's Local Address)

**8-687-7187**  
(Telephone Number)

**AUDITED FINANCIAL STATEMENT**  
(Type of Report)

**N / A**  
Amendment Designation (If Applicable)

**December 31, 2019**  
Period Ended Date

**N / A**  
(Secondary License Type and File Number)

**Institute of Electronics Engineers**

**Of the Philippines, Inc.**

*712 Cityland Shaw Tower, Shaw Boulevard, Mandaluyong City*

**Financial Statements**

*As at and for the year-ended December 31, 2019 and 2018*

**JESON G. MARCIAL, CPA**

**INSTITUTE OF ELECTRONICS ENGINEERS OF THE PHILIPPINES, INC.**

(A Non-Stock, Non-Profit Organization)

**STATEMENT OF FINANCIAL POSITION**

December 31, 2019

(With comparative figures for the year ended December 31, 2018)

(All amounts in Philippine Pesos)

	<i>Notes</i>		2019		2018
<b>ASSETS</b>					
<b>Current Assets:</b>					
Cash and Cash Equivalents	4	P	15,555,532	P	12,401,470
Receivables	5		13,501,414		10,182,667
<b>Total Current Assets</b>		P	<b>29,056,946</b>	P	<b>22,584,137</b>
<b>Non-Currents:</b>					
Property and Equipment - net	6	P	1,388,382	P	1,541,603
Other Non Current Assets			8,958		8,958
<b>Total Non-Current Assets</b>		P	<b>1,397,340</b>	P	<b>1,550,561</b>
<b>TOTAL ASSETS</b>		P	<b>30,454,286</b>	P	<b>24,134,698</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current Liabilities</b>					
Accrued Expenses and Other Payables	7	P	1,290,274	P	2,250,626
<b>TOTAL LIABILITIES</b>		P	<b>1,290,274</b>	P	<b>2,250,626</b>
<b>EQUITY</b>					
Fund Balance	8	P	29,164,012	P	21,884,072
<b>TOTAL EQUITY</b>			<b>29,164,012</b>		<b>21,884,072</b>
<b>TOTAL LIABILITIES EQUITY</b>		P	<b>30,454,286</b>	P	<b>24,134,698</b>

*(See Notes to Financial Statements)*

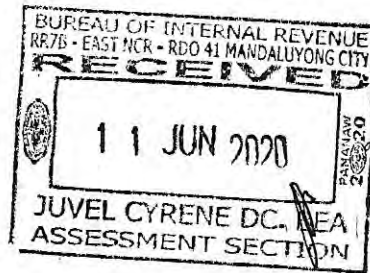




**INSTITUTE OF ELECTRONICS ENGINEERS OF THE PHILIPPINES, INC.**  
**( A Non-Stock, Non-Profit Organization )**  
**STATEMENTS OF REVENUES AND EXPENSES**  
**For the year ended December 31, 2019**  
**(With comparative-figures for the year ended December 31, 2018)**  
**(All amounts in Philippine Peso)**

	<i>Notes</i>	2019		2018	
REVENUES	9	P	14,897,507	P	14,680,732
GROSS PROFIT		P	14,897,507	P	14,680,732
GENERAL AND ADMINISTRATIVE EXPENSES	10		7,629,449		10,670,831
NET INCOME (LOSS) before other income		P	7,268,058	P	4,009,901
OTHER INCOME/EXPENSES					
Interest Income			11,882		12,277
NET INCOME ( LOSS ) BEFORE INCOME TAX		P	7,279,940	P	4,022,178
NET INCOME (LOSS) FOR THE YEAR		P	7,279,940	P	4,022,178

*(See Notes to Financial Statements)*



**INSTITUTE OF ELECTRONICS ENGINEERS OF THE PHILIPPINES, INC.**  
**( A Non-Stock, Non-Profit Organization )**  
**STATEMENT OF CASH FLOWS**  
**For the year ended December 31, 2019**  
**(With comparative figures for the year ended December 31, 2018)**  
**(All amounts in Philippine Peso)**

	Notes	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net loss before income taxes	P	7,279,940	P 4,022,178
Adjustments for :			
Depreciation and amortization		-	-
Operating loss before working capital changes		7,279,940	4,022,178
Increase) decrease in:			
Accounts Receivable - Trade		(3,318,747)	(8,608,733)
Decrease (Increase) in:			
Accrued Expense and Other Payables		(960,351)	1,035,048
Cash generated from (used in) operations		3,000,842	(3,551,507)
Interest received		-	-
Net cash flow used in investing activities		3,000,842	(3,551,507)
<b>CASH FLOWS IN INVESTING ACTIVITIES</b>			
Property, Plant and Equipment		153,221	98,346
Net cash flow used in investing activities		153,221	98,346
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES IN CASH</b>			
		-	-
NET INCREASE (DECREASE) IN CASH ON HAND AND IN BANKS		3,154,062	(3,453,160)
CASH ON HAND AND IN BANK, December 31, 2017	P	12,401,470	15,854,630
CASH ON HAND AND IN BANK, December 31, 2018	P	15,555,532	P 12,401,470

*(See Notes to Financial Statements)*



**INSTITUTE OF ELECTRONICS ENGINEERS OF THE PHILIPPINES, INC.**  
 ( A Non-Stock, Non-Profit Organization )  
**STATEMENT OF CHANGES IN FUND BALANCE**  
 For the year ended December 31, 2019  
 (With comparative figures for the year ended December 31, 2018)  
 (All amounts in Philippine Peso)

		Total
Fund Balance at January 1, 2019	P	21,884,07
Excess of revenues over expenses		7,279,94
<b>Balance at December 31, 2019</b>		<b>29,164,01</b>
Fund Balance at January 1, 2018		17,861,89
Excess of revenues over expenses		4,022,17
<b>Balance at December 31, 2018</b>	P	<b>21,884,07</b>



**INSTITUTE OF ELECTRONICS ENGINEERS OF THE PHILIPPINES, INC.**  
( A Non-stock, Non-profit Organization )  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019 AND 2018**

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**NOTE 1. CORPORATE INFORMATION**

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The Institute of Electronics Engineers of the Philippines, Inc. (“The Institute”) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission ( SEC Registration No. 200504041 ) on March 14, 2005 as a non-stock, non-profit organization. It is the integrated accredited professional organization for the Electronics and Commissions Engineering profession, duly recognized by the Professional Regulation Commission (PRC) on February 20, 2009.

Its primary purpose is dedicated to the task of applying to human needs the principles of electronics, communications and/or its allied fields of engineering, bound by the common desire to promote the advancement of people and humanity and to effectively serve the country in the practice of their profession.

The Institute is exempt from payment of Income Tax on Income received by its pursuant to Section 30(G) of the Tax Code of 1997.

The registered office address of the Institute is at Unit 712 Cityland Shaw Tower, Shaw Boulevard, Mandaluyong City.

The Financial statements of the Institute were approved and authorized for issuance by the Board of Directors on June 2, 2020.

The Board of Directors is still empowered to make revisions even after the date of issue.

**NOTE 2. BASIS OF PREPARATION**

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Statement of Compliance

The financial statements of the Institute have been prepared using the historical cost basis.

Functional and Presentation Currency

The financial statements are presented in Philippine peso, which is the Institute’s functional currency and all values are rounded off to the nearest peso, except when otherwise indicated.

Use of Estimates and Judgments

The preparation of the Institute’s financial statements requires management to make judgment, estimates and assumptions that affect the amount reported in the financial statements and accompanying notes. The estimates and assumptions used in preparing the financial statements are based on management’s evaluation of relevant facts and circumstances as of the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in a period in which the estimates is revised and in any future periods affected.

In particular, information about significant areas estimation, uncertainly and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Judgments

In the process of applying the Institute's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements.

Determining Functional Currency

The Institute considers factors, including but not limited to, the currency in which receipts and disbursements from the operating activities are usually made. Based on the economic substance of the underlying circumstances relevant to the Foundation, the functional currency has been determined to be Philippine peso.

Estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting, that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year, are described below. The Institute based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Foundation. Such changes are reflected in the assumptions when they occur.

Estimating Useful Lives of Property and Equipment

The Institute estimates the useful lives of property and equipment based on the period over which the property and equipment are expected to be available for use. The estimated useful lives (EUL) of the property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the property and equipment. It is possible, however, that future financial performance could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the EUL of the property and equipment would increase the recorded expenses and decrease the noncurrent assets.

### NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in preparing the financial statements are set out below. These policies have been applied, unless otherwise stated:

Financial Instrument

All financial asset and financial liabilities in the statement of financial position are recognized when the Institute becomes a party to the contractual provisions of the instrument.

*Date of Recognition.* The Institute recognized a financial asset or a financial liability in the statement of assets, liabilities and fund balances when it becomes a party to the contractual provisions of the instrument. In the case of a regular way purchase or sale of financial assets, recognition is done using settlement date accounting.

*Initial of Financial Instruments.* Financial instruments are recognized initially at the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit or loss (FVPL), includes transaction costs.

*Impairment of Financial Asset.* The Institute assesses at each reporting date whether a financial asset or group of financial asset is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred loss event) and that loss event has an

impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

#### Derecognition of Financial Assets and Financial Liabilities

*Financial Asset.* A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the right to receive cash flows from the asset expired;
- the Institute retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
- the Institute has transferred its rights to receive cash flows from the asset and either; (a) has transferred substantially all the risks and rewards of the asset; or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

*Financial Liabilities.* A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of income.

*Offsetting Financial Instruments.* Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets, liabilities and fund balances if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master agreements, and the related assets and liabilities are presented at gross amounts in the statement of assets, liabilities and fund balances.

#### Financial Asset

The Institute’s cash and cash equivalents and receivables are included in this category.

Cash includes cash on hand and in banks which are stated at face value. Cash equivalents are short-term, highly liquid investment that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### Property and Equipment

Property and equipment are stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and any impairment in value. The initial cost of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operations, such as repairs and maintenance and overhaul costs, are normally charged to operations in the period costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment losses, if any, are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statement of revenues and expenses.

The useful life of each of the property and equipment is estimated based on the period over which the asset is expected to be available for use.

Depreciation is computed on a straight-line method over the EUL of the assets as follows;

	Number of Years
Building - Office & Improvements	20
Furniture's & Fixtures and office Equipment	3-5
IT Equipment	5

The asset's residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, if there is an indication of significant change since the last reporting date.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of revenues and expenses in the year the item is derecognized.

#### Impairment Property and Equipment

An asset is made at each reporting date as to whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, there coverable amount is estimated. A previously recognized impairment loss is reversed only if there has been change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of revenues and expenses unless the asset is carried at revalued amount, in which case the reversal is treated as revaluation increase After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining EUL.

The Institute's property and equipment are not impaired as of December 31, 2018 and 2017. Assumptions made by management in assessing impairment of property and equipment are disclosed in Note 2.

#### Financial Liabilities

Included in this category are the Institute's liabilities arising from its accounts payable and accrued expenses.

#### Fund Balance

##### *Restricted Fund.*

Restricted Fund represents the accumulated excess of revenues over expenses pertaining to donations and contributions received for specific projects, net of related expenses.

##### *General Fund.*

General Fund represents the accumulated excess of revenues over expenses pertaining to donations and contributions received for general use, net of related expenses.

#### Revenue Recognition

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

*Membership.* Annual membership dues are recognized as income when collected regardless of the period to which they pertain.

*Affiliation Fee.* Fees from schools that are associated with the Institute are recognized as income when received.

*Seminar Fees.* Registration fees from various seminars conducted by the Institute are recognized as income when earned.

*Sponsorship, Donations and Solicitations.* Sponsorship, donations & solicitations from various entities during events organized by the Institute are recognized when received.

*Interest Income.* Interest is recognized as it accrues, using the effective interest method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial instrument.

*Miscellaneous Income.* Income from various activities other than seminars, processing fee of license renewal and others proceeds are recognized as income when earned.

#### Employee Benefits

The Institute provides short term benefits to its employees in the form of salaries and wages, 13<sup>th</sup> month pay, contributions to SSS/PHIC/HDMF and other short term employee benefits and included in "Program and administrative expenses".

#### Expense Recognition

Program cost and administrative expenses are recognized in the statement of income upon utilization of the service or on the date they are incurred.

#### Income Tax and Tax Exemption

As a non-stock, non-profit corporation under the provisions of Section 30 (g) of the Tax Reform Act of 1997 (Republic Act No. 8424), the Foundation is exempt from the payment of income taxes. No part of net income or asset shall belong to or inure to the benefit of any member, officer or any specific person. However, income of whatever kind and character of the Foundation from any its properties, real or personal, or from any of its activities conducted for profit, regardless of the disposition of such income, shall be subjected to income tax as imposed under the National internal Revenue Code.

#### Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial and operating decisions. This includes relationship that exists between and/or among entities, which are under common control with the reporting enterprise, or between and/or among the reporting enterprises and their key management personnel, directors or trustees.

#### Provisions and Contingencies

A provision is recognized if, as a result of a past event, the Foundation has a present legal or constructive obligation that can be estimated reliably, and it is probable that a transfer of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance cost. The Foundation does not recognize a provision for future operating losses.

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

#### Events After Reporting Period

Post-year-end events up to the date of the auditor's report that provide additional information about the Foundation's position at reporting date (adjusting events) are reflected in the financial statements. Post year end events that are not adjusting events are disclosed in the notes to financial statements when material.



**NOTE 4. CASH**

This account consists primarily of cash in bank which include current and savings for the years 2019 and 2018.

		2019		2018
Cash in Bank	P	15,535,532	P	12,391,470
Petty Cash Fund		10,000		10,000
CPD Fund		10,000		-
	P	15,555,532	P	12,401,470

**NOTE 5. RECEIVABLES**

This account consists primarily of advances. These advances were found to be collectible and recognizable for the years 2019 and 2018.

		2019		2018
Advances to Affiliates	P	6,198,461	P	5,552,834
Advances to Officers & Employees		7,077,740		4,404,703
Advances to Related Party		196,980		196,980
Accounts Receivable - Others		28,232		28,150
Other Sponsorship		-		-
	P	13,501,414	P	10,182,667

**NOTE 6. PROPERTY AND EQUIPMENT**

This account consists of:

Cost		01-Jan-19		Disposal		31-Dec-19
Building - Office Condominium	P	1,274,685	P	-	P	1,274,685
Furnitures & Fixtures		644,740		21,500		666,240
Building Improvements		120,000		-		120,000
IT Equipments		1,126,414		-		1,126,414
Office Equipments		271,895		120,000		391,895
<b>Total</b>	P	3,437,734		141,500	P	3,579,234
<b>Accumulated Depreciation</b>		<b>1-Jan-19</b>				<b>31-Dec-19</b>
Building - Office Condominium	P	764,049	P	-	P	764,049
Furnitures & Fixtures		636,058		-		636,058
Building Improvements		35,000		-		35,000
IT Equipments		694,393		-		694,393
Office Equipments		61,352		-		61,352
<b>Total</b>	P	2,190,852		-	P	2,190,852
<b>Net, Carrying Value</b>	P	<b>1,246,882</b>		<b>-</b>	P	<b>1,388,382</b>

Cost		01-Jan-18		Disposal		31-Dec-18
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Cost		01-Jan-18		Disposal		31-Dec-18
Building - Office Condominium	P	1,274,685	P	-	P	1,274,685
Furnitures & Fixtures		644,740		-		644,740
Building Improvements		120,000		-		120,000
IT Equipments		1,126,414		-		1,126,414
Office Equipments		271,895		-		271,895
<b>Total</b>	<b>P</b>	<b>3,437,734</b>		<b>-</b>	<b>P</b>	<b>3,437,734</b>
<b>Accumulated Depreciation</b>						
		<b>1-Jan-18</b>				<b>31-Dec-18</b>
Building - Office Condominium	P	662,291	P	-	P	662,291
Furnitures & Fixtures		633,144		-		633,144
Building Improvements		28,000		-		28,000
IT Equipments		548,605		-		548,605
Office Equipments		24,091		-		24,091
Total	P	1,896,131		-	P	1,896,131
<b>Net, Carrying Value</b>	<b>P</b>	<b>1,541,603</b>		<b>-</b>	<b>P</b>	<b>1,541,603</b>

#### NOTE 7. ACCRUED EXPENSES AND OTHER PAYABLES

Accrued expenses include unpaid utilities for December 2019.

Other payables includes statutory obligation as of the end of the period such as SSS, Philhealth, HDMF, Withholding Tax on Compensation, Expanded Withholding Tax and accounts payable to other party.

		2019		2018
Accrued Expense	P	1,253,711	P	2,236,348
<u>Other Payables:</u>				
Expanded Withholding Tax		26,923		-
SSS Premium and Loan Payable		5,399		10,556
Withholding Tax on compensation		3,095		-
Philhealth Premium Payable		1,708		2,241
HDMF Premium and Loan Payable		-561		1,481
	<b>P</b>	<b>1,290,274</b>	<b>P</b>	<b>2,250,626</b>

#### NOTE 8. FUND BALANCES

The Institute uses the funds for the operational activities as approved by the Management. Fund balances are utilized only activities in conformity with the approved work plans, budgets personnel and financial guidelines and policies of the Institute.

**NOTE 9. REVENUES**

Revenue includes annual membership dues, affiliation fee from schools that are associated with the Institute, seminar and registration fees from various seminars conducted by the Institute and sponsorship, donations and solicitations from various entities during events by the Institute.

		2019		2018
Membership Dues	P	6,917,870	P	8,572,150
Sponsorship, donations, solicitations		6,556,040		4,636,716
Affiliation fee & Chapter remittance		961,997		1,019,266
Seminars, summit and conventions		461,600		452,600
	P	<b>14,897,507</b>	P	<b>14,680,732</b>

**NOTE 10. PROGRAM AND ADMINISTRATIVE EXPENSES**

This account consists of:

		2019		2018
Catering	P	1,715,201	P	796,736
Salaries, wages and employee benefits		1,055,006		1,250,445
Training & Seminars		974,850		441,809
Event Venue		965,608		774,423
Airfare Expense		665,500		884,804
Hotel Accommodation		489,427		1,816,912
Office Supplies		343,153		464,576
Souvenirs & Plaques		301,363		340,418
Depreciation Expense		294,721		405,909
Professional, Accounting & Audit Fee		535,334		516,800
Meal Expense		247,470		370,449
Transportation and Travel Expense		134,994		170,029
Administrative, CPD, Postage and Storage Fee		161,011		348,480
Printing & Stationery		98,943		75,881
Postage, telephone, communication		97,037		118,143
SSS, Philhealth & HDMF contributions		96,112		149,599
13th Month Pay		83,584		92,400
Membership, Subscription, Dues & Association Fee		62,180		30,971
Donations and Sponsorship		50,500		599,750
Freight Handling & Courier		37,905		67,155
Permits & Licenses - Local		30,618		71,044
Bonus		30,000		-
Miscellaneous Expense		29,630		23,675
Electricity & Water		28,388		46,879
Non Tax Allowance		28,279		49,380
Talent Fee/Honorarium		27,000		274,058
Notarial Fee		11,250		27,400
Medicine		1,542		1,312
Gasoline, Parking & Toll Expense		1,196		-
Repairs and maintenance		1,000		10,839
Leave conversion		548		-

Bank charges	450	-
Light & Sounds	-	200,000
Contractors Fee	-	104,592
Commission	-	42,342
Advertising & Promotion	-	30,000
Christmas Party Expense	-	24,210
Representation, Office Meetings & others	-	22,725
Booth Contractors	-	21,457
Interest, Penalties & Surcharges	-	5,230
Unlocated difference	(970,348)	-
	<b>P 7,629,449</b>	<b>P 10,670,831</b>

#### **NOTE 11. SUPPLEMENTAL INFORMATION REQUIRED UNDER REVENUE REGULATIONS (RR) 15-2010**

In compliance with the requirements set forth by RR-No. 15-2010, hereunder are the information on taxes, duties and licenses fees paid or accrued during the year.

1. The company is a VAT Exempt registered company with no output VAT declared for the year.
2. The company did not have taxes on importation (i.e., customs duties and tariff duties) in 2019.
3. The company did not have any transactions which are subject to excise tax in 2019.
4. There are documentary stamp tax paid during the year.
5. Taxes and licenses paid or accrued in 2019 consist of the following:

		2019		2018
Business Tax	P	9,457	P	8,832
Community Tax Certificate		500		500
BIR Registration		500		500
	<b>P</b>	<b>10,457</b>	<b>P</b>	<b>9,832</b>

6. As of December 31, 2019, the company does not have any final deficiency tax assessment from the BIR nor does it have tax cases outstanding or pending in courts or bodies outside of the BIR in any of the open years.

#### **Supplemental Information Required Under RR 19-2011**

1. There were no taxable revenue for the year 2019.
2. The amounts of itemized deductions for the year ended December 31, 2019 under the regular tax regime are as follows:

Salaries, wages and employee benefits	1,055,006
Training & Seminars	974,850
Event Venue	965,608
Airfare Expense	665,500
Hotel Accommodation	489,427
Office Supplies	343,153
Souvenirs & Plaques	301,363
Depreciation Expense	294,721
Professional, Accounting & Audit Fee	535,334
Meal Expense	247,470
Transportation and Travel Expense	134,994
Administrative, CPD, Postage and Storage Fee	161,011
Printing & Stationery	98,943
Postage, telephone, communication	97,037
SSS, Philhealth & HDMF contributions	96,112
13th Month Pay	83,584
Membership, Subscription, Dues & Association Fee	62,180
Donations and Sponsorship	50,500
Freight Handling & Courier	37,905
Permits & Licenses - Local	30,618
Bonus	30,000
Miscellaneous Expense	29,630
Electricity & Water	28,388
Non Tax Allowance	28,279
Talent Fee/Honorarium	27,000
Notarial Fee	11,250
Medicine	1,542
Gasoline, Parking & Toll Expense	1,196
Repairs and maintenance	1,000
Leave conversion	548
Bank charges	450
Unlocated difference	970,348
	<b>P 7,629,449</b>

## NOTE 12. OTHER MATTERS – RELEVANT TAX UPDATE

Republic Act No. 10963 or the Tax Reform for Acceleration and Inclusion Act (TRAIN) was signed into Law on December 19, 2017 and took effect on January 1, 2018, making the new law enacted as of that date.

The TRAIN Law, which took effect on January 1, 2018 represents Package 1 of the comprehensive tax reform program of the current administration that aims to correct gaps in the present tax system, allowing it to be more effective and equitable. Below are the silent points of the TRAIN law:

- a. Reduction in personal income taxes
- b. Changes in capital income taxes
  - Final withholding tax on interest from foreign currency deposits increased to 15% from (7.5%) Capital gains tax on unlisted/untraded shares increased to 15%(from 5%/10%);
  - Stock transaction tax on listed/traded shares increased to 6/10 of 1% from (1/2 of 1%).
- c. Increased documentary stamp taxes (DST) rates by 50% to 100%
- d. Value Added Tax
  - Certain VAT zero-rated transactions to become subject to 12% VAT upon implementation of VAT refund system;

- *VAT exemption threshold for sale goods and services increased to 3.0 million (from 1.9Million);*
- *Included in VAT exempt transactions, among others: transfers of properties pursuant to a tax free merger; association dues, membership fees, and other assessments and charges collected by homeowners associations and condominium corporations.*

e. Excise Taxes

- \* *Revised excise taxes on cigars and cigarettes, manufactured oils and other fuels, petroleum products, automobiles, and minerals;*
- \* *Expanded scope of excise tax to include non-essential services and sweetened beverages.*

Although most of the changes will effect individuals, the TRAIN law also introduced changes to Income Tax, VAT and DST that may have an impact on the financial statements starting January 1, 2018.