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A.I. GUTIERREZ & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the BOARD OF TRUSTEES and MEMBERS of
AHON SA HIRAP, INC.
76, 8th Avenue, Cubao, Quezon City

Report on the Financial Statements

We have audited the accompanying financial statements of AHON SA HIRAP, INC. (a non-stock, non-profit organization) which comprise the statements of financial position, as at December 31, 2009 and 2008 and the statements of revenues, statements of fund balance and statements of cash flows for the years then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Philippine Standards on auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

Scope

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment; including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of AHON SA HIRAP, INC. (a non-stock, non-profit organization) as of December 31, 2009 and 2008 and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards.

A.I. GUTIERREZ & ASSOCIATES, CPAs

By: MELECIA A. BIBAL
Partner
CPA Certificate No. 00046938
Tax Identification No. 100-740-429
BOA/PRC Registration No. 1032(expiring December 31, 2010)
PTR No. 3229310 dated Jan 8, 2010 issued at Quezon City
BIR Accreditation No. 07-001637-1-2009, (expiring on Feb 25, 2012)
SEC ACC#0941-A , (expiring on March 4, 2013)

April 05, 2010
Pasig City

AHON SA HIRAP, INC.
No. 76, 8th Avenue, Cubao 1109, Quezon City, Philippines
Tel/Fax (632) 912-0688 * 913-2452

April 05, 2010

SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA Greenhills
Mandaluyong, Metro Manila

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

The management of Ahon Sa Hirap, Inc. is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2009. 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 withholding tax returns, documentary stamps returns, and any and all other tax returns.

In this regard, management affirms that the attached audited financial statements for the year ended December 31, 2009 and the accompanying Annual Income Tax Return are in accordance with the books and records of Ahon Sa Hirap, Inc., complete and correct in all material respects. Management likewise affirms that:

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

(b) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of 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 Ahon Sa Hirap, Inc. has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

MILA G. MERCADO-BUNKER
President

MERCEDES R. ABAD
Chairman of the Board

MA. WIVINA L. DE VERA
Treasurer

AHON SA HIRAP, INC.

No. 76, 8th Avenue, Cubao 1109, Quezon City, Philippines
Tel/Fax (632) 912-0688 * 913-2452

April 05, 2010

SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA Greenhills
Mandaluyong, Metro Manila

"STATEMENT OF MANAGEMENT'S RESPONSIBILITY"

The management of Ahon Sa Hirap, Inc. is responsible for all information and representations contained in the financial statements for the year ended December 31, 2009. The financial statements have been prepared in accordance with the Philippine Financial Reporting Standards.

In this regard, management maintains a system of accounting and reporting which provides for the necessary internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

A.I. Gutierrez and Associates, Certified Public Accountants (Melecia A. Bibal – Partner), the independent auditors engaged by the Board of Trustees, has examined the financial statements of the company in accordance with the Philippine Standards on Auditing and has expressed their opinion on the fairness of presentation upon completion of such examination in their report to the Board of Trustees.

MILA G. MERCADO-BUNKER
President

MERCEDES R. ABAD
Chairman of the Board

MA. WIVINA L. DE VERA
Treasurer

AHON SA HIRAP, INC.
(a Non-Stock Non-Profit Organization)

STATEMENTS OF FINANCIAL POSITION
December 31, 2009 and December 31, 2008
(All amounts in Philippine Pesos)

	Notes	2009	2008
ASSETS			
CURRENT ASSETS			
Cash & Cash Equivalents	**2, 3, 5, 25**	66,987,251.97	36,947,997.97
Receivables	**2, 3, 6, 25**	172,049,872.30	151,959,546.18
Other Current Assets	**2, 3, 7, 25**	22,498,147.54	21,889,066.46
		261,535,271.81	**210,796,610.61**
NON CURRENT ASSETS			
Property & Equipment	**2, 3, 8, 25**	13,682,435.07	11,271,051.07
Other Receivables	**2, 3, 9, 25**	31,275,515.72	22,677,195.66
Other Non-Current Assets	**2, 3, 10, 25**	6,732,854.70	5,510,500.00
		51,690,805.49	**39,458,746.73**
TOTAL ASSETS		**313,226,077.30**	**250,255,357.34**
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Interest Payables – Others	**2, 3, 11, 25**	2,259,116.71	1,868,981.43
Loans Payable – Others	**2, 3, 11, 25**	62,526,732.42	37,203,131.21
Fund Savings	**2, 3, 12, 25**	58,678,194.58	48,689,838.52
Other Current Liabilities	**2, 3, 13, 25**	10,835,508.48	10,845,853.78
		134,299,552.19	**98,607,804.94**
NON CURRENT LIABILITIES			
Loans Payable – Others	**2, 3, 11, 25**	88,470,508.85	66,795,869.98
		222,770,061.04	**165,403,674.92**
EQUITY	**2, 3, 14, 25**	**90,456,016.26**	**84,851,682.42**
TOTAL LIABILITIES & EQUITY		**313,226,077.30**	**250,255,357.34**

(See accompanying Notes to Financial Statements)

AHON SA HIRAP, INC.
(a Non-Stock Non-Profit Organization)

STATEMENTS OF REVENUES
For the period ended December 31, 2009 and December 31, 2008
(All amounts in Philippine Pesos)

	Notes	2009	2008
Financial Income	**2, 3, 16, 25**	69,103,225.11	61,899,279.23
Financial Expenses	**2, 3, 17, 25**	(16,521,851.91)	(12,157,491.85)
Financial Margin		52,581,373.20	49,741,787.38
Other Income	**2, 3, 18, 25**	1,664,072.47	1,430,307.75
GROSS FINANCIAL MARGIN		**54,245,445.67**	**51,172,095.13**
EXPENSES:			
Personnel Expenses	**2, 3, 19, 25**	30,640,100.27	26,999,648.67
Administrative Expenses	**2, 3, 20, 25**	14,459,817.48	13,752,542.10
Rental/Depreciation and Maintenance	**2, 3, 21, 25**	1,695,654.61	1,468,590.79
Program Expenses	**2, 3, 22, 25**	8,390,257.93	6,265,847.65
		55,185,830.29	**48,486,629.21**
INCOME(LOSS) FROM OPERATIONS		**(940,384.62)**	**2,685,465.92**
Grants	**2, 3, 23, 25**	6,442,157.35	6,557,162.61
Donations	**2, 3, 23, 25**	3,332,489.86	316,576.90
		9,774,647.21	**6,873,739.51**
NET REVENUE FROM GRANTS & DONATIONS		**8,834,262.59**	**9,559,205.43**

(See accompanying Notes to Financial Statements)

AHON SA HIRAP, INC.
(a Non-Stock Non-Profit Organization)

STATEMENTS OF FUND BALANCE
For the years ended December 31, 2009 and December 31, 2008
(All amounts in Philippine Pesos)

	Notes	2009	2008
Donated Equity			
Kabalikat Membership Fee/ Annual Dues	**2, 3, 14**	808,136.50	733,572.50
Endownment Fund	**2, 3, 14**	8,178,270.75	8,178,270.75
Salamat Fund	**2, 3, 14**	9,635,616.45	9,635,616.45
Reserves/Net Surplus	**2, 3, 14**	71,833,992.56	66,304,222.72
TOTAL EQUITY		**90,456,016.26**	**84,851,682.42**

(See accompanying Notes to Financial Statements)

AHON SA HIRAP, INC.
(a Non-Stock Non-Profit Organization)

STATEMENTS OF CASH FLOWS
For the years ended December 31, 2009 and December 31, 2008
(All amounts in Philippine Pesos)

	Notes	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess(Deficit) of Receipts over Disbursements including realized forex adjustments	**2, 3**	8,834,262.59	9,559,205.43
Adjustments for:			
Depreciation	**2, 3, 21**	1,469,288.91	1,317,022.61
Prior Period Adjustments For Loans & Savings (Antique Branches) (Luzon Branches)	**2, 3**	(3,303,222.77)	(666,866.47)
For Loan Loss Reserve	**2, 3**		6,028.80
Adjustments to Accum. Dep.- Property & Equipment	**2, 3, 8**	(234,446.96)	(81,494.75)
(Increase) Decrease in Other Current Assets	**2, 3, 7**	(609,081.08)	(12,354,486.38)
Increase (Decrease) in Other Current Liabilities	**2, 3, 13**	(10,345.30)	2,814,022.97
Net Cash provided by (Used in) Operating Activities		**6,146,455.39**	**593,432.21**
CASH FLOWS FROM FINANCING ACTIVITIES			
(Increase) Decrease in Assets			
Receivables (Net Portfolio)	**2, 3, 6**	(20,090,326.12)	(29,610,989.20)
Increase (Decrease) in Liabilities			
Interest Payable	**2, 3, 11**	390,135.28	(115,565.79)
Loans Payable – Others (Current)	**2, 3, 11**	25,323,601.21	10,943,570.76
Loans Payable – Others (Long Term)	**2, 3, 11**	21,674,638.87	(3,702,785.36)
Fund Savings	**2, 3, 12**	9,988,356.06	12,963,171.66
Donated Equity	**2, 3, 14**	74,564.00	916,090.00
Net Cash provided by (Used in) Financing Activities		**37,360,969.30**	**(8,606,507.93)**
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase) Decrease in			
Property & Equipment	**2, 3, 8**	(3,647,495.93)	(5,079,802.77)
Other Non-Current Assets	**2, 3, 10**	(9,820,674.76)	(4,694,781.82)
Net Cash provided by (Used in) Investing Activities		**(13,468,170.69)**	**(9,774,584.59)**
Net Decrease in Cash & Cash Equiv.		(30,039,254.00)	(17,787,660.31)
Cash & Cash Equivalents Jan. 01	**2, 3, 5**	36,947,997.97	54,735,658.28
December 31	**2, 3, 5**	**66,987,251.97**	**36,947,997.97**

(See accompanying Notes to Financial Statements)

AHON SA HIRAP, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008
(Amounts in Philippine Peso)

1. CORPORATE INFORMATION

AHON SA HIRAP, INC. (ASHI) (the Company) was registered with the Securities and Exchange Commission (SEC) on July 24, 1991 as a Non-profit, Non-sectarian, Non-Stock Poverty Alleviation institution using Grameen Methodology organized as a Non-Government Organization (NGO).

The Company's registered business address is at No. 76, 8th Avenue, Cubao, Quezon City1109.

Ahon Sa Hirap Inc. or ASHI has the distinction of the first replicator of the Grameen approach to credit for the bottom poor in the Philippines. ASHI expresses its vision that its poor members will be empowered to rise above poverty through their unity, discipline, hard work and perseverance. ASHI's leadership has taken on the challenge to make the organization an agent of change among the bottom poor women by strengthening their economic life and promoting spiritual and educational well-being. Moreover, with its outstanding achievements over the years, it has become the role model of credit delivery to the poor in the country.

The accompanying financial statements of the Company for the years ended December 31, 2009 (including the comparatives for the year ended December 31, 2008) were authorized for issue by the Board of Trustees (BOT) on March 31, 2010. The Board of Trustees is still empowered to make revisions on these Financial Statements even after the issuance thereof.

2. Summary of Significant Accounting Policies

2.1 Basis of Preparation

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) in the Philippines as set forth in the Philippine Financial Reporting Standards (PFRS). PFRS includes Philippine Accounting Standards (PAS) And interpretations issued by the Financial Reporting Standards Council.

The financial statements of the Company have been prepared on a fair value measurement basis. The measurement basis is more fully described in the accounting policies below. The financial statements are presented in Philippine Pesos, which is the Company's functional currency. All amounts are rounded to the nearest peso, except when otherwise indicated.

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

2.2 Accounting Policies Adopted

The following accounting standards, amendments and interpretations to existing standards that have been published by the International Accounting Standards Board (IASB) and adopted by the FRSC which became effective for accounting periods beginning on or after January 1, 2006 were adopted by the Company:

PAS 1 (Revised 2003)	- Presentation of Financial Statements
PAS 7	- Cash Flow Statements
PAS 8 (Revised 2003)	- Accounting Policies, Changes in Accounting Estimates, and Errors
PAS 10	- Events after the Balance Sheet date
PAS 12	- Income Taxes
PAS 16 (Revised 2003)	- Property, Plant and Equipment
PAS 17 (Revised 2003)	- Leases
PAS 18	- Revenue
PAS 19	- Employee's Benefits
PAS 23	- Borrowing Cost
PAS 24	- Related Party Disclosures
PAS 32 (Revised 2003)	- Financial Instruments: Disclosures and Presentation
PAS 36 (Revised 2004)	- Impairment of Assets
PAS 37	- Provisions, Contingent Liabilities and Contingent Assets
PAS 39	- Financial Instruments: Recognition and Measurement

These new standards, amendments and interpretations prescribe new accounting measurement and disclosure requirements applicable to the Company. When applicable, the adoption of the new standards was made in accordance with the transitional provisions of the standards, otherwise the adoption of the new standards is accounted for as change in accounting policy under PAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors". The effects of these new standard, amendments and interpretations on the Company's accounting policies and on the amounts disclosed in the financial statements are summarized as follows:

PAS 1 (Revised 2003), "Presentation of Financial Statements," provides a framework within which an entity assesses how to present fairly the effects of transactions and other events. It provides the criteria for classifying liabilities as current or non-current, prohibits the presentation of items of income and expense as extraordinary items, specifies disclosures about the judgments made by management in applying accounting policies, the key sources of estimation uncertainty at the balance sheet date that have significant risks.

PAS 7, "Cash Flow Statements", requires the provision of information about the historical changes in cash and cash equivalents of an entity by means of a cash flow statement which classifies cash flows during the period from operating, investing and financing activities.

PAS 8 (Revised 2003), "Accounting Policies, Changes in Accounting Estimates and Errors," eliminates the concept of fundamental error and the allowed alternative to retrospective application of voluntary changes in accounting policies and retrospective restatement to correct prior period errors. The standard defines material omissions and misstatements and describes how to apply the concept of materiality when applying accounting policies and correcting errors.

PAS 10 (Revised 2003), "Events After the Balance Sheet Date," identifies subsequent events as events that occurred after the balance sheet date but before the date when the financial statements were authorized for issue.

PAS 12, "Income taxes," the objective of the standard is to prescribe the accounting treatment for income taxes.

PAS 16 (Revised 2003), "Property, Plant and Equipment," prescribes the accounting treatment for property, plant and equipment and related disclosure requirements. The Standard contains a limited revision to provide additional guidance and clarification on recognition and measurement of items of property, plant and equipment. It provides guidance on initial and subsequent recognition as well as measurement after recognition. It requires depreciation for each significant part of an item of property, plant and equipment. The standard also provides guidance on the determination of the carrying amount of the assets, the residual value, depreciation period and derecognition principles to be observed.

PAS 17 (Revised 2003) “Leases”, provides limited revision to clarify the classification of a lease of land and buildings and prohibits expensing of initial direct costs in the financial statements of lessors.

PAS 18, “Revenue”, provides additional guidelines as to the timely recognition of revenue, which is measured at the fair value of the consideration received or receivable.

PAS 19, “Employee Benefits,” applies to all employee benefits offered by an employer to employees and their dependents and beneficiaries. This standard applies to employee benefits under: (i) formal plans and agreements between an enterprise and its employees, (ii) national, local, industry or multi-employer plans; and informal practices giving rise to a constructive obligation. This standard also identifies the following categories of employee benefits such as short-term employee benefits, post employment benefits, other long-term employee benefits and termination benefits.

PAS 23, “Borrowing Costs,” this Standard prescribe the accounting treatment for borrowing costs. This Standard generally requires the immediate expensing of borrowing costs. However, the standard permits, an allowed alternative treatment, the capitalization of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

PAS 24 (Revised 2003), “Related Party Disclosures,” provides additional guidance and clarity in the scope of the Standard, the definitions and the disclosures for related parties. It requires disclosure of the compensation of key management personnel.

PAS 32 (Revised 2003), “Financial Instruments: Disclosures and Presentation”, which prescribes the requirements for the presentation of financial instruments and identifies the information that should be disclosed about them. The presentation requirements apply to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset. The standard requires disclosure of information about factors that affect the amount, timing and certainty of an entity’s future cash flows relating to financial instruments and the accounting policies applied to those instruments.

This standard also requires disclosure of information about the nature and extent of an entity’s use of financial instruments, the business purposes they serve, the risks associated with them, and management policies for controlling those risks.

PAS 36 (Revised 2004), “Impairment of Assets”, prescribes the procedures that an entity applies to ensure that its assets are carried at no more than their recoverable amount if its carrying amount exceeds the amount to be recovered through use or sale of the asset. If this is the case, the asset is described to be impaired and the standard requires the entity to recognize an impairment loss. The standard also specifies when an entity should reverse an impairment loss previously recognized. The revised standard clarifies the elements that should be reflected in the calculation of an asset's value in use. PAS 36 prescribes the frequency of impairment testing for intangible assets.

PAS 37, "Provisions, Contingent Liabilities and Contingent Assets", ensures that appropriate recognition criteria and measurement basis are applied to provisions, contingent liabilities and contingent assets and that sufficient information is disclosed in the notes to financial statements to enable users to understand their nature, timing and amount.

PAS 39, "Financial Instruments: Recognition and Measurement", which prescribes the principles for recognizing, measuring, and disclosing information about financial assets and financial liabilities. PAS 39 supplements the disclosure provision of PAS 32, Financial Instruments: Disclosures and Presentation.

2.3 Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

PFRS 7, Financial Instruments: Disclosures and complimentary amendment to Pas 1. PFRS 7 introduces new disclosures to improve the information about the financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risk arising from financial instruments , including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. This will not have an impact to the financial statements of the Company.

Philippine Interpretation IFRIC-10, *Interim Financial Reporting and Impairment* This Interpretation provides that the frequency of financial reporting does affect the amount of impairment charge to be recognized in the annual financial reporting with respect to goodwill and AFS financial assets. It prohibits the reversal of impairment losses on goodwill and AFS equity investments recognized in the interim financial reports even if impairment is no longer present at the annual balance sheet date. Adoption of this interpretation did not have any significant impact on the financial statements.

Future Changes in Accounting Policies

The Group has not applied the following PFRS and Philippine Interpretations which are not yet effective for the year ended December 31, 2009:

PAS 23, *Borrowing Costs (effective for annual periods beginning on or after January1, 2009.* The Standards has been revised to require capitalization of borrowing costs when such costs relate to a qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. In accordance with the transitional requirements in the Standard, this change in accounting for borrowing costs shall be accounted for prospectively. Accordingly, borrowing costs will be capitalized on qualifying assets with a commencement date after January 1, 2009. The Company does not expect that the adoption of this Standard will have a significant impact on the consolidated financial statements.

PFRS 8, *Operating Segments (effective for annual periods beginning on or after January 1, 2009)* This PFRS adopts a management approach to reporting segment information. PFRS 8, will replace PAS 14, *Segment Reporting,* and is required to be adopted only by entities whose debt or equity instruments are publicly traded, or are in the process of filing with the SEC for purposes of issuing any class of instruments in a public market.

Amendment to PAS 1, *Amendment on Statement of Comprehensive Income*

This Amendment will became effective January 1, 2008. In accordance with the amendment to PAS 1, the statement of changes in equity shall include only transactions with owners, while all non-owner changes will be presented in equity as a single line with details included in a separate statement. Owners are defined as holders of instruments classified as equity.
For purposes of the Company being a Non-Stock, Non-Profit Organization this amendment will not be applicable as it has no comprehensive income but depends largely on Grants and Donations to pursue its objectives.

Philippine Interpretation IFRIC – 14 IAS 19, *Limit on Defined Benefit Asset, Minimum Funding Requirement and Other Interaction* IFRIC Interpretation 14 was issued in July 2007 and becomes effective for annual periods beginning on or after January 1, 2008. This Interpretation provides guidance on how to assess the limit on the amount of surplus in a defined benefit scheme that can be recognized as an asset under IAS 19 *Employees Benefits.* This Interpretation will have no impact on the financial statements as the Company's has currently no such scheme.

The effects of these new standard, amendments and interpretations on the Company accounting policies and on the amounts disclosed in the financial statements are summarized as follows:

In 2009, it is the opinion of Management that assets and liabilities were recognized at fair value; hence, these were considered deemed cost.

The significant accounting policies that have been used in the preparation of these financial statements are summarized below. The policies have been consistently applied to all years presented, unless otherwise stated.

The financial statements have been prepared on modified accrual basis of accounting.

Financial Assets and Liabilities

Financial assets and liabilities are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of the financial assets and liabilities are included in the initial measurement of all financial assets and liabilities, except for financial instruments measured at fair value through profit or loss.

The Company recognized a financial asset or a financial liability in the balance sheets when it becomes a party to the contractual provisions of the instrument. In the case or regular way purchase or sale of financial assets, recognition and de recognition, as applicable, is done using settlement date accounting. Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument of a component that is a financial liability, are reported as expense or income.

Financial assets are further classified into the following categories:

a. Financial asset at fair value through profit or loss
   Financial asset at fair value through profit or loss includes financial assets designated upon initial recognition as at fair value through profit or loss.

   Financial assets may be designated at initial recognition as at fair value through profit or loss if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognizing gains or losses on them on a different basis; or (ii) the assets are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, n accordance with a documented risk management strategy; or (iii) the assets contain an embedded derivative that would need to be separately recorded.

   As of December 31, 2009, the Company has no financial asset at fair value through profit or loss.

b. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at cost or amortized cost using the effective interest method. Gains and losses are recognized in the statement of income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

The Company has non-derivative financial assets.

Impairment of Financial Assets or Provisioning

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred “loss event”) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

For loans and receivables, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses for impairment. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment for impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred). The carrying amount of the asset is reduced through use of an allowance account and the amount of loss is charged to the statement of operations. Receivables, together with the associated allowance accounts, are written-off when there is no realistic prospect of future recovery has been realized. If, in a subsequent year, the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is reduced by adjusting the allowance account. If a future write-off is later recovered, any amounts formerly charged are credited to the "Other income" account.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of such credit risk characteristics as term and past-due status.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the Company. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Company to reduce any differences between loss estimates and actual loss experience.

Assets Carried at Amortized Cost. If there is objective evidence that an impairment loss on loans and receivable carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the assets’ carrying amount and the present value estimated future cash flows discounted at the financial asset’s original effective interest rate. The carrying amount of the financial assets shall be reduced either directly or through the use of an allowance account. The amount of the loss shall be recognized in the statements of income.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If it is determined that no objective evidence of impairment exists for an individual asset with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is on continues to be recognized are not included n a collective assessment or impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the statements of income, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

Assets Carried at Cost. If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instruments has been occurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Derecognition of Financial Assets and Financial Liabilities

Financial assets

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

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

Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay. Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Company's continuing involvement is the amount of the transferred asset that the Company may repurchased, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Company's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of income.

Impairment of Non-Financial Assets

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable. If any such indication exists and when he carrying value of an asset exceeds its estimated recoverable amount, the asset or cash generating unit to which the asset belongs is written down to its recoverable amount. The recoverable amount of an asset is the greater of its net selling price and value in use. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs. For impairment loss on specific assets or investments, the recoverable amount represents the net selling price.

An assessment is made at the balance sheet date to determine whether there is any indication that an asset may be impaired, or whether there is any indication that an impairment loss previously recognized for an asset in prior years may no longer exist or may have decreased. If any such indication exists and when the carrying value of an asset exceeds its estimated recoverable amount, the asset or cash generating unit to which the asset belongs is written down to its recoverable amount.

An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged against operations in the year in which it arises. A previously recognized impairment loss is reversed only if there has been a change in estimate used to determine the recoverable amount of an asset, however, not to an amount higher than the carrying amount that would have been determined (net of any accumulated depreciation and amortization for property and equipment) had no impairment loss been recognized for the asset in prior years. A reversal for impairment loss, if any, is credited to current operations.

Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Company has a present obligation, either 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 the amount of the obligation can be estimated reliably. When the Company 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.

The amount of the provision recognized is the best estimated of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent liabilities and assets are not recognized because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent liabilities, if any, are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are disclosed only when an inflow of economic benefits is probable.

Financial Assets

Financial assets include cash on hand and in banks and other financial instruments. Financial assets are classified into the following categories: financial assets at fair value through profit or loss and receivables. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the assets were acquired.

Cash

Cash represents cash in banks available at Balance Sheet date.

As part of internal control, Petty Cash Fund and Revolving Fund is being set up at the Beginning of year and then closed at year-end.

Cash Equivalents
Cash Equivalents are highly liquid placements with maturity of three months or less from acquisition date.

As of December 31, 2009, the Company has Cash Equivalents stated at fair value.

Receivables
Receivables are stated at amortized cost less provision for impairment. Impairment is considered when there is objective evidence that the Company will not be able to collect the debts.

The Loan loss reserve which is equivalent to Allowance for Doubtful Accounts is the estimated amount of probable losses arising from non-collection based on past collection experience and management's review of the current status of the long-outstanding receivables under the provisioning policies passed by the Board of Trustees.

As of December 31, 2009, the Company has receivables stated at fair value.

Other Current Assets
Other Current Assets are Accounts Receivable accounts used by branches for amount advanced for training expenses of newly hired staff in favor of the head office. Further, this also represents cash accommodations of one branch for another branch. Also, it represents cash accommodations for sickness/maternity benefits of staffs and other staff accountabilities. This account also includes Advances for Company's expenses as well as prepayments. These are non-interest bearing and are liquidated/collected within the 12-month period.

As of December 31, 2009, the Company has Other Current Assets stated at fair value

Property and Equipment

Property and Equipment are carried at acquisition costs, excluding the cost of day-to-day serving, less accumulated depreciation and amortization and any impairment in value.

The initial cost of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property, plant and equipment have been put into operations, such as repairs and maintenance and overhaul costs, are normally charged to operations in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment. Cost also includes any asset retirement obligation and interest on borrowed funds used. When assets are sold or retired, their costs and accumulated depreciation, amortization and impairment losses, if any, are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statement of operations of such period.

Depreciation and amortization are calculated on a straight-line basis over the useful lives of the assets.

The useful life of each of the property, plant and equipment is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of industry practice and experience with similar assets.

The assets' residual values, useful lives and depreciation and amortization method are reviewed, and adjusted if appropriate, at each financial year-end.

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

As of December 31, 2009, the Company has Property and Equipment stated at fair value.

Other Receivables - Land Acquisition -TPP –represents costs not limited to purchase of lot but to include taxes and fees for land conversion, capital gains and facilitation fees.

Tulong Pabahay Program (TPP)

ASHI, through its balance sheet or using its access to available funding acquired the land for development. The Board of Trustees passed Resolution No.07-09-05 "Resolution to procure the 41,831 sq.m. lot located at Brgy, Bagong Silang, Molino, Bacoor, Cavite particularly for the relocation of members of Ahon Sa Hirap, Inc., living in danger zones, estereros and in private property with demolition order…That the continuing program of Tulong Pabahay will be subject to evaluation of the success of this project"

It will identify all the beneficiaries from its membership who will be provided units in the development plan.

The "Assistance to Housing" or Tulong Pabahay Program- Molino Project is off- site project for Victims of Demolition, living in danger zone, affected by Government ordinance for south rail Rehabilitation program in the cities of Muntinlupa, San Pedro and Calamba.

The development plan made by ASHI through the formation of one Home Owners Association called VILLA MILA NEIGHBORHOOD ASSOCIATION who are also members of ASHI to be leaders who help develop the kind of community that will be built consistent with the objectives of ASHI and its vision to contribute to the eradication of poverty.

The plans have been presented to the membership for everyone's appreciation and for consideration of specific needs that will have to be addressed. **What will be planned will be a total community. The community that enhances value formation, where innovative programs for the environment, sanitation, clean and green projects will be undertaken through the Training Center and Ecological Park build inside the village.**

The units will be allocated to the members at a rate affordable to them in partnership , with leading financing institutions providing housing loan to members who are primarily employed or duly registered business entity. The Program allows each member a total amount of P300, 000 per household payable in 25 years. This included site development and housing. Where applicable, "sweat" equity can be supplied by the members and their families to even enhance the value of the dwelling that will be provided .The development will paved a way to organization of community association by phase unde one Home Owners Assoication each phase will have a maximum membership of 150 organized to run the entire affected families.

The cost of the 4.3 hectares is estimated at P20.9 Million. If 70% of the land will be the area for residence/unit, 28,000 square meters will be available. With the theoretical allocation of 36 square meters per unit, some 600 units can be accommodated. An appropriation of P300,000 as the loan for each unit under the socialized housing program. The development of the utilities and services and road network will have to be cost-effective and take into account the ecological setting in the site. The design of the units should take advantage of economies which cluster housing can offer. Common facilities for community activities will be included. The project development can be done in stages to spread out the expenditure and capital outlay.

Other non-current asset

Trust Fund for Retirement Benefit- The Board passed a resolution to place 5.5 million pesos to a restricted fund account for a period of 5 years as retirement benefit of qualified employees. The increase in value of the fund is to be treated as an addition the fund.

Financial Liabilities

Financial liabilities include short and long term interest and non-interest bearing borrowings, member's funds and other payables.

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Interest Payables

The company accrues interest on current and long term loans outstanding at balance sheet date interest of which ranges from 2% to 12% per annum.

Loans Payables

Loans payables are liabilities to pay for funds borrowed for loaning capital or for operational expenses. Loans payable are either interest or non-interest bearing and are stated at their nominal value.

Loans measured initially at their nominal values and subsequently recognized at amortized costs less settlement payments.

Other Current Liabilities

Other Current Liabilities are inter-branch or office accounts, as well as government agency related remittances.

Other current liabilities are measured initially at their nominal values and subsequently recognized at amortized costs less settlement payments.

Fund Savings

ASHI designed per request of members only.
Savings account:

Personal Fund - is a voluntary saving as the amount is not fixed and can be withdrawn any time. ASHI gives an interest of 4 % for the savings provided P500 is maintained and is posted every end of the year.

Compulsory Savings are:

Compulsory Fund - P5.00 per week, deposited every center meeting. It is a contribution to the Group Fund* as internally generated fund to be borrowed by members in times of need. This is can be withdrawn upon resignation or exit from the organization.

Loan Insurance Fund - P5.00 per week is contributed by the members to cover for the remaining loan outstanding balances for all types of loan of a member upon death. Should there be no loan outstanding upon death, the savings will be returned to the members. Loan Insurance Fund-originated from Kabalikat Fund which was a conversion of the Emergency Fund. This is a compulsory savings fund collected by the branch office from members, then being remitted to head office which serves as insurance premium coverage of unpaid loan balances specifically by reason of death of a member.

Center Fund - The amount is fixed upon agreement by the centers per branch. This is used for all activities of the center i.e. center hall needs; General Assemblies, workshops etc. The branch acts as a custodian to the fund, but disbursements are decided by the center.

Damayan Fund – This fund, originally similar in nature to the Center Fund used to contribute to the family upon death of a member has been institutionalized in 2006 through a one-time Membership Fee of P250.00. A weekly compulsory contribution of P10.00 is made by the Member every attendance to the center meeting with or without loan. This fund is being remitted by the Branches to the Head Office. Withdrawals from this fund is made and given directly to the bereaved family – P10,000.00 upon death of a Member's child, P25,000.00 upon death of the Member's husband and P50,000.00 upon death of the Member herself. When a Member exits from the institution and withdraws her membership fee or becomes in-active (have not attended the center meetings in 4 consecutive weeks) she can no longer avail of the above mentioned benefits.

KMSB Kabalikat Micro-insurance Saving Benefit Fund - The deposit is fixed per options chosen by the member. The option varies per benefit the member prefers. The fund is collected by the branch office and in turn, remits it to the head office. For those who took option 1 & 2 this is kept in restricted bank account that covers for a fixed death benefit of the member. For those who took option 3-4 that covers pension benefit and life insurance, the savings is being remitted by the head office to an insurance company (at present, Pacific Plans) representing premium coverage for a life insurance policy of the member.

Time Deposit: These are deposits that are withdrawn at a given time and given 6%p.a. interest rate provided P500 is maintained in the bank account. Interest is computed based on average daily balance, posted every year.

Children's Fund - is a deposit voluntarily placed by a member for the education of her children. This is restricted to 2 years by which she can earn 6% pa for the deposit.

Tulong Pabahay Program Fund – represents member's deposit for the lot, This deposit is made on the basis of contract signed per lot allocation approximately for 36 sq meter per family. Classified as liability account under fund savings. This savings serves as the basis for the additional incentive for housing loan.

Short-term Benefits

The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given by the Company to its employees include salaries and wages, social security contributions, Pag-ibig (HDMF)contributions, Philhealth contributions, paid vacation and sick leave, bonuses and other non-monetary benefits such as medical care and housing.

- **Loan Funds for Employees**
  The company created loan funds to take care of the emergency needs of employees. These are:

  ASH Fund - the primary sources of which are donations from Board officers taken from their consultancy fees. Employees are allowed to loan from this fund, free of interest for needs related to death, health, medical and education.

Employee's Loan and Savings Fund - taken from employee's semi-monthly contribution in the amount of PhP100.00. Loans from this fund bear an interest of 10% for house repair and 20% for business purposes. Interest earned on loan releases are being rolled-over as part of the fund for distribution to employees in the future. Loan ceiling is being decided by the majority vote of employees themselves during annual planning and evaluation.

Staff Micro-Loans – as of Balance Sheet date the primary source of this fund is from the credit line granted by Peoples Credit and Finance Corporation (PCFC) for all MFI Staff. The Board approved draw downs from this line to be made available as loans to ASHI staff for housing construction and improvement. The minimum amount of which is P150,000.00 per staff.

Repayment of loans is through salary deduction on a short-term basis for a maximum period of 5 years.

Long-term Benefits

The Company provides retirement benefits to entitled employees equivalent to 30 days of salaries for every year of service per approved board resolution.

Equity

Donated Equity represents capitalization of the company. At December 31, this account is composed of:

Internal Sources:

Kabalikat Membership Fee - is collected from members in two ways, either as one lump-sum payment of PHP100.00 or in installments until PHP 100.00 is completed. The fee is voluntary, after payment of which, the payor becomes an official member of ASHI. A member has to pay an annual due of PHP20.00 afterwards,

Salamat Fund - is contributed by members in the form of a deduction of 5% both from General Loan and Group Fund Loan on the date of the release of loans. In 2005 the said account has been reclassified as Revenues covering the years 2002 to 2005 covered by Board Resolution No. 04-02-005. The remaining balance reflected as Donated Equity represents ending balance of December 31, 2001. Salamat Fund forms part of the Group Fund* (in relation to Compulsory Fund) where members can borrow in times of need, interest free. This fund remains as a form of gratuity and cannot be withdrawn if a member resigns from her membership to the organization.
External Sources:

Endowment fund - donations received from a Funder for an institutional capacity building. This is an equity investment from external sources. The amount donated for the lot allocated for the training center is also classified under this account.

Reserves/Net Surplus represents the retained earnings/deficit, or accumulated earnings/losses of the company through the years, as a result of the business operations.

Revenue and Cost Recognition

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

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognized by reference to the stage of completion of the transaction at the balance sheet date.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business.

- Service and Administrative charges is recognized as the interest accrues (taking into account the effective yield on the asset).
- Grants and donations are recognized upon receipt of the funds.

Cost and administrative expenses are recognized in the statement of income upon utilization of the service or in the date they are incurred. Finance costs are reported on an accrual basis.

Income Taxes

The Company being a Non-stock, non-profit and non-government organization thus, is registered as zero-rated.

Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes: (1) individual owning, directly or indirectly through one or more intermediaries, control, or are controlled by, or under common control with, the Company; (2) associates; and (3) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual.

The key management personnel of the Company and post-employment benefit plans for the benefit of Company's employees are also considered to be related parties.

Subsequent Events

The Company identifies subsequent events as events that occurred after the balance sheet date but before the date when the financial statements were authorized for issue. Any subsequent events that provide additional information about the Company's financial position at the balance sheet date are reflected in the financial statements.

Events that are not adjusting events are disclosed in the notes to the financial statements when material.

When necessary, accounts are reclassified to more appropriate titles for proper Financial Statement presentation and to conform with the requirements of the Philippine Financial Reporting Standards.

3. MANAGEMENT'S SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

3.1 Judgments

The preparation of the Company's financial statements in conformity with Financial Reporting Framework (in reference to the Generally Accepted Accounting Principles of the Philippines) requires management to make estimates and assumptions that affect the amounts reported in the Company's financial statements and accompanying notes. The estimates and assumptions used in the Company's financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the Company'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.

3.2 Estimates

In the application of the Company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 ongoing basis. Revisions to accounting estimates are recognised in the period in which the 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.

The following represents a summary of the significant estimates and judgments and related impact and associated risks in the Company's financial statements.

- Estimation of Loan Loss Reserve
  The Company maintains provisions for loan losses at a level considerable and adequate to provide potentially uncollectible receivables. The level of this provisions is evaluated by management on the basis of factors that may affect the collectibility of the receivables. These factors include, but are not limited to, the length of the Company's relationship with the clients, the client's payment behavior and known other known factors. The Company reviews the age and status of receivables, and identifies accounts that are to be provided with reserves on a continuous basis. The amount and timing of recorded expenses for any period would therefore differ based on judgment or estimates made.

- Estimated Useful Lives of Property, Plant and Equipment
  The Company estimates the useful lives of property, plant and equipment based on the period over which the property, plant and equipment are expected to be available for use. The estimated useful lives of the property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the property, plant and equipment. In addition, the estimation of the useful lives of property, plant and equipment is based on the collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future financial performance could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

  A reduction in the estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease the noncurrent assets.

Depreciation is computed on a straight-line method over the estimated useful lives of the assets as follows:

Office equipment, furniture and fixtures	2-5 years
Transportation equipment	5-10 years
Buildings and Structures	10-20 years

The foregoing estimated useful lives and depreciation method are reviewed from time to time to ensure that these are consistent with the expected economic benefits of the property and equipment.

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

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

- Revenue recognition
  The Company's foreign currency transactions on grants, donations and loans are Recorded in their Philippine peso equivalent based on the exchange rate prevailing as of the transaction date. Foreign exchange gains or losses on account of the exchange rate fluctuations are recognized accordingly in the Statement of Revenues

  Grants and Donations are recognized as income upon actual receipt from grantees and donors. Uncollected but earned interest income on loans to branches is accrued at the Balance Sheet date.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk The Company's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Company. The policies for managing specific risks are summarized below.

Management of Financial Risk

Governance Framework

The Company has established a risk management function with clear terms of reference and with the responsibility for developing policies on market, credit, liquidity and operational risk. It also supports the effective implementation of policies.

The policies define the Company's identification of risk and its interpretation, limit structure to ensure the appropriate quality and diversification of assets to the corporate goals and specify reporting requirements.

Capital Management Framework

The Company's risk management function has developed and implemented certain minimum stress and scenario tests for identifying the risks to which the Company are exposed, quantifying their impact on the volatility of economic capital. The results of these tests, particularly, the anticipated impact on the realistic balance sheet and revenue account, are reported to the Company's risk management function. The risk management function then considers the aggregate impact of the overall capital requirement revealed by the stress testing to assess how much capital is needed to mitigate the risk of insolvency to a selected remote level.

Regulatory Framework

The operations of the Company is also subject to the regulatory requirements of SEC. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions.

Financial Risk

The Company is also exposed to financial risk through its financial assets and financial liabilities. The most important components of this financial risks are credit risk, liquidity risk and market risk.

Credit risk

The Company's credit risk is primarily attributable to its *loans receivables,* The Company has adopted stringent procedure in extending credit terms to Members and in monitoring its credit risk.

Credit risk is the risk that one party to a financial instrument will fail to discharge and obligation and cause the other party to incur a financial loss.

The Company manages the level of credit risk to Members by setting-up and implementing Provisions for Loan Losses and the Loan Insurance Fund and fully described under Member's Fund.

Provision for loan losses on all types of loan for 2009 is set at 3% annually from 2% in 2008 and prior years annually based on outstanding balance at year-end (December 31). Standing policy of the company provides for write-off of receivables which remains uncollected for four years from due date subject to the final decision of the Board and is to be covered by an appropriate Board Resolution. Written-off loans, if collected, (recovered loans) is to be booked as miscellaneous income. In prior years, provision was applied to general loan only, now it is extended to all types of loan, following the principle of conservatism.

Losses of company properties due to theft were recognized as ordinary losses after satisfactorily determining that recovery of the items were not possible.

The table below shows the maximum exposure to credit risk for the components of the 2009 and 2008 Statements of Financial Position. The maximum exposure is shown gross, without taking into account collateral and other credit enhancement.

	Gross Maximum Exposure	
	2009	2008
Cash and Cash Equivalents	66,987,251.97	36,947,997.97
Receivables *	165,708,417.09	142,389,709.35
Prepaid Rent/Utilities	278,100.00	270,700.00
TOTAL	232,973,769.06	179,608,407.32

* Excludes Receivables from Company Employees (Staff Microloans)

The aging analysis of financial assets as of December 31, 2009 and 2008 that were past due but not impaired are as follows:

2009	Neither Past Due nor Impaired	Past Due but not Impaired		
		31 to 90 Days	91 to 180 Days	Total
Cash and Cash Equivalents	66,987,251.97			
Receivables	161,826,555.96	127,898.25	3,753,962.88	165,708,417.09
Prepaid Rent/Utilities		278,100.00		
TOTAL	228,813,807.93	405,998.25	3,753,962.88	165,708,417.09

2008	Neither Past Due nor Impaired	Past Due but not Impaired		
		31 to 90 Days	91 to 180 Days	Total
Cash and Cash Equivalents	36,947,997.97			
Receivables	138,675,059.00	104,235.35	3,610,415.10	142,389,709.35
Prepaid Rent/Utilities		270,700.00		
TOTAL	175,623,056.97	374,935.35	3,610,415.10	142,389,709.35

Liquidity Risk

Liquidity or funding risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from either the inability to sell financial assets quickly at their fair values; or counterparty failing on repayment of contractual obligation; or inability to generate cash inflows as anticipated.

The Company maintains adequate highly liquid assets in the form of cash and cash equivalents to assure necessary liquidity.

The Company manages liquidity through a liquidity risk policy which determines what constitutes liquidity risk for the Company; specifies minimum proportion of funds to meet emergency calls; setting up contingency funding plans; specify the sources of funding and the vents that would trigger the plan; concentration of funding sources; reporting of liquidity risk exposures and breaches to the monitoring authority; monitoring compliance with liquidity risk policy and review of liquidity risk policy for pertinence and changing environment

2009	On Demand	Due w/in 12 months	Due after after 12 months	TOTAL
Fund Savings	58,678,194.58			58,678,194.58
Trust Funds	5,156,695.93			5,156,695.93
Interest Payable		2,259,116.71		2,259,116.71
Loans Payable		62,526,732.42	88,470,508.85	150,997,241.27
	63,834,890.51	64,785,849.13	88,470,508.85	217,091,248.49

2008	On Demand	Due w/in 12 months	Due after after 12 months	TOTAL
Fund Savings	48,689,838.52			48,689,838.52
Trust Funds	5,457,138.32			5,457,138.32
Interest Payable		1,868,981.43		1,868,981.43
Loans Payable		37,203,131.21	66,795,869.98	103,999,001.19
	54,146,976.84	39,072,112.64	66,795,869.98	160,014,959.46

Market Risk

Market risk is the risk of change in fair value of financial instruments from fluctuation in foreign exchange rates (currency risks), market interest rates (interest rate risk) and market prices (price risk).

Fair Value Interest Rate Risk

The fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Company's fixed rate investments and receivables in particular are exposed to such risk.

The Company's market risk policy requires the management of interest rate risk by maintaining appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest bearing financial assets and interest bearing financial liabilities.

5. CASH AND CASH EQUIVALENTS

This account consists of:

	2009	2008
Revolving Fund	P 0.00	P 56,000.00
Cash in banks (in 19 local banks)	40,004,344.47	26,626,254.46
Short-term Placements	26,982,907.50	10,265,743.51
	P 66,987,251.97	P 36,947,997.97

Cash in banks earn interest at the respective bank deposit rates. Short-term placements are made for varying periods of between one day and three months depending on the immediate cash requirements of the Company, and earn interest at the respective short-term placements rates.

6. RECEIVABLES

This account consists of:

	2009	2008
Loan Portfolio:		
General Loan	P113,750,517.75	P101,719,951.77
Educational Loan	9,376,004.00	7,993,819.00
House Repair Loan	20,553,998.00	16,692,869.00
Tiangge/Market Day Loan	11,122.00	10,204.00
Enterprise Loan	914,525.87	571,851.80
Recovery Loan	4,565,119.50	197,235.50
Shield Loan	670,370.00	0.00
Center Loan	335,517.00	278,263.43
	150,177,214.12	127,464,194.50
Loan Loss Reserve	(4,505,316.42)	(2,549,283.89)
	145,671,897.70	124,914,910.61
Other Loan Portfolio:		
Group Fund Loan	15,531,202.97	14,925,514.85
Staff Micro-Loans	11,662,585.31	12,671,052.06
	27,193,788.28	27,596,566.91
Loan Loss Reserve	(815,813.68)	(551,931.34)
	P26,377,974.60	P27,044,635.57
TOTAL RECEIVABLES	P172,049,872.30	P151,959,546.18

Loan Portfolio generally have 25 to 100 week term except for Enterprise Loans to Members which are covered by Post-dated Checks, and Tiangge/Market Day Loans which are usually taken during the Christmas Season, town fiestas, All Saints Day, and other special days by Members who takes this business opportunity to earn more and the loan of which is repaid in full when the occasion is over.

Other Loan Portfolio consists of Member's loans out of their own funds with loan terms of 4 to 12 weeks, while Staff Micro Loans are loans to deserving company employees with loan terms of 2 year to 5 years.

7. OTHER CURRENT ASSETS

This account consists of:

	2009	2008
Accounts Receivables	**P 7,791,842.95**	**P 7,329,212.14**
Miscellaneous Advances – Philhealth	**10,360,780.00**	**10,360,780.00**
Miscellaneous Advances - Others	**218,000.00**	**218,000.00**
Loans to Employees	**1,448,382.96**	**1,093,289.90**
Prepayments	**2,018,932.10**	**2,092,258.98**
Advances to Officers and Employees	**660,209.53**	**795,525.44**
	P 22,498,147.54	**P 21,889,066.46**

8. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	December 31, 2008	Additions	(Disposal)/ Revaluation/ Reclassification	**December 31, 2009**
Carrying Amount, Beginning				
Building and Structures	11,738,388.20	2,800,526.56		**14,538,914.76**
Office Equipment	6,887,413.73	784,877.13	(122,466.98)	**7,549,823.88**
Office Furniture and Others	1,767,223.65	174,369.22	(8,710.00)	**1,932,882.87**
Transportation Equipment	251,776.75	5,900.00	(102,000.00)	**155,676.75**
Branch Office Lot	82,349.10			**82,349.10**
Land	4,918,387.00	115,000.00		**5,033,387.00**
	25,645,538.43			**29,293,034.36**
Less accumulated depreciation :				
Building and Structures	8,150,000.00	303,155.76		**8,453,155.76**
Office Equipment	4,854,897.91	935,625.16	(122,466.98)	**5,668,056.09**
Office Furniture and Others	1,121,104.08	226,430.94	(8,710.00)	**1,338,825.02**
Transportation Equipment	248,485.37	4077.05	(102,000.00)	**150,562.42**
	14,374,487.36			**15,610,599.29**
Net Carrying Amount, End	11,271,051.07			**13,682,435.07**

	December 31, 2007	Additions	(Disposal)/ Revaluation/ Reclassification	**December 31, 2008**
Carrying Amount, Beginning				
Building and Structures	8,150,000.00	3,588,388.20		**11,738,388.20**
Office Equipment	6,022,585.03	926,560.70	(61,732.00)	**6,887,413.73**
Office Furniture and Others	1,431,637.78	355,348.62	(19,762.75)	**1,767,223.65**
Transportation Equipment	251,776.75			**251,776.75**
Branch Office Lot	82,349.10			**82,349.10**
Land	4,627,387.00	291,000.00		**4,918,387.00**
	20,565,735.66	5,161,297.52	(81,494.75)	**25,645,538.43**
Less accumulated depreciation :				
Building and Structures	7,933,123.24	216,876.76		**8,150,000.00**
Office Equipment	4,019,890.94	896,738.96	(61,732.00)	**4,854,897.91**
Office Furniture and Others	944,040.73	196,826.10	(19,762.75)	**1,121,104.08**
Transportation Equipment	241,904.58	6,580.79		**248,485.37**
	13,138,959.50	1,317,022.61	(81,494.75)	**14,374,487.36**
Net Carrying Amount, End	7,426,776.17			**11,271,051.07**

The carrying values of the property and equipment approximate their fair values.

9. OTHER RECEIVABLES

Other Receivables consist of assets represents costs not limited to purchase of lot but to include taxes and fees for land conversion, capital gains and facilitation fees.

These were classified as “Other noncurrent assets” in the balance sheet. The classification was in compliance with the provision of PAS 39 as discussed in Note 2.

The details of Other Receivables are as follows:

	2009	2008
Total Lot Cost - 41,831 sqm. Molino Bacoor, Cavite	**P 20,914,999.92**	**P 20,914,999.92**
Taxes and Documentary Stamps Paid	**1,549,695.74**	**1,549,695.74**
Site Development/Construction Cost	**8,598,320.06**	**0.00**
Engineer's Fee - site Dev't. Plan	**67,500.00**	**67,500.00**
Geodetic Engineer's Fee - Subdivision Plan	**145,000.00**	**145,000.00**
TOTALS	**P 31,275,515.72**	**P 22,677,195.66**

In accordance with PAS 39, subsequent to initial recognition of financial assets at their fair values, the Company should continue to measure such financial assets at fair value.

Other Receivables are stated at their fair values.

10. OTHER NON-CURRENT ASSETS

This account consists of:

	2009	2008
Trust Fund for Retirement Benefit	**P 6,722,354.70**	**P 5,500,000.00**
Long Term Bank Deposits		
PLDT Subscriber's Plan	**10,500.00**	**10,500.00**
TOTALS	**P 6,732,854.70**	**P 5,510,500.00**

11. INTEREST AND LOANS PAYABLES

This account consists of:

	2009		2008	
Interest Payable – Others				
People's Credit & Finance Corporation		**P1,931,727.58**		P1,335,044.91
Cordaid		**327,389.13**		463,286.52
Little Brothers of Jesus				70,650.00
Grameen Trust				
		P 2,259,116.71		P 1,868,941.43
	Current	**Long Term**	Current	Long Term
Loans Payable – Others				
People's Credit & Finance Corporation	**P 43,481,312.65**	**P88,470,508.85**	P 26,470,029.36	P60,235,241.98
Cordaid	**10,912,971.00**		10,295,256.00	5,147,628.00
Little Brothers of Jesus				1,413,000.00
Grameen Trust	**-**	**-**	-	-
Grameen Foundation	**-**	**-**	-	-
Generoso G. Octavio	**55,000.00**	**-**	55,000.00	-
Fr. Raymon D. Bodson, CICM	**180,000.00**	**-**	180,000.00	-
KIVA	**7,897,448.77**	**-**	202,845.85	-
	P 62,526,732.42	**P88,470,508.85**	P 37,203,131.21	P66,795,869.98

Loan payable generally have a 4 year term with Interest rates of 0% to 12% p.a and were taken by the company for loaning capital.

12. FUND SAVINGS

This account consists of:

	2009	2008
Cumpulsory Fund	**P 18,659,845.50**	P 15,919,506.49
Loan Insurance Fund	**17,882,726.00**	15,058,919.50
Personal Fund	**1,921,901.75**	1,033,669.62
Children's Fund	**761,728.44**	261,585.27
Center Fund	**791,299.45**	419,361.65
KMSB Fund	**400,968.50**	405,194.90
Damayan Fund	**964,491.95**	250,665.90
Philhealth Fund	**8,699,311.00**	7,560,529.00
TPP Fund	**8,595,921.99**	7,780,406.19
	P 58,678,194.58	P 48,689,838.52

13. OTHER CURRENT LIABILITIES

This account consists of:

	2009	2008
Accounts Payable	**P 2,484,495.94**	P 2,423,410.48
Advances from Officers and Employees	**0.00**	29,849.73
SSS/MCR/EC Premiums Payable	**0.00**	5,982.14
HDMF Premiums Payable	**0.00**	4,749.50
Withholding Tax Payable	**18,686.95**	0.00
Employee Loans and Savings Fund	**3,148,579.66**	2,924,723.61
TPP-Construction Management Team Savings	**27,050.00**	0.00
Trust Funds Payable	**5,156,695.93**	5,457,138.32
	P 10,835,508.48	P 10,845,853.78

14. DONATED EQUITY/ RESERVES

This account consists of:

	2009	2008
Kabalikat Membership Fees/Annual Dues		
Balance, Beginning of year	**P 733.572.50**	P 546.567.50
Additions During the year	**74,564.00**	187,005.00
Balance, end of year	**P 808,136.50**	P 733,572.50
Endownment Fund		
Balance, Beginning of year	**P 8,178,270.75**	P 7,449,185.75
Additions During the year	**0.00**	729,085.00
Balance, end of year	**P 8,178,270.75**	P 8,178,270.75
Salamat Fund	**P 9,635,616.45**	P 9,635,616.45
Reserves/Net Surplus		
Balance, Beginning of year	**P 66,304,222.72**	P 57,405,854.96
Prior Period Adjustments	**(3,304,492.75)**	(660,837.67)
Current Year's Net Income	**8,834,262.59**	9,559,205.43
Balance, end of year	**P 71,833,992.56**	P 66,304,222.72
TOTAL EQUITY	**P 90,456,016.26**	P 84,851,682.42

15. 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. Significant transactions with related parties are as follows:

a. Interest bearing borrowings of Loaning Capital and Operational Funds from Head Office by the branches.
b. Non-interest bearing intercompany advances and reimbursement of expenses

	2009	2008
Intercompany Loans:		
Interests	**P 29,055,677.99**	P 27,734,350.05
Operational Funds w/ 3% Interest p.a.	**28,565,368.88**	26,480,430.97
Loan Funds w/ 12% Interest p.a.	**46,701,798.13**	49,994,441.91
	P 104,322,845.00	P 104,209,222.93
Intercompany advances and reimbursements		
Accounts Receivable – Branch	**P 2,986,748.95**	P 2,912,335.82
Accounts Receivable – Head Office	**1,640,662.13**	1,069,751.88
Accounts Payable – HO	**376,162.89**	376,784.58
Accounts Payable – Branch	**1,796,796.04**	1,759,981.07

Difference in amounts of Intercompany advances and reimbursements exists due to timing differences in book recognition.

Compensation of Key Management Personnel

Compensation of key management personnel of the Company pertains to consultancy fees, salaries and other short-term benefits amounting to 1,643,780.00 and P1,712,896.52 in 2009 and 2008, respectively.

16. FINANCIAL INCOME

This account consists of:

	2009	2008
Service and Administrative Charges – Loan Portfolio	**P 55,455,890.00**	P 49,019,294.08
Service and Administrative Charges – Salamat Fund	**13,331,174.92**	12,235,240.50
Bank Interest on Deposits	**316,160.19**	644,744.65
Total	**P 69,103,225.11**	P 61,899,279.23

17. FINANCIAL EXPENSES

These accounts consist of:

	2009	2008
Interest On Loans from Others	**P12,791,214.11**	P10,736,348.50
Interest on Client Savings	**0.00**	516.00
Other Financing Costs	**1,402,991.62**	906,400.14
Bank Charges and Fees	**19,053.11**	25,123.89
Foreign Currency Adjustments	**(55,419.57)**	(121,231.39)
Losses Due to Theft	**14,163.77**	0.00
Interest Losses On Loans	**12,888.00**	0.00
Loan Loss Provisions	**2,336,960.87**	610,334.71
	P 16,521,851.91	P 12,157,491.85

18. OTHER INCOME

This account consists of:

		2009	2008
Increase in Value of Trust Fund for Retirement Benefit	**P**	**1,222,354.70**	P 0.00
PLDT Dividend		**700.00**	700.00
Training and Exposure Fees		**174,814.77**	15,500.00
Honorarium		**5,000.00**	1,500.00
Miscellaneous Income		**261,203.00**	1,412,607.75
Total		**P1,664,072.47**	P1,430,307.75

19. EMPLOYEES' COMPENSATION AND OTHER BENEFITS

This account consists of:

	2009	2008
Salaries and Wages – Officers	**P 1,300,000.00**	P 1,219,500.00
Salaries and Wages – Staff	**22,768,857.62**	21,003,137.56
Staff Benefits	**507,850.24**	401,994.06
SSS, PhilHealth, EC and HDMF Contributions	**2,035,807.41**	1,737,182.53
Health & Other Personnel Insurance	**987,701.00**	1,263,938.00
Other Benefits and Allowances	**3,025,734.00**	1,365,896.52
Psychological Testing Fee	**14,150.00**	8,000.00
Total	**P30,640,100.27**	P26,999,648.67

20. ADMINISTRATIVE EXPENSES

This account consists of:

	2009	2008
Office Supplies	**P1,612,089.29**	P1,550,748.84
Telephone, Fax and Internet	**1,070,686.46**	806,426.14
Postage and Delivery	**28,533.12**	24,247.00
Forms and Documentation	**1,077,201.75**	1,206,171.90
Rent Expense	**1,514,174.00**	1,419,370.67
Utilities Expense	**1,223,431.59**	1,223,383.73
Security Services Expenses	**100,800.00**	0.00
Maintenance and Cleaning	**565,920.36**	575,852.54
	7,192,836.57	6,806,200.82
Air/Boat Fare	**171,110.40**	196,008.35
Land Transportation	**3,077,689.79**	2,905,463.02
Gas and Oil	**190,316.01**	176,560.87
Lodgings and Accommodations	**2,086.98**	1,993.67
Meals and Incidentals	**726,930.04**	706,241.88
	4,168,133.22	3,986,267.79
Taxes and Licences	**180,298.99**	151,790.18
Professional and Consultancy Fees	**0.00**	30,000.00
Honoraria/Per Diem	**7,435.00**	0.00
Building Insurance	**33,010.88**	24,570.10
Auditing and Accounting Fees	**100,498.85**	76,840.63

Notarial and Documentary Stamps	**371,960.00**	186,815.35
Subscriptions	**66,240.00**	121,577.00
Contributions and Donations	**149,809.50**	139,250.64
Meetings and Representation	**2,189,594.47**	2,229,229.59
	3,098,847.69	2,960,073.49
TOTAL ADMINISTRATIVE EXPENSES	**14,459,817.48**	P13,752,542.10

21. RENTAL/DEPRECIATION AND MAINTENANCE

This account consists of:

	2009	2008
Equipment Maintenance	**P 226,365.70**	P 151,568.18
Depreciation:		
Buildings and Structures	**P303,155.76**	P216,876.76
Office Equipments	**935,625.16**	896,738.96
Office Furnitures and others	**226,430.94**	196,826.10
Transportation Equipment	**4,077.05**	6,580.79
	P1,469,288.91	P1,317,022.61
Total	**P 1,695,654.61**	P 1,468,590.79

22. PROGRAM EXPENSES

This account consists of:

	2009	2008
Anniversary/GAM Expenses	**P 823,212.45**	P1,149,401.90
Planning and Evaluation Expenses	**371,832.94**	2,156,107.60
Member's Micro Enterprise Trainings and Workshops	**736,468.44**	529,572.54
Books and Publications	**168,540.00**	425,696.25
Gifts and Giveaways	**425,829.93**	225,431.35
Micro-credit Program Development	**145,486.65**	110,000.00
Networking Dues and Fees	**0.00**	4,545.00
Networking Meetings and Meals	**1,028,661.20**	146,034.82
Tulong Pabahay Program Expense	**586,926.50**	56,826.00
Contributions and Donations - APRROOT	**2,447,096.01**	
Advertisements and Promotions	**4,000.00**	
Competency Based Training	**1,648,036.56**	1,350,352.39
Continuing Education	**4,167.25**	111,879.80
Total	**P 8,390,257.93**	P6,265,847.65

23. GRANTS AND DONATIONS

The Company had received funds as follows:

			2009	2008
GRANTS				
Trias	In Euros	74,134.00	**P5,029,157.35**	P5,969,318.26
Golden Seed	In US Dollars	3,750.00	**-**	165,901.25
Little Brothers of Jesus			**1,413,000.00**	

Cordaid - APRROOT	In US Dollars 59,680.00	**2,804,960.00**	-
Explore Program	In US Dollars 1,936.97	**91,572.15**	-
CICM			421,943.10
		P9,338,689.50	P6,557,162.61

Grants received in foreign currencies are valued at the exchange rates at the time of receipt of the funds. Grants are utilized in accordance with the terms and conditions set by the Grantors. These are given to the Company to fund programs and activities, objective of which is to alleviate poverty in the chosen or qualified areas for which the Company operates.

Donations are insignificant amounts received from various donors amounting to 435,957.71 and P313,935.47 for 2009 and 2008 respectively.

24. FINANCIAL INSTRUMENTS

Set out below is a comparison by category of the carrying values and fair values of all of the Company's financial instruments:

	2009		2008	
	Carrying value	**Fair Value**	Carrying value	Fair Value
Financial Assets:				
Cash and cash equivalents	**P66,987,251.97**	**P66,987,251.97**	P36,947,997.97	P36,947,997.97
Receivable	**165,708,417.09**	**165,708,417.09**	151,959,546.18	151,959,546.18
Prepaid Rent/Utilities	**278,100.00**	**278,100.00**	270,700.00	270,700.00
Other Receivables	**31,275,515.72**	**31,275,515.72**	22,677,195.66	22,677,195.66
Other Non-Current Assets	**6,732,854.70**	**6,732,854.70**	5,510,500.00	5,510,500.00
	P270,982,139.48	**P270,982,139.48**	P217,365,939.81	P217,365,939.81
Financial Liabilities:				
Interest Payable - Others	**2,259,116.71**	**2,259,116.71**	1,868,981.43	1,868,981.43
Loans payable – Others (Current)	**62,526,732.42**	**62,526,732.42**	37,203,131.21	37,203,131.21
Fund Savings	**58,678,194.58**	**58,678,194.58**	48,689,838.52	48,689,838.52
Trust Funds Payable	**5,156,695.93**	**5,156,695.93**	5,457,138.32	5,457,138.32
Loans payable – Others (Long Term)	**88,470,508.85**	**88,470,508.85**	66,795,869.98	66,795,869.98
	P217,091,248.49	**P217,091,248.49**	P160,014,959.46	P160,014,959.46

Cash and Cash Equivalents, Receivables, Other Current Assets, Other Receivables, Other Non-Current Assets, Interest Payables, and Other Current Liabilities Due to the nature of these financial instruments, their fair values approximate the carrying amounts as of balance sheet date.

Loans Payable
The fair values are determined based on the interest rates for which the loans were taken.