



## Audited Financial Statements

# Annual Report 2024





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## Vision

The Zuellig Family Foundation (ZFF) is a catalyst for the achievement of better health outcomes for all Filipinos.

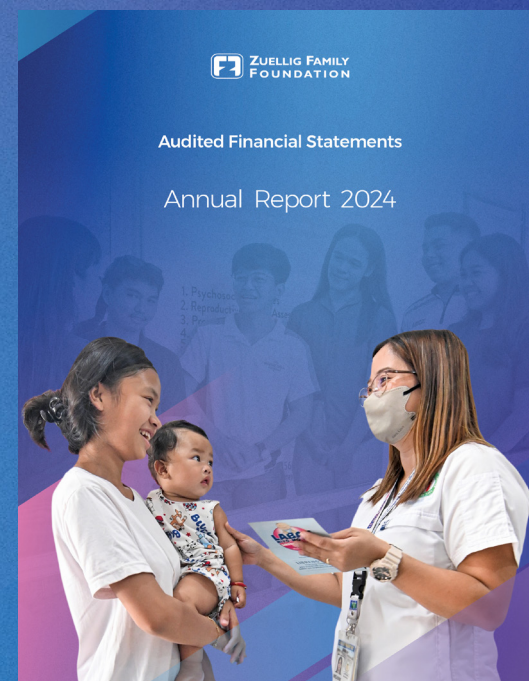
## Mission

ZFF enables local health systems to achieve better health outcomes for all Filipinos through effective leadership and governance in partnership and cooperation with key stakeholders.

## About the Cover

Adolescent-friendly facilities provide adolescents and pregnant teens services such as pre- and post-natal check-ups, family planning information, and other services to lower adolescent birth rates (ABR). Facilities undergo certification to ensure that they meet the necessary standards to offer services that are tailored to the needs of young people.

Taken at San Jose, Nueva Ecija, one of the cities supported by The Challenge Initiative, a platform co-managed and co-funded by the Zuellig Family Foundation and the William S. Gates Sr. Institute for Population and Reproductive Health.



Location: San Jose City, Nueva Ecija  
Photo by: Revoli Jose Cortez

## Areas with ongoing ZFF programs





# Financial Statements

THE ZUELLIG FAMILY FOUNDATION  
(A Nonstock, Nonprofit Corporation)

## Independent Auditor’s Report

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of The Zuellig Family Foundation, Inc. (a nonstock, nonprofit corporation) (the “Foundation”), which comprise the statements of assets, liabilities and fund balance as at December 31, 2024 and 2023, and the statements of revenues and expenses, 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, 2024 and 2023, and financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standard for Small Entities (PFRS for SEs) Accounting Standard.

#### 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 SEs Accounting Standard, 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:

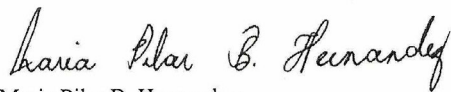
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 152010 and 34-2020

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 and 34-2020 in Note 14 to the financial statements are 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 The Zuellig Family 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.



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PTR No. 10465313, January 2, 2025, Makati City

April 11, 2025



THE ZUELLIG FAMILY FOUNDATION  
(A Nonstock, Nonprofit Corporation)

Statements of Assets, Liabilities and Fund Balance

	December 31	
	2024	2023
ASSETS		
Current Assets		
Cash (Note 4)	₱55,931,684	₱57,146,840
Receivables (Note 5)	17,971,817	10,731,313
Prepayments and other current assets	781,900	949,450
Total Current Assets	74,685,401	68,827,603
Noncurrent Assets		
Property and equipment (Note 6)	2,146,084	2,278,218
Retirement asset (Note 13)	797,963	476,887
Refundable deposit	37,500	37,500
Total Noncurrent Assets	2,981,547	2,792,605
TOTAL ASSETS	₱77,666,948	₱71,620,208
LIABILITIES AND FUND BALANCE		
Current Liabilities		
Accrued expenses and other payables (Note 7)	₱16,897,606	₱13,235,253
Deferred donations (Note 8)	9,330,892	9,775,915
Total Current Liabilities	26,228,498	23,011,168
Fund Balance	51,438,450	48,609,040
TOTAL LIABILITIES AND FUND BALANCE	₱77,666,948	₱71,620,208

See accompanying Notes to Financial Statements.

# Financial Statements

THE ZUELLIG FAMILY FOUNDATION  
(A Nonstock, Nonprofit Corporation)

## Statements of Revenues and Expenses

	Years Ended December 31	
	2024	2023
<b>REVENUES</b>		
Donations (Note 10)	₱186,594,805	₱172,684,433
Unrealized foreign exchange gain	227,120	—
Interest (Note 4)	7,323	5,156
Others	2,292	20
	<b>186,831,540</b>	172,689,609
<b>EXPENSES</b> (Note 11)		
Salaries, wages and other benefits (Note 12)	94,040,658	84,907,654
Trainings and seminars	38,666,189	28,115,108
Transportation and travel	19,992,243	19,323,472
Professional fees	8,191,003	9,457,840
Outside services	7,228,622	7,510,648
Materials and supplies	4,555,502	4,262,906
Utilities	3,372,310	3,154,759
Representation and entertainment	1,641,055	3,260,156
Depreciation and amortization (Note 6)	1,455,987	1,509,634
Repairs and maintenance	1,033,360	837,527
Retirement cost (Note 13)	1,009,400	3,524,234
Donations and contributions	235,707	3,834,464
Taxes and licenses	56,738	74,843
Unrealized foreign exchange loss	—	90,598
Others	2,523,356	1,473,244
	<b>184,002,130</b>	171,337,087
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>₱2,829,410</b>	₱1,352,522

See accompanying Notes to Financial Statements.

THE ZUELLIG FAMILY FOUNDATION  
(A Nonstock, Nonprofit Corporation)

## Statements of Changes in Fund Balance

	Years Ended December 31	
	2024	2023
Balance at beginning of year	₱48,609,040	₱47,256,518
Excess of revenues over expenses	2,829,410	1,352,522
	<b>₱51,438,450</b>	₱48,609,040

See accompanying Notes to Financial Statements.

Financial Statements

THE ZUELLIG FAMILY FOUNDATION  
(A Nonstock, Nonprofit Corporation)

Statements of Cash Flows

	Years Ended December 31	
	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	₱2,829,410	₱1,352,522
Adjustments for:		
Depreciation and amortization (Notes 6 and 11)	1,455,987	1,509,634
Movements in retirement asset (Note 13)	1,009,400	3,524,234
Unrealized foreign exchange loss (gain) - net	(227,120)	90,598
Interest income (Note 4)	(7,323)	(5,156)
Gain on sale of property and equipment	(2,289)	—
Revenues (expenses) before working capital changes:		
Decrease (increase) in:		
Receivables	(7,240,504)	1,179,971
Prepayments and other current assets	167,550	30,168
Increase (decrease) in:		
Accrued expenses and other payables (Note 7)	3,662,353	(2,705,394)
Deferred donations	(445,023)	(4,579,296)
Net cash provided by operations	1,202,441	397,281
Interest received	7,323	5,156
Net cash provided by operating activities	1,209,764	402,437
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property and equipment (Note 6)	(1,341,364)	(1,111,963)
Contribution on retirement plan assets (Note 13)	(1,330,476)	(714,994)
Proceeds from sale of property and equipment	19,800	—
Net cash used in investing activities	(2,652,040)	(1,826,957)
<b>NET DECREASE IN CASH</b>	<b>(1,442,276)</b>	<b>(1,424,520)</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH</b>	<b>227,120</b>	<b>(90,598)</b>
<b>CASH AT BEGINNING OF YEAR</b>	<b>57,146,840</b>	<b>58,661,958</b>
<b>CASH AT END OF YEAR (Note 4)</b>	<b>₱55,931,684</b>	<b>₱57,146,840</b>

See accompanying Notes to Financial Statements.

THE ZUELLIG FAMILY FOUNDATION  
(A Nonstock, Nonprofit Corporation)

Notes to Financial Statements

1. General Information

The Zuellig Family Foundation, Inc. (the “Foundation”) is a nonstock, nonprofit corporation registered with the Philippine Securities and Exchange Commission (SEC) on February 27, 1997. Its registered office address is Km. 14, West Service Road corner Edison Avenue, Brgy. Sun Valley, Parañaque City. The primary purpose of the Foundation is to act as a modernizing force in shaping sound and effective policies in public health and nutrition in the Philippines. The Foundation has 13 and 14 regular employees in 2024 and 2023, respectively.

The Foundation’s certification for good governance and accountability from Philippine Council for Non-Government Organization Certification (PCNC) was renewed and issued certification on April 11, 2022 which is valid for 5 years and will last until June 29, 2026.

The Bureau of Internal Revenue (BIR) issued the Certificate of Registration for donee institution status on September 14, 2022 that is valid from September 14, 2022 until July 31, 2025. In accordance with the provision of Revenue Regulations (RR) No. 13-98 dated January 1, 1999, the donations received shall entitle the donor/s to full or limited deduction pursuant to Section 34(H)(I) or (2), and exemption from donor’s tax pursuant to Section 101(A)(3) of the National Internal Revenue Code (NIRC) of 1997.

The BIR has issued a certificate of tax exemption on January 6, 2023 which is valid for three (3) years. Being a nonstock, nonprofit corporation, it is not subject to income tax under Section 30 of the NIRC with respect to income received such as donations, gifts or charitable contributions. However, income from any of its properties, real or personal, or from any of its activities conducted for profit shall be subject to regular corporate income tax.

The financial statements were authorized for issuance by the Board of Trustees (BOT) on April 11, 2025.

2. Summary of Significant Accounting Policies

Basis of Preparation and Statement of Compliance

The financial statements of the Foundation have been prepared in accordance with the Philippine Financial Reporting Standard for Small Entities (PFRS for SEs) Accounting Standard issued by the Financial Reporting Standards Council (FRSC).

The financial statements have been prepared on a historical cost basis. The financial statements are presented in Philippine peso which is the Foundation’s functional and presentation currency and all values are recorded to the nearest peso, except when otherwise indicated.

Current versus Noncurrent Classification

The Foundation presents assets and liabilities in the statements of assets, liabilities and fund balance based on current/noncurrent classification.



Financial Statements

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as noncurrent.

Financial Instruments

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. A financial instrument is recognized when the entity becomes a party to its contractual provisions. The Foundation classifies its financial instruments into the following categories: (a) basic financial instruments; and (b) complex financial instruments.

The Foundation’s basic financial instruments consist of cash, receivables, refundable deposit, accrued expenses and other payables (excluding due to government agencies). The Foundation does not have complex financial instruments.

Basic Financial Instruments

*Initial measurement.* On initial recognition, a debt financial instrument is measured at transaction price (including transaction costs), unless the arrangement is in effect a financing transaction. In this case, it is measured at present value of the future payment discounted using a market rate of interest for a similar debt instrument.

*Subsequent measurement.* The Foundation’s debt financial instruments are subsequently measured at amortized cost using the effective interest rate (EIR) method.

*Impairment of financial instruments measured at amortized cost.* At each financial reporting date, the Foundation reassesses whether there is objective evidence of impairment on any financial assets that are measured at amortized cost. Where there is any objective evidence of impairment, an impairment loss is recognized immediately in the statement of revenues and expenses.

The impairment loss is the difference between the asset’s carrying amount and the present value of estimated cash flows discounted at the asset’s original EIR.

*Derecognition of financial assets.* An entity only derecognizes a financial asset when the contractual rights to the cash flows from the assets have expired or are settled, or the entity has transferred to another party substantially all the risks and rewards of ownership relating to the financial asset.

*Derecognition of financial liabilities.* Financial liabilities are derecognized only when these are extinguished – that is, when the obligation is discharged, cancelled or has expired.

Basic financial instruments measured at amortized cost consists of cash, receivables, refundable deposit and accrued expenses and other payables (excluding due to government agencies).

Cash

Cash includes cash on hand and in banks. No restriction is attached to cash account.

Receivables

Receivables are recognized initially at the transaction price. They are subsequently measured at amortized cost using the EIR method. A provision for impairment of receivables is established when there is objective evidence that the Foundation will not be able to collect all amounts due according to the original terms of the receivables.

If there is any objective evidence that an impairment loss on receivables has been incurred, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows discounted at the financial asset’s original EIR (i.e., the EIR computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of the loss shall be recognized in statement of revenues and expenses for the period.

Prepayments and Other Current Assets

Prepayments and other current assets are expenses paid in cash and recorded as assets before they are used or consumed, as the service or benefit will be received in the future. Prepayments expire and are recognized as expenses either with the passage of time or through use or consumption.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation, amortization 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 if the recognition criteria are met. It excludes the costs of day-to-day servicing.

Depreciation of property and equipment is charged so as to allocate cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives of the Foundation’s depreciable assets are as follows:

Asset Type	Number of Years
Transportation equipment	5 years
Office equipment	3-5 years
Furniture and fixtures	3-5 years
Office improvements	3 years

The assets’ residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further charge for depreciation is made in respect of those assets.

# Financial Statements

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. 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 asset) is included in the statement of revenues and expenses in the year the asset is derecognized.

## Impairment of Property and Equipment

Property and equipment are assessed at each reporting date to determine whether there is any indication that the assets are impaired. When an impairment indicator is identified, the carrying value of the asset is tested for impairment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. If the recoverable amount cannot be estimated for an individual asset, the Foundation estimates the recoverable amount of the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are independent of the cash flows from other assets within the group.

If an impairment indicator no longer exists or the recoverable amount has increased subsequently, the Foundation will determine the amount of impairment loss that can be reversed to the extent that the reversal should not result in a carrying amount of the asset that is higher had no impairment loss was recognized in the prior years.

## Accrued Expenses and Other Payables

Accrued expenses and other payables are recognized in the period in which the related money, goods or services are received or when legally enforceable claim against the Foundation is established or when the corresponding assets or expenses are recognized.

Accrued expenses and other payable are recognized initially at the transaction price.

It is necessary to estimate the amount or timing of accruals, however, the uncertainty is generally much less than for provisions.

## Fund Balance

Fund balance includes all current and prior period results of operation as disclosed in the statement of revenues and expenses. The amount is partially restricted for retirement obligations.

## Revenue

Revenue is recognized to the extent that it is probable that the economic benefit associated with the transaction will flow to the Foundation and the amount of the revenue can be measured reliably. Revenue is measured at fair value of the consideration received.

The following specific recognition criteria must also be met before revenue is recognized:

*Donations.* The Foundation recognizes donations, including unconditional promises to give, as revenue in the period received. Donations which are restricted and deferred for future projects are shown separately in the statement of assets, liabilities and fund balance as "Deferred donations".

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

*Other Income.* Revenue is recognized when earned.

## Expenses

Expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in fund balance. Expenses are recognized in the statement of revenues and expenses in the year these are incurred on the basis of:

- a. a direct association between the costs incurred and the earning of specific items of income
- b. systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or
- c. immediately when an expenditure produces no future economic benefits or when, and to the extent that future economic benefits do not qualify, or cease to qualify, for recognition in the statement of assets, liabilities and fund balance

## Retirement Costs

The Foundation has a funded, non-contributory defined benefit plan covering all regular employees. The Foundation recognizes post-employment benefits using the accrual approach in accordance with the Foundation's retirement benefits policy or the minimum retirement benefits required under Republic Act (RA) No. 7641 otherwise known as The Philippine Retirement Pay Law, whichever is higher. Accrual approach is applied by calculating the expected liability as at reporting date using the current salary of the entitled employees and the employees' years of service, without consideration of future changes in salary rates and service periods.

## Provisions

Provisions are recognized when: the Foundation has an obligation as a result of a past event; it is probable that a transfer of economic benefits will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

When the effect of time value is material, provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Changes in the provision due to passage of time are recognized in the statement of revenues and expenses.

When the Foundation expects reimbursement of some or all of the expenditure required to settle a provision, the entity recognizes a separate asset for the reimbursement only when it is virtually certain that reimbursement will be received when the obligation is settled.

## Contingencies

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

## Foreign Currency Transactions

Items included in the financial statements of the Foundations are measured using the currency of the primary economic environment in which the Foundation operates (the functional currency).

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Outstanding foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing at the financial reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of revenues and expenses.



Financial Statements

Events after the Financial Reporting Period

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

3. Significant Accounting Judgments and Estimates

The Foundation’s financial statements prepared in accordance with PFRS for SEs Accounting Standard require management to make judgments and estimates that affect the amounts reported in the financial statements and related notes.

Judgment

Management makes judgments in the process of applying the Foundation’s accounting policies. Judgment that has the most significant effect on the reported amounts in the financial statements is discussed below:

*Classification of Expenses.* The Foundation classifies and allocates its expenses between project and general and administrative expenses according to their nature. Project expenses are expenses which are directly incurred for the completion of the Foundation’s activities relating to community health partnership programs, training and capability programs and other projects. General and administrative expenses are expenses which are not directly related to project expenses.

Project expenses in 2024 and 2023 amounted to ₱149.0 million and ₱135.2 million, respectively, while general and administrative expenses in 2024 and 2023 amounted to ₱35.0 million and ₱36.2 million, respectively (see Note 11).

4. Cash

This account consists of:

	2024	2023
Cash on hand	₱40,000	₱40,000
Cash in banks	55,891,684	57,106,840
	₱55,931,684	₱57,146,840

Cash in banks earn interest at the respective bank deposit rates.

Interest income earned from cash in banks amounted to ₱7,323 and ₱5,156 in 2024 and 2023, respectively.

5. Receivables

This account consists of:

	2024	2023
Donation receivables	₱16,178,281	₱9,445,666
Loans and advances to officers and employees	1,272,495	944,477
Other receivables	521,041	341,170
	₱17,971,817	₱10,731,313

Donation receivables pertain to accrual of unbilled donations revenue from donors.

Loans and advances to officers and employees pertain to loans due for settlement within the following year and cash advances which are subject to liquidation.

Other receivables pertain to receivables from donors and statutory deductions from employees which will be deducted from their payroll in the succeeding year.

6. Property and Equipment

	2024				
	Transportation Equipment	Office Equipment	Furniture and Fixtures	Office Improvements	Total
Cost					
Balance at beginning of year	₱5,957,140	₱22,120,864	₱3,332,102	₱8,667,118	₱40,077,224
Additions	80,300	1,261,064	–	–	1,341,364
Disposal	–	(75,018)	–	–	(75,018)
Balance at end of year	6,037,440	23,306,910	3,332,102	8,667,118	41,343,570
Accumulated Depreciation and Amortization					
Balance at beginning of year	5,957,135	19,842,727	3,332,026	8,667,118	37,799,006
Depreciation and amortization (see Note 11)	13,383	1,442,604	–	–	1,455,987
Disposal	–	(57,507)	–	–	(57,507)
Balance at end of year	5,970,518	21,227,824	3,332,026	8,667,118	39,197,486
Net Book Values	₱66,922	₱2,079,086	₱76	₱–	₱2,146,084

	2023				
	Transportation Equipment	Office Equipment	Furniture and Fixtures	Office Improvements	Total
Cost					
Balance at beginning of year	₱5,957,140	₱21,008,901	₱3,332,102	₱8,667,118	₱38,965,261
Additions	–	1,111,963	–	–	1,111,963
Balance at end of year	5,957,140	22,120,864	3,332,102	8,667,118	40,077,224
Accumulated Depreciation and Amortization					
Balance at beginning of year	5,846,669	18,443,559	3,332,026	8,667,118	36,289,372
Depreciation and amortization (see Note 11)	110,466	1,399,168	–	–	1,509,634
Balance at end of year	5,957,135	19,842,727	3,332,026	8,667,118	37,799,006
Net Book Values	₱5	₱2,278,137	₱76	₱–	₱2,278,218

Financial Statements

7. Accrued Expenses and Other Payables

	2024	2023
Accrued expenses:		
Professional fee	₱3,849,163	₱2,079,637
Trainings and seminars	3,526,547	3,859,496
Transportation	2,797,480	827,419
Salaries, wages and other benefits	1,230,147	1,974,759
Payable to contractors	1,185,788	823,968
Utilities	720,886	608,113
Others	858,686	1,549,311
Due to government agencies	1,879,847	1,391,827
Other payables	849,062	120,723
	₱16,897,606	₱13,235,253

Accrued expenses, due to government agencies and other payables are normally settled within one (1) year. Other accrued expenses consist of accruals of communication, representation expenses, among others which are to be reimbursed to employees via petty cash fund.

8. Deferred Donations

This account consists of donations received by the Foundation from various donors in 2024 and 2023 which were recorded under “Deferred Donations” account presented as liabilities in the statements of assets, liabilities and fund balance. These deferred donations will be utilized in 2025 and future operations.

Current	2024	2023
Global Affairs Canada (GRASP-UHC)	₱5,306,185	₱–
Support Group (Zuellig Group)	4,024,707	7,528,543
Kristian Gerhard Jebsen Foundation (KGJF)	–	1,687,504
Adolescent Sexual Reproductive Health (Pascal)	–	516,255
Adolescent Sexual Reproductive Health (Romulo Group)	–	43,613
	₱9,330,892	₱9,775,915

9. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes entities that are under common control with the Foundation, its donors, the BOT and their close family members. Related party transactions are normally settled in cash.

In the ordinary course of operations, the Foundation is engaged in the following transactions with entities that are considered related parties.

Related Party	Nature of Transaction	Year	Volume of Transactions	Outstanding Balance	Terms	Conditions
Roberto R. Romulo	Donations	2024	₱–	₱–	None	–
Roberto R. Romulo	Donations	2023	–	43,613	None	–

Donations from Mr. Roberto Romulo were restricted and earmarked for adolescent sexual and reproductive health projects and were recorded as part of the “Deferred donations” account presented as liabilities in the statements of assets, liabilities and fund balance.

Total compensation to key management personnel amounted to ₱5.9 million and ₱6.0 million in 2024 and 2023, respectively.

10. Donations from the Zuellig Group

Donations from the Zuellig Group are treated as internal funds. These are allocated to specific programs and projects by the BOT. Donations received amounting to ₱108.0 million and ₱108.1 million were recorded as part of the “Donations Revenue” account in the statements of revenues and expenses in 2024 and 2023, respectively.

11. Expenses

	2024		
	Project Expenses	General and Administrative Expenses	Total
Salaries, wages and other benefits	₱75,863,224	₱18,177,434	₱94,040,658
Trainings and seminars	35,773,547	2,892,642	38,666,189
Transportation and travel	17,602,908	2,389,335	19,992,243
Professional fees	7,400,671	790,332	8,191,003
Outside services	4,490,251	2,738,371	7,228,622
Materials and supplies	3,435,236	1,120,266	4,555,502
Utilities	1,677,918	1,694,392	3,372,310
Representation and entertainment	1,142,812	498,243	1,641,055
Depreciation and amortization (Note 6)	–	1,455,987	1,455,987
Repairs and maintenance	14,010	1,019,350	1,033,360
Retirement cost (Note 13)	–	1,009,400	1,009,400
Donations and contributions	20,408	215,299	235,707
Taxes and licenses	23,187	33,551	56,738
Others	1,582,835	940,521	2,523,356
	₱149,027,007	₱34,975,123	₱184,002,130

	2023		
	Project Expenses	General and Administrative Expenses	Total
Salaries, wages and other benefits	₱64,292,479	₱20,615,175	₱84,907,654
Trainings and seminars	26,757,691	1,357,417	28,115,108
Transportation and travel	18,161,952	1,161,520	19,323,472
Professional fees	8,598,986	858,854	9,457,840
Outside services	4,859,266	2,651,382	7,510,648

(Forward)



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	2023		
	Project Expenses	General and Administrative Expenses	Total
Materials and supplies	₱2,690,849	₱1,572,057	₱4,262,906
Donations and contributions	3,815,564	18,900	3,834,464
Retirement cost (Note 13)	1,446,984	2,077,250	3,524,234
Representation and entertainment	1,586,013	1,674,143	3,260,156
Utilities	1,743,669	1,411,090	3,154,759
Depreciation and amortization (Note 6)	–	1,509,634	1,509,634
Repairs and maintenance	20,396	817,131	837,527
Unrealized foreign exchange loss	84,658	5,940	90,598
Taxes and licenses	24,306	50,537	74,843
Others	1,094,861	378,383	1,473,244
	₱135,177,674	₱36,159,413	₱171,337,087

General and administrative expenses are 19% and 21% of the total expenses in 2024 and 2023, respectively.

Project expenses were incurred due to the following activities:

a. Integrated Provincial Health System Development Program  
(also the Provincial Leadership and Governance Program ver. 3)

The third version of the Provincial Leadership and Governance Program (PLGP-3) continues its purpose of helping provinces fix their health systems. The main difference with the previous version is that work now involves helping provinces fulfill the requirements under the Universal Healthcare (UHC) law.

b. Provincial Leadership and Management Program

After the passage of the UHC law, there was a clamor from Department of Health (DOH) regional offices and previously- engaged local governments to assist them in the transition. The Foundation responded by offering the Provincial Leadership and Management Program (PLMP). Under the three-year program, ZFF provides training, and the DOH regional offices provide coaching and monitoring, but ZFF can be tapped to also source coaches. The PLMP was designed based on ZFF’s past and existing programs including the PLGP and Institutionalization of Health Leadership and Governance Program (IHLGP).

c. Provincial Nutrition Leadership and Governance Program  
(Partner: Kristian Gerhard Jebsen Foundation (KGJF))

Undernutrition within the first 1000 days of life can affect motor and cognitive development of children. The first partnership with KGJF established a proof of concept showing how an integrated and holistic approach to the nutrition challenge can fast track improvements in nutritional outcomes in municipalities. The second partnership with the KGJF focuses on improving nutritional outcomes of 0-to-5-year olds and pregnant women. The leadership and governance program will work to create an integrated provincial system for nutrition service delivery and food diversity. The project aims to reduce nutritionally-at-risk pregnant women, low birth weight and stunting among children under five (5) years. The project will focus on two (2) provinces in Mindanao - Sarangani in Central Mindanao and Basilan in the Bangsamoro Autonomous Region in Muslim Mindanao.

d. Strengthening Puerto Princesa’s ASRH interventions  
(Partner: Pascal Gueissaz)  
Since 2018, the Pascal Gueissaz grant has been used to (1) increase awareness of adolescents and their parents on adolescent sexual reproductive health (ASRH) and rights and (2) improve Puerto Princesa City’s policy environment for health and development programs on adolescents.

e. Youth Leadership and Governance Program  
(Partner: United Nations Population Fund (UNFPA))

The partnership program with the UNFPA is called the Youth Leadership and Governance Program (YLGP). It involves 10 target municipalities from Sarangani, Sultan Kudarat and Lanao del Sur. Engaged participants are Sanggunian Kabataan Federation presidents and their identified core group namely: mayor, municipal health officer (MHO), local youth development officers, and youth leaders from organized local youth organizations.

The YLGP is focused on increasing demand for ASRH services among adolescent and youth. It is assumed that target municipalities have already increased access to services through strengthened and improved health system since all had leaders who had undergone either the Municipal Leadership and Governance Program or the Community Health Partnership Program.

f. Minimum Initial Service Package for Sexual and Reproductive Health  
(Partner: UNFPA)

It is difficult for LGUs to establish systems to provide sexual and reproductive health (SRH) services during emergencies and pandemics. Little progress has been made to institutionalize Minimum Initial Service Package (MISP) for SRH at the local level despite legal requirements. To build leadership competencies for the complex task, ZFF, in partnership with the UNFPA and support from the Australian government, developed a health leadership and governance executive course based on ZFF’s Health Leadership and Governance Program and the YLGP.

MISP-SRH requires a resilient health system to ensure basic reproductive health services are always available despite disruptions.

The project is located in three provinces: Catanduanes, Laguna and Maguindanao.

j. The Challenge Initiative (TCI)  
(Partner: Gates Institute at Johns Hopkins University)

The 5-year TCI-ZFF partnership aims to reduce teenage pregnancies by strengthening and advocating adolescent-health friendly cities. ZFF is a co-investor of TCI and will have a cost-sharing ratio of 1:1 for the period 2020-2024. The ZFF partner cities of Puerto Princesa, Dipolog and Cagayan de Oro were selected based on their political commitment, resource contribution, health system readiness, size for potential impact and stakeholder engagement.

j. Knowledge Management

ZFF documents its learnings and experiences in program implementation and funds research studies on program innovations, effectiveness, and its effects on Local Government Units (LGUs). ZFF creates public health advocacy activities to share information, promote health programs and policies, and learn about upcoming health developments.

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k. ZFF Institute

The core of ZFF’s health leadership training for public health officers is to foster the understanding of the complexities of the healthcare system to enable health officers to realize their roles in addressing existing challenges, and to collaborate with others to address them. The programs underscore the importance of health leadership and governance in establishing and sustaining pro-poor healthcare systems and policies. The programs are for mayors, municipal health officers, governors, provincial health officers, and DOH officials to promote a systemic mindset for overcoming challenges and redress inequities in community healthcare.

l. Gender Responsive Systems Approach to Universal Health Care (GRASP-UHC)  
(Partner: Plan International Canada, the authorized signatory of the donor contract with Global Affairs Canada)

The Project’s main objective is to strengthen health governance and accountability through improving province-wide health systems that will provide UHC to all its citizens, especially vulnerable populations, including access to the full range of quality and affordable health services. The Project is guided by its theory of change that states “strengthening the governance of integrated local health systems (1100), combined with improving patients’ empowerment and decision-making capacity to utilize gender- and adolescent-responsive and inclusive (GAR&I) health services through accredited Health Care Provider Networks (1200), will contribute to the achievement of the project’s ultimate outcome”. The GRASP-UHC project aims to advance the basic right of all Filipinos to the highest attainable standard of physical and mental health by engaging with rights-holders, duty-bearers, and responsibility-holders.

12. Salaries, Wages and Other Benefits

This account consists of payroll and non-payroll related accounts as follows:

	2024	2023
Salaries and wages	₱70,568,206	₱63,966,505
13 <sup>th</sup> month pay	10,139,575	9,478,033
Rice and laundry allowance	2,289,235	2,103,660
Service incentive leave	698,017	917,081
Uniform allowance	523,122	480,706
Transportation allowance	18,000	18,000
<b>Total payroll-related account</b>	<b>84,236,155</b>	<b>76,963,985</b>
Medical insurance	2,740,590	2,417,763
SSS	1,935,790	1,792,970
PHIC	1,511,119	1,070,026
Other benefits	1,418,372	1,365,434
SSS provident expense	₱879,605	₱788,643
Accident insurance	789,471	43,062
Life insurance	339,256	373,971
HDMF	190,300	91,800
<b>Total nonpayroll-related account</b>	<b>9,804,503</b>	<b>7,943,669</b>
<b>Total salaries, wages and other benefits</b>	<b>₱94,040,658</b>	<b>₱84,907,654</b>

13. Retirement Costs

The Foundation has a funded, noncontributory defined benefit plan covering all permanent employees.

The amounts included in the statements of assets, liabilities and fund balance are as follows:

	2024	2023
Fair value of plan assets	₱7,637,638	₱6,351,052
Defined benefit obligation	(6,839,675)	(5,874,165)
<b>Retirement asset</b>	<b>₱797,963</b>	<b>₱476,887</b>

Changes in the fair value of plan assets in 2024 and 2023 are as follows:

	2024	2023
Balance at beginning of year	₱6,351,052	₱8,227,216
Contributions to plan assets	1,330,476	714,994
Income on plan assets	312,529	295,977
Benefits paid from the plan assets	(356,419)	(2,887,135)
<b>Balance at end of year</b>	<b>₱7,637,638</b>	<b>₱6,351,052</b>

Changes in the defined benefit obligation are as follows:

	2024	2023
Balance at beginning of years	₱5,874,165	₱4,941,089
Retirement expense	1,321,929	3,820,211
Benefits paid	(356,419)	(2,887,135)
<b>Balance at end of year</b>	<b>₱6,839,675</b>	<b>₱5,874,165</b>

The allocation of the plan assets is shown below:

	2024	2023
Cash and cash equivalents	10.73%	0.13%
Investment in:		
Unit Investment Trust Fund (UITF)	57.34%	50.97%
Government securities	31.52%	48.27%
Receivables	0.45%	0.68%
Trust fee payable	(0.04%)	(0.05%)

The plan assets of the Foundation are maintained by a trustee bank.

The plan assets are composed of cash in banks, receivables - net of payables and investments in debt securities. Descriptions of each category are as follows:

- a. Cash and cash equivalents consist of savings deposits.
- b. Investments in debt securities consist of investments in government securities and UITF.
- c. Receivables - net of payables consist of interest receivables.



14. Supplementary Information Required Under Revenue Regulations (RR) No. 15-2010 and 34-2020

Exempt from Tax on Corporations

The Foundation being a nonstock and nonprofit charitable institution is exempted from taxation of corporation.

Below is the additional information required by RR No. 15-2010:

- a. The NIRC of 1997 also provided for the imposition of VAT on sales of goods and services. Accordingly, the Foundation’s sales are exempt from output VAT while its importation and purchases from other VAT-registered individuals or corporations are exempt from input VAT.

b. Taxes and Licenses

Taxes and licenses, local and national, include licenses and permit fees which were recorded under “Taxes and licenses” in the statements of revenues and expenses.

	Amount
Business permit	₱38,515
Vehicle registration	12,140
Documentary stamp tax	6,083
	₱56,738

c. Withholding Taxes

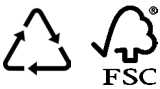
	Paid	Accrued	Total
Expanded withholding taxes	₱1,178,293	₱511,424	₱1,689,717
Withholding taxes on compensation and benefits	9,009,891	600,382	9,610,273
	₱10,188,184	₱1,111,806	₱11,299,990

d. Tax Cases

The Foundation has no tax cases in any courts or bodies outside the BIR as at December 31, 2024.

e. RR No. 34-2020

The Foundation is not covered by the requirements and procedures for related party transactions provided under RR No. 34-2020.



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Feedback: Please send your comments to ZFF's Corporate Communications unit at [communications@zuelligfoundation.org](mailto:communications@zuelligfoundation.org)

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2024 audited financial statements may be downloaded from <https://zuelligfoundation.org/about-us/our-impact-report/>.



**ZUELLIG FAMILY  
FOUNDATION**

Accredited by  
the Department of the Interior and Local Government,  
as a partner civil society organization.

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