



# ICTSI

## FOUNDATION

# TABLE OF CONTENTS

<b>05</b>	<b>THE CHAIRMAN'S MESSAGE</b>
<b>07</b>	<b>CORPORATE SOCIAL RESPONSIBILITY</b>
<b>15</b>	<b>EDUCATION</b>
<b>23</b>	<b>SPORTS</b>
<b>27</b>	<b>COMMUNITY WELFARE</b>
<b>37</b>	<b>2017 CITATIONS AND RECOGNITIONS</b>
<b>42</b>	<b>INDEPENDENT AUDITOR'S REPORT</b>
<b>45</b>	<b>STATEMENTS OF FINANCIAL POSITION</b>
<b>46</b>	<b>STATEMENT OF ACTIVITIES</b>
<b>47</b>	<b>STATEMENT OF CHANGES IN FUND BALANCE</b>
<b>48</b>	<b>STATEMENT OF CASH FLOWS</b>
<b>49</b>	<b>NOTES TO FINANCIAL STATEMENTS</b>
<b>58</b>	<b>2017 PARTNERS AND BENEFICIARIES</b>
<b>61</b>	<b>BOARD OF TRUSTEES AND MANAGEMENT</b>

A photograph of a woman and a young boy looking at a book together. The woman is on the left, leaning over the boy on the right. They are both wearing white t-shirts. The woman's shirt has the text "I Choose Share and" visible. The boy is holding a book. The background shows other people and a building. The entire image is overlaid with a blue tint and an orange border.

# ICTSI FOUNDATION ACCOMPLISHMENT REPORT 2017

# Scholarship Programs



## Education

Facility improvements  
Training and Capacity  
Building

Amateur Golf  
Softball



## Sports



## Community Welfare

Environmental  
Sustainability  
Free Volunteerism

# Special Projects

**DEAR STAKEHOLDERS,**

On its ninth year of operation, the ICTSI Foundation continued to facilitate inclusive and sustainable development for ICTSI's host communities and other stakeholders. The Foundation mounted a stronger response to the needs of the community. We expanded our initiatives and strengthened existing programs to meet the needs of the time.

In support of the Philippine Department of Education, we sponsored classroom school buildings for Blaán tribe in Sarangani Province, differently-abled and special children in Tagoloan, Misamis Oriental and in Manamoc and Algeciras islands in Palawan. Learning materials for 2,600 daycare and elementary pupils were also provided coupled with trainings to 500 public school teachers in the Foundation's public school partners in ICTSI host communities.

For our International Scholarship Program at Northeastern University in Boston, USA, a Binondo public high school graduate has been chosen as an addition to this program, to follow the footsteps of the ICTSI-program pioneers—Marlito Soriano and Coleen Dizon, who embraced the opportunity by exceeding expectations. Similarly, our local scholarship program accommodated additional deserving students.

The Foundation also intensified the implementation of the Parola Solid Waste Management Project, which aims to teach communities surrounding the Manila International Container Terminal about proper waste management. We continue to invest in people—Eco Patrols—to champion this cause and spread awareness within their respective communities by providing them with the tools and, more importantly, learning opportunities that will allow them to lead their communities and generate livelihood using the concept of proper waste disposal.

One rare special project for the year was our support to the Philippine military deployed to handle the Marawi siege in May. Our uniformed personnel needed all the help they could get, and we were more than willing to provide support in the form of supply donations to help return peace and stability to our country.

The year 2017 likewise saw a further boost to the Employee Volunteerism Program as shown in the increase in the number of employees participating in the Foundation's various projects. Also intensified were the conduct of disaster preparedness and environmental preservation seminars and orientations for Parola residents, teachers and students in Metro Manila public schools. We intend to bring this capacity-building activities to the rest of the ICTSI host communities in NCR, Luzon and Mindanao.

Outside of the Philippines, our global subsidiaries continue to take lead in fulfilling their role as corporate citizens of countries where we operate. With the Foundation's projects as benchmark, ICTSI subsidiaries support, design and implement their respective corporate social responsibility programs, reflecting the culture of sharing within our global group. The Foundation also started its engagement in our Papua New Guinea operations to ensure the sustainable development of our ports in Lae and Motukea, and the communities which would benefit from them.

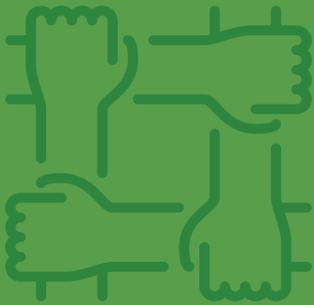
As we continue with our vision for the youth, we aim to do more projects along the lines of education, community welfare assistance and sports. We will expand and deepen our involvement with the communities through programs and instruments that will establish harmony and mutual growth between business and community.



**Enrique K. Razon Jr.**  
**CHAIRMAN**



# CSR STATEMENT



## ICTSI: The Value Of The Long View

As a port developer, manager and operator, we recognize that our organization — International Container Terminal Services, Inc.—touches on the lives of so many: individuals, families and communities; sectors and industries; as well as local, national, intraregional and inter-regional economies.

From Day One of our corporate life, we have always taken the long view of things, putting a premium on old-fashioned values of prudence, discipline and stewardship.

Now, as our business organization continues to grow, we are continuously translating these values into their contemporary equivalent, as we work to sustain profitability accomplished with integrity, and to advocate quality of life within and beyond our organization.

## Good Global Citizenship

Corporate social responsibility is at the core of ICTSI operations and corporate governance, encompassing relationships and commitments within the organization and beyond it.

We see CSR as having positive impact through Good Global Citizenship: nurturing harmonious relationships with shareholders and employees, customers and suppliers, host communities, government units and regulatory entities, and other stakeholders.

Within the organization, we uphold the diligent practice of Corporate Stewardship; working outward, we actively promote Development Partnerships.

# Corporate Stewardship



We value Good Corporate Governance: principled and effective Corporate Stewardship of people, of corporate resources, and of the environment. We are committed to:

- Promoting a strong culture of excellence, integrity and professionalism among employees
- Advancing our employees' quality of life; and,
- Protecting our people's health and occupational safety, while protecting the environment, especially in our port operations.

We welcome the continuing evolution of internationally accepted frameworks for setting, implementing and measuring compliance with corporate governance standards and systems. These frameworks shape and inform our efforts towards:

- Ethical code of conduct in all aspects of the corporate organization;
- Compliance with all government legislation and industry standards; and,
- Accountability to and transparency towards all internal and external stakeholders.

Ours is an ongoing work of transitioning from the simpler embedded-in-practice approach of corporate stewardship, to formal organizational codes of conduct and systems that we can apply across all strata of the organization, and replicate globally across all operations.



# Development Partnerships



We embrace the call for the corporate sector to become increasingly active and on-ground partners in development, be it in communities or sectors. We recognize the challenge of the times: the demand for more substantive and more empowering initiatives—Corporate Philanthropy premised, not on the charitable giving model, but on the active promotion of Development Partnerships.

## THREE DISTINCTIVES THUS MARK OUR CORPORATE PHILANTHROPY PERSPECTIVE:

- We choose to invest in the youth of today: a critical contribution holding next-generation implications.
- We choose to be context-based: empowering and equipping the youth within the context of their immediate environments, such as the communities they live in, how they learn, and how they play.
- Recognizing the growing impact of environmental issues on social development, we advocate environmental stewardship within the Company and in communities, even as we support disaster response efforts.

In support of government in its social development initiatives, and to contribute to the social development of host communities where ICTSI operates, we maximize multiple avenues for our Corporate Philanthropy commitment:

- Through the long-standing and continuing Group-wide community and sectoral development initiatives of the Head Office and the various local and international subsidiaries;
- Through the official Corporate Philanthropy arm of the ICTSI Group, the ICTSI Foundation, with its Sports Development, Education and Community Welfare program pillars; and,
- Through additional selected advocacies receiving our support.



# ICTSI Foundation, Inc. is the corporate social responsibility arm of International Container Terminal Services, Inc.



Headquartered and established in 1988 in Manila, Philippines, International Container Terminal Services, Inc. (ICTSI) is in the business of port development, management and operations.

As an independent business with no shipping, logistics or consignee-related interests, ICTSI works and transacts transparently with any stakeholder in the port community.

Once a one-port, one-country operation, ICTSI has grown into a truly multicultural and multinational organization, with subsidiaries across the Asia Pacific, the Americas, and Europe, Middle East and Africa. In pace with this corporate evolution, ICTSI's emphasis on good corporate governance and corporate philanthropy has also deepened and widened.

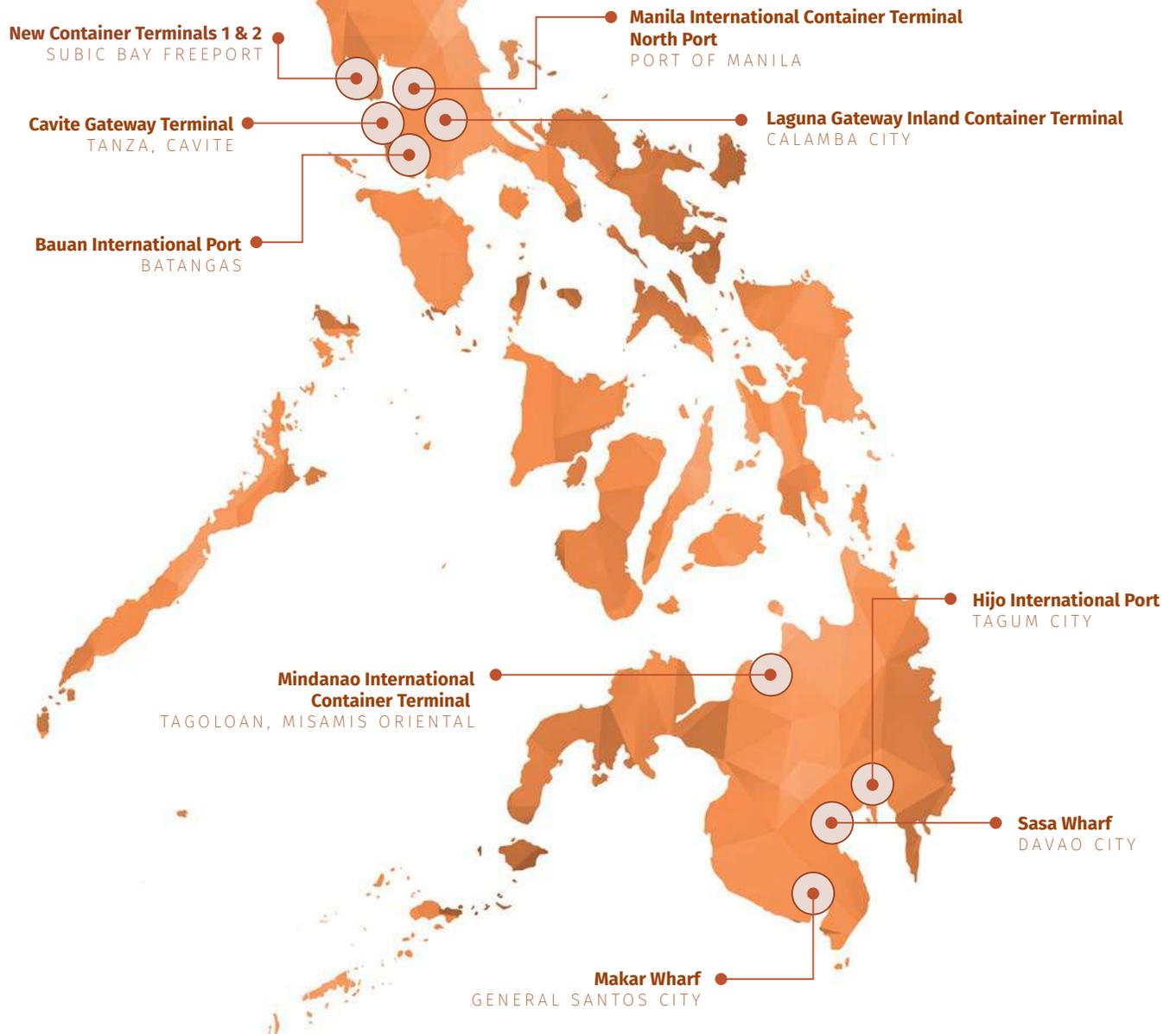
The continuing Group-wide initiatives, the selected areas for Corporate Philanthropy support, and the expanding work of the ICTSI Foundation: these all represent the institutionalization of the Company's culture of caring, and concretely express ICTSI's

commitment to increasing its positive impact in the spirit of global—and good—citizenship.

Having established its corporate footprint in 31 terminals across 18 countries, ICTSI has joined the ranks of truly global business organizations that are helping redefine standards and initiate or promote best practices in overall good corporate citizenship. More than effectively leveraging on its strength — improving port infrastructure in developing markets, ICTSI has been an active on-ground partner towards advancing the wellbeing and long-term interest of sectors and communities.



# Host communities and immediate hinterland of ICTSI operations in the Philippines



# ICTSI FOUNDATION

Creating positive impact at Home, Beyond and Across Generations

The ICTSI Foundation Inc. (IFI), the corporate social responsibility arm of ICTSI was established in 2010 to strengthen the Company's community involvement, as well as to institutionalize the culture of caring and helping across the Group. With youth development as its core advocacy, ICTSI Foundation engages and supports programs and activities under its three development pillars — Education, Sports, and Community Welfare.



## Vision

A society that supports and advances the growth potentials of the youth

## Mission

Provide support mechanisms and stimuli in sports, education, and community welfare/ social services that will enhance youth development

## Goals

- To develop young athletes for participation in national and international sports competitions;
- To provide scholarship grants and other forms of educational assistance to deserving youth;
- To provide skills and livelihood trainings to out-of-school-youth and other sectors of selected communities; and,
- To implement community welfare or social services to address needs of identified/ selected/preferred communities or individual-beneficiaries.

The Foundation is prepared to take on any of these roles to help ensure the success of developments that are initiated or supported by the ICTSI Head Office, ICTSI subsidiaries, other organizations, or by communities or sectors:

- Proponent
- Partner
- Funding Institution
- Implementer
- Coordinator



# EDUCATION



## Scholarship Program

### INTERNATIONAL SCHOLARSHIP PROGRAM

In 2017, ICTSI Foundation selected senior high school student John Lenard Rivera from Jose Abad Santos High School in Binondo, Manila as the third successful recipient of the ICTSI-Northeastern University scholarship after a rigorous selection process.

Rivera, who plans to pursue a degree in Civil Engineering, stood out among the 200 students who applied for the program, which further narrowed down from 87 for the initial interview, to eight for the final interview. Lauren Melaugh, Northeastern University Assistant Director conducted the final interview round in Manila last October.

Meanwhile, the two pioneer ICTSI scholars sent on a full-academic scholarship at Boston, Charmille Coleen Dizon of Olongapo City and Marlito Soriano of General Santos City, continue to excel in their academics as they work towards the completion of their degree by 2019. Both scholars recently participated in Northeastern's Cooperative Education (co-op) program last Fall 2017 as part of their coursework, giving them career-related work experience even before they graduate.

Coleen, taking up a combined major in Geology and Physics, recently worked at the Coastal Research Lab at Woods Hole Oceanographic Institution (WHOI) in Cape Cod, Massachusetts. Currently, Coleen is writing a paper about her co-op work at WHOI, eventually submitting it as part of her junior thesis and her application for the Honors in Marine and Environmental Sciences distinction upon graduation.

Marlito, who is taking up International Business with concentration in Accountancy gained experience at the Bio-Rad Laboratories as an accounts payable specialist. During his stint last fall, he was tasked to prepare reports for cost accounting and deal with the company's customers and suppliers, while working with an enterprise resource planning (ERP) system.

Providing youngsters with the life-changing opportunity to pursue higher education in the United States, the International Scholarship Program launched in 2014 is open to top students from eligible public high schools situated near the host communities of ICTSI ports. ICTSI provides a full-academic scholarship to chosen recipients - including miscellaneous fees, books, clothing, dormitory fees, travel and meal allowance.



## PHILIPPINE SCHOLARSHIP PROGRAM



The Foundation gives indigent yet deserving high school and college students in ICTSI's host communities a chance to complete basic and higher education. In partnership with the Department of Education (DepEd), the Foundation supported 75 college and 45 high school scholars in various state-run schools and colleges in Manila, Bauan, Batangas, Olongapo, Misamis Oriental, General Santos and Davao. Some of the scholars, who are dependents of ICTSI on-call employees, are supported by ICTSI benefactors.

## Facility Improvement / Educational Assistance

### PROJECT AIDE

While the ICTSI Foundation's various scholarship programs cater to high school and college students, the Foundation also offers a variety of support mechanisms for younger learners from the daycare to the elementary levels. Project Assistance to Improve Daycare Education

(Project AIDE) offers strategic contributions to strengthen barangay daycare education: by improving facilities, providing education and instructional materials, and supporting daycare workers' professional development.

Project AIDE was able to reach out to 1009 students in 23-daycare centers in Bauan, Batangas, Olongapo City, and Davao City.

### MY READING NOOK PROJECT

Recognizing the need to boost literacy – with reading as one of the four core skills of language learning – the ICTSI Foundation has been engaged in the My Reading Nook program. The program supports educational institutions' literacy thrusts in a variety of ways, including building or renovating existing rooms or libraries, providing them with age-appropriate reading and reference materials, and

conducting storytelling sessions with literacy advocates. My Reading Nook benefitted 1,617 elementary students in all, with the renovated Reading Nooks serving as libraries for all nursery to grade six students in Olongapo City and Calamba, Laguna.

### SPED ASSISTANCE

The Foundation, in seeking to help fill in gaps in the country's educational system, also supports the Department of Education's inclusive education policy. In line with this, the ICTSI Foundation commits to assisting Special Education (SPED) institutions in Bauan, Batangas and in Misamis Oriental. The Foundation was able to extend support to 66 children with special needs, providing them with materials designed to support their needs.

### TLE ASSISTANCE PROGRAM

The Foundation has been implementing its Technology and Livelihood Education (TLE) Assistance Program since 2010, with the renewed thrust directed towards supporting the country's public schools as it transitions to introducing senior high schools and responding to the various challenges in teaching technical-vocational and practical courses in the K to 12 Curriculum.

To better build partner public schools' capabilities to ensure successful learning TLE outcomes, the ICTSI Foundation provides the following: donation of course-

specific equipment, tools, and other materials; TLE laboratory construction or renovation; human resource support such as additional training on upgrading of techniques and updating on trends and technologies for teachers' accreditation. In 2017, 469 students from various senior high schools benefitted from the program in Bauan, Batangas and Manamoc Island in Palawan, enrolled in technical / vocational course programs such as automotive, cosmetology, dressmaking, electronics, food trades, and welding.

### SUPPORT FOR ALTERNATIVE LEARNING SYSTEM (ALS)

Part of the global vision of "Education for All" is the reintegration of out-of-school individuals of any age, into the educational system – with a responsive ALS that assists learners to effectively hurdle time and money constraints.

In the Philippines, the DepEd designed the Accreditation and Equivalency Program (ALS), which provides opportunities to those who dropped out of school due to poverty and other personal reasons, to re-enter formal education.

In support of the Education Department, the Foundation continues to provide support to the ALS classes being conducted in F. Bangoy Central Elementary School in Sasa, Davao City — a commitment it started in 2011.

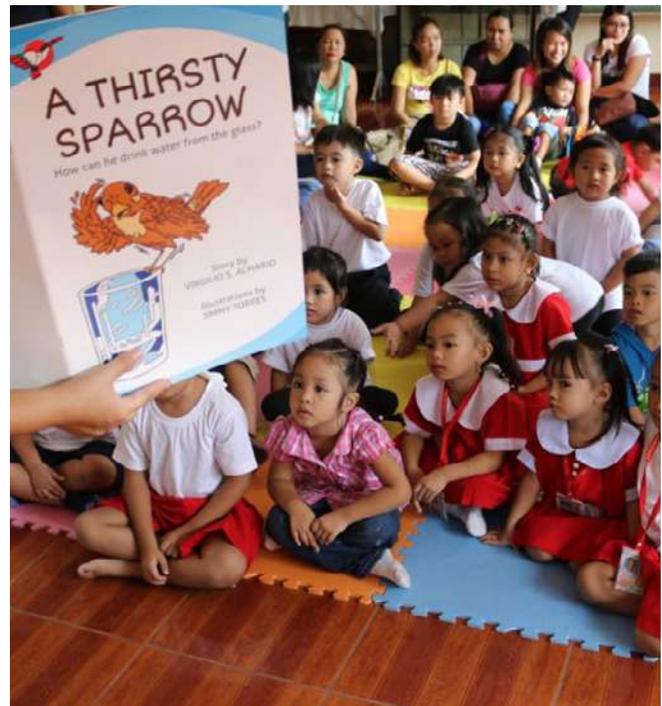


Some 250 students enrolled in the program took up Basic Literacy Courses for accreditation and equivalency, as well as technical vocational courses on plumbing, or computer hardware servicing. The Foundation also provides support to three ALS instructors in Davao City.

## SUPPORT TO INDIGENOUS PEOPLE

In coordination with the DepEd, the Foundation sponsored the construction of a two-classroom school building with a restroom for the Calay Indigenous Peoples School in Sitio Puting Bato, Barangay Lun Masla, Malapatan town, Sarangani Province. Expected to accommodate up to 90 to 120 primary and elementary students, the Foundation will also provide tables, chairs, cabinets and other school furniture.

Sitio Puting Bato is the community of the B'laan tribe where Marlito Soriano, ICTSI international scholar at NEU in Boston, comes from.





# Training and Capacity Building

## PROJECT TEACH

As important as physical structures and educational materials are, the quality of education rests more crucially on the competence and effectiveness of the teachers in carrying out their mission to educate, guide, and mold the students.

To this end, ICTSI Foundation offers Project TEACH (Teacher Empowerment and Capacity Honing), a continuing undertaking that supports teacher training activities across a range of competencies and disciplines. In 2017, the Foundation provided teacher training to 506 teachers in 10 elementary schools and daycare centers in Olongapo, Davao, Tagum and General Santos.

## COLLEGE AWARENESS AND READINESS PROGRAM

For many students and parents, choosing a course in college can be an afterthought. The Foundation, through the College Awareness and Readiness (CARES) Program, aims to provide guidance to students, with the help of their teachers and parents, on how to choose their course in college that would, later on, help them land their dream career. The program takes into consideration the student's course of choice that will match his academic ability, interests, and ultimately, his college admissions and life goals.

For the year in review, the Foundation was able to support 850 students, 52 parents, and 165 teachers in the Grade 10 level in target schools across the Manila area.



## OTHER EDUCATIONAL ASSISTANCE

ICTSI Foundation also welcomes opportunities to serve other schools in need. In 2017, the Foundation donated school bags with supplies to 247 Aeta students at San Martin Elementary School in Bamnan, Tarlac.







# SPORTS

## Amateur Golf Program



The ICTSI Foundation continues to take the lead in advancing the development of Philippine golf by supporting the careers of promising lady golfers through its amateur golf program.

Supervised by veteran coaches, lady golfers in the 2017 roster — Sophia Chabon, Mikhaela Fortuna, Bernice Olivarez-Illas, and Yuka Saso -- continue to give pride and honor to the country with the stellar performances they exhibit as they take on their local and international campaigns.

Another lady golfer, Samantha Dizon as of year-end is in assessment to be part of the roster, while Samantha Martirez and Abegail Arevalo already graduated from the amateur program after they were recruited by US colleges.

With the ICTSI Foundation's full management of the amateur program, lady golfers receive full support in their sportstraining needs, career pathing, and assistance.

With the ICTSI Foundation's full management of the amateur program, lady golfers receive full support in their sportstraining needs, career pathing, and assistance.



Samantha Dizon



Samantha Martirez



Abegail Arevalo



Sophia Chabon



Mikhaela Fortuna



Bernice Olivarez-Illas



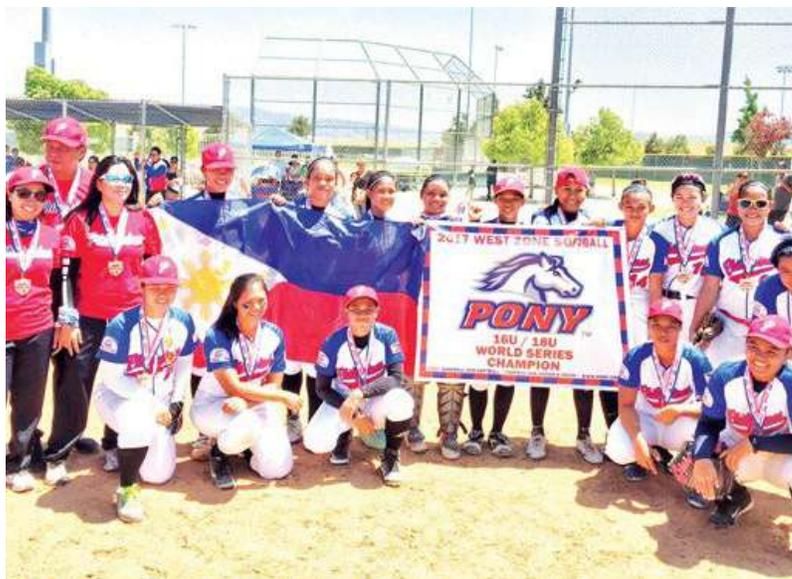
Yuka Saso



## Philippine Softbelles Sponsorship

Since 2013, the Foundation has extended its support to the Philippine national girls softball team, Team Manila-Philippines in their local and international campaigns. The year in review saw the Manila softbelles bring home the World Series crown for the first time during the 2017 Pony International 18-U Girls Softball World Series crown at Diamond Valley Park in the Valley-Wide Recreation District, Hemet, California last August. The team trounced defending champion Central Hemet Xplozion, 7-1, to snatch Philippines' and Asia's first title in the competition.

In 2017, the Foundation sponsored the needs of the League's 19 players and 3 coaches, from participation fees, airfare, meals, accommodations, softball equipment and materials.





# COMMUNITY WELFARE

## Environmental Sustainability



### **PAROLA SOLID WASTE MANAGEMENT** Project – Phase 2 (Expansion)

When it was launched in 2013, the Parola Solid Waste Management Project (PSWMP) was focused on tackling “a problem so huge, it weighs 10 tons”: the estimated daily garbage output of residents in the Parola community, which hosts MICT.

PSWMP entered its expansion phase in 2015, with intensified information, education, and communication (IEC) campaigns; continued multi-stakeholder engagement; the continuing training and deployment of the original and new EcoPatrol volunteers; and, regular garbage collection.

The year 2017 also saw the award-winning PSWMP providing more opportunities for the Parola as well as the Isla Putting Bato residents to engage in environmentally sustainable projects: initiatives that solve the perennial waste disposal and its attendant problems while providing opportunities for people to generate income from it.

The Foundation directly supports 78 volunteer EcoPatrols, while host communities of MICT’s flagship, Parola and Isla Putting Bato indirectly benefit from the results of the program.

Having developed newer mindsets, valuable experience, and personal confidence through their participation in PSWMP Phase 1, the Partner-beneficiaries—the EcoPatrol Volunteers who form the core of community leaders and influencers—began taking frontline roles in Phase 2.

PSWMP offered a slew of learning opportunities: orientations, workshops, team building, study tours, and more. Back home, the EcoPatrols shared Ecological Solid Waste Management values and concepts to their families and neighbors.

On duty in their respective neighborhood circles, the EcoPatrols reminded, cleaned, and encouraged. As PSWMP expanded to cover another community, EcoPatrols identified the new volunteers. All together, they initiated projects: gardening for livelihood and food, recycling, and upcycling.



The Foundation supported these initiatives through the conduct of additional seminars on solid waste management, team building, business orientation seminar, and innovative recycling. Given all these gains, the ICTSI Foundation is confident that the vision to eventually replicate PSWMP (in the host communities of the seven other Philippine ports) is realizable.

# Employee Volunteerism



## ICTSI EMPLOYEE VOLUNTEERISM PROGRAM

In 2015, ICTSI introduced a new avenue for employees' personal development and fulfillment: the ICTSI Employee Volunteerism Program (IEVP). Envisioned to help generate social value in the form of increased employee engagement and opportunities for unity and teamwork, the IEVP also provides holistic benefits for employees—mainly in the form of enhanced fulfillment and sense of purpose—through volunteer service to individuals, groups or communities, especially from marginalized sectors.

It also systematizes and strengthens the ICTSI Group's long-running tradition of employee volunteerism; benefits ICTSI ports' host communities, which have always been the primary beneficiaries of the Company's CSR programs and projects; and, benefits other groups, sectors, and communities through IEVP outreaches.

In the second year of IEVP, 392 employee-volunteers had invested their care, strength, time, and even resources in six major outreaches and community engagements benefiting roughly 8,721 marginalized persons.

Employees from Global HR, Corporate - HSSE, GCAC, MICT-SD, Admin, Safety, Claims and Accounting joined the outreach at the Kanlungan ni Maria, a home for the elderly at

Antipolo, Rizal; while those from Safety, Engineering and Global HR joined the activity at Madre De Amor Hospice in Calamba, Laguna, a palliative care institution.

Other employees from various departments also joined the outreach at Bahay Aruga in Manila, a halfway house for children afflicted with cancer; and volunteering activities with Hands On Manila.

Employees meanwhile from Operations, Purchasing, Accounting, Anchorage, Safety, Treasury, General Ad Services and OP Resource meanwhile gave support to the Department of Education’s annual Brigada Eskwela program, helping in the renovation of schools and classrooms for the incoming school year.

To help protect the environment and raise awareness on protecting bodies of water, employees from the Manila flagship joined the 32nd International Coastal Clean-up day last September at the Bay Walk area of Roxas Boulevard in Manila, wherein more than 500 kilograms of trash, consisting mainly of discarded materials, footwear, plastics, and foam packaging was recovered from the sea. The Foundation also donated cleaning materials for the event.

Just as important, several employee volunteers also combined their resources in a common commitment to support the inaugural batch of five IEVP scholars, children of on-call rank and file ICTSI employees who live in the MICT’s host Parola community—a new addition to the ICTSI Foundation’s scholarship portfolio.





## MEDICAL MISSION

The ICTSI Foundation has a continuing commitment to the holding of medical and dental missions, particularly in the communities hosting ICTSI's Philippine ports. The annual missions – Gamutan sa Pantalan – provides these medical and dental services to indigent members of the port communities. This project is the subject of the annual requests of barangay chairmen and local populace at the host communities of ICTSI-operated ports in Manila, Bauan, Bataan, General Santos and Misamis Oriental. In 2017, more than 1,493 indigent residents in host communities benefitted from the program.



## CHRISTMAS OUTREACH INITIATIVES

The spirit of giving that animates the work of the ICTSI Foundation, and which gives ICTSI employees such an infinite sense of fulfillment from taking part in the Employee Volunteer Program is best embodied at Christmas, the ultimate season of love. Benefitting 1,987 children, fisherfolks, indigent senior citizens, the annual Christmas Outreach Program involves all local subsidiaries of ICTSI in the Philippines.

To complement these, the Foundation partakes in the Christmas Wish Tree Project, aiming to engage the whole ICTSI community — employees, their families, and other port users — to grant the Christmas wishes of marginalized children in different institutions. Some 305 children from Manila and Misamis Oriental benefitted from the project.





# Special Projects and Development Assistance

## ASSISTANCE FOR MARAWI TROOPS

The Foundation extended support to more than 500 military and other uniformed personnel (MUPs) who helped liberate the City of Marawi in Lanao del Sur, home to more than 200,000 individuals, after it was sieged by the Islamic State-inspired Maute Group last May 23, 2017. The Marawi war took the lives of more than 1,000 individuals, including security troops who fought the local and foreign terrorists.





## RELIEF OPERATIONS

ICTSI Foundation, in coordination with employee-volunteers, extended help to households affected by a big fire in Parola and Isla Puting Bato in Tondo, Manila. Food and relief goods were distributed to more than 2,057 families in Parola, and 80 families in Isla Puting Bato.

# Training & Capacity Development

## DISASTER PREPAREDNESS ORIENTATION COURSE

In partnership with the Metro Manila Development Authority (MMDA), the Foundation launched programs to prepare residents of MICT's host communities, Parola and Isla Puting Bato for disaster preparedness and response efforts, ranging from rescue, relief to rehabilitation. A total of 2,383 residents benefitted from the project.



## RESPONDING TO THE NEEDS OF THE ENVIRONMENT

With the Foundation's vision of supporting the potentials of the youth, it has launched various school-based programs to ensure that the future generation will be of great help in light of the changing environment. In 2017, the Foundation launched an Environment Management System program for Manila-based schools, covering 747 teachers and students; and the Youth for Environment in schools with 537 students and teachers.



## STRESS MANAGEMENT FOR TEACHERS

To help teachers overcome the significant impact of the occupational stress to their performance and emotional well-being, some 200 teachers from the Division of City Schools - Manila participated in the Foundation's Stress Management Program for teachers, which gave them tips on how to confront with issues concerning their mental health.







# 2017 CITATIONS & RECOGNITIONS

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## 30 January

Received a Plaque of Commendation from DepEd Davao City in grateful recognition as partner in the promotion of quality education at the Grand Men Seng Hotel in Davao City.

## 31 January

Recognized as a Million Peso Donor Awardee in 2017 during the 10th anniversary celebration of the Motolite-PBSP Balik- Baterya Program at the Acacia Hotel in Alabang.

Jumpstarted by car battery manufacturer Motolite, Balik Baterya (literally, return of batteries) encourages companies to return their used lead acid batteries (ULAB) waste. The recovered ULAB are then recycled and used in the production of new automotive and industrial batteries. To incentivize the ULAB returns, the number of donated used batteries is assigned a peso value, and upon accumulation, can be redeemed in the form of funds for various CSR undertakings.

## 17 February

Received a Certificate of Recognition from Manila Doctors Hospital's Shine Awards for being a dependable and generous program partner and active member of the MDH CSR Circle of Partners.

## 10 March

The Public Relations Society of the Philippines conferred Silver and Gold Anvil awards to programs on employee volunteerism, scholarship, Parola solid waste management, and golf.

## 5 July

ICTSI Foundation's Phase 2 expansion of the Parola Solid Waste Management project was awarded the Philippine Gold Quill for the Communication Division: CSR Category during the 15th Philippine Quill Awards.

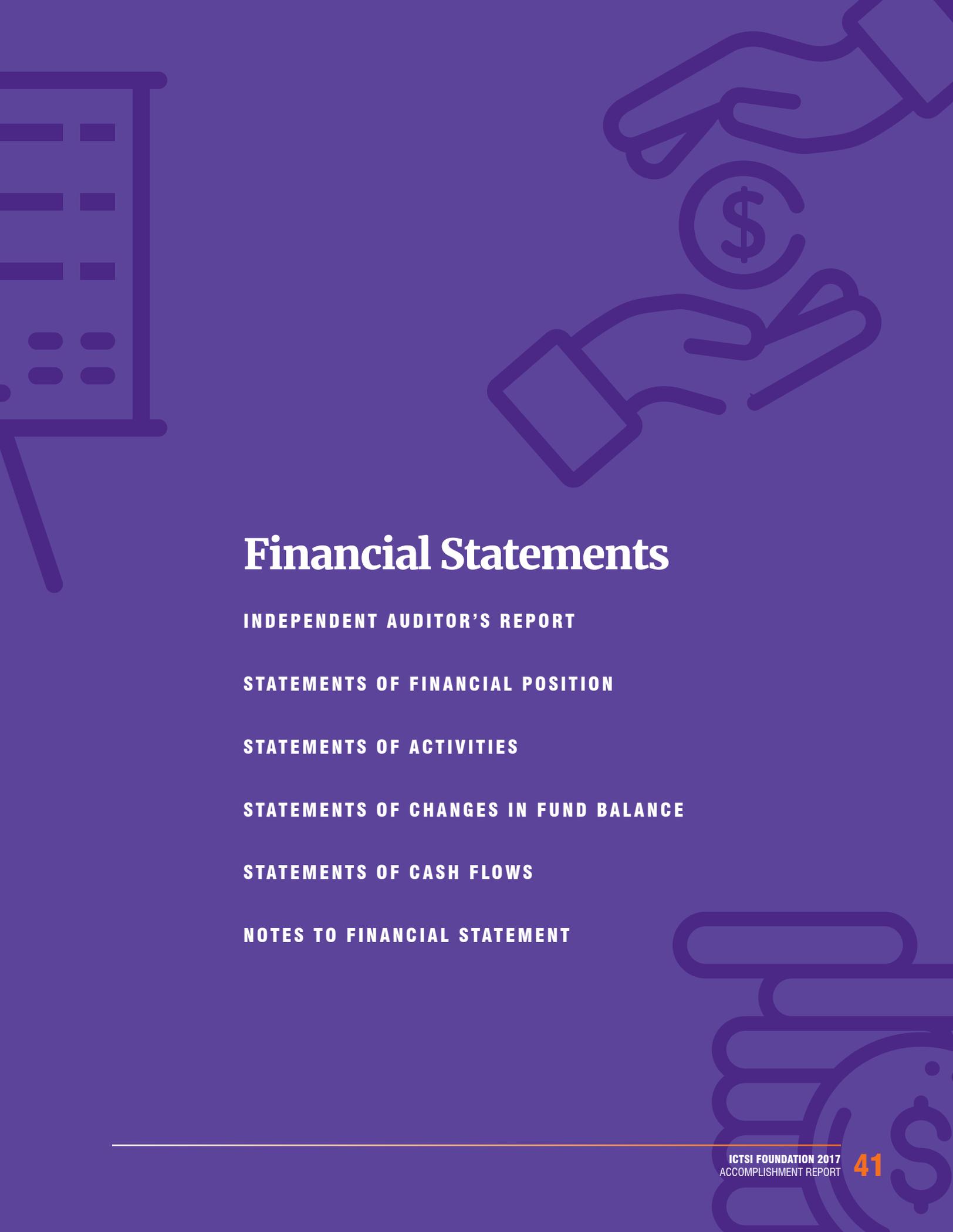
## 23 September

Received a Plaque of Recognition from Hands On Manila Foundation, Inc. for ICTSI Foundation's valuable contribution and support to Servathon, their annual flagship volunteerism program for companies and organizations at the Philippine International Convention Center (PICC) in Pasay City









# Financial Statements

INDEPENDENT AUDITOR'S REPORT

STATEMENTS OF FINANCIAL POSITION

STATEMENTS OF ACTIVITIES

STATEMENTS OF CHANGES IN FUND BALANCE

STATEMENTS OF CASH FLOWS

NOTES TO FINANCIAL STATEMENT

## INDEPENDENT AUDITOR'S REPORT

The Board of Trustees  
ICTSI Foundation, Inc.  
Room 204, 2<sup>nd</sup> Floor, ICTSI Administration Building  
South Access Road,  
Manila International Container Terminal, Port of Manila

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of ICTSI Foundation, Inc. (the Foundation), which comprise the statements of financial position as at December 31, 2017 and 2016, and the statements of activities, statements of changes in fund balance 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 financial position of the Foundation as at December 31, 2017 and 2016, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standard 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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 Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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:

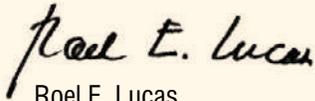
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

### **Report on the Supplementary Information Required Under Revenue Regulations 15-2010**

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 14 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of ICTSI Foundation, Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Roel E. Lucas  
Partner  
CPA Certificate No. 98200  
SEC Accreditation No. 1079-AR-2 (Group A),  
March 2, 2017, valid until March 1, 2020  
Tax Identification No. 191-180-015  
BIR Accreditation No. 08-001998-95-2016,  
January 3, 2017, valid until January 2, 2020  
PTR No. 6621278, January 9, 2018, Makati City

March 6, 2018

**ICTSI FOUNDATION, INC.**  
**STATEMENTS OF FINANCIAL POSITION**

	December 31	
	2017	2016
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash (Note 5)	₱5,194,948	₱7,354,135
Prepaid expenses and other current assets (Note 6)	34,678	71,804
Total Current Assets	5,229,626	7,425,939
<b>Noncurrent Assets</b>		
Property and equipment (Note 7)	186,919	813,365
Security deposit (Note 13)	191,618	182,494
Total Noncurrent Assets	378,537	995,859
<b>TOTAL ASSETS</b>	<b>₱5,608,163</b>	<b>₱8,421,798</b>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Current Liability</b>		
Accounts payable and other current liabilities (Note 8)	₱3,375,929	₱5,578,776
<b>Noncurrent Liability</b>		
Retirement benefit liability (Note 12)	574,348	317,787
Total Liabilities	3,950,277	5,896,563
<b>Fund Balance</b>	<b>1,657,886</b>	<b>2,525,235</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>₱5,608,163</b>	<b>₱8,421,798</b>

*See accompanying Notes to Financial Statements.*

**ICTSI FOUNDATION, INC.**  
**STATEMENTS OF ACTIVITIES**

	<b>Years Ended December 31</b>	
	<b>2017</b>	<b>2016</b>
<b>INCOME</b>		
Grants, donations and pledges (Note 9)	<b>₱71,730,355</b>	₱73,831,251
Interest income (Note 5)	<b>20,087</b>	43,926
Unrealized foreign exchange gain - net	–	92,381
	<b>71,750,442</b>	73,967,558
<b>EXPENSES</b>		
Project expenses (Note 10)	<b>68,697,810</b>	78,081,073
Administrative expenses (Note 11)	<b>3,918,098</b>	3,438,381
Unrealized foreign exchange loss - net	<b>1,883</b>	–
	<b>72,617,791</b>	81,519,454
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>	<b>₱867,349</b>	₱7,551,896

*See accompanying Notes to Financial Statements.*

**ICTSI FOUNDATION, INC.**  
**STATEMENTS OF CHANGES IN FUND BALANCE**

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	<b>Years Ended December 31</b>	
	<b>2017</b>	<b>2016</b>
Balance at beginning of year	<b>₱2,525,235</b>	₱10,077,131
Deficiency of revenues over expenses	<b>(867,349)</b>	(7,551,896)
Balance at end of year	<b>₱1,657,886</b>	₱2,525,235

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*See accompanying Notes to Financial Statements.*

**ICTSI FOUNDATION, INC.**  
**STATEMENTS OF CASH FLOWS**

	<b>Years Ended December 31</b>	
	<b>2017</b>	<b>2016</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Deficiency of revenues over expenses	<b>(₱867,349)</b>	(₱7,551,896)
Adjustments for:		
Depreciation (Notes 7, 10 and 11)	<b>626,446</b>	3,171,976
Pension cost (Note 12)	<b>256,561</b>	317,787
Interest income (Note 5)	<b>(20,087)</b>	(43,926)
Unrealized foreign exchange loss (gain) - net	<b>1,883</b>	(92,381)
Changes in fund balance before changes in working capital	<b>(2,546)</b>	(4,198,440)
Decrease in prepaid expenses and other current assets	<b>37,126</b>	377,412
Increase (decrease) in accounts payable and other current liabilities	<b>(2,202,847)</b>	3,283,094
Cash used in operations	<b>(2,168,267)</b>	(537,934)
Interest received	<b>20,087</b>	43,926
Net cash flows used in operating activities	<b>(2,148,180)</b>	(494,008)
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Acquisition of property and equipment (Note 7)	-	(40,400)
Increase in security deposit (Note 13)	<b>(9,124)</b>	(16,967)
Cash flows used in investing activities	<b>(9,124)</b>	(57,367)
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH</b>	<b>(1,883)</b>	92,381
<b>NET DECREASE IN CASH</b>	<b>(2,159,187)</b>	(458,994)
<b>CASH AT BEGINNING OF YEAR</b>	<b>7,354,135</b>	7,813,129
<b>CASH AT END OF YEAR (Note 5)</b>	<b>₱5,194,948</b>	₱7,354,135

*See accompanying Notes to Financial Statements.*

## **ICTSI FOUNDATION, INC.**

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### **NOTES TO FINANCIAL STATEMENTS**

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#### **1. Foundation Information**

The ICTSI Foundation, Inc. (the "Foundation") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on May 12, 2009 but its operations officially started on January 1, 2010. The Foundation is organized and operated generally in and for the public interest; and specifically for charitable, civic, social, artistic and cultural endeavors; education youth and sports development; community welfare and development efforts and other related purposes beneficial to the national welfare. The objective of the Foundation is to support the search for training, development and competitiveness of athletes who can represent the Philippines in the national, regional and international competitions; to promote the development of sports; to foster the advancement of education; and to conduct seminars, workshops or livelihood projects in urban and rural communities.

As a non-stock, non-profit corporation, the Foundation's income is exempt from the payment of income tax as set forth in Section 30(E) of Republic Act No. 8424 known as "An Act Amending the National Internal Revenue Code, as Amended and for other Purposes". However, the income of whatever kind and character from any of its properties, real or personal, or any of their activities conducted for profit regardless of the disposition made of such income shall be subject to tax imposed under the Code. The Foundation applied for re-accreditation with the Philippine Council for NGO Certification and was awarded a certificate of accreditation on February 26, 2016 that is valid from February 26, 2016 to February 25, 2021.

The registered office address of the Foundation is Room 204, 2nd Floor, ICTSI Administration Building, South Access Road, Manila International Container Terminal, Port of Manila.

The financial statements of the Foundation were approved and authorized for issuance by the Board of Trustees (BOT) on March 6, 2018.

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#### **2. Basis of Preparation and Statement of Compliance**

##### Basis of Preparation

The financial statements have been prepared on a historical basis and are presented in Philippine Peso (Peso or ₱), which is the Foundation's functional and presentation currency. All amounts are rounded off to the nearest Peso unit, except when otherwise indicated.

##### Statement of Compliance

The financial statements have been prepared in compliance with Philippine Financial Reporting Standard for Small and Medium-sized Entities (PFRS for SMEs).

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#### **3. Summary of Significant Accounting and Financial Reporting Policies**

##### Cash

Cash includes cash on hand and in bank.

##### Property and Equipment

Property and equipment are stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and any accumulated impairment loss. The initial cost of property and equipment comprises its purchase price and other directly attributable costs of bringing the asset to its working condition and location for its intended use. Such cost includes the cost of replacing part of such property and equipment when that cost is incurred and if the recognition criteria are met.

Depreciation starts on the succeeding month after the property and equipment are available for use and computed using the straight-line method over the estimated useful lives of the assets as follows:

Office equipment	3-5 years
Transportation equipment	5 years
Office improvements	3-5 years
Leasehold improvements	5 years or term of the lease, whichever is shorter

If there is an indication that there has been a significant change in useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or losses arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of activities in the year the asset is derecognized.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation is charged to current operations.

#### Impairment of Property and Equipment

At each reporting date, 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 statement of activities.

#### Security Deposit

Security Deposit is recorded based on the contract of the Foundation with Lucky Star Holdings, Inc. which is expected to be realized for more than 12 months after the reporting period (see Note 13).

#### Accounts Payable and Other Current Liabilities

Accounts payable and other current liabilities is part of the working capital used in the normal operating cycle of the Foundation. Other current liabilities are not settled as part of the Foundation's normal operating cycle but are due for settlement within 12 months after the reporting date. Accounts payable and other current liabilities are recognized in the period when incurred.

Other current liabilities includes accrued expenses, accounts payable, Social Security System (SSS)/Employees' Compensation Commission (ECC), Philippine Health Insurance Corporation (Philhealth), Home Development Mutual Fund (HDMF) premiums payable and others.

#### Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement

The Foundation, as the lessee, does not acquire substantially all the risks and benefits of ownership of the leased asset and thus is classified as operating lease. Operating lease payments are recognized as expense in the statement of activities on a straight-line basis over the lease term.

#### Fund Balance

The amount included in fund balances represents net accumulated excess of income over expenses.

### Income

Income is recognized to the extent that it is probable that the economic benefits will flow to the Foundation and the revenue can be reliably measured. The following specific recognition criteria must also be met before income is recognized.

*Grants, Donations and Pledges.* Income from grants, donations and pledges are recognized upon pledge or receipt of the amount from the donor.

*Interest Income.* Interest income is recognized as it accrues, taking into account the effective yield on the asset.

### Expenses

*Project and Administrative Expenses.* Project and administrative expenses are recognized as incurred.

### Retirement Costs

The Foundation has a defined benefit plan, covering all of its current 12 regular employees. Retirement costs are determined based on the provisions of retirement plan of the Foundation. The retirement benefit is computed as 100% of the latest basic monthly salary for every year of credited service.

Under the said plan, the Foundation elected to measure its defined benefit obligation with respect to its employees with the following simplifications or assumptions:

- a. No possible in-service mortality of current employees between December 31, 2017 and the date employees are expected to begin receiving post-employment benefits,
- b. No future service of current employees and future salary increase.

These simplifications, however, maybe subject to the Foundation's future amendments of the retirement benefit plan, anchored on profile changes of its employees.

### Foreign Currency Transactions

Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to the statement of activities. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

### Provisions

Provisions, if any, are recognized when the Foundation has a present obligation (legal or constructive) as a result of a past event, it 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. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

### Contingencies

Contingent assets and liabilities are not recognized in the financial statements. Contingent assets are disclosed in the notes to financial statements when an inflow of economic benefits is probable and recognized in the balance sheet and the related income in the statement of activities when an inflow of economic benefits is virtually certain. On the other hand, contingent liabilities are disclosed in the notes to financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

### Events after the Reporting Date

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

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#### 4. Significant Accounting Judgment, Estimates and Assumptions

##### Judgments

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

- Functional Currency

The Foundation determined its functional currency to be the Philippine Peso. The determination of functional currency was based on the primary economic environment in which the Foundation operates.

- Operating Lease - Foundation as a Lessee.

The Foundation has entered into a lease agreement as a lessee with Lucky Star Holdings, Inc. The Foundation determined that the lessor retains all the significant risks and rewards of ownership of the leased properties which are leased out on operating lease arrangement.

##### Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation and uncertainty at the reporting date that may have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next fiscal year are discussed below:

- Impairment of Nonfinancial Assets

PFRS for SMEs requires nonfinancial assets to be tested for impairment when certain impairment indicators are present. Nonfinancial assets include property and equipment. When impairment indicator exists, management is required to make estimates and assumptions to determine the future cash flows to be generated from the continued use and ultimate disposition of these assets in order to determine the value of these assets. There is no indication of impairment in 2017 and 2016 and thus, no asset impairment was recognized. The carrying amounts of property and equipment are disclosed in Note 7 to the financial statements.

## 5. Cash

This account consists of:

	2017	2016
Cash in bank	₱5,174,948	₱7,339,135
Cash on hand	20,000	15,000
	<b>₱5,194,948</b>	<b>₱7,354,135</b>

Cash in bank earns interest at the respective bank deposit rates. Interest income earned amounted to ₱20,087 in 2017 and ₱43,926 in 2016.

## 6. Prepaid Expenses and Other Current Assets

This account consists of:

	2017	2016
Advances to employees	₱22,613	₱43,116
Prepaid expenses	12,065	9,801
Advances to project coordinators	–	18,887
	<b>₱34,678</b>	<b>₱71,804</b>

## 7. Property and Equipment

This account consists of:

	2017				Total
	Office Equipment	Transportation Equipment	Office Improvements	Leasehold Improvements	
<b>Cost</b>	₱2,687,025	₱2,092,285	₱2,572,452	₱4,725,747	₱12,077,509
<b>Accumulated Depreciation</b>					
Balance at beginning of year	2,023,901	1,998,642	2,531,063	4,710,538	11,264,144
Depreciation (Notes 10 and 11)	481,330	93,333	36,574	15,209	626,446
Balance at end of year	2,505,231	2,091,975	2,567,637	4,725,747	11,890,590
<b>Net Book Value</b>	<b>₱181,794</b>	<b>₱310</b>	<b>₱4,815</b>	<b>₱–</b>	<b>₱186,919</b>

	2016				Total
	Office Equipment	Transportation Equipment	Office Improvements	Leasehold Improvements	
<b>Cost</b>					
Balance at beginning of year	₱2,646,625	₱2,092,285	₱2,572,452	₱4,725,747	₱12,037,109
Additions	40,400	–	–	–	40,400
Balance at end of year	2,687,025	2,092,285	2,572,452	4,725,747	12,077,509
<b>Accumulated Depreciation</b>					
Balance at beginning of year	1,514,517	1,774,319	2,455,667	2,347,665	8,092,168
Depreciation (Notes 10 and 11)	509,384	224,323	75,396	2,362,873	3,171,976
Balance at end of year	2,023,901	1,998,642	2,531,063	4,710,538	11,264,144
<b>Net Book Value</b>	<b>₱663,124</b>	<b>₱93,643</b>	<b>₱41,389</b>	<b>₱15,209</b>	<b>₱813,365</b>

Fully depreciated property and equipment with cost amounting to ₱10,707,726 and ₱8,972,353 million as at December 31, 2017 and 2016, respectively, are still being used in the Foundation's operations.

## 8. Accounts Payable and Other Current Liabilities

This account consists of:

	2017	2016
Accrued expenses	₱ 3,068,832	₱ 1,335,204
Accounts payable	124,055	4,099,110
Withholding tax - compensation	79,794	82,027
SSS/ECC, Philhealth, HDMF premiums payable	45,295	29,060
Withholding tax - expanded	31,756	3,734
SSS and HDMF loans payable	26,197	29,641
	<b>₱ 3,375,929</b>	<b>₱ 5,578,776</b>

Accounts payable are noninterest-bearing and are normally settled on a thirty (30) to ninety (90) day terms.

Accrued expenses pertains to insurance expense, utilities expenses, professional fees and various reimbursement of project expenses.

## 9. Grants, Donations and Pledges

International Container Terminal Services, Inc. (ICTSI) and other parties make donations to the Foundation in support of its projects and activities. This account consists of:

	2017	2016
Donations from ICTSI	₱ 71,729,205	₱ 73,315,817
Donations from other parties	1,150	515,434
	<b>₱ 71,730,355</b>	<b>₱ 73,831,251</b>

## 10. Project Expenses

This account consists of:

	2017	2016
Sports development assistance	₱ 20,324,481	₱ 21,119,680
Education	19,423,083	15,269,734
Special projects	10,392,180	24,104,095
Community welfare assistance	9,529,425	6,714,910
Salaries and employee benefits	5,892,003	5,001,325
Rent expense (Note 13)	1,180,986	1,059,929
Utilities	581,281	554,381
Transportation and travel	543,553	420,779
Depreciation (Note 7)	347,141	2,685,305
Institutional development	183,821	660,811
Insurance and bonds	35,097	-
Sponsorship	-	240,225
Others	264,759	249,899
	<b>₱ 68,697,810</b>	<b>₱ 78,081,073</b>

## 11. Administrative Expenses

This account consists of:

	2017	2016
Salaries and employee benefits	₱1,831,639	₱1,457,730
Professional fees	442,682	416,752
Office supplies	382,388	196,240
Christmas giveaways	311,271	233,901
Depreciation (Note 7)	279,305	486,671
SSS, HDMF and Philhealth contributions	254,137	216,951
Transportation	73,452	54,422
Meals	47,084	47,639
Communication	36,315	28,460
Insurance and bonds	35,303	118,222
Taxes and licenses	12,043	13,533
Others	212,479	167,860
	<b>₱3,918,098</b>	<b>₱3,438,381</b>

## 12. Retirement Benefits

The Foundation has a defined benefit plan covering all of its regular employees. The benefits are based on the years of service and percentage of latest basic monthly salary.

The movement in the present value of defined benefit obligation computed using the simplified approach during the years ended December 31, 2017 and 2016 are as follows:

	2017	2016
Present value of defined benefit obligation		
at beginning of year	₱317,787	₱-
Current service cost	256,561	317,787
Present value of defined benefit obligation		
at end of year	₱574,348	₱317,787

## 13. Lease Commitment

In September 2014, the Foundation entered into a lease agreement with Lucky Star Holdings, Inc. for the ICTSI Foundation Multi-Purpose Hall located in Intramuros, Manila where it will serve as training and assembly venue for the Foundation's project partners and beneficiaries. The lease shall be effective for two years commencing on October 1, 2014.

The Foundation paid two months of monthly rental as security deposit amounting to ₱165,527 and is recognized as part of "Prepaid and other current assets" account in the statements of financial position in 2015. This is reclassified as "Security deposit" under noncurrent assets in 2016.

The Foundation shall pay a monthly rental of ₱82,764 and a five percent escalation clause starting on first month of the second year of the lease term.

In September 2016, the Foundation extended the lease agreement with Lucky Star Holdings, Inc. The lease shall be effective for five years commencing on October 1, 2016.

The Foundation shall pay the following additional security deposit on first month of:

First year	₱ 16,967
Second year	9,124
Third year	5,752
Fourth year	5,920
Fifth year	6,097

As of December 31, 2017 and 2016, security deposit amounted to ₱191,618 and ₱182,494, respectively.

The Foundation shall pay a monthly rental starting on first month of:

First year	₱91,247
Second year	95,809
Third year	98,684
Fourth year	101,645
Fifth year	104,693

Rent expense recognized amounted to ₱1,180,986 and ₱1,059,929 in 2017 and 2016, respectively (see Note 10).

The schedule of future minimum lease payables for outstanding operating lease agreement as of December 31, 2017 is as follows:

Not later than one year	₱1,158,333
Later than one year but not later than five years	3,364,212
	<u>₱4,522,545</u>

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#### 14. Supplementary Information Required Under Revenue Regulations 15-2010

The Foundation reported and/or paid the following types of taxes for the year ended December 31, 2017:

##### Taxes and Licenses

Details of taxes and licenses consist of the following:

Local business taxes	₱11,543
Community tax certificate	500
	<u>₱12,043</u>

Withholding Taxes

Details of withholding taxes for the year are as follows:

	Paid	Accrued	Total
Withholding on compensation and benefits	₱963,261	₱79,794	₱1,043,055
Expanded withholding	105,242	31,756	136,998
	₱1,068,503	₱111,550	₱1,180,053

The Foundation did not incur and did not have any amount owing for the payment of documentary stamp taxes and custom duties in 2017.

The Foundation did not incur and did not have any amount owing for the payment of excise taxes on locally produced excisable items and imported excisable items.

The Foundation is currently not involved in any tax cases, preliminary investigations, litigation and/or prosecution in courts outside of Bureau of Internal Revenue.

## 2017 Partners and Beneficiaries

### Manila

Department of Education  
Philippine Business for Social Progress  
Metro Manila Development Authority – Public Safety Division  
Brgy. 20, Tondo, Manila  
Brgy. 275, Binondo, Manila  
Delpan Community Precinct Station 2  
Manila Department of Social Welfare  
Department of Public Services  
Gota de Leche  
Childhope Asia Philippines  
Project Pearls  
Hands-On Manila  
Bahay Aruga  
Jose Abad Santos High School, Binondo  
Raja Soliman Science and Technology High School, Binondo  
President Corazon C. Aquino High School, Baseco  
Ramon Avancena High School, Quiapo  
Araullo High School, Ermita  
Pamantasan ng Lungsod ng Maynila  
Edukasyon.ph

### Olongapo/Bataan/Zambales/Tarlac

Gordon College, Olongapo City  
Sabang Community Fisherfolk, Morong, Bataan  
Morong Fisheries and Aquatic Resource Management Council  
Subic Bay Metropolitan Authority  
Clark Development Corporation  
Olongapo City National High School  
City Social Welfare Development Office  
Mabayuan Elementary School, Olongapo City  
Asinan Elementary School, Olongapo City  
Tapinac Elementary School, Olongapo City  
Kalalake Elementary School, Olongapo City  
Upper Sibul Day Care Center, Olongapo City  
Upper Kalaklan Day Care Center, Olongapo City  
Lower Kalaklan Day Care Center, Olongapo City  
Mabayuan II Day Care Center, Olongapo City  
Libas Day Care Center, Olongapo City  
Purok 2 Day Care Center, Olongapo City  
Purok 4 Day Care Center, Olongapo City  
Purok 5 Day Care Center, Olongapo City  
Purok 6 Day Care Center, Olongapo City  
Maliwat Day Care Center, Olongapo City  
San Martin Elementary School, Bamban, Tarlac  
Brgy. Sto Nino, Bamban, Tarlac  
National Commission on Indigenous Peoples – Region 3

### Laguna/Rizal/Palawan

Brgy. San Cristobal, Calamba, Laguna  
San Cristobal Elementary School, Calamba, Laguna  
Madre De Amor Hospice, Los Banos, Laguna  
Kanlungan ni Maria, Antipolo, Riza  
Manamoc National High School, Cuyo, Palawan  
Andres Soriano Foundation, Inc.

### Bauan, Batangas

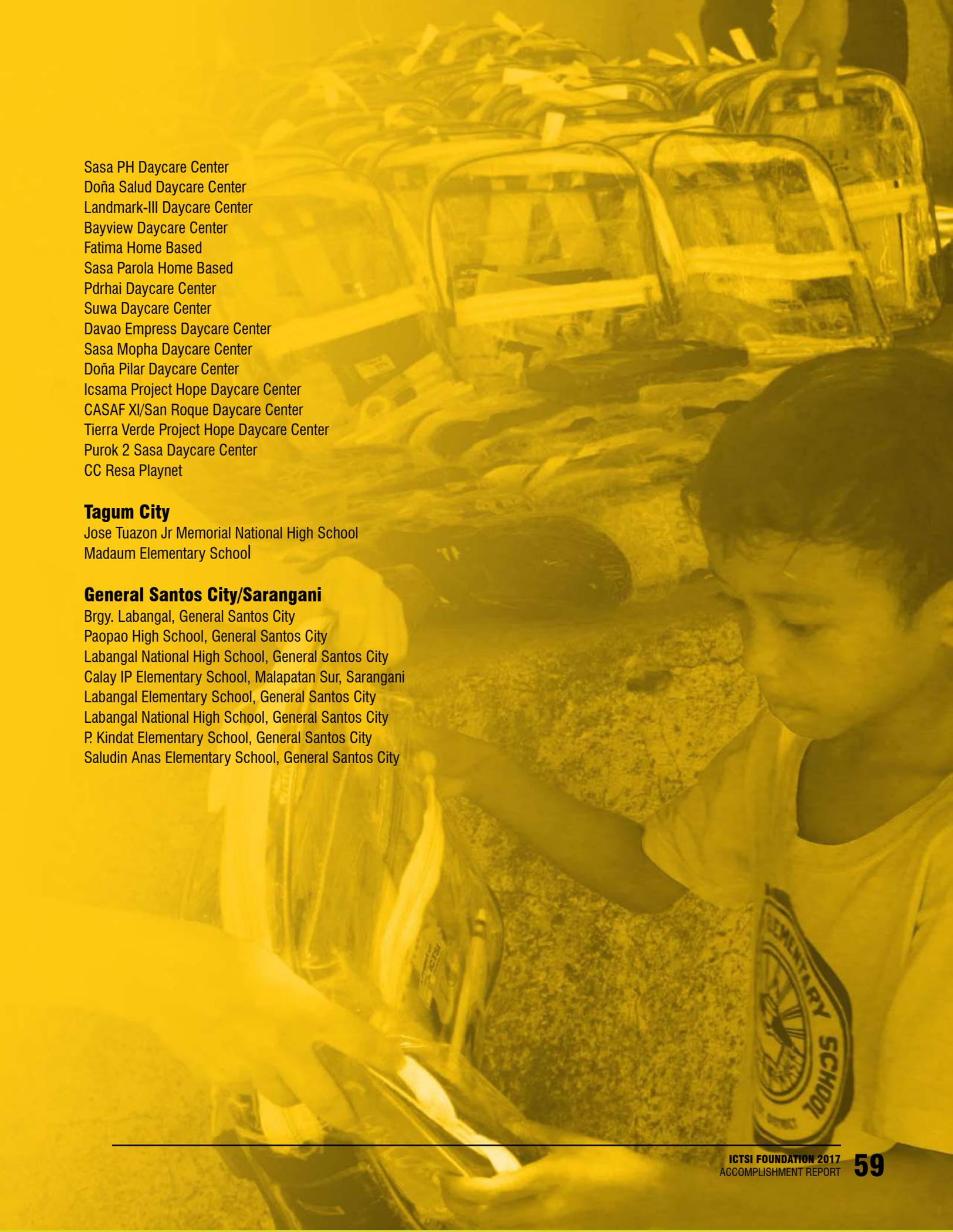
Bauan Technical High School  
Bauan National Agricultural Vocational High School  
Brgy. Aplaya  
Brgy. San Roque  
Batangas State University  
Bauan West Central School  
Manghinao Proper A Day Care Center  
Manghinao Proper B Day Care Center  
Manghinao 1 Day Care Center  
Gulibay Day Care Center  
Bolo Day Care Center  
Municipal Social Welfare Development Office  
Bauan Rural Health Unit 1 and 2  
Batangas City Dental Chapter  
Philippine Medical Society – Batangas

### Misamis Oriental

Brgy. Sugbongcogon, Tagoloan  
Tagoloan Central School, Tagoloan  
Municipal Social Welfare Development Office, Tagoloan  
Brgy. Sta. Cruz, Tagoloan  
Tagoloan Community College, Tagoloan  
Tagoloan National High School, Tagoloan  
University of Science and Technology of Southern Philippines

### Davao City

University of Mindanao  
University of Southeastern Philippines  
F. Bangoy National High School  
F. Bangoy Central Elementary School  
Tahanan ng Pag-asa, Lower Tamugan National High School  
House of Hope  
San Jose Daycare Center  
St. Martin Daycare Center  
San Lorenzo/Fatima Daycare Center  
AHSAL Daycare Center  
San Isidro Daycare Center



Sasa PH Daycare Center  
Doña Salud Daycare Center  
Landmark-III Daycare Center  
Bayview Daycare Center  
Fatima Home Based  
Sasa Parola Home Based  
Pdrhai Daycare Center  
Suwa Daycare Center  
Davao Empress Daycare Center  
Sasa Mopha Daycare Center  
Doña Pilar Daycare Center  
Icsama Project Hope Daycare Center  
CASAF XI/San Roque Daycare Center  
Tierra Verde Project Hope Daycare Center  
Purok 2 Sasa Daycare Center  
CC Resa Playnet

### **Tagum City**

Jose Tuazon Jr Memorial National High School  
Madaum Elementary School

### **General Santos City/Sarangani**

Brgy. Labangal, General Santos City  
Paopao High School, General Santos City  
Labangal National High School, General Santos City  
Calay IP Elementary School, Malapatan Sur, Sarangani  
Labangal Elementary School, General Santos City  
Labangal National High School, General Santos City  
P. Kindat Elementary School, General Santos City  
Saludin Anas Elementary School, General Santos City



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ICTSI Multi-purpose Hall, G/F ECJ Building, Real cor. Arsobispo Sts.,  
Intramuros 1002, Manila, Philippines  
Telephone: +63 2 714, 9285 | <http://www.ictsi.com>