

JUAN DG CUNANAN, CPA
CERTIFIED PUBLIC ACCOUNTANT
239 Ipil Street, Marikina Heights, Marikina City

REPORT OF INDEPENDENT AUDITOR

The Board of Directors and Members of
ABBOTT LABORATORIES EMPLOYEES
MULTI-PURPOSE COOPERATIVE (ALEKBC-MPC)
Unit 102-103 Westdale Residences, West Capitol Drive, Kapitolyo, Pasig City

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of **ABBOTT LABORATORIES EMPLOYEES MULTI-PURPOSE COOPERATIVE (ALEKBC-MPC)**, which comprise the statements of financial condition as of **December 31, 2020 and 2019**, and the statements of operations, statements of changes in equity and statutory funds and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **ABBOTT LABORATORIES EMPLOYEES MULTI-PURPOSE COOPERATIVE (ALEKBC-MPC)** as of **December 31, 2020 and 2019**, and of its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Framework for Cooperatives.

Basis for Opinion

I conducted our audits in accordance with Philippine Standards on Auditing (PSAs) and the Standard Audit System for Cooperatives (SASC). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Cooperative in accordance with the Code of Ethics for Professional Accountants in the Philippines, and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I 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

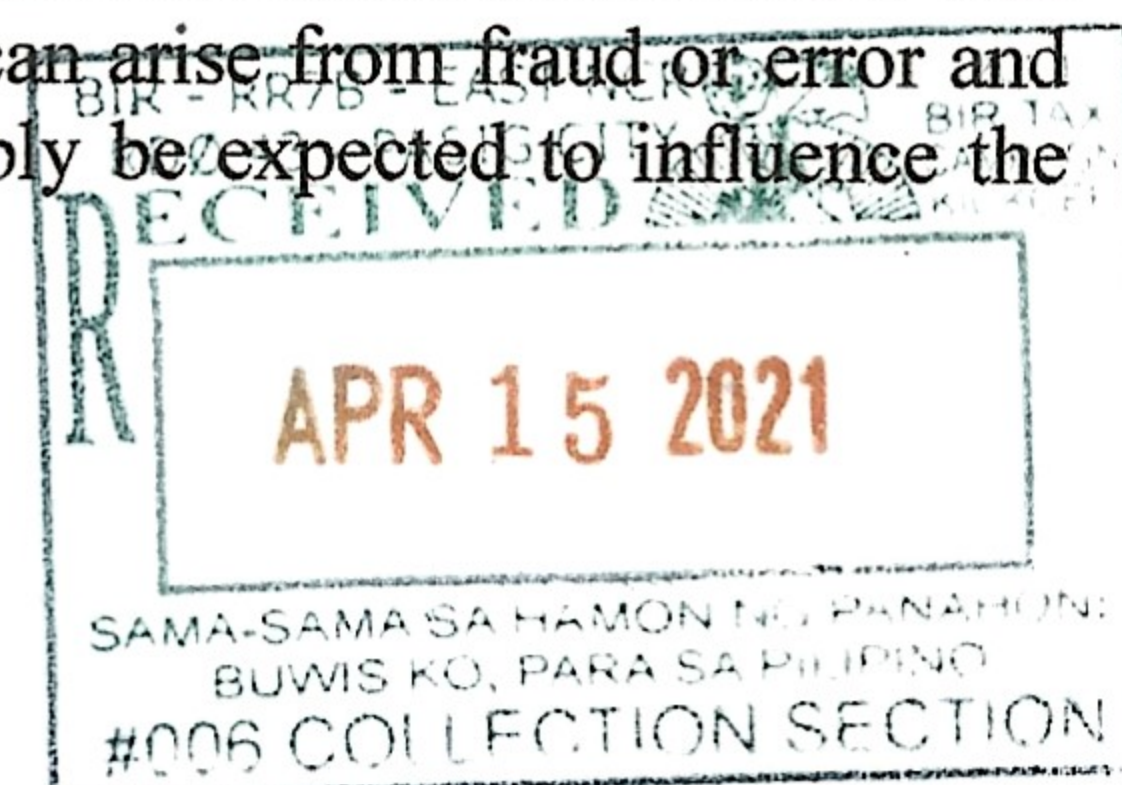
Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Philippine Financial Reporting Framework for Cooperatives, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Cooperative'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 Cooperative or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 Cooperative'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 cause significant doubt on the Cooperative's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Cooperative to cease to continue as a going concern.

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

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

My audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes, duties and license fees 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 management. The information has been subjected to the auditing procedures applied in my audit of the basic financial statements. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as whole.


JUAN DG CUNANAN

CPA Registration No. 3126

BOA Accreditation No. 3216 (valid until July 23, 2022)

PRC Certificate of Registration No. 20521 (valid until July 23, 2021)

Tax Identification No. 105-350-586-000

BIR Accreditation No. 07-000041-002-2019

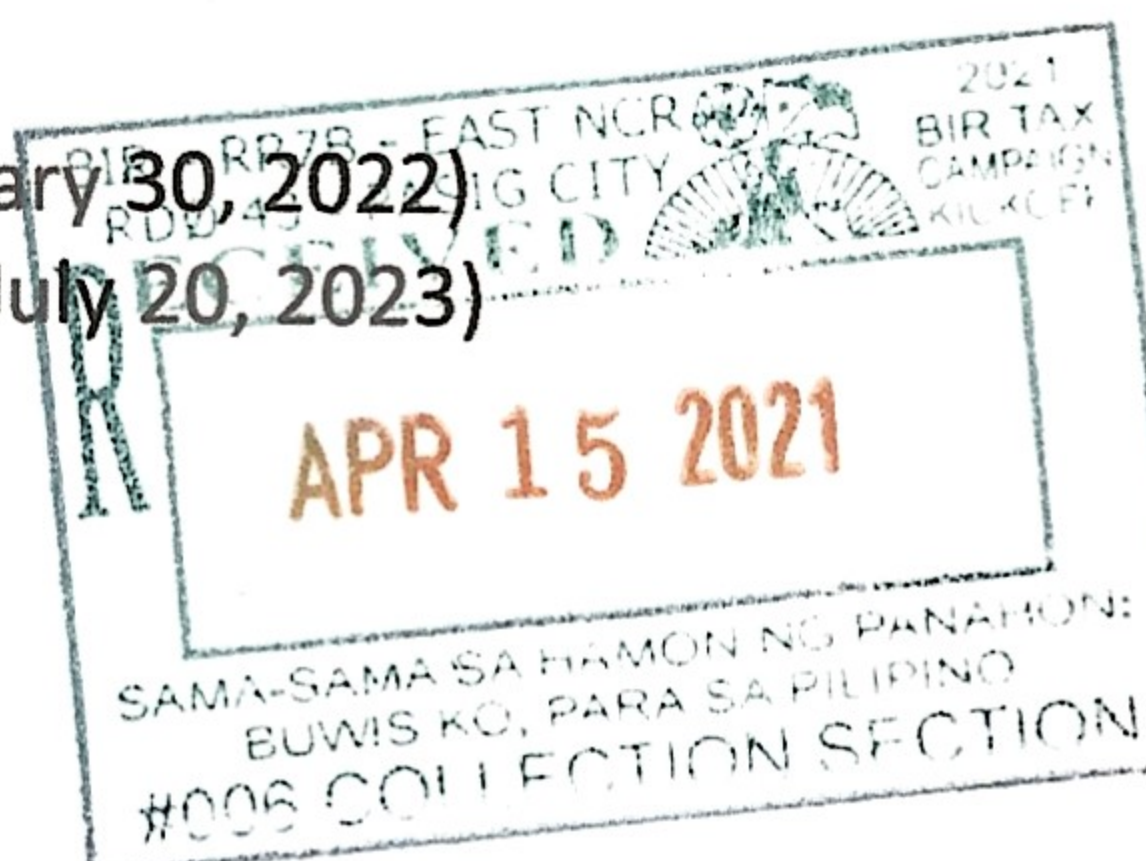
(issued on January 30, 2019 valid until January 30, 2022)

CDA-CEA Registration No. 1171 (valid until July 20, 2023)

PTR No. 8667234

Issued on January 5, 2021, City of Marikina

April 12, 2021



STATEMENT OF REPRESENTATION

To the Cooperative Development Authority

In Connection with my examination of the financial statements of the **ABBOTT LABORATORIES EMPLOYEES MULTI-PURPOSE COOPERATIVE (ALEKBC-MPC)** covering the period ended **December 31, 2020** that are herewith submitted to the Cooperative Development Authority, I hereby represent the following:

1. That said financial statements herewith attached are prepared and presented in conformity with the financial reporting standards applicable to Cooperatives in the Philippines.
2. That in the conduct of my audit, I adhered to the Philippine Standards of Auditing and the Standard Audit System for Cooperatives (SASC) as required by the Cooperative Development Authority;
3. That I am qualified as provided for in Section 8 of the Code of Professional Ethics for Certified Public Accountants and Article 81 of R.A. No. 9520 (Philippine Code of 2008);
4. That I am fully aware of my responsibility as an independent auditor for the audit report issued and attached to the financial statements and the sanctions to be bestowed on me for my misrepresentations that I may have willingly or unwillingly committed;
5. That I nor any member of my immediate family do not have any direct or indirect financial interest with the cooperative.
6. That I am not an employee nor an officer of the secondary cooperative or tertiary cooperative of which this cooperative is a member;
7. That I am not an employee of the Cooperative Development Authority nor have I engaged an employee of the CDA in the course of audit;
8. That I make representation in my individual capacity;
9. That I am a member of the Philippine Institute of Certified Public Accountants, Metro Manila Chapter.

It is however, understood that my accountability is based on matter within the normal coverage of an audit conducted in accordance with Philippine Standards of Auditing and the Standards Audit Systems for Cooperatives.



JUAN DG CUNANAN

CPA Registration No. 3126

BOA Accreditation No. 3216 (valid until July 23, 2022)

PRC Certificate of Registration No. 20521 (valid until July 23, 2021)

Tax Identification No. 105-350-586-000

BIR Accreditation No. 07-000041-002-2019

(issued on January 30, 2019 valid until January 30, 2022)

CDA-CEA Registration No. 1171 (valid until July 20, 2023)

PTR No. 8667234

Issued on January 5, 2021, City of Marikina

April 12, 2021

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR ANNUAL INCOME TAX RETURN**

The Management of ABBOTT LABORATORIES EMPLOYEES' MULTI-PURPOSE COOPERATIVE (ALEKBC-MPC) is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2020. Management is likewise responsible for all information and representations contained in the financial statements accompanying the (Annual Income Tax Return or Annual Information Return) covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended December 31, 2020 and the accompanying Annual Income Tax Return are in accordance with the books and records of ABBOTT LABORATORIES EMPLOYEES MULTI-PURPOSE COOPERATIVE (ALEKBC-MPC), complete and correct in all material respects. Management likewise affirms that:

- (a) The Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- (b) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
- (c) the ABBOTT LABORATORIES EMPLOYEES' MULTI-PURPOSE COOPERATIVE (ALEKBC-MPC) has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.



MERCEDITA D. AZARCON
General Manager



CRISTINA MIRANDA
Treasurer

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR
FINANCIAL STATEMENTS**

The Management of ABBOTT LABORATORIES (PHILS) EMPLOYEES MULTI-PURPOSE COOPERATIVE (ALEKBC-MPC) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 2020 & 2019, in accordance with the prescribed financial reporting framework indicated, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

JUAN DG. CUNANAN the independent auditor appointed by the Board of Directors, has audited the financial statements of the company for the years ended December 31, 2020 and 2019 respectively in accordance with Philippine Standard on auditing, and its report to the board of directors and members has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature 
NAME **ELISABETH S. VICTORIO**
Chairman of the Board

Signature 
NAME **CRISTINA MIRANDA**
Treasurer

ABBOTT LABORATORIES EMPLOYEES MULTI-PURPOSE COOPERATIVE (ALEKBC-MPC)
 Units 102 & 103 West Dale Residences, West Capitol Drive, Kapitolyo, Pasig City

**STATEMENTS OF FINANCIAL CONDITION
 AS OF DECEMBER 31**

	NOTES	2020	2019
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	4	38,548,093	34,247,532
Loans and Receivables			
Loans Receivable (Net) Current	5	128,295,633	134,002,606
Other Current Receivables	6	6,108,853	7,040,363
Inventories	7	6,775,977	3,887,632
Other Current Assets	8	386,108	177,932
Total Current Assets		180,114,664	179,356,065
NON-CURRENT ASSETS			
Property and Equipment (Net)	9	2,428,204	2,676,972
Other Non-Current Assets	10	2,118,583	1,055,497
Total Non-Current Assets		4,546,787	3,732,469
TOTAL ASSETS		184,661,451	183,088,534

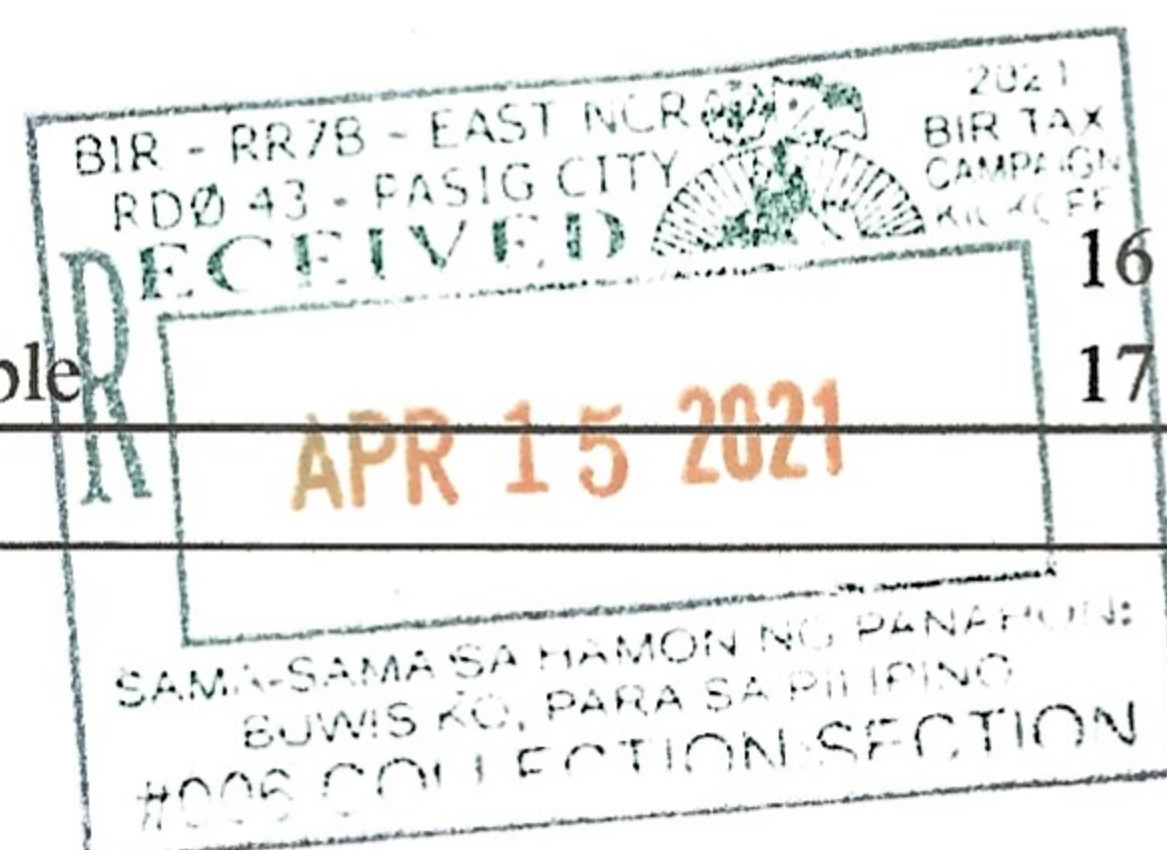
LIABILITIES AND EQUITY

CURRENT LIABILITIES

Savings Deposits	11	38,786,038	34,572,942
Time Deposits	12	26,650,000	22,020,000
Voluntary Savings for Retirement		962,175	311,500
Loans Payable - Short Term (MSCB)		-	7,968,005
Accounts Payable-Trade	13	3,246,613	5,012,848
SSS/ECC/Philhealth/ Pag-ibig Premium Contributions Payable		8,829	22,555
SSS/Pag-ibig Loans Payable		5,971	5,913
Withholding Taxes Payable		(52,055)	(44,399)
Other Accrued Expenses		85,615	166,433
Interest on Share Capital and Patronage Refund Payable	14	2,894,222	6,116,861
Due to Federation/Union (CETF)	14	1,406,931	1,310,458
Other Current Liabilities	15	172,028	1,092,423
Total Current Liabilities		74,166,369	78,555,540

NON-CURRENT LIABILITIES

Retirement Fund Payable		-	
Members' Benefit and Other Funds Payable	17	772,501	767,553
Total Non-Current Liabilities		772,501	767,553



ABBOTT LABORATORIES EMPLOYEES MULTI-PURPOSE COOPERATIVE (ALEKBC-MPC)

Units 102 & 103 West Dale Residences, West Capitol Drive, Kapitolyo, Pasig City

**STATEMENTS OF FINANCIAL CONDITION
AS OF DECEMBER 31**

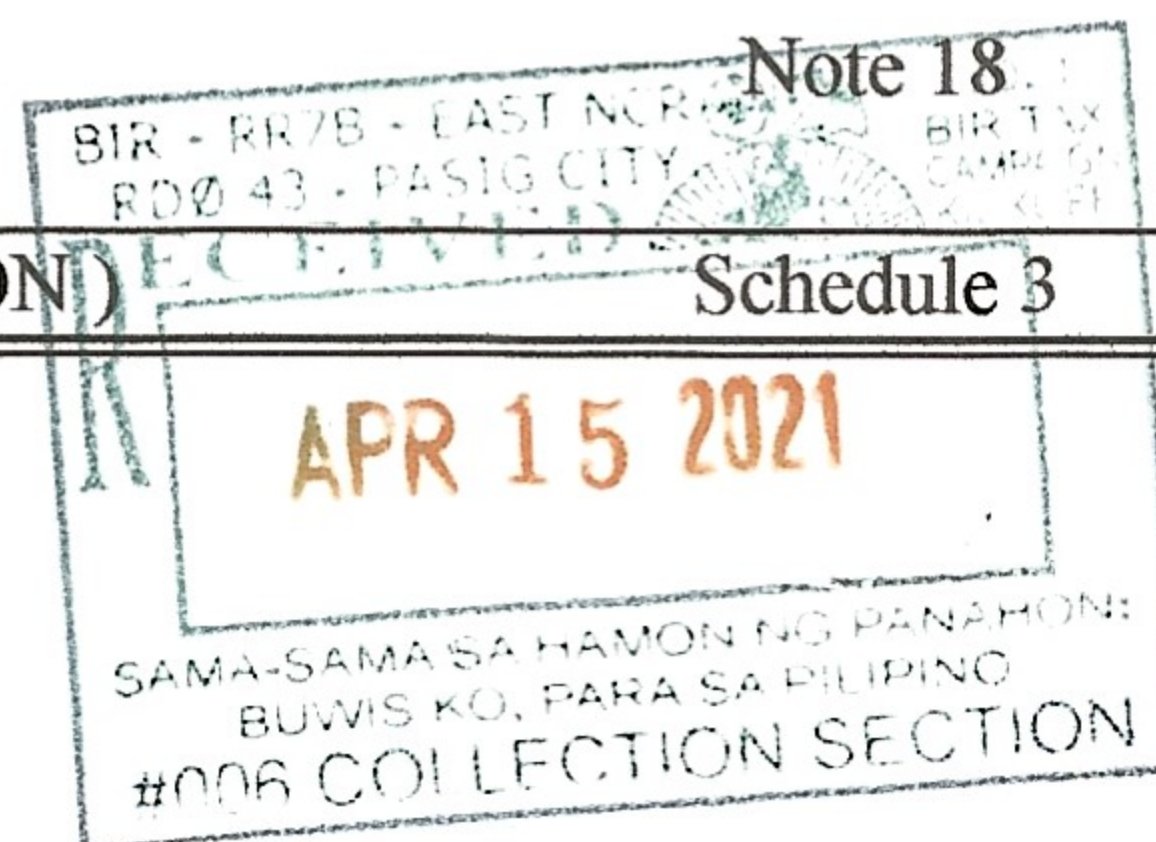
	NOTES	2020	2019
TOTAL LIABILITIES		74,938,869	79,323,093
EQUITY			
MEMBERS' EQUITY			
Authorized Share Capital Common Shares @P100 par value =P156,000,000			
Unissued Shares @P100 par value			
Subscribed Shares @P100 par value			
Subscribed Share Capital		154,956,307	154,564,855
Less: Subscription Receivable		57,467,337	62,780,479
Paid-Up Share Capital		97,488,970	91,784,376
Statutory Funds			
Reserve Fund	14	7,167,279	6,781,384
Education and Training Fund	14	152,937	58,463
Community Development Fund	14	1,150,682	1,429,186
Optional Fund	14,18	3,762,713	3,712,027
Total Statutory Funds		12,233,612	11,981,061
TOTAL LIABILITIES AND EQUITY		184,661,451	183,088,530



ABBOTT LABORATORIES EMPLOYEES MULTI-PURPOSE COOPERATIVE (ALEKBC-MPC)
 Units 102 & 103 West Dale Residences, West Capitol Drive, Kapitolyo, Pasig City

**STATEMENTS OF OPERATION
 FOR THE PERIOD ENDED DECEMBER 31**

	NOTES	2020	2019
REVENUES			
Income from Credit Operations	Schedule 1	10,363,699	14,392,659
Income from Consumer Operations	Schedule 1	2,030,926	3,100,202
Other Income			
Income/Interest from Investments/Deposits	Schedule 1	81,655	94,317
Membership Fees		6,750	9,500
TOTAL REVENUES		12,483,029	17,596,678
LESS: EXPENSES			
Financing Costs	Schedule 2	3,263,213	2,598,836
Administrative Costs	Schedule 2/Note 18	5,580,296	7,061,468
TOTAL EXPENSES		8,843,509	9,660,304
NET SURPLUS BEFORE OTHER ITEMS		3,639,520	7,936,374
ADD: Optional Fund Subsidy	Note 18	219,442	219,982
NET SURPLUS (FOR ALLOCATION)	Schedule 3	3,858,962	8,156,356



Abbott Laboratories Employees Multi-Purpose Cooperative (ALEKBC-MPC)
 Units 102 & 103 West Dale Residences West Capitol Drive, Kapitolyo Pasig City

SCHEDULE OF REVENUES
 For the Months Ended December 31

	2020	2019
<i>Income from Credit Operations</i>		
Interest Income from Loans	9,965,584	13,753,962
Service Fees	316,166	406,686
Fines, Penalties & Surcharges	46,348	40,120
Filing Fees	35,600	191,892
Total	10,363,699	14,392,659
<i>Income from Consumer Operations</i>		
Sales -ADC	836,142	1,905,011
Less: Cost of Sales		
Inventory Beginning	65,856	353,689
Add: Purchases (Net)	832,842	1,540,501
Total Available	898,698	1,894,189
Less: Inventory, End	62,556	81,474
Cost of Sales	836,142	1,812,716
Gross revenue from ADC sales	-	92,296
Add : Commission Income from Bazaar	0	12,673
Service Fees-EPS	2,004,026	2,948,833
Service Fees-Courier	26,900	46,400
TOTAL INCOME FROM CONSUMER OPERATION	2,030,926	3,100,202
<i>Income/Interest from Investments/Deposits</i>		
Interest Income from BPI-	7,245	11,067
Dividend Income - MSCB	31,429	
Miscellaeous Income	42,981	83,250
Total	81,655	94,317

Abbott Laboratories Employees Multi-Purpose Cooperative (ALEKBC-MPC)
Units 102 & 103 West Dale Residences West Capitol Drive, Kapitolyo Pasig City

SCHEDULE OF EXPENSES
For the Months Ended December 31

	2020	2019
FINANCING COSTS		
Interest Expense on Savings/Special/ VSARF Deposit	3,263,213	2,398,237
Borrowings -MSCB		200,600
Total	3,263,213	2,598,836
ADMINISTRATIVE COSTS		
Salaries, Wages	2,557,062	2,698,796
Officers Honorarium and Allowances	607,100	612,217
Employee's Benefits	240,475	400,779
SSS/ECC/PHILHEALTH, Pag-Ibig Contribution	95,213	112,553
Retirement Benefit Expense	185,000	180,000
Office Supplies Expense	22,647	87,034
Power Light & Water	54,829	136,955
Meeting and Conferences	55,374	48,925
Transportation and Travel	25,399	22,451
Insurance	169,475	169,476
Communication Expense	111,664	124,652
Taxes, Fees and Charges	-	25,710
Repairs and Maintenance	-	18,000
Representation Expense	-	9,600
Professional fee	75,000	75,000
Rentals	200,000	195,000
General Assembly Expense	-	714,010
General Support Services	537,339	694,835
Association Dues	37,498	36,492
Depreciation - Furniture, Fixtures & Equipment	29,327	126,000
Depreciation Expense-Building and Improvements	219,442	219,441
Amortization expense	126,000	126,000
Provision for Probable Losses on Accounts Receivable	120,000	35,000
Misellaneous Expenses	111,452	192,543
Total	5,580,296	7,061,468

Abbott Laboratories Employees Multi-Purpose Coopertive (ALEKBC-MPC)
102 Efipanio delos Santos Ave., Mandaluyong City

SCHEDULE OF DISTRIBUTION OF NET SURPLUS
For the Year Ended December 31

	2020	2019
NET SURPLUS (FOR ALLOCATION)	3,858,962.11	8,155,816
AS DISTRIBUTED		
Reserve Fund (10%)	385,896.21	815,582
Education and Training fund - Local (2.5%)	96,474.05	203,895
Due to Union/Federation (2.5%)	96,474.05	203,896
Community Development Fund (3%)	115,768.86	244,674
Optional Fund (7%)	270,127.35	570,907
Amount Available for Interest on Share Capital and Patronage Refund	2,894,221.58	6,116,861
NET SURPLUS (AS ALLOCATED)	3,858,962.11	8,155,816
Amount Available for Patronage Refund	30.00% 868,266.47	1,835,058
Interest on Share Capital	70.00% 2,025,955.11	4,281,803
	2,894,221.58	6,116,861

ABBOTT LABORATORIES EMPLOYEES MULTI-PURPOSE COOPERATIVE (ALEKBC-MPC)
Units 102 & 103 West Dale Residences, West Capitol Drive, Kapitolyo, Pasig City

**STATEMENTS OF CHANGES IN EQUITY AND STATUTORY FUNDS
AS OF DECEMBER 31**

	2020	2019
PAID-UP CAPITAL		
Balance, Beginning	84,174,364	84,174,364
Add: Capital Build-Up/Credits	13,314,606	
Total	97,488,970	84,174,364
Less: Withdrawals/Debits		
Balance, End	97,488,970	84,174,364
RESERVE FUND		
Balance, Beginning	6,781,385	5,965,803
Add: Allocation/Credits	385,896	815,582
Total	7,167,281	6,781,385
Less: Charges/Debits		
Balance, End	7,167,281	6,781,385
EDUCATION AND TRAINING FUND-LOCAL		
Balance, Beginning	58,464	(62,238)
Add: Capital Build-Up/Credits	96,473	203,895
Total	154,937	141,658
Less: Withdrawals/Debits	2,000	83,194
Balance, End	152,937	58,464
COMMUNITY DEVELOPMENT FUND		
Balance, Beginning	1,429,187	1,246,513
Add: Capital Build-Up/Credits	115,769	244,674
Total	1,544,956	1,491,187
Less: Withdrawals/Debits	394,274	62,000
Balance, End	1,150,682	1,429,187
OPTIONAL FUND		
Balance, Beginning	3,712,028	3,360,563
Add: Capital Build-Up/Credits	270,127	570,907
Total	3,982,156	3,931,470
Less: Withdrawals/Debits	219,443	219,442
Balance, End	3,762,713	3,712,028
DUE TO CETF		
Balance, Beginning	1,310,457	1,106,561
Add: Capital Build-Up/Credits	96,474	203,895
Total	1,406,931	1,310,457
Less: Withdrawals/Debits		-
Balance, End	1,406,931	1,310,457

ABBOTT LABORATORIES EMPLOYEES MULTI-PURPOSE COOPERATIVE (ALEKBC-MPC)
Units 102 & 103 West Dale Residences, West Capitol Drive, Kapitolyo, Pasig city

STATEMENTS OF CASH FLOWS

For the Years Ended December 31

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Surplus	3,639,520	8,155,816
Adjustments to reconcile net surplus to net cash provided by operating activities		
Depreciation and Amortization	374,769	345,441
Provision for probable loss on loans	120,000	35,000
Operating Cash Flow before Changes in working capital	4,134,289	8,536,257
Changes in Assets and Liabilities		
Decrease (Increase) in:		
Loans Receivable	5,706,973	(176,495)
Other Current Receivables	931,510	(2,674,318)
Inventories	(2,888,345)	(3,956,441)
Other Current Assets	(208,176)	(113,616)
Other Non-Current Assets	(1,063,086)	1,098,816
Increase (Decrease) in:		
Accounts Payable - Trade	(1,766,235)	656,006
SSS/ECC/Philhealth Premium Contributions Payable	(13,726)	8,896
SSS/Pag-ibig Loans Payable	58	(4,263)
Withholding Taxes Payable	(7,656)	(50,775)
Other Accrued Expenses	(80,818)	(249,095)
Other Current Liabilities	(920,395)	53,140
Net cash provided by (used in) operating activities	3,824,394	3,128,113
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) Decrease in:		
Property and Equipment		(27,154)
Net cash provided by (used in) investing activities	0	(27,154)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Increase) Decrease in:		
Deposit Liabilities	9,493,771	14,316,412
Loans Payable	(7,968,005.38)	7,968,005
Paid-Up Share Capital	5,704,594	8,493,426
Statutory Funds	(642,278)	(364,636)
Retirement Fund Payable		(4,468,469)
Members' Benefit and Other Funds Payable	4,947	(1,975)
Interest on Share Capital and Patronage Refund Payable	(6,116,862)	(6,055,993)
Net cash provided by (used in) financing activities	476,167	19,886,770
Net Increase (Decrease) in Cash and Cash Equivalents	4,300,561	22,987,729
Add: Cash and Cash Equivalents, Beginning	32,869,266	12,037,452
Cash and Cash Equivalents, End of Year	37,169,826	35,025,181

**ABBOTT LABORATORIES (PHILS) EMPLOYEES MULTI-PURPOSE COOPERATIVE
(ALEKBC-MPC)**

Notes to the Financial Statements

As of December 31, 2020

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1. GENERAL INFORMATION

ABBOTT LABORATORIES EMPLOYEES MULTI-PURPOSE COOPERATIVE (ALEKBC-MPC) is a primary cooperative registered with the Cooperative Development Authority-Manila Extension (CDA-MEO) on September 9, 1978 with CDA Registration No. 9520-16011455. Certificate of Compliance No. 16-2020-8051 was granted and valid until April 30, 2021

The Cooperative's primary purposes are to extend loan to members for provident and productive purposes to encourage thrift and savings mobilization among the members; to engage in the operation of a canteen/cafeteria or other business undertakings; to engage in the acquisition of real estate and extension of housing benefits for members; to engage in the manufacture and/or marketing of purified water and related services goods and other requirements of the members.

The Cooperative is engaged in the following business activities: lending, savings mobilization, consumer operations, and acquisition of real estate and extension of housing benefits for members.

The Cooperative's registered principal and business address is located at Units 102-103 West Dale Residences. West Capitol Drive, Kapitolyo, Pasig City.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Preparation

The financial statements of the Cooperative have been prepared under the cost convention. The financial statements are presented in Philippines pesos, which is the Cooperative's functional currency. All amounts are rounded to the nearest Philippine pesos, except when otherwise indicated.

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

Statements of compliance

The accompanying financial statements have been prepared in accordance with the Philippine Financial Reporting Framework for Cooperative (PFRF).

Accounting Policies Adopted

The following chapter and sections that have been published by the Cooperative Developments Authority through Memo Circular N0o. 2015-05 Series of 2015 titled Philippine Financial Reporting

Framework (PFRF) which became effective for accounting periods beginning on or after January 01, 2016 were adopted by the Cooperative.

ABBOTT LABORATORIES (PHILS) EMPLOYEES MULTI-PURPOSE COOPERATIVE
(ALEKBC-MPC)

Notes to the Financial Statements

As of December 31, 2020

Page 2 of 11

The effects of these sections on the Cooperative accounting policies and on the amounts disclosed in the financial statements are summarized as follows:

Chapter III Financial Statements Presentation

Provides framework of financial statements presentation. It requires the faithful presentation of the effects of transactions and events in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses. The application of the framework with additional disclosure when necessary is presumed to result in financial statements that achieve a fair presentation of the financial condition, financial performance and cash flows of cooperatives. The additional disclosures are necessary when compliance with the specific requirements in the framework is insufficient to enable users to understand the effects of particular transactions and events on the cooperative's financial condition and financial performance. The framework also requires presentation of comparative information.

Chapter IX Accounting Policies, Estimates and Error

The Chapter is applied in selecting and applying policies used in preparing financial statements. It also covers changes in accounting estimates and corrections of error in prior period financial statements.

Chapter X Financial Instruments

This Chapter deals with recognizing, derecognizing, measuring and disclosing financial instruments (financial assets and financial liabilities). A cooperative shall recognize a financial asset or a financial liability only when the cooperative becomes a party to the contractual provisions of the instrument. When a financial asset or financial liability is recognized initially, a cooperative shall measure it at the transaction price unless the arrangement constitutes, in effect, a financing transaction.

Chapter XI Inventories

This Chapter sets out the principles for recognizing and measuring inventories.

Chapter XIII Investment Property

The Chapter applies to accounting for investments in land or buildings that meet the definition of investment property and some property interests held by a lessee under an operating lease that are treated like investment property.

Chapter XIV Property, Plant and Equipment

This Chapter provides guidance and clarification on recognition and measurement of property, plant and equipment; requires capitalization of the cost of assets dismantling, removal or restoration; and requires measurement of an item of property and equipment acquired in exchange for a non-monetary asset or a combination of monetary and non-monetary assets at fair value, unless the exchange transaction lacks commercial substance. The standard also provides guidelines for derecognition (e.g. disposal).

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Chapter XV Intangible Assets

This Chapter applies to accounting for all intangible assets and intangible assets held by a Cooperative for sale in the ordinary course of business.

Chapter XVI Allocation and Distribution of Net Surplus

This Chapter shall be applied in the accounting of the allocation and distribution of net surplus as required under Article 85 of RA 9520.

Chapter XVII Statutory Funds

This Chapter shall be applied in accounting for all Statutory Funds required by RA 9520. Section 86 of RA 9520 requires cooperative to allocate statutory reserves in the distribution of net surplus.

Chapter XIX Provision and Contingencies

This Chapter applies to all provisions (i.e. liabilities of uncertain timing or amount), contingent liabilities and contingent assets except those provisions covered by other sections of the framework.

Chapter XXI Donations and Grants

This Chapter specifies the accounting for all donations and grants.

Chapter XXIII Impairment of Assets

This Chapter applies in accounting for the impairment of all assets other than those covered by separate guidelines of the framework.

Chapter XXIV Employee Benefits

Prescribes the accounting and disclosure for employee benefits, including short-term benefits (wages, annual sick leave, annual profit sharing bonuses and other non-monetary benefits); pensions post-employment life insurance and medical benefits, other long-term employee benefits (long-service leave disability, deferred compensation, long-term profit sharing and bonuses, and equity compensation.

Chapter XXV Events After the End of the Reporting Period

This Chapter defines events after the end of the reporting period and sets out principles for recognizing measuring and disclosing those events.

Chapter XXVI Related Party Transactions

This Chapter requires a Cooperative to include to its financial statements the disclosures necessary to draw attention to the possibility that its financial condition and operation have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

3. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Cooperative's financial statements in conformity with Philippine Financial Reporting Framework (PFRF) for Cooperatives requires management to make estimates and assumption that affects the amounts reported in the Cooperative's financial statements and accompanying notes. The estimates and assumptions used in the Cooperative's financial statements

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are based upon management's evaluation of relevant facts and circumstances as of the date of the Cooperative's financial statements. Actual results could differ from such estimates.

Judgments

The preparation of the Cooperative's financial statements in conformity with Philippine Financial Reporting Framework (PFRF) for Cooperatives requires management to make estimates and assumptions that affects the amounts reported in the Cooperative's financial statements and accompanying notes. The estimates and assumptions used in the Cooperative's financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the Cooperative's financial statements. Actual results could differ from such estimates, judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Determining Functional Currency

Based in economic substance of underlying circumstances relevant to the Cooperative, the functional currency has been determined to be the Philippine Peso, which is the currency of the primary economic environment in which the Cooperative operates and is the currency that mainly influences the products and services and cost of providing such products and services.

Estimates and Assumptions

In the application of the Cooperative's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment of Non-Financial Assets

The Cooperative assesses the value of the property, plant and equipment and intangible assets which require the determination of future cash flows expected to be generated from the continued used and ultimate disposition of such assets, and require the Cooperative to make estimates and assumptions that can materially affect the financial statements. Future events could cause the Cooperative to conclude the property and equipment and other long-lived assets are impaired. Any resulting impairment loss could have material adverse impact on Cooperative's financial condition and results of operations.

The preparation of the estimated future cash flows involves significant judgments and estimations. While the Cooperative believed that its assumptions are appropriate and reasonable, significant changes in these assumptions may materially affect the Cooperative's assessment of recoverable values and may lead to future additional impairment changes.

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4. Cash and cash equivalents

This account consists of:

		2020		2019
Revolving Fund	P	350,000	P	350,000
Cash in Bank		37,169,727		32,869,266
Cash in other Cooperatives		1,028,266		1,028,266
TOTAL	P	38,548,093	P	34,247,532

Revolving Fund- this refers to the amount set aside to pay/meet members' withdrawals, petty cash and Efal loan proceeds and other operations as may be determined by the cooperative, except encashment of other checks.

Like the Petty Cash Fund, the Revolving Fund is maintained under an imprest system, that is, the total amount of expenditures, properly supported by documents must match the amount of the fund.

Cash in bank is broken down as follows:

		2020		2019
BPI Shaw	P	36,924,853	P	32,655,720
Metro South Cooperative Bank		233,604		202,175
Banco de Oro - Savings Deposit		11,370		11,370
TOTAL	P	37,169,727	P	32,869,266

Cash in other Cooperatives:

		2020		2019
Metro South Cooperative Bank	P	1,003,325	P	1,003,325
Metro Manila Savings Coop. Inc.		13,497		13,497
Cooperative Insurance System of the Phils.		11,444		11,444
TOTAL	P	1,028,266	P	1,028,266

Loans and Receivables account is compose of loans receivable current and other receivables current.

5. Loans Receivable

This consist of:

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		2020		2019
Christmas/GA Bazaar	P	201,362	P	201,362
Appliance		2,016,628		2,203,328
Back to School Promo Loan		8,722,695		15,231,959
Back to School -NNL		3,525,251		0
Bahay Mo, Repair Ko		799,250		844,370
Bazaar		344,425		376,175
Brigada Eskwela		-6,450		15,050
Birthday Loan		171,250		112,500
Bonus/13th Mo, Advance Ko		-11,922		5
Byahe Loan-Abroad/Local		1,511,563		2,244,263
Calamity Loan Receivable		8,753,738		148,198
Car/house repair		918,769		1,329,198
Car/Vehicle Assistance		1,783,619		2,775,069
Christmas Cash Loan		348,800		0
Computer		1,956,041		2,359,491
Computer Learning Gadget loan		417,775		0
Educational		5,343,353		6,637,652
Educational-NNL		396,850		0
Emergency Fund Assitance Loan		284,523		408,243
Equity		11,656,513		10,180,652
Ganda Mo Loan		304,400		325,400
Hospitalization		2,259,847		2,114,447
Housing Loan Receivable		18,692,461		20,054,134
Kick-off loan		1,798,081		1,719,465
Kotse Mo, Repair Ko		323,600		337,600
Petty Cash		3,090,699		2,460,827
Pocket Money Loan		1,557,282		2,507,882
Regular		24,147,122		25,491,162
Short term		1,613,622		2,058,638
Special		4,777,339		5,226,226
Special Fund Assistance		2,706,824		3,118,264
Special Holiday Loan		9,623,796		10,673,221
Special Promo Loan		5,192,346		6,432,446
Supremo Loan		1,847,349		2,819,888
Vehicle Loan Financing		3,583,695		5,632,354
Total Loans Receivables	P	130,652,497	P	136,039,470
Less: Allowance for Probable Losses on Loans		-2,356,864		-2,036,864
TOTAL	P	128,295,633	P	134,002,606

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6. Other Current Receivables

		2020		2019
EMAF	P	176,040	P	70,244
Comakers Account		97,338		229,459
Abbott Labs.(Phils.)		2,747,583		5,624,426
Abbott Labs.(Phils.)- ADC		0		1,727
Abbott Labs -JRS courier Charges		1,252,076		104,015
Other Receivable Employees-JRS courier		80,746		178,466
Interest Receivable from House Financing		1,146,873		774,364
Interest Receivable from Vehicle Financing		18,241		
Service Fee Receivable-Courier		12,773		38,527
Abbott Service Fee Receivable-EPS		479,381		-33,521
Other Receivable -others		97,802		52,656
TOTAL	P	<u>6,108,853</u>	P	<u>7,040,363</u>

7. Inventories

		2020		2019
Consumers-				
Medisense	P	62,556	P	79,274
Less: Allowance for the decline in value of Inventory				
Inventory, Net	P	<u>62,556</u>	P	<u>79,274</u>
Employee EPS		<u>6,713,421</u>		<u>3,808,358</u>
TOTAL	P	<u>6,775,977</u>	P	<u>3,887,632</u>

8. Other Current Asset

		2020		2019
Unused Office Supplies	P	41,677	P	41,677
Prepaid Insurance		<u>344,431</u>		<u>136,255</u>
TOTAL	P	<u>386,108</u>	P	<u>177,932</u>

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9. Property and Equipment

	2019	ADDITIONS	DISPOSAL	2020
COST				
Furniture, Fixtures and Office Equipment P	1,271,134			1,271,134
Building Improvement	3,908,836			3,908,836
Tools and Office Equipment	112,000			112,000
TOTAL	5,291,970	-	-	5,291,970
ACCUMULATED DEPRECIATION				
Furniture, Fixtures and Office Equipment	1,241,807	29,327		1,271,134
Building Improvement	1,261,191	219,442		1,480,632
Tools and Office Equipment	112,000			112,000
TOTAL	2,614,998	345,442	-	2,863,766
CARRYING VALUE	P 2,676,973	(318,288)	P -	2,428,204

10. Other Non-current Asset

	2020		2019	
Computerization Costs (net)	P	135,951	P	184,641
Due from Resigned Employees		1,982,632		870,856
TOTAL	P	2,118,583		1,055,497

11. Savings Deposit

This consist of deposits made by members that can be withdrawn anytime at the option of the member – depositor. Savings deposit amounts to P 38,786,038 and P34, 572,942 for the year 2020and 2019 respectively.

12. Time Deposit

This consist of deposits made by members for a specified period of time and withdraw able at a predetermined date. Time deposit amounts to P 26,650,000 and P 22,020,000 for 2020 and 2019 respectively.

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13. Accounts Payable – Trade

		2020		2019
Abbott Diagnostic Care	P		P	4
Abbott Labs -EPS		3,152,254		4,889,607
MCTC		0		0
JRS Business Corp		94,359		123,238
				0
TOTAL	P	3,246,613	P	5,012,848

14. Allocation of Net Surplus

Net surplus is allocated in accordance with RA 9520 and Cooperative By-Laws.

15. Other Current Liabilities

		2020		2019
Interest Payable on Special Savings	P	122,113	P	188,900
Due to Resigned Members		0		860,443
Accounts payable others		19,485		6,640
Chattel Mortgage Payable		30,430		36,440
TOTAL	P	172,028	P	1,092,423

16. Retirement Fund Payable

This consist of accumulated retirement benefit costs charged against the income of the Cooperative over the expected remaining working lives of participating qualified employees.

17. Members' Benefit and Other Funds Payable

This consist of funds for special purposes such as members' benefit and the like. The fund amounts to P772, 501 and 767,553 for 2020 and 2019 respectively.

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18. Optional Fund

	2020		2019
The Cooperative has set aside Optional Fund for the following purposes:			
Cost of two (2) commercial condo units for Coop office	<u>3,712,027</u>		<u>3,360,561</u>
Optional Fund, beginning	P 3,712,027	P	3,360,561
Add: Allocation for the Period	270,127		570,907
Total	<u>3,982,155</u>		<u>3,360,561</u>
Less: Optional Fund Subsidy - Depreciation	<u>219,442</u>		<u>219,442</u>
Net Balance	P <u>3,762,713</u>	P	<u>3,712,026</u>

The ALEKBC-MPC has applied portion of optional fund for the depreciation of building and improvements for the current period totalling P219, 442.

19. Events after the Balance Sheet Date

There were no events after balance sheet date that would require a disclosure or adjustment on the financial statement of the Cooperative

The accompanying financial statements of the Cooperative as at and for the years ended December 31, 2020 and 2019 were approved and authorized for issuance on February 25, 2021 by the Board of Directors.

20. Supplementary Information Required by Bureau of Internal Revenue's Revenue Regulation (RR) No. 15-2010

In addition to the disclosure mandated under PFRSs, and such other standards and/or conventions as may be adopted, companies are required by the BIR to provide in the notes to the financial statements, certain supplementary information for the taxable year. The amounts relating to such information may not necessarily be the same with those amounts disclosed in the financial statements which were prepared in accordance with PFRSs. The following is the tax information required for the taxable year ended December 31, 2020:

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II. Based (RR) No. 15-2010

A. Withholding Taxes

Compensation Withholding Tax	P	82,905
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B. All Other Taxes (Local and National)

		2020
BIR Registration fee	P	
Business Permit and other fees		10,710
Real Property Taxes		25,804
TOTAL	P	36,514