SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, AS AMENDED

ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SECTION 141 OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended
   May 31, 2021
2. SEC Identification Number
   PW538
3. BIR Tax Identification No.
   000225442
4. Exact name of issuer as specified in its charter
   FAR EASTERN UNIVERSITY, INC.
5. Province, country or other jurisdiction of incorporation or organization
   Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   Nicanor Reyes Street, Sampaloc, Manila
   Postal Code
   1015
8. Issuer's telephone number, including area code
   02-8735-8686
9. Former name or former address, and former fiscal year, if changed since last report
   Not Applicable
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON	24,055,763

11. Are any or all of registrant's securities listed on a Stock Exchange?
   (selected) Yes ( ) No
   If yes, state the name of such stock exchange and the classes of securities listed therein:
   Philippine Stock Exchange, Inc.
12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports)

◉ Yes ○ No

(b) has been subject to such filing requirements for the past ninety (90) days

◉ Yes ○ No

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form

None.

APPLICABLE ONLY TO ISSUERS INVOLVED IN INSOLVENCY SUSPENSION OF PAYMENTS PROCEEDINGS DURING THE PRECEDING FIVE YEARS

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

○ Yes ◉ No

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

(a) Any annual report to security holders

N/A

(b) Any information statement filed pursuant to SRC Rule 20

N/A

(c) Any prospectus filed pursuant to SRC Rule 8.1

N/A

Far Eastern University, Incorporated
FEU

PSE Disclosure Form 17-1 - Annual Report
References: SRC Rule 17 and
Section 17.2 and 17.8 of the Revised Disclosure Rules

For the fiscal year ended	May 31, 2021
Currency	Philippine Peso

Balance Sheet

	Year Ending	Previous Year Ending
	May 31, 2021	May 31, 2020
Current Assets	4,161,325,964	4,531,846,290
Total Assets	15,421,368,977	15,186,605,752
Current Liabilities	1,767,839,097	2,913,577,744
Total Liabilities	4,156,236,088	4,768,769,349
Retained Earnings/(Deficit)	6,030,766,918	5,256,554,284
Stockholders' Equity	11,265,132,889	10,417,836,403
Stockholders' Equity - Parent	8,355,574,287	7,556,481,871
Book Value Per Share	348.5	315.18

Income Statement

	Year Ending	Previous Year Ending
	May 31, 2021	May 31, 2020
Gross Revenue	3,534,254,908	3,631,377,430
Gross Expense	2,740,127,256	2,859,432,193
Non-Operating Income	328,740,346	258,684,077
Non-Operating Expense	106,575,649	246,065,317
Income/(Loss) Before Tax	1,016,292,349	784,563,997
Income Tax Expense	36,976,292	101,572,455
Net Income/(Loss) After Tax	979,316,057	682,991,542
Net Income/(Loss) Attributable to Parent Equity Holder	965,682,303	621,398,818
Earnings/(Loss) Per Share (Basic)	40.28	25.92
Earnings/(Loss) Per Share (Diluted)	40.28	25.92

Financial Ratios

	Formula	Fiscal Year Ended	Previous Fiscal Year
		May 31, 2021	May 31, 2020
Liquidity Analysis Ratios:			
Current Ratio or Working Capital Ratio	**Current Assets / Current Liabilities**	2.35	1.56
Quick Ratio	**(Current Assets - Inventory - Prepayments) / Current Liabilities**	2.21	1.48
Solvency Ratio	**Total Assets / Total Liabilities**	3.71	3.18
Financial Leverage Ratios			
Debt Ratio	**Total Debt/Total Assets**	0.27	0.31
Debt-to-Equity Ratio	**Total Debt/Total Stockholders' Equity**	0.37	0.46
Interest Coverage	**Earnings Before Interest and Taxes (EBIT) / Interest Charges**	17.23	7.94
Asset to Equity Ratio	**Total Assets / Total Stockholders' Equity**	1.37	1.46
Profitability Ratios			
Gross Profit Margin	**Sales - Cost of Goods Sold or Cost of Service / Sales**	0.22	0.21
Net Profit Margin	**Net Profit / Sales**	0.28	0.19
Return on Assets	**Net Income / Total Assets**	0.06	0.04
Return on Equity	**Net Income / Total Stockholders' Equity**	0.09	0.07
Price/Earnings Ratio	**Price Per Share / Earnings Per Common Share**	14.15	32.02

Other Relevant Information
In compliance with SEC Memorandum Circular No. 04, Series of 2019, included in this Annual Report is the FEU, Inc. Sustainability Report FY 2020-2021.

COVER SHEET

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S.E.C. Registration Number

F A R   E A S T E R N   U N I V E R S I T Y ,

I N C O R P O R A T E D

(Company's Full Name)

N I C A N O R   R E Y E S   S T R E E T

S A M P A L O C ,   M A N I L A

(Bussiness Address : No. Street City / Town / Province)

Atty. Anthony Raymond A. Goquingco

Contact Person

8 735-8686

Company Telephone Number

SEC Form 17- A

Annual Report 2020-2021

FORM TYPE

0 5 | 3 1

Month | Day

Calandar year

1 0 | 1 6

Month | Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended articles Number/Section

Total Number of Barrowings

1,509

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personel concerned

File Number

L C U

Dicument I. D.

Cashier

S T A M P S

Remarks = pls. use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17 - A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE
AND SECTION 141 OF THE CORPORATION CODE

1.	For the fiscal year ended	**May 31, 2021**
2.	SEC Identification Number	**538**
3.	BIR Tax Identification No.	**000-225-442**
4.	Exact name of registrant as specified in its charter	**Far Eastern University**, **Incorporated**

5. PHILIPPINES
Province, Country or other jurisdiction of incorporation or organization

6. /____________/ (SEC use only)
Industry Classification Code:

7.	**Nicanor Reyes Street, Sampaloc, Manila** Address of principal office	**1015** Postal Code

8. **(632) 8849-4000**
Issuer's telephone number including area code

9. **NOT APPLICABLE**
Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock, ₱100.00 par value	**24,055,763**
Bond with Non-Detachable Warrant, ₱1.00 per unit	**Not Applicable**

11. All securities (common shares) are listed with the Philippine Stock Exchange, Inc.

12. Check whether the registrant:

(a) has filed reports required to be filed by Section I7 of the SRC and SRC Rule 17 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports);

Yes **[x]** No [ ]

13. The aggregate market value of the voting stock held by non-affiliates: **None**

TABLE OF CONTENTS

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

Far Eastern University (FEU), Inc. – the business entity – was incorporated in 1933. It operates Far Eastern University – the higher education institution – and is the majority shareholder of East Asia Computer Center, Inc. (EACCI); FEU Alabang, Inc.; Far Eastern College Silang, Inc.; FEU High School, Inc.; and Roosevelt College, Inc. It is also a major shareholder in Fern Realty Corporation, which assists the FEU schools in their real estate requirements. In turn, EACCI does business under the names and styles FEU Institute of Technology (FEU Tech or FIT) and FEU Diliman, while Far Eastern College Silang, Inc., does so as FEU Cavite.

In addition, Far Eastern University, Inc., owns 51% of Edustria, Inc., in a joint venture with the Technological Institute of the Philippines (T.I.P.), Inc., which has a 49% stake. Edustria, Inc., operates a high school under the same name in the Lipa-Malvar area of Batangas province.

In the schools it operates, FEU, Inc., adopts a holistic approach to education, taking into consideration both academics and whole-person development, which includes, among others, the students' social, ethical, and emotional growth. FEU schools purposefully endeavor to foster an inclusive, nurturing, safe, and secure space set in beautifully designed campuses conducive for learning.

On 19 February 2021, FEU, Inc., received the One Golden Arrowhead Recognition from the ASEAN Corporate Governance Scorecard (ACGS) for being a top-performing publicly listed company in the Philippines.

Brief Discussion of the Business

Mother Company

1*. FAR EASTERN UNIVERSITY*

Far Eastern University (FEU) was founded in 1928 as a private, nonsectarian institution of learning. Guided by the core values of fortitude, excellence, and uprightness, it aims to be a university of choice in Asia. Committed to the highest intellectual, moral, and cultural standards, the university strives to produce principled and professionally competent graduates, and nurtures a service-oriented and environment-conscious community that seeks to contribute to the advancement of the global society.

Tuition and other fees, which are the main sources of revenues, are moderate and subject to government regulation. Full and partial scholarship grants are awarded to deserving students.

FEU maintains excellent facilities to support the schooling experience of students. These include, among others, a library with an expanding electronic footprint; various types of laboratories; audio-visual and multi-media rooms including smart classrooms; conference, meeting, and multi-function rooms; an auditorium; gyms and other sports facilities; a clinic; and an information-technology enabled gate security system. All classrooms are spacious and air-conditioned – the ambient temperature powered campus-wide by an environmentally friendly district-cooling system, the first and apparently still the only one in a Philippine campus setting. Enrollment and financial operations are managed on NetSuite, an integrated, cloud-based enterprise resource planning (ERP) platform, while academic activities are organized on the state-of-the-art Canvas learning management system.

The university's high standard of quality is substantiated by numerous recognitions from the Philippine Commission on Higher Education (CHED); accrediting bodies such as the Philippine Association of Colleges and Universities Commission on Accreditation (PACUCOA) and the Philippine Accrediting Association of Schools, Colleges, and Universities (PAASCU);

the ASEAN University Network – Quality Assurance (AUN-QA) system; and the World's Universities with Real Impact (WURI).

The CHED first conferred on FEU the autonomous university status on 25 July 2012. Then, adopting the stricter quality-assurance framework of CHED Memorandum Order 46 series of 2012, the commission affirmed the status per CHED Memorandum Order 20 series of 2016, extending its effectivity to 31 May 2019. Subsequently, CHED Memorandum Order 12 series of 2019 reaffirmed the university's autonomy through to 31 March 2021 and CHED Memorandum Order 7 series of 2021 extended it further to 31 May 2023.

For its part, the WURI ranked FEU 91st overall and 19th in the ethical value category during its inaugural run in 2020. In 2021, FEU's WURI rankings improved to 79th overall, 16th in ethical value, 42nd in entrepreneurial spirit, and 12th on crisis management. In both years, FEU was the only Philippine higher education institution in the top 100 universities of the WURI list.

<u>Product:</u> Organized as seven institutes and an extension campus (in Makati), Far Eastern University offers the following baccalaureate and graduate programs:

1. Institute of Accounts, Business, and Finance (IABF) – Manila and Makati campuses

   Baccalaureate Programs:

   - *Bachelor of Science in Accountancy*
   - *Bachelor of Science in Business Administration (Business Analytics Track)*
   - *Bachelor of Science in Business Administration (Entrepreneurial Management Track)*
   - *Bachelor of Science in Business Administration (Financial Management Track)*
   - *Bachelor of Science in Business Administration (Leadership and Human Capital Track)*
   - *Bachelor of Science in Business Administration (Marketing Management Track)*
   - *Bachelor of Science in Internal Auditing*

   Graduate Programs:

   - *Master of Business Administration*

2. Institute of Architecture and Fine Arts (IARFA)

   Baccalaureate Programs:

   - *Bachelor of Fine Arts major in Studio Arts*
   - *Bachelor of Fine Arts major in Visual Communication*
   - *Bachelor of Science in Architecture (Building Construction Track)*
   - *Bachelor of Science in Architecture (Housing Design Track)*
   - *Bachelor of Science in Architecture (Urban Design Track)*

3. Institute of Arts and Sciences (IAS)

   Baccalaureate Programs:

   - *Bachelor of Arts in Communication (Convergent Media Track)*
   - *Bachelor of Arts in Communication (Digital Cinema Track)*
   - *Bachelor of Arts in Interdisciplinary Studies (Global Development and Sustainability Track)*
   - *Bachelor of Arts in Interdisciplinary Studies (Philippine Arts, Culture, and Society Track)*
   - *Bachelor of Arts in Interdisciplinary Studies (Urban Spaces and Transitions Studies Track)*
   - *Bachelor of Arts in International Studies (International Development and Cooperation)*

- *Bachelor of Arts in International Studies (International Relations and Diplomacy)*
- *Bachelor of Arts in Language and Literature Studies (English Studies Track)*
- *Bachelor of Arts in Language and Literature Studies (Literature Studies Track)*
- *Bachelor of Arts in Political Science (Philippine Politics and Foreign Relations Track)*
- *Bachelor of Science in Applied Mathematics (Data Science Track)*
- *Bachelor of Science in Applied Mathematics (Information Technology Track)*
- *Bachelor of Science in Biology (Medical Biology Track)*
- *Bachelor of Science in Biology (Microbiology Track)*
- *Bachelor of Science in Biology (Systematic Biology Track)*
- *Bachelor of Science in Medical Technology*
- *Bachelor of Science in Psychology*

Graduate Programs:

- *Doctor of Philosophy in Psychology major in Clinical Psychology*
- *Doctor of Philosophy in Psychology major in Forensic Psychology*
- *Doctor of Philosophy in Psychology major in Industrial Psychology*
- *Master of Arts in Communication*
- *Master of Arts major in Letters*
- *Master of Arts in Psychology with specialization in Clinical Psychology*
- *Master of Arts in Psychology with specialization in Industrial Psychology*
- *Master of Science in Biology*

4. Institute of Education (IE)

Baccalaureate Programs:

- *Bachelor of Elementary Education*
- *Bachelor of Physical Education*
- *Bachelor of Science in Exercise and Sports Science major in Fitness and Sports Management*
- *Bachelor of Secondary Education major in English*
- *Bachelor of Secondary Education major in Mathematics*
- *Bachelor of Secondary Education major in Science*
- *Bachelor of Special Needs Education*

Certificate Program:

- *Teacher Certificate Program*

Graduate Programs:

- *Doctor of Education major in Curriculum and Instruction*
- *Doctor of Education major in Educational Administration*
- *Doctor of Education major in Language and Literature Education*
- *Master of Arts in Education major in Curriculum and Instruction*
- *Master of Arts in Education major in Educational Administration*
- *Master of Arts in Education major in English Language Teaching*
- *Master of Arts in Education major in Literature and Language Education (English)*
- *Master of Arts in Education major in Special Education*
- *Master in Physical Education*

5. Institute of Law (IL)

Graduate Program:

- *Juris Doctor*

6. Institute of Nursing (IN)

   Baccalaureate Program:

   - *Bachelor of Science in Nursing*

   Graduate Programs:

   - *Master of Arts in Nursing specialized in Community Health*
   - *Master of Arts in Nursing specialized in Maternal-Child Health*
   - *Master of Arts in Nursing specialized in Medical-Surgical Nursing*
   - *Master of Arts in Nursing specialized in Mental Health and Psychiatric Nursing*
   - *Master of Arts in Nursing specialized in Nursing Systems Administration*

7. Institute of Tourism and Hotel Management (ITHM)

   Baccalaureate Programs:

   - *Bachelor of Science in Hotel and Restaurant Management (Culinary Management Track)*
   - *Bachelor of Science in Hotel and Restaurant Management (Hotel Operations Track)*
   - *Bachelor of Science in Tourism Management (Events Management Track)*
   - *Bachelor of Science in Tourism Management (Travel and Tours Management Track)*

All of these academic program offerings were approved and/or granted permits by the CHED or, in the case of the Juris Doctor program, the Legal Education Board, as well as other relevant government agencies.

Program Accreditations

Far Eastern University continuously strives for excellence in teaching, research and development, and extension work. Validations of this institutional effort include CHED citations of the teacher education programs of the IE as a Center of Excellence and the Bachelor of Science in Business Administration program of the IABF as a Center of Development.

<u>Local Accreditations</u>

Almost all of the academic programs in the Manila campus are accredited by the PACUCOA. The following programs had PACUCOA Level IV accreditation status (the highest) for the period December 2015 to December 2020 and, due to the covid-19 pandemic, have had to undergo their first Level IV Reaccreditation Visit in April 2021 as a virtual exercise, the official results of which are still pending:

- *Bachelor of Arts in Communication*
- *Bachelor of Elementary Education*
- *Bachelor of Science in Accountancy*
- *Bachelor of Science in Applied Mathematics with Information Technology*
- *Bachelor of Science in Biology*
- *Bachelor of Science in Business Administration*
- *Bachelor of Science in Psychology*
- *Bachelor of Secondary Education*

The *Bachelor of Science in Nursing* is the only academic program in the Manila campus that is accredited by the PAASCU. It has Level III Reaccredited status for the period August 2018 to November 2021.

The programs with PACUCOA Level III Reaccredited status from January 2020 to January 2022 include:

- *Doctor of Education*
- *Master of Arts in Education*
- *Master of Arts in Psychology*

The programs with PACUCOA Level II Reaccredited status from January 2020 to January 2025 are:

- *Bachelor of Arts in International Studies*
- *Bachelor of Fine Arts*
- *Bachelor of Science in Architecture*
- *Bachelor of Science in Medical Technology*
- *Bachelor of Science in Tourism Management*

while those with the same status from May 2018 to May 2023 are:

- *Bachelor of Arts in Language and Literature Studies*
- *Bachelor of Arts in Political Science*
- *Bachelor of Science in Hotel and Restaurant Management*

Two graduate programs were granted the Candidate status by the PACUCOA for the period May 2018 to May 2020, but their accreditation exercises have had to be rescheduled due to the pandemic. These are:

- *Master of Arts in Communication*
- *Master of Science in Biology*

Similarly, the *Master of Arts in Nursing* program was conferred the Candidate status by the PAASCU from December 2018 to November 2020, but the accreditation visit has had to be rescheduled.

International Accreditations

Far Eastern University is a member of the ASEAN University Network – Quality Assurance, under which the following academic programs have successfully hurdled their assessment exercises in November 2020 and March 2021, respectively:

- *Bachelor of Science in Accountancy*
- *Bachelor of Science in Biology*
- *Bachelor of Science in Business Administration*
- *Bachelor of Science in Medical Technology*

- *Bachelor of Arts in Communication*
- *Bachelor of Science in Psychology*
- *Bachelor of Elementary Education*
- *Bachelor of Secondary Education*

Additionally, the ITHM's Bachelor of Science in Tourism Management program was accredited by Asia-Pacific Institute for Events Management (APIEM) as a Center of Excellence for the period February 2017 to February 2021.

Distribution methods of services: Being a higher education institution, Far Eastern University renders education services to students, either in-school or by remote learning modes.

Customers: Students

The university's revenues primarily come from tuition and other fees paid by students. Student fees from the following institutes contributed significantly (i.e., greater than or equal to 10%) to education income:

Institute	**Percent Share of Revenues**
IAS	34%
IABF	28%
ITHM	12%
IARFA	11%
IN	10%

Competition: Prestigious universities and colleges in the University Belt are FEU's main competition. The university competes with them through its reasonable tuition and other fees, which are subject to government regulation, and by the quality of its services as may be gleaned from the state of its physical plant and facilities and the reputation and capabilities of its faculty, among others. In addition, the university provides various scholarship grants, both for merit and due to need, to students who qualify. A distinctive feature of the university calendar is the annual cultural program prepared by the FEU Center for the Arts, which consists of performances by FEU cultural groups and guest artists, exhibits, lectures, and campus tours, all of which are provided for free.

Whistle-Blowing Policy: Far Eastern University encourages responsible whistle blowing and provides whistle blowers adequate protection. Irresponsible and indiscriminate accusations, however, are meted corresponding sanctions.

Subsidiaries and Other Related Parties

1*. East Asia Computer Center, Inc.*

Although incorporated in 1992, East Asia Computer Center, Inc. (EACCI), started doing business under the name and style FEU Institute of Technology (FIT or FEU Tech, for brevity) only in 2014. In March 2018, it began to use the name and style FEU Diliman as well.

a. FEU Institute of Technology

The FEU Institute of Technology is a private, nonsectarian college that provides quality education in the fields engineering and information technology. Housed in two structures – the Engineering Building on Nicanor Reyes Street and the 17-story FEU Tech Building on P. Paredes Street (both near the FEU Manila campus) – it has excellent facilities that include air-conditioned classrooms; well-equipped laboratories and engineering workshops; study areas for both individual and collaborative work; a library with a large collection of digital media; a covered gym; a 25-meter, four-lane, indoor swimming pool; exhibit areas; and multi-function rooms. Other notable features, found in the FEU Tech Building, are scenic elevators, an e-building high-tech security system; and an observation deck providing bird's-eye views of the Manila skyline.

FEU Tech offers innovative academic programs that are complemented by strong industry and academic partnerships, which provide students additional opportunities for immersive learning experiences. Students receive real-world training and work experience from an intense and well-designed internship program with industry partners – a network of some 800 technology and engineering corporations nationwide. In addition, study- and internship-abroad programs allow students to learn and be immersed in multicultural environments and cultures with partner schools in Taiwan and Korea.

The institute's high standard of quality is substantiated by program accreditations from the PAASCU and recognition from the WURI. In its 2021 run, WURI ranked FEU Tech 24th in entrepreneurial spirit.

Product: Organized as two colleges, the FEU Institute of Technology offers the following baccalaureate programs:

1. College of Computer Studies and Multimedia Arts
    - *Bachelor of Multimedia Arts*
    - *Bachelor of Science in Computer Science with specialization in Business Analytics*
    - *Bachelor of Science in Computer Science with specialization in Software Engineering*
    - *Bachelor of Science in Information Technology with specialization in Animation and Game Development*
    - *Bachelor of Science in Information Technology with specialization in Digital Arts*

- *Bachelor of Science in Information Technology with specialization in Service Management and/or Business Analytics*
- *Bachelor of Science in Information Technology with specialization in Web and Mobile Applications*

2. College of Engineering

- *Bachelor Science in Civil Engineering*
- *Bachelor of Science in Computer Engineering*
- *Bachelor of Science in Electrical Engineering*
- *Bachelor of Science in Electronic Engineering*
- *Bachelor of Science in Mechanical Engineering*

Program Accreditations

The FEU Institute of Technology continuously strives for excellence in teaching, research and development, and extension work. Third-party affirmations of these initiatives are its program accreditations from the PAASCU.

Local Accreditations

Four academic programs of FEU Tech have Level II Accreditation status from the PAASCU:

- *Bachelor of Science in Computer Science with specialization in Software Engineering*
- *Bachelor of Science in Information Technology with specialization in Web and Mobile Application Development*
- *Bachelor of Science in Civil Engineering*
- *Bachelor of Science in Computer Engineering*

The first two enjoy their accreditation status until May 2021 and are due for reaccreditation in November 2021, while the last two have their status until May 2024.

b. FEU Diliman

FEU Diliman is a private, nonsectarian educational institution nestled in a neat10-hectare campus in Mapayapa Village, Quezon City. It offers the full spectrum of formal education from basic education (i.e., kindergarten, grade school, junior and senior high school) to college.

The school has an advanced basic education curriculum that gives special emphasis to English, science, and mathematics and that integrates 21st-century-skills development. The students' holistic development is aimed for through their engagement in a wide array of sports, cultural, values formation, and socio-civic activities and programs. In addition, value-added courses are embedded in the curriculum to enable graduates to pursue higher education in the country's top universities.

FEU Diliman's higher education department aspires to become a professional institute (in the horizontal typology of CMO 46 series of 2012). Its academic programs are distinctive for their business-information technology fusion. The two pillars of its curriculum are the professional core courses for students to develop technical proficiency and long internships for students to gain deep familiarity with real-world practice. Using non-traditional, technology-facilitated delivery strategies, the academic programs foster deeper student engagement, better motivating the students to achieve the intended learning goals. Graduates are envisioned to be technology-empowered, highly qualified, and principled professionals and leaders who are poised to provide innovative solutions to the challenges they meet in their workplaces.

Product: Organized into a basic education department and two colleges, FEU Diliman offers the following programs:

1. Basic Education

- *Kindergarten*
- *Grade School*
- *Junior High School*

- *Senior High School*
    - *Accountancy, Business, and Management*
    - *General Academic Strand*
    - *Humanities and Social Science*
    - *Science, Technology, Engineering, and Mathematics*
    - *Sports*

2. College of Accounts and Business

- *Bachelor of Science in Accountancy*
- *Bachelor of Science in Business Administration major in Financial Management and Business Analytics*
- *Bachelor of Science in Business Administration major in Marketing Management and Multimedia Technology*
- *Bachelor of Science in Business Administration major in Operations and Service Management*

3. College of Computer Studies

- *Bachelor of Science in Information Technology with specialization in Animation and Game Development*
- *Bachelor of Science in Information Technology with specialization in Web and Mobile Applications*

2. *FEU Alabang, Inc.*

Founded in 2016, FEU Alabang, Inc., carries FEU's mission to provide quality education to the south of Metro Manila. FEU Alabang – the school – is set in a 1.8-hectare campus accented by lush green spaces and a 200-seat, resplendent-in-white chapel in Filinvest City, Alabang, one of the most progressive areas in the southern Greater Manila area. Its 15-story academic building, which is equipped with modern classrooms and laboratories as well as an outdoor covered gym, welcomed its first batch of students in 2018.

<u>Product:</u> Organized as a senior high school department and three colleges, FEU Alabang offers the following programs:

1. Senior High School

- *Senior High School*
    - *Accountancy, Business, and Management*
    - *General Academic Strand*
    - *Humanities and Social Science*
    - *Science, Technology, Engineering, and Mathematics*

2. College of Accounts and Business

- *Bachelor of Science in Accountancy*
- *Bachelor of Science in Business Administration major in Financial Management and Business Analytics*
- *Bachelor of Science in Business Administration major in Marketing Management and Multimedia Technology*
- *Bachelor of Science in Business Administration major in Operations and Service Management*

3. College of Engineering
    - *Bachelor of Science in Civil Engineering*
    - *Bachelor of Science in Computer Engineering*
    - *Bachelor of Science in Electronics Engineering*
    - *Bachelor of Science in Electrical Engineering*
    - *Bachelor of Science in Mechanical Engineering*
4. College of Computer Studies
    - *Bachelor of Multimedia Arts*
    - *Bachelor of Science in Computer Science with specialization in Software Engineering*
    - *Bachelor of Science in Information Technology with specialization in Animation and Game Development*
    - *Bachelor of Science in Information Technology with specialization in Digital Arts*
    - *Bachelor of Science in Information Technology with specialization in Service Management and/or Business Analytics*
    - *Bachelor of Science in Information Technology with specialization in Web and Mobile Applications*

3. *Far Eastern College Silang, Inc.*

Established in 2009, Far Eastern College Silang, Inc., does business under the name and style FEU Cavite (FEUC). Located inside MetroGate Silang Estates, a gated community in Silang, Cavite, it is the first subsidiary of FEU Inc. that operated outside Metro Manila. It admitted its first batch of pre-school, grade school, and college students in June 2010, and its first cohort of senior high school students in 2016. In School Year (SY) 2020–2021, FEUC began accepting freshmen for three extension programs of FEU Manila: Bachelor of Arts in Communication, Bachelor of Arts in Political Science, and Bachelor of Science in Medical Technology.

FEU Cavite aspires to be a school of choice in the Southern Tagalog region by pursuing the twin goals of inculcating a love for learning among its students and being an engine for the region's socioeconomic development. It seeks to develop its students to be values-driven, service-oriented, and future-ready global citizens through a technology-empowered and individualized learning system. Its social mission is to fuel community growth by heritage preservation and environmental stewardship.

<u>Product:</u> Organized as three departments, FEU Cavite offers the following programs:

1. Basic Education
    - *Pre-Kindergarten*
    - *Kindergarten*
    - *Grade School*
    - *Junior High School*
2. Senior High School
    - *Senior High School*
        - *Accountancy, Business, and Management*
        - *Humanities and Social Sciences*
        - *Science, Technology, Engineering, and Mathematics*
3. Higher Education

    Baccalaureate Programs:
    - *Bachelor of Science in Accountancy*
    - *Bachelor of Science in Accounting Information System*

- *Bachelor of Science in Business Administration (Financial Management Track)*
- *Bachelor of Science in Business Administration (Marketing Management Track)*
- *Bachelor of Science in Hospitality Management (Culinary Management Track)*
- *Bachelor of Science in Hospitality Management (Hotel Operations Track)*
- *Bachelor of Science in Information Technology*
- *Bachelor of Science in Tourism Management (Events Management Track)*
- *Bachelor of Science in Tourism Management (Travel and Tours Management Track)*
- *Bachelor of Science in Psychology*

Certificate Program:

- *Teacher Certificate Program*

Extension Programs of FEU Manila

Baccalaureate Programs:

- *Bachelor of Arts in Political Science (Philippine Politics and Foreign Relations Track)*
- *Bachelor of Arts in Communication (Convergent Media Track)*
- *Bachelor of Arts in Communication (Digital Cinema Track)*
- *Bachelor of Arts in Medical Technology*

4. *FEU High School, Inc.*

FEU High School (FEU HS), Inc., was established as a subsidiary of Far Eastern University, Inc., in 2013 in response to Republic Act 10533 (otherwise known as the Enhanced Basic Education Act of 2013), which extended the Philippine basic education program to 13 years, adding Grades 11 and 12 to the secondary education level. Situated inside the FEU Manila campus, FEU HS welcomed its pioneer class of senior high school students in 2016.

Guided by the FEU core values, FEU High School provides quality education that prepares its graduates for college, the world of work, and life. Its curriculum is student-centered, values-driven, and competency-laden; its delivery methods are technology-enabled; and its learning activities are project based.

FEU HS's mission is to equip its students with basic and future-ready skills; healthy habits of mind; and positive, resilient attitudes. Students who fully engage the curriculum develop a keen awareness of self and are empowered to interact with the world in different dimensions, create their own future, and contribute to nation-building.

FEU HS implements design thinking as a teaching strategy. Its academic offerings are complemented by special programs that foster experiential learning and the development of leadership and social skills as well as service orientation in students. The school has more than 70 student clubs and organizations, ranging from sports and arts to special interest groups.

Product: FEU High School offers the following programs:

1. Senior High School
   - *Senior High School*
     - *Accountancy, Business, and Management*
     - *General Academic Strand with specialization in Arts and Design*
     - *General Academic Strand with specialization in Sports and Health*
     - *General Academic Strand with specialization in Tourism*
     - *Humanities and Social Sciences*
     - *Science, Technology, Engineering, and Mathematics*

5. *Roosevelt College, Inc.*

Roosevelt College, Inc. (RCI), has a long history of providing quality education as a private, nonsectarian school, first as Marikina Academy in 1933 and as RCI since 1946. RCI became a member of the FEU Group of Schools in May 2016 when FEU Inc. purchased the 79.7% of RCI's outstanding capital stock (since increased to 97.3%) and gained management control of all campuses and affiliated companies. In 2019, RCI started to do business under the name and style FEU Roosevelt (FEUR).

Significantly contributing to the expansion of the FEU Group's geographic and demographic footprint and of basic education in its portfolio of program offerings, FEU Roosevelt is expected to carry FEU's distinctive marks of quality education and excellent facilities while improving the accessibility of such to more Filipino families. It currently operates three campuses, which are located in Marikina City, Metro Manila, and the municipalities of Cainta and Rodriguez, both of which are in Rizal province.

FEUR envisions the formation of a productive and responsible citizenry who are empowered through education.

<u>Product:</u> Organized as three campuses, FEU Roosevelt offers the full spectrum of academic program offerings from basic education to graduate school.

1. FEUR Cainta

   Basic Education Programs:

   - *Developmental Kindergarten*
   - *Kindergarten*
   - *Grade School*
   - *Junior High School*
   - *Senior High School*
     - *Accountancy, Business, and Management*
     - *Humanities and Social Sciences*
     - *Science, Technology, Engineering, and Mathematics*

   Baccalaureate Programs:

   - *Bachelor of Early Childhood Education*
   - *Bachelor of Elementary Education*
   - *Bachelor of Secondary Education major in English*
   - *Bachelor of Secondary Education major in Filipino*
   - *Bachelor of Secondary Education major in Mathematics*
   - *Bachelor of Secondary Education major in Science*
   - *Bachelor of Secondary Education major in Social Studies*
   - *Bachelor of Secondary Education major in Values Education*
   - *Bachelor of Science in Hospitality Management*
   - *Bachelor of Science in Business Administration (Human Resources Management Track)*
   - *Bachelor of Science in Business Administration (Marketing Management Track)*
   - *Bachelor of Science in Business Administration (Operations Management Track)*

   Certificate Program:

   - *Teacher Certificate Program*

   Graduate Programs:

   - *Master of Arts in Education major in Educational Management*
   - *Master of Arts in Education major in Educational Technology*
   - *Master of Arts in Education major in English Studies and Instruction*

- *Master of Arts in Education major in Filipino Education*
- *Master of Arts in Education major in Guidance and Counseling*
- *Master of Arts in Education major in Mathematics Education*
- *Master of Arts in Education major in Physical Education*
- *Master of Arts in Education major in Science Education*
- *Master of Arts in Education major in Social Studies*
- *Master of Arts in Education major in Special Education*
- *Master of Arts in Education major in Teaching in the Early Grades*
- *Master of Arts in Education major in Values Education*

2. FEUR Marikina

   Basic Education Programs:

   - *Developmental Kindergarten*
   - *Kindergarten*
   - *Grade School*
   - *Junior High School*
   - *Senior High School*
     - *Accountancy, Business, and Management*
     - *Humanities and Social Sciences*
     - *Science, Technology, Engineering, and Mathematics*
     - *Home Economics*
     - *Information and Computer Technology*

   Baccalaureate Programs:

   - *Bachelor of Science in Information Technology*
   - *Bachelor of Science in Business Administration (Human Resources Management Track)*
   - *Bachelor of Science in Business Administration (Marketing Management Track)*
   - *Bachelor of Science in Business Administration (Operations Management Track)*

3. FEUR Rodriguez

   Basic Education Programs:

   - *Developmental Kindergarten*
   - *Kindergarten*
   - *Grade School*
   - *Junior High School*
   - *Senior High School*
     - *Accountancy, Business, and Management*
     - *Humanities and Social Sciences*
     - *Science, Technology, Engineering, and Mathematics*
     - *Home Economics*
     - *Information and Computer Technology*

6. *Edustria, Inc.*

Edustria, Inc., was established in 2019 as a joint venture of Far Eastern University and the Technological Institute of the Philippines. A contraction of “Education for Industry,” Edustria as an enterprise aims to deliver education that is relevant to industry needs. Doing business under the name and style Edustria High School, it admitted its first batches of Grade 7 and Grade 11 students in 2020.

Strategically located in the Lima Technology Center at Lipa City, Batangas, where more than 100 manufacturing companies from various industries have set up shop, Edustria partners with key firms in the technology park to bring its students in close proximity to the world of work. Work immersion is a key feature of Edustria's teaching and learning strategy; students are not only taught the necessary content knowledge, they are also developed in their skills and competencies through industry-enriched curriculums and strengthened in their characters through work-values training. Edustria graduates are intended to be both work- and college-ready and to thrive in life in 21st century.

Product: Edustria High School offers the following programs:

- *Junior High School*
- *Senior High School*
    - *Accountancy, Business, and Management*
    - *General Academic Strand*
    - *Humanities and Social Sciences*
    - *Science, Technology, Engineering, and Mathematics*

7. *Fern Realty Corporation*

Fern Realty Corporation (FRC) was established in 1984 primarily to assist FEU and eventually its subsidiary schools in their real estate requirements. For this purpose, the corporation acquired properties in Metro Manila and Silang, Cavite, which are currently leased to the FEU schools. In Silang, it has also constructed dormitory facilities and farm laboratories for the use of students and faculty members and a staff house for officers of FEU Cavite.

FRC is also engaged in developing and acquiring real properties for sale or lease. With Ayala Land, Inc., it co-developed Ferndale Homes in Quezon City; and with Moldex Realty Corporation, Fern Parc, a premium subdivision within MetroGate Silang Estate in Silang, Cavite. Its prime condominium units and residential houses in Makati City, Quezon City, and Taguig City are leased to local and foreign corporations and individuals. The latest additions to its asset portfolio are condominium units in Arbor Lanes, Arca South, Taguig City, as well as in Proscenium Residences at Rockwell, Two Roxas Triangle, and Park Central – all three of which are located in Makati City.

Item 2. Schedule of Property and Equipment / Investment Properties

	Gross Book Value	Accumulated Depreciation	Net Book Value	Location	Condition
FAR EASTERN UNIVERSITY, INCORPORATED					
(FEU or Parent Company)					
I. PROPERTY AND EQUIPMENT:					
			-		
LAND					
Land - FEU Manila Campus					
(including Lerma and R. Papa Extension properties)	P 294,101,511	P -	P 294,101,511	Manila	Very Good
Land - Education and Admissions Buildings					
(formerly EAC Main and Annex Buildings)	53,394,726	-	53,394,726	Manila	Very Good
Land - Biluso, Silang	41,733,202	-	41,733,202	Silang, Cavite	Very Good
	389,229,439	-	389,229,439		
BUILDINGS, AND LAND AND LEASEHOLD IMPROVEMENTS					
FEUTURE Center (Lerma)	641,006,827	42,798,957	598,207,870	Manila	Very Good
Technology Building	348,656,357	233,418,576	115,237,781	Manila	Very Good
Science Building (SB)	301,341,500	130,674,949	170,666,551	Manila	Very Good
Admissions Building *(formerly EAC Main Building)*	262,366,422	158,909,797	103,456,625	Manila	Very Good
Nicanor Reyes Hall	198,867,089	87,748,981	111,118,108	Manila	Very Good
FEU Makati Building	180,981,854	93,810,450	87,171,404	Makati City	Very Good
Alfredo Reyes Hall	129,069,087	96,423,947	32,645,140	Manila	Very Good
Education Building *(formerly EAC Annex Building)*	140,405,930	84,989,715	55,416,215	Manila	Very Good
Arts Building	55,731,631	24,621,902	31,109,729	Manila	Very Good
Campus Pavilion	24,875,853	6,660,859	18,214,994	Manila	Very Good
Architecture Building *(formerly Law Building)* to SB Covered Walk	3,202,126	2,134,675	1,067,451	Manila	Very Good
Leasehold Improvements *(Adminstration Building, Architecture Building, Nursing Building, Accounts Business and Finance Building, R. Papa Gym and Student Pavilion*	895,492,759	313,401,804	582,090,955	Manila	Very Good
Land Improvements *(Grandstand, Pavilion, Covered Walks, Perimeter Fences and Others)*	16,946,155	9,796,545	7,149,610	Manila	Very Good
Construction-in-Progress	8,694,023	-	8,694,023	Manila	Very Good
	P 3,207,637,613	P 1,285,391,157	P 1,922,246,456		

		Gross Book Value		Accumulated Depreciation		Net Book Value	Location	Condition
FURNITURE, FIXTURES AND EQUIPMENTS								
Information Technology Equipments	P	265,912,536	P	241,525,429	P	24,387,107	Manila	Very Good
Electrical and Mechanical Equipments		195,664,904		163,560,659		32,104,245	Manila	Very Good
Furnitures and Fixtures		109,641,926		103,182,745		6,459,181	Manila	Very Good
Laboratory Equipments		88,786,071		65,985,695		22,800,376	Manila	Very Good
Transportation Equipments		45,818,630		42,987,616		2,831,014	Manila	Very Good
Museum Collections		-		-		-	Manila	Very Good
Athletic and Sports Equipments		4,937,991		4,450,573		487,418	Manila	Very Good
Musical Instruments		4,661,476		4,339,889		321,587	Manila	Very Good
Tools		1,730,416		1,686,978		43,438	Manila	Very Good
Miscellaneous Fixed Assets		103,803,139		103,715,285		87,854	Manila	Very Good
		820,957,089		731,434,869		89,522,220		
TOTAL PROPERTY AND EQUIPMENT	**P**	**4,417,824,141**	**P**	**2,016,826,026**	**P**	**2,400,998,115**		
II. INVESTMENT PROPERTIES:								
LAND								
Land - Filinvest Alabang	P	1,076,829,849	P	-	P	1,076,829,849	Muntinlupa City	Very Good
BUILDINGS								
FEU Cavite Building I		205,592,198		91,202,241		114,389,957	Silang, Cavite	Very Good
FEU Cavite Building II		223,022,622		98,216,392		124,806,230	Silang, Cavite	Very Good
		428,614,820		189,418,633		239,196,187		
TOTAL INVESTMENT PROPERTIES		**1,505,444,669**		**189,418,633**		**1,316,026,036**		
TOTAL FIXED ASSETS OF FEU	**P**	**5,923,268,810**	**P**	**2,206,244,659**	**P**	**3,717,024,151**		

FERN REALTY CORPORATION (FRC)

I. INVESTMENT PROPERTIES:

	Gross Book Value	Accumulated Depreciation	Net Book Value	Location	Condition
LAND					
Land - FEU Makati Campus	P 212,850,736	P -	P 212,850,736	Makati City	Very Good
Land - FEU Cavite Campus	113,703,104	-	113,703,104	Silang, Cavite	Very Good
Land - FEU Campus Site I *(Administration Building, Nursing Building, Accounts Business and Finance Building, Architecture Building and Open Spaces)*	82,805,600	-	82,805,600	Manila	Very Good
Land - FEU Campus Site II *(Fern Building, FEU Institute of Technology Building and R. Papa Gym)*	67,253,504	-	67,253,504	Manila	Very Good
Land - Ferndale Villas	6,810,000	-	6,810,000	Quezon City	Very Good
Land - Sampaguita Ave., Quezon City	3,714,947	-	3,714,947	Quezon City	Very Good
	487,137,891	-	487,137,891		
LAND IMPROVEMENTS	14,340,361	7,918,444	6,421,917	Various	Very Good
BUILDINGS					
FEU Cavite Dormitory and Staff House	64,262,924	5,863,734	58,399,190	Silang, Cavite	Very Good
FEU Manila Campus Buildings	35,647,364	25,998,450	9,648,914	Manila	Very Good
Fern Building	43,672,595	16,894,883	26,777,712	Manila	Very Good
R. Papa Gymnasium	30,970,563	9,953,687	21,016,875	Manila	Very Good
Ferndale Villas	29,879,244	2,663,455	27,215,788	Quezon City	Very Good
Lincoln Tower (Condominium unit)	28,798,811	575,976	28,222,835	Makati City	Very Good
Serendra (Condominium unit)	26,370,590	4,339,427	22,031,163	Taguig City	Very Good
Verve Residences (Condominium unit)	17,209,206	301,331	16,907,876	Taguig City	Very Good
Lerato (Condominium unit)	15,266,622	1,297,663	13,968,959	Makati City	Very Good
Arca Lanes Residences	12,376,472	556,941	11,819,530	Taguig City	Very Good
Fern College Building	766,964	61,357	705,607	Quezon City	Very Good
	305,221,355	68,506,905	236,714,449		
BUILDING IMPROVEMENTS	31,343,202	20,195,803	11,147,399	Various	Very Good
CONSTRUCTION IN PROGRESS	73,285,658	-	73,285,658	Manila / Taguig City / Silang Cavite	Very Good
TOTAL INVESTMENT PROPERTIES	**P 911,328,467**	**P 96,621,152**	**P 814,707,314**		

		Gross Book Value		Accumulated Depreciation		Net Book Value	Location	Condition
II. TRANSPORTATION AND OTHER EQUIPMENT (OTHER CURRENT ASSETS)								
Transportation Equipment	P	9,098,728	P	7,512,923	P	1,585,805	Manila	Very Good
Office Furniture and Other Equipment		8,502,081		5,692,501		2,809,580	Manila	Very Good
TOTAL TRANSPORTATION AND OTHER EQUIPMENT		**17,600,809**		**13,205,424**		**4,395,385**		
TOTAL FIXED ASSETS OF FRC	**P**	**928,929,276**	**P**	**109,826,576**	**P**	**819,102,699**		

EAST ASIA COMPUTER CENTER, INC. (EACCI)

PROPERTY AND EQUIPMENT:

		Gross Book Value		Accumulated Depreciation		Net Book Value	Location	Condition
Building and improvements *(FIT Building)*	P	1,325,207,312	P	398,232,276	P	926,975,036	Manila	Very Good
Machinery and Equipment		54,851,726		47,510,478		7,341,248	Manila	Very Good
Laboratory Tools and Equipments		44,178,512		39,082,815		5,095,697	Manila	Very Good
Information Technology Equipments		43,878,954		34,271,739		9,607,215	Manila	Very Good
Furniture and Fixtures		35,997,441		26,349,276		9,648,165	Manila	Very Good
Leasehold Improvements		6,570,442		4,832,570		1,737,872	Manila	Very Good
Construction-in-Progress		7,574,785		-		7,574,785	Manila / Quezon City	Very Good
TOTAL FIXED ASSETS OF EACCI	**P**	**1,518,259,172**	**P**	**550,279,154**	**P**	**967,980,018**		

FAR EASTERN COLLEGE - SILANG, INC. (FECSI)

PROPERTY AND EQUIPMENT:

		Gross Book Value		Accumulated Depreciation		Net Book Value	Location	Condition
Computer Equipments	P	57,907,561	P	37,703,356	P	20,204,205	Silang, Cavite	Very Good
Leasehold Improvements		48,652,790		17,748,895		30,903,895	Silang, Cavite	Very Good
Furnitures and Fixtures		25,520,159		16,963,465		8,556,694	Silang, Cavite	Very Good
Tools and Equipments		11,401,184		9,187,227		2,213,957	Silang, Cavite	Very Good
Library Books		8,002,685		6,721,654		1,281,031	Silang, Cavite	Very Good
Transportation Equipment		4,163,200		2,350,885		1,812,315	Silang, Cavite	Very Good
Construction-in-Progress		10,136,000		-		10,136,000		
TOTAL FIXED ASSETS OF FECSI	**P**	**165,783,579**	**P**	**90,675,482**	**P**	**75,108,097**		

		Gross Book Value		Accumulated Depreciation		Net Book Value	Location	Condition
FEU HIGH SCHOOL, INC. (FEU High)								
PROPERTY AND EQUIPMENT:								
Information Technology Equipments	P	13,384,958	P	12,304,713	P	1,080,245	Manila	Very Good
Furniture and Fixtures		13,241,749		9,659,487		3,582,262	Manila	Very Good
Leasehold Improvements		9,905,261		7,205,120		2,700,141	Manila	Very Good
Electrical and Mechanical Equipments		3,631,558		2,360,182		1,271,376	Manila	Very Good
Transportation Equipments		1,677,000		1,006,200		670,800	Manila	Very Good
Laboratory Equipments		1,007,050		839,265		167,785	Manila	Very Good
Athletic and Musical Instruments		444,538		385,903		58,635	Manila	Very Good
TOTAL FIXED ASSETS OF FEU High	**P**	**43,292,114**	**P**	**33,760,870**	**P**	**9,531,244**		
FEU ALABANG, INC. (FEUAI)								
PROPERTY AND EQUIPMENT:								
Building	P	1,964,399,777	P	209,785,470	P	1,754,614,307	Muntinlupa City	Very Good
Laboratory Tools and Equipment		55,543,165		22,857,626		32,685,539	Muntinlupa City	Very Good
Information Technology		49,192,401		35,463,508		13,728,893	Muntinlupa City	Very Good
Furniture and Fixtures		28,119,014		12,631,553		15,487,461	Muntinlupa City	Very Good
Leasehold Improvement		6,209,959		1,107,595		5,102,364	Muntinlupa City	Very Good
TOTAL FIXED ASSETS OF FEUAI	**P**	**2,103,464,316**	**P**	**281,845,752**	**P**	**1,821,618,564**		

	Gross Book Value	Depreciation	Net Book Value	Location	Condition
ROOSEVELT COLLEGE, INC. (RCI)					
PROPERTY AND EQUIPMENT:					
LAND					
Cainta Campus	P 417,322,605	P -	P 417,322,605	Cainta, Rizal	Very Good
Marikina Campus	249,404,542	-	249,404,542	Marikina City	Very Good
Cubao Campus	118,701,527	-	118,701,527	Quezon City	Very Good
Rodriguez Campus	93,983,091	-	93,983,091	Rodriguez, Rizal	Very Good
San Mateo Campus	45,582,512	-	45,582,512	San Mateo, Rizal	Very Good
Tanay Property	42,335,419		42,335,419	Tanay, Rizal	Very Good
Rodriguez Lot	32,989,393		32,989,393	Rodriguez, Rizal	Very Good
	1,000,319,090	-	1,000,319,090		
BUILDINGS AND IMPROVEMENTS	949,425,481	344,697,504	604,727,977	Various Campuses	Very Good
FURNITURE, FIXTURES AND EQUIPMENTS					
Classroom and Office Equipments	78,209,567	53,966,722	24,242,845		
Furniture and Fixtures	33,870,922	16,121,799	17,749,123		
Transportation Equipments	3,021,934	3,021,934	-		
	115,102,423	73,110,455	41,991,968	Various Campuses	Very Good
CONSTRUCTION-IN-PROGRES	26,689,670	-	26,689,670	Various Campuses	Very Good
TOTAL FIXED ASSETS OF RCI	**P 2,091,536,664**	**P 417,807,959**	**P 1,673,728,705**		
EDUSTRIA, INCORPORATED					
PROPERTY AND EQUIPMENT:					
Leasehold Improvements	P 41,793,423	P 6,965,570	P 34,827,853	Lipa City, Batangas	Very Good
Electrical and Mechanical Equipments	5,019,951	1,479,806	3,540,145		
Furniture and Fixtures	6,933,143	1,621,981	5,311,162	Lipa City, Batangas	Very Good
Information Technology Equipments	4,621,640	1,051,622	3,570,018	Lipa City, Batangas	Very Good
Transportation Equipments	1,103,000	312,517	790,483	Lipa City, Batangas	Very Good
Laboratory Tools and Equipments	760,943	236,141	524,802	Lipa City, Batangas	Very Good
TOTAL FIXED ASSETS OF EDUSTRIA	**P 60,232,100**	**P 11,667,637**	**P 48,564,463**		
TOTAL FIXED ASSETS OF THE GROUP	**P 12,834,766,031**	**P 3,702,108,089**	**P 9,132,657,941**		
RIGHT-OF-USE ASSET			**P 31,502,780**		
TOTAL PROPERTY AND EQUIPMENT, AND INVESTMENT PROPERTY			**P 9,164,160,721**		

PROPERTY LEASED BY FEU FROM FRC:

		Annual Rental	Current Contract Period
Gymnasium	Two (2) storey building made of concrete materials located at R. Papa St., Sampaloc, Manila	8,860,434.98 *plus 12% VAT*	April 1, 2021 to March 31, 2022
Athletes' Quarters (GF and 2F)	Ground floor (234.44 sq. meters) of a five (5) storey building made of concrete materials located at P. Paredes corner S.H. Loyola Streets, Sampaloc, Manila	*3,266,037.60* *plus 12% VAT*	December 1, 2019 to May 31, 2022
	Portion of 2nd floor (790 sq. meters) of a five (5) storey building made of concrete materials located at P. Paredes corner S.H. Loyola Streets, Sampaloc, Manila		
FEU Makati Campus	Parcel of land (2,186 sq. meters) located at the Makati Central Business District bounded by Sen. Gil Puyat Avenue, Malugay Street and Geronimo Street Makati City.	*8,403,857.16* *plus 12% VAT*	December 1, 2020 to November 30, 2021
FEU Bookstore	Portion of (42 sq. meters) of Fern Building I, located at 921 E.S.H. Loyola St., Sampaloc, Manila	*182,142.96* *plus 12% VAT*	October 16, 2020 to October 15, 2021
FEU-Manila Buildings:			
Accounts, Business and Finance Buidling *(formerly Education Building)*	Eight (8) storey building made of concrete materials located at FEU Manila Campus, Nicanor Reyest St., Manila	*58,150,927.56* *plus 12% VAT*	July 1, 2020 to June 30, 2021
Nursing Building	Eight (8) storey building made of concrete materials located at FEU Manila Campus, Nicanor Reyest St., Manila		
Architecture Building *(Law Building)*	Four (4) storey building made of concrete materials located at FEU Manila Campus, Nicanor Reyest St., Manila		
Administration Building	Four (4) storey building made of concrete materials located at FEU Manila Campus, Nicanor Reyest St., Manila		

PROPERTY LEASED BY FECSI FROM FEU:

		Annual Rental	Contract Date
FEU - Cavite Buildings	Two (2) concrete buildings located as Silang, Cavite	*600,000.00 plus 12% VAT on initial year, yearly rates to be determined annually - or - the amount equivalent to 5% of its gross annual revenues, whichever is higher*	August 1, 2012 to July 31, 2022

PROPERTY LEASED BY EACCI (FEU INSTITUTE OF TECHNOLOGY) FROM FEU:

		Annual Rental	Contract Date
Portions of Technology Building	4th to 7th floors and three (3) rooms of the 9th floor of the Technology Building	*24,480,705.60 plus 12% VAT*	July 1, 2020 to June 30, 2021

PROPERTY LEASED BY FEUAI FROM FEU:

		Annual Rental	Contract Date
FEU Alabang Campus	Parcel of land located in Muntinlupa City (FEU Alabang Campus)	*15,419,290.20 plus 12% VAT*	July 1, 2020 to June 30, 2021

PROPERTY LEASED BY FEU HIGH SCHOOL, INC. FROM FEU:

	Annual Rental	Contract Date
FEU Senior High School Buildings *(Nursing Building and portion of the Accounts, Business and Finance Building)*	*34,946,408.80 plus 12% VAT*	June 1, 2021 to May 31, 2022

		Amount
Properties inteded to be acquired in the next 12 months:	***NONE***	***NOT APPLICABLE***

Item 3. Legal Proceedings

There are no material litigations or claims pending or threatened against the University or any of its subsidiaries or affiliates or any of their properties, to the best knowledge of the University, that would adversely affect the operations or financial position of the University or any of its subsidiaries or affiliates.

Item 4. Submission of Matters to a Vote of Security Holders

There are no matters submitted to a vote of security holders during the whole fiscal year covered by this report

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Registrants Common Equity and Related Stockholders Matters

Dividend Declaration for the Fiscal Year Ended May 31, 2021

Cash Dividend

	Date of Declaration	Date of Record	Date of Payment	Amount
P3.00 per share	November 17, 2020	December 3, 2020	December 16, 2020	P 72,167,289
P5.00 per share	February 16, 2021	March 3, 2021	March 15, 2021	120,278,815
				P 192,446,104

Stock Dividend

No stock dividend for the fiscal year June 1, 2020, to May 31, 2021 was declared. However, the distribution of stock dividends declared in previous fiscal year was made on June 18, 2020.

Dividend Policy

There have been no changes to dividend policy since approved and disclosed in March 2011. The policy is to declare and pay cash dividends, taking into consideration the interest of shareholders, as well as availability of earnings, cashflows, capital expenditure requirements and financial condition of the University. Stock dividends are based on unrestricted retained earnings up to the unissued authorized capital stock.

The Board of Trustees is authorized to declare cash dividends annually. No stockholder approval is required. While stock dividends on common shares are issued based on the approval of the Board of Trustees, ratified by the stockholders representing two-thirds (2/3) of the stock outstanding and entitled to vote.

Recent Sales of Unregistered Securities

Not a single common share is considered unregistered security. All shares are registered with the Philippine Stock Exchange, Inc. Thus, checklist of requirements for Sale of Unregistered Securities is not applicable.

The Philippine Stock Exchange, Inc. is the principal market where the corporation's common equity is traded.

Market Prices of Common Stocks (Philippine Stock Exchange, Inc.)

Herewith are the high, low, and closing prices of shares of stock traded from June 2020 to May 2021:

Month	High	Low	Close
2020			
June	P 965.00	P 575.34	P 771.00
July	770.00	550.00	600.00
Aug	605.00	552.00	575.00
Sep	560.00	528.00	555.00
Oct	564.00	448.20	550.00
Nov	660.00	550.00	650.00
Dec	650.00	555.00	630.00
2021			
Jan	600.00	555.00	555.00
Feb	670.00	550.00	584.00
Mar	590.00	580.00	590.00
Apr	599.00	580.00	586.00
May	590.00	570.00	570.00

Concurrent to the University's increase in authorized capital stock in fiscal year 2019, 46% stock dividends were declared on September 10, 2019, ratified by the stockholders on October 19, 2019, and approved by the SEC on June 2, 2020, for distribution to stockholders on June 18, 2020.

High and low sale prices for each quarter are as follows:

Quarter	High	Low	Close
From June 1, 2019 to May 31, 2020			
First Quarter	P 895.00	P 890.00	P 891.67
Second Quarter	923.67	890.00	918.00
Third Quarter	905.50	860.17	861.17
Fourth Quarter	830.00	815.00	815.00

Quarter	High	Low	Close
From June 1, 2020 to May 31, 2021			
First Quarter	P 780.00	P 559,11	P 648.67
Second Quarter	594.67	522.07	585.00
Third Quarter	640.00	553.33	589.67
Fourth Quarter	593.00	576.76	582.00

The number of shareholders on record as of May 31, 2021 was One Thousand Five Hundred Nine (1,509). Common shares issued and outstanding were 24,055,763.

Top 20 FEU Stockholders as of May 31, 2021

Title of Class		Name of Beneficial Owner	No. of Shares and Nature of Beneficial Ownership	Citizenship	Percent of Class
1.	Common	Seyrel Investment and Realty Corporation	6,887,051 – D	Filipino	28.59
2.	Common	Sysmart Corporation	5,204,608 – D	Filipino	21.60
3.	Common	Desrey, Inc.	1,924,956 – D	Filipino	7.99
4.	Common	PCD Nominee Corporation (Filipino)	1,316,957 – D	Filipino	5.47
5.	Common	Angelina D. Palanca	776,534 – D	Filipino	3.22
6.	Common	Sr. Victorina D. Palanca	539,616 – D	Filipino	2.24
7.	Common	ICM Sisters Phil. Mission Board, Inc.	527,352 – D	Filipino	2.19
8.	Common	Aurelio R. Montinola III	458,165 – D	Filipino	1.90
9.	Common	Marco P. Gutang	306,797 – D	Filipino	1.27
10.	Common	Gonzaga-Lopez Enterprises, Inc.	294,668 – D	Filipino	1.22

11.	Common	AMON Trading Corporation	279,975 – D	Filipino	1.16
12.	Common	Jomibel Agricultural Development Corp.	261,170 – D	Filipino	1.08
13.	Common	ZARE, Inc.	121,707 – D	Filipino	0.51
14.	Common	Rosario P. Melchor	118,292 – D	Filipino	0.49
15.	Common	Juan Miguel R. Montinola	109,710 – D	Filipino	0.46
16.	Common	Rosario Panganiban-Melchor	107,385 – D	Filipino	0.45
17.	Common	Gianna R. Montinola	106,033 – D	Filipino	0.44
18.	Common	Antonio R. Montinola	105,721 – D	Filipino	0.44
19.	Common	Consorcia P. Reyes	96,484 – D	Filipino	0.40
20.	Common	The Caridad I. Santos Gifting Trust	81,678 – D	Filipino	0.34

Item 6. Management's Discussion and Analysis or Plan of Operation

As an academic institution, The Far Eastern University, Incorporated and its subsidiaries (The Group or FEU) is fully aware of the importance of education in nation building and to its students who benefit from quality instruction, research and community extension.

The Group is committed to continuously uplift academic standards through updating of its curricula, developing the faculty, improving the services to its students, and providing the best educational facilities.

Consolidated Financial Position

The Group continues to maintain a strong financial position, well enough to continuously sustain its operations and support its mission of delivering quality education to its students. For the past three years, the Group saw continuous asset growth, while managing liabilities and ensuring consistent build-up of stockholders' equity.

(Amounts in Million Philippine Peso)

Fiscal Year Ending	Consolidated Total Assets	Increase		Consolidated Total Liabilities	Increase (Decrease)		Consolidated Net Assets	Increase	
		Amount	%		Amount	%		Amount	%
May 31, 2018	P 13,187.4	P -	-	P 4,146.0	P -	-	P 9,041.4	P -	-
May 31, 2019	14,080.0	892.6	7%	4,211.9	65.9	2%	9,868.1	826.7	9%
May 31, 2020	15,186.6	1,106.6	8%	4,768.8	556.9	13%	10,417.8	549.8	5%
May 31, 2021	15,421.4	234.8	2%	4,156.2	(612.5)	-13%	11,265.1	847.3	8%
Average		P 744.7	5%		P 3.4	1%		P 741.2	8%

The Group's well-positioned balance sheet is characterized by its capacity to meet obligations, whether maturing currently or due within a longer time horizon. The Group's assets are still mainly attributable to its shareholders, while maintaining a balanced leverage on creditor-provided financing. Presented below are the liquidity and solvency ratios for the respective reporting periods.

		2021	2020	2019
Current ratio	Total Current Assets / Total Current Liabilities	2.35 : 1	1.56 : 1	1.21 : 1
Quick/Acid test ratio	Quick Assets / Total Current Liabilities	2.23 : 1	1.48 : 1	1.13 : 1
Debt-to-equity ratio	Total Liabilities / Total Stockholders' Equity	37%	46%	43%
Debt-to-asset ratio	Total Liabilities / Total Assets	27%	31%	30%
Equity-to-asset ratio	Stockholders Equity / Total Assets	73%	69%	70%

May 31, 2021 vs. May 31, 2020

The consolidated total assets as of May 31, 2021 grew by 2%, from P15,186.6 million last year to P15,421.4 million. Current assets went down by P370.5 million, from P4,531.8 million to P4,161.3 million, however, non-current assets registered an increment of P605.3 million, from P10,654.8 million to P11,260.0 million.

The increase in the consolidated total assets is due to the satisfactory results of operations during the year. On a per account basis, much of the increase is on the Group's investments – Financial assets at fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVOCI) and investment securities at amortized cost. Consequently, Cash and cash equivalents declined due to outflows on investment and financing activities – financial investment acquisitions, debt repayments and cash dividend distribution. Asset increase was likewise tapered by fixed asset depreciation and amortization, and increased impairment losses on Trade and other receivables.

Consolidated total liabilities was trimmed by 13%, from P4,768.8 million last year to P4,156.2 million as of the current report date, mainly on account of repayments of interest-bearing loans. Deferred revenues also went down as classes for the ongoing semester/term were already completed, allowing recognition into income of previously deferred fees, while Income Tax payable was minimized because of the reduction of income tax rate for proprietary educational institutions, as provided for by the CREATE law.

Consolidated total equity sustained its growth trajectory mainly with the current year's net income. Total equity attributable to Parent company increased by 11%, while Non-controlling interest (NCI) grew by 2%, with current balances of P8,355.6 million and 2,909.6 million, respectively. Other than the net income, equity growth was due to an additional investment from NCI, by way of an additional issuance of preferred shares by East Asia Computer Center, Inc. (EACCI) and FEU Alabang, Inc. (FEUAI).

The Parent company was able to distribute cash dividends to stockholders amounting to P192.4 million and P329.5 million for the years ended May 31, 2021, and 2020, and stock dividends worth P757.9 million also in fiscal year 2020.

May 31, 2020 vs. May 31, 2019

As of May 31, 2020, the consolidated total assets reached a milestone P15,186.6 million, which was 8% above the previous year's P14,080.0 million. Current assets grew by 18%, from P3,848.9 million as of May 31, 2019 to P4,531.8 million as of May 31, 2020, while non-current assets inched higher by 4%, from P10,231.1 million as of May 31, 2019 to 10,654.8 million as of May 31, 2020.

The growth in consolidated total assets was fueled mainly by the results of operations during the year, financing from borrowings and investments from NCI. The Group saw balances of Cash and cash equivalents and Trade and other receivables grow significantly due to improvements in the operating activities as a result of the increase in student population. Property and equipment also increased due to the construction activities undertaken by FEUAI, EACCI and the University in its Manila campus.

Consolidated total liabilities increased by 13% to P4,768.8 million as of May 31, 2020, compared to previous year's P4,211.9 million. The increase was mainly on account of the higher year-end balance of Trade and other payables resulting from payment recording cut-off, and the outstanding balances of additional bank loans obtained during the year.

Non-current liabilities grew to P1,855.2 million from previous year's P1,041.2 million, while current liabilities declined to P2,913.6 million from P3,170.7 million last year.

Consolidated total equity improved by 6%, from P9,868.1 million as of the beginning of the fiscal year to P10,417.8 million as of May 31, 2020. The Group's consolidated equity, composed of the equity attributable to owners of the Parent company and NCI amounting to P7,556.5 million and P2,861.4 million, respectively, had sustained growths during the year.

Consolidated Results of Operations

During fiscal years 2019 and 2020, improved results of operations were expected as these years mark the first two years of return of freshmen enrollees in the tertiary schools as part of the K-12 transition. On the latter part of fiscal year 2020, however, unprecedented challenges brought about the corona virus disease (COVID-19) pandemic caused a cessation of the traditional face-to-face classes, and instead led to the transition to a remote learning modality. Fortunately, the FEU Group of schools had been investing heavily on online learning platforms since 2017, even before the onset of the pandemic – showing the Group's commitment to continuous innovation and improvement of its content and delivery of instructions to students.

Throughout the fiscal year 2021, the country remained under various quarantine restriction levels to curb the spread of COVID-19. Face-to-face classes remained suspended, due to people mobility and business activity restrictions. The Group faced certain challenges including the decline in enrollment, discounted assessed tuition fees, more relaxed financial accommodation for students to continue their education, higher default rates on student receivables and greater costs related to health and safety of personnel.

Despite such challenges, the Group's strict cost management measures, coupled with better than prior years' returns from investments in financial assets, timing of lower interest rates on bank loans, and tax savings due to lowered income tax rates based on the CREATE law, produced encouraging results for the current fiscal year. Below are the measures of the Group's operating performance for the fiscal years ended May 31, 2021, 2020 and 2019.

		2021	2020	2019
Return on assets	Net Income / Average Total Assets	6%	5%	6%
Return on equity	Net Income / Average Total Equity	9%	7%	9%
Earnings per share	Net Income / Average Outstanding Shares	P 40.28	P 25.92	P 31.41

May 31, 2021 vs. May 31, 2020

For the year ended May 31, 2021, the Group's operating income, showed a modest increase of 3% from last year to P794.1 million.

Educational revenues this year were affected by a student population decline of 11% and discounted tuition fees as a result of pandemic difficulties and full year online learning mode. Special credit considerations of an unprecedented volume for student promissory note availment representing 28% to total student population and 5% in absolute amount of total revenue were extended to students to assist with the continuation of their studies.

The comparative previous years educational revenues were likewise depressed due to tuition rebates from the sudden schedule disruption at the onset of the COVID-19 pandemic and the resulting cancellation of the third term for the trimestral schools of the FEU Group.

As a result educational revenue this year declined by only 1% and were recorded at P 3,522.4 million.

Operating expenses were reduced by P119.3 million, or 4% compared to the amount incurred in fiscal year 2020. This includes however additional Impairment losses, of P173.2 million, a three-fold increase from last year's P81.7 million. The Group recognized the need to provide additional allowance on its tuition fee receivables as a significant number of students with outstanding tuition balances did not enroll during the last two semesters or terms. In spite of the credit accommodations extended to students, it is still anticipated that some of the students' families will be hard-hit by the adverse economic effects of the pandemic.

The Group strictly managed usage and on-site driven expenses like utilities, outside services, supplies and materials, professional fees and transportation, among others.

Other non-operating items provided boost to the Group's performance as Finance and Miscellaneous income grew by 40% and 13%, respectively, while Finance cost dropped by 57%.

Investment income improved as market prices of investments started to bounce back compared to its lowest points during March to May 2020. Moreover, favorable impact was recognized on the cost side as banks offered accommodative interest rates on loans in addition to the effect of significant loan repayments made during the year.

The reduced income tax rate, from 10% to 1%, in accordance with the CREATE law also provided some relief.

Profit before tax amounted to P1,016.3 million while tax expense was at P37.0 million, resulting to the Group's net income after tax of P979.3 million, a 43% increase from last year.

May 31, 2020 vs. May 31, 2019

The Group's operating income for the fiscal year ended May 31, 2020 was registered at P771.9 million, a 16% improvement from preceding year. The main driver for this was 7% growth in educational revenues, to P3,556.3 million.

The educational revenues were generally expected to improve as this was the second year of enrolled freshmen in the tertiary schools after the initial implementation of the K-12 program. The anticipated revenue growth, however, was trimmed by fee rebates granted to students, amounting to P115.9 million. The University returned unutilized miscellaneous fees resulting from the shift to full online classes starting March 2020. The University's second semester started out normally during the first two months but had to switch to full online mode during the remaining three months.

Moreover, the expected full contribution to revenue from the trimestral schools of the Group, particularly EACCI and FEUAI, were curtailed by the COVID-19 pandemic, as a result of their third term revenue contribution of P153.0 million moved to August 2020 or to school year 2020-2021.

While organic operations still showed an improvement despite the then looming effect of the COVID-19 pandemic, other income posted a significant decline as it dropped by 95%, to only P12.6 million from prior year's P266.39 million. This is attributable to lower finance income already noted at the opening of year 2020 exacerbated by the slump in the financial markets caused by the nationwide lockdowns from March to May 2020, and further pulled down by increased interest charges on a larger loan principal base.

Income before tax settled at P784.6 million, while tax expense amounted to P101.6 million, resulting to a net income after tax of P683.0 million.

A Look at What Lies Ahead

With the COVID-19 pandemic affecting the Philippines and almost all countries around the world, management recognizes the Group's exposure to the risks in its business environment. Despite the FEU Group of schools' track record and proven capability to adapt to a remote learning environment, the continuous mutation of the COVID-19 resulting to potential surges in infections, pose a significant level of uncertainty, especially on the potential adverse economic impact on the general public's household income.

Despite such uncertainties, however, there is some reason for optimism as the government ramps up its vaccination efforts. To date, approximately 50% of the NCR population have received at least one dose of the vaccine. Moreover, the government's changes in quarantine strategy to a more focused granular levels of alert instead of region-wide/province-wide lockdowns is seen to allow more businesses to operate, thus, improving the general business condition and economic outlook. As from the start, the Group continues its commitment to undertake actions necessary to contribute to solving the problem of COVID-19 – from strict adherence to health and safety protocols, to providing free vaccines for its employees and to adapting flexible working arrangements to ensure a balance of service delivery to all stakeholders, students and employees, alike, without compromise to safety.

The management will continue to be prudent in the implementation of its business continuity plans, both at the corporate and the academic operational levels, to mitigate any foreseen negative impacts on the overall operations. Cost efficiency and strict monitoring will continue to be the norm.

The Group remains committed to the vision of value-driven, accessible, and relevant quality education for students and a purposeful career for its faculty and employees.

The Group continues to endeavor to achieve effective management of its schools and other entities within the Group, practicing the values of fortitude, excellence, and uprightness in day-to-day operations.

This is one of those times, the call to Be Brave is heeded most.

Product/Service Standards

Teaching performance is constantly evaluated to maintain excellent quality of educational service delivery.

The University's high standard of quality is substantiated by numerous recognitions from the Commission on Higher Education (CHED), accrediting bodies such as the Philippine Association of Colleges and Universities Commission on Accreditation (PACUCOA) and the Philippine Accrediting Association of Schools, Colleges and Universities (PACUCOA), and other higher education-related local and international groups and organizations.

Moreover, performance of the graduates of the different FEU schools in their respective Professional Licensure Examinations on average is higher than national passing rates.

Market Acceptability

Below is a schedule of the Group's first semester enrollment for the past five years.

School Year	No. of Students	Increase / (Decrease)
2016 - 2017	36,839	-
2017 - 2018	33,764	-8%
2018 - 2019	40,713	21%
2019 - 2020	44,069	8%
2020 - 2021	39,361	-11%

For the past five years, the FEU Group of schools continuous to maintain substantial enrollments despite the challenges caused by the effects of the K-12 program and COVID-19 pandemic.

Other Items

1. As of report date, certain economic factors affect the revenues and income from the Group's operations. Such factors include the implementation of K-12 program (starting SY 2016-2017), the competition from tuition-free State Universities and Colleges, and the current COVID-19 pandemic being experienced around the world.

2. There are no known events that would result in any default or acceleration of an obligation.

3. Other than those disclosed in the financial statements, there are no other known events that will trigger direct or contingent financial obligation that may be material to the Group.

4. There are no other material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons created during the reporting period.

5. The Group does not foresee any cash flow or liquidity problem in the next 12 months immediately following the report date. The Group and each of the component entities can easily meet all its commitments with its present reserves and expected earnings.

6. There are no significant elements of income or loss from continuing operations.

7. There are no sales of Unregistered or Exempt Securities including Recent Issuance of Securities Constituting an Exempt Transaction.

8. Seasonal aspects that have material effect on the financial statements:

   For FEU Manila and FEU Cavite (Tertiary), there are three school terms within a fiscal year: Midyear Term (June to July for FEU Manila, while April to May for FEU Cavite), First Semester (August to December for FEU Manila, while June to October for FEU Cavite) and Second Semester (January to May for FEU Manila and November to March for FEU Cavite).

   The first semester has the highest number of students enrolled. The second semester enrollment is approximately at 90% of the first semester's enrollment, while the midyear term is the lowest at an approximate of 33%. The maximum load, in terms of subject units, of a student during the summer term is only nine units, compared to 21 to 24 units during the first and second semesters.

   For FEU Tech and FEU Alabang, there are three regular terms in a fiscal year: First Term (August to November), Second Term (November to March) and Third Term (March to June).

   The tuition fee increase, if any, usually takes effect during the first semester of a particular school year. Thus, old rates are followed during the midyear term while new rates are applied during the first and second semesters. Since the first quarter is from June to August, the resulting income for the first quarter is at the lowest among the four quarters of the fiscal year.

9. The Group has no significant other operating segments beside education, its real estate activities are in place significantly to service the real estate needs of the

operating schools. Investment and corporate activities are made to optimized reserve funds still with the objective of focusing resources in its core educational operations.

The Group reports geographical segments between metropolitan and provincial where campuses of FEU Schools are diversely located. The segment information is disclosed in Note 7 of the Consolidated Notes to Financial Statements.

Item 7. Financial Statements

The audited consolidated financial statements, together with the Statement of Management's Responsibility and the Auditors' Report, and the applicable supplementary schedules to the consolidated financial statements are attached and filed herewith (found at the last part of this report).

The consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS), on a historical cost basis except for the measurement of certain financial assets and financial liabilities. The preparation of the consolidated financial statements in compliance with PFRS requires management to make judgements, estimates and assumptions that affect the amounts reported in the financial statements and related notes. The estimation and judgements are based upon management's evaluation of relevant facts and context-based-circumstances of the financial statements. Actual results may ultimately vary from those estimates.

The consolidated financial statements are presented in Philippine pesos, the Group's functional currency, and all values represent absolute amounts except when otherwise indicated.

Item 8. Information on Independent Accountant and other Related Matters

Audit and audit-related services

Punongbayan & Araullo (P&A) has been appointed as the principal auditors since 2009. In compliance with SEC Rule 68 paragraph 3 (b) (iv) (Rotation of External Auditors), and as adopted by the University, external auditors or engagement partners are rotated or changed every five years. The lead engagement partner for 2019 – 2021 is Ms. Mailene Sigue-Bisnar.

Except statutory audit, there were no other services provided by P&A to FEU for the last two fiscal years.

Audit Committee's approval

Audit services have been approved by the Audit Committee through the internal policies and procedures of approval. The appointments were endorsed to and approved by the Board of Trustees, and then by the stockholders at the annual stockholders' meetings.

Changes in And Disagreements with Accountants on Accounting and Financial Disclosure

P&A, as principal auditors, issued and unqualified opinion on the consolidated financial statements. As such, there had been no disagreements with them on any accounting principles or practices, financial disclosures, and auditing scope, timing, and procedure.

PART III - CONTROL AND COMPENSATION

Item 9. Trustees and Executive Officers

Name	Age	Citizenship	Position
Lourdes R. Montinola	93	Filipino	Chair Emeritus, Board of Trustees
Aurelio R. Montinola III	70	Filipino	Chairman, Board of Trustees
Michael M. Alba	64	Filipino	President and Trustee
Angelina P. Jose (+) [1]	68	Filipino	Trustee
Antonio R. Montinola	68	Filipino	Trustee
Paulino Y. Tan	75	Filipino	Trustee
Edilberto C. de Jesus	79	Filipino	Independent Trustee
Sherisa P. Nuesa	66	Filipino	Independent Trustee
Jose T. Sio	81	Filipino	Independent Trustee
Maria Teresa Trinidad P. Tinio	56	Filipino	Senior Vice President for Academic Affairs
Gianna R. Montinola	63	Filipino	Senior Vice President for Corporate Affairs
Juan Miguel R. Montinola	60	Filipino	Chief Finance Officer (CFO) and Chief Risk Officer (CRO)
Myrna P. Quinto	59	Filipino	Vice President for Academic Development
Anthony Raymond A. Goquingco	46	Filipino	Corporate Secretary
Edward R. Kilakiga	47	Filipino	Vice President, Facilities and Technical Services
Victorino T. Tolosa II [2]	48	Filipino	Chief Information Officer
Rosanna E. Salcedo	57	Filipino	Treasurer
Glenn Z. Nagal	63	Filipino	Comptroller and Compliance Officer
Roger C. Ormilon Jr. [3]	55	Filipino	Chief Audit Executive
Pamela M. Hernandez	44	Filipino	Chief Accountant and Budget Director

NOTE: [1]*Passed away on 30 March 2021;* [2] *Resigned effective May 26, 2020;* [3] *Resigned effective November 15, 2021*

1. **Lourdes R. Montinola, 93, Filipino: Chair Emeritus (August 2013 to present), Chair (June 1989 to August 2013), Far Eastern University, Inc.**

   Other Corporate Affiliations: Chair, Board of Directors, FERN Realty Corporation; Chair and President, FEU Educational Foundation, Inc.; Chair Emeritus, Nicanor Reyes Educational Foundation, Inc.; Governor, Nicanor Reyes Memorial Foundation; Trustee, FEU-Dr. Nicanor Reyes Medical Foundation, Inc.; and Board Member, The English Speaking Union. She is also a Member of the Oriental Ceramic Society, and HABI: The Philippine Textile Council, Inc.

   Dr. Montinola was Chairman of MEMORARE-Manila 1945 Foundation, Inc. until 2017.

   Dr. Montinola holds a Bachelor of Arts degree (*cum laude*) from Marymount College, New York, U.S.A., and an M.A. in Cultural History from the Asean Graduate Institute of Arts. She completed the Management Development Program for College and University Administrators in the Institute for Educational Management, Graduate School of Education, Harvard University, U.S.A. She obtained her Ph.D. in English: Creative Writing from the University of the Philippines.

2. **Aurelio R. Montinola III, 70, Filipino: Chairman of the Board of Trustees (August 2013 to present), Vice Chairman (June 1989 to August 2013), Far Eastern University, Inc.**

   Other Corporate Affiliations: Chairman, Amon Trading Inc., East Asia Computer Center, Inc., Far Eastern College Silang, Inc., Nicanor Reyes Educational Foundation, Inc., FEU High School, Inc., FEU Alabang, Inc., Roosevelt College, Inc., Ramon Magsaysay Award Foundation, and National Golf Association of the Philippines; Vice Chairman, Philippine Business for Education Foundation (PBED); President, Management Association of the Philippines; Director, BPI/MS Insurance Corporation; and Member, Makati Business Club. He was President of BPI from 2005-2013 and was a former President of the Bankers Association of the Philippines.

   He is currently a Director of the Bank of the Philippine Islands, and Independent Director of Roxas and Company Incorporated, both listed corporations.

   He graduated with a BS Management Engineering degree at the Ateneo de Manila University in 1973, and received his MBA at Harvard Business School in 1977. He was awarded the 2005 and 2010 Asian Banker Leadership Award for the Philippines and the MAP Management Man of the Year Award in 2012.

3. Michael M. Alba, 64, Filipino: President and Trustee (October 2012 to present), Far Eastern University, Inc.

In the FEU Group of Schools, he is President concurrently of East Asia Computer Center, Inc.; Far Eastern College Silang, Inc.; FEU Alabang, Inc.; FEU High School, Inc.; Roosevelt College, Inc.; East Asia Educational Foundation, Inc.; and Nicanor Reyes Educational Foundation, Inc. He is also the Chairman of Edustria, Inc., a Governor of the Nicanor Reyes Memorial Foundation, and the President of the Foundation for Information Technology Education and Development. His affiliations include, among others: FEU Public Policy Center (President); Philippine Association of Colleges and Universities (Board Member); Coordinating Council of Philippine Educational Associations (Trustee, 2020–2022); Association of Southeast Asian Institutions of Higher Learning–National Council of the Philippines (President, 2018–2020); Southeast and South Asia and Taiwan Universities (Member, Steering Committee); Philippine Economic Society (Lifetime Member and President, 2007); Action for Economic Reforms (Fellow); Management Association of the Philippines (Member); and Leadership Council of Sustainability Development Solutions Network, Philippines (Member 2020–2023).

He obtained his AB (Economics) degree from the Ateneo de Manila University in 1978, MA (Economics) degree from the University of the Philippines (Diliman) School of Economics in 1987, and PhD (Applied Economics) degree from Stanford University in 1993.

4. Angelina P. Jose (+), 68, Filipino: Trustee (June 1990 to March 2021), Far Eastern University, Inc.

**Ms. Angelina P. Jose, passed away on 30 March 2021. Before her demise, she held the following positions in various organizations:*

Member, Board of Directors, FERN Realty Corporation and FEU Alabang, Inc.; Trustee, Nicanor Reyes Educational Foundation, Inc.; Treasurer and Trustee, FEU Educational Foundation, Inc.; Corporate Secretary and Governor, Nicanor Reyes Memorial Foundation; Member, Executive Committee, Far Eastern University, Inc.; Corporate Secretary and Director, Far Eastern College Silang, Inc.; Chair, Angel C. Palanca Peace Program Foundation, Inc.; Chair, Board of Trustees, (April 2014 – April 2015 and April 2017 to April 2020) and Enrolled Member (2013 to present) Ahon Sa Hirap, Inc.

She was also the Corporate Secretary of Far Eastern University from February 1998 to January 2017.

Ms. Jose obtained her Bachelor of Science degree, major in Economics, from the University of the Philippines (Dean's Medal)

5. Antonio R. Montinola, 68, Filipino: Trustee, Far Eastern University, Inc. (November 2013 to present)

Other Corporate Affiliations: President and Director FERN Realty Corporation and Monti-Rey, Inc.; Vice Chairman, Treasurer and Director, AMON Trading Corp., Director, Far Eastern College Silang, Inc., and Nicanor Reyes Educational Foundation, Inc.; and Trustee, FEU Educational Foundation, Inc.

Sports Affiliations: Member, Board of Managing Directors, Universities Athletic Association of the Philippines (UAAP); Team Manager, FEU Tamaraws; Member, Manila Golf Club; Member, Tagaytay Midlands Golf Club; Member, The Rockwell Club.

He worked with Procter & Gamble and Jardine Davies, Inc. in the Philippines and with General Mills Corp., based in Minneapolis, Minnesota, U.S.A.

Mr. Montinola holds an A. B. Economics Degree (honors course) from Ateneo de Manila University (1973) and an M.B.A. from Stanford University, Palo Alto, California, U.S.A. (1978).

6. **Paulino Y. Tan, 75, Filipino: Trustee, Far Eastern University, Inc. (June 1991 to present)**

   Other Corporate Affiliations: At present, Member of the Board of Directors/Trustees of the following companies: Nicanor Reyes Educational Foundation, Inc., FEU Educational Foundation, Inc., East Asia Educational Foundation, Inc., East Asia Computer Center, Inc., Lyceum of Batangas, Lyceum of Laguna, SM Foundation, Inc., Asia Pacific Technology Educational Foundation, Asia Pacific Computer Technology Center,Inc., FERN Realty Corporation, Far Eastern College Silang, Inc., FEU High School, Inc., FEU Alabang, Inc., Roosevelt College, Inc. and Foundation for Information Technology Education and Development, Inc., MFI Polytechnic Institute, Inc.

   Dr. Tan obtained the Degree of Bachelor of Science in Chemical Engineering from De La Salle University. He obtained both his M.S. and Ph.D. in Chemical Engineering from the University of Notre Dame, Indiana, U.S.A.

7. **Edilberto C. De Jesus, 79, Filipino: Independent Trustee, Far Eastern University, Inc. (August 2012 to present)**

   Other Corporate Affiliations: Chairman, FEU Public Policy Center; Member, Board of Directors of Phinma, Inc., Cagayan de Oro College (a member of the Phinma Education Network); Independent Director of Far Eastern College-Silang, Inc. and Summer Institute of Linguistics (SIL) Philippines; Independent Trustee of Roosevelt College, Inc. and Nicanor Reyes Educational Foundation, Inc.; Member, Board of Trustees of InciteGov, Foundation for Liberty and Prosperity; Advisory Board of Integrity Initiative, Inc. and Philippine Business for Education; Professor Emeritus, Asian Institute of Management; Non-Resident Senior Research Fellow, Ateneo School of Government. Fellow, Institute of Corporate Directors, and Institute for Solidarity in Asia; Member, Makati Business Club.

   He obtained a BA Honors Degree in the Humanities, *cum laude* at the Ateneo de Manila University in 1962, and received his M. Phil. (1969) and Ph.D. degrees (1972) from Yale University. He served as president of: Far Eastern University (1995-2002); University of the Cordilleras (2008-2009); Asian Institute of Management (2009-2012); and Secretariat Director, Southeast Asia Ministers of Education Organization in Bangkok (2005-2007). He also served in the Cabinet of President Corazon Aquino as Deputy Peace Commissioner and Presidential Adviser on Rural Development (1987-1992) and as Secretary of Education in the Cabinet of President Gloria Arroyo (2002-2004).

8. **Sherisa P. Nuesa, 66, Filipino: Independent Trustee, Far Eastern University, Inc. (August 2010 to present)**

   Other Corporate Affiliations: Independent Director, East Asia Computer Center, Inc., and FERN Realty Corporation , Inc. She is also an Independent Director of Ayala Land, Inc., AC Energy Inc., Integrated Micro-Electronics, Inc., and Manila Water Company, all publicly-listed corporations. She also serves as a Senior Adviser to the Boards of Vicsal Development Corporation and Metro Retail Stores Group, Inc.

A former Managing Director of conglomerate Ayala Corporation, she held various senior management positions in Ayala subsidiaries: Ayala Land, Inc., Manila Water Company and Integrated Micro Electronics Inc.

Ms. Nuesa is a Trustee of the Financial Executives Institute of the Philippines (FINEX) Foundation and the Judicial Reform Initiative, where she also serves as Chairperson. She was President and Board Director of the ALFM Mutual Funds Group for nine years until March 2021.

She graduated with the degree of Bachelor of Science in Commerce (*summa cum laude*) at Far Eastern University in 1974 and received her Master of Business Administration degree from the Ateneo - Regis Graduate School of Business in 2010. She also attended post-graduate management programs at Harvard Business School and Stanford University. She received the ING -FINEX CFO of the Year award in 2008.

9. **Jose T. Sio, 81, Filipino: Independent Trustee, Far Eastern University, Inc. (April 2019 to Present)**

Other Corporate Affiliations: Chairman of the Board of Directors of SM Investments Corporation; Director of Ortigas Land Corporation, Atlas Consolidated Mining and Development Corporation, NLEX Corporation, Belle Corporation, China Bank; Trustee of Asia Pacific Technology Educational Foundation, Inc. (Asia Pacific College); President of SM Foundation, Inc.

Previous Affiliations: Senior Partner of SGV & Co., Consultant at T. N. Soong & Co., CPA in Taipei, Taiwan and Audit Associate at Ernst and Whinney, CPA in New York, USA.

Mr. Sio was voted as CFO of the year in 2009 by the Financial Executives of the Philippines (FINEX). In various years, he received Asia's Best CFO Award from Hong Kong–based publications such as Alpha Southeast Asia, Corporate Governance Asia, Finance Asia and The Asset. In 2018, he received the Asian Corporate Director Award from Corporate Governance Asia.

Mr. Sio is a Certified Public Accountant. He obtained his Bachelor of Science in Commerce Major in Accounting from University of San Agustin, Iloilo City. He completed his Master of Business Administration Major in Corporate Finance and Management in New York University, New York, USA.

10. **Maria Teresa Trinidad P. Tinio, 56, Filipino: Senior Vice President for Academic Affairs, Far Eastern University, Inc. (June 2011 to present)**

PhD Southeast Asian Studies, National University of Singapore; Master of English, major in Literature and Cultural Studies, Ateneo de Manila University with academic units from the New School for Social Research, New York City; AB Humanities, Ateneo de Manila University.

Research focus in Philippine Literature, Sociolinguistics, and the Politics of Language in Southeast Asia. Publications include contributions to the *CCP Encyclopaedia of the Arts*, the *Loyola Schools Review*, *Philippine Studies*, and *The Politics of English in Asia: Language Policy and Cultural Expression in South and Southeast Asia and the Asia Pacific* published by John Benjamins (The Netherlands).

11. **Gianna R. Montinola, 63, Filipino: Senior Vice President Corporate Affairs, Far Eastern University, Inc. (September 2019 to present), Vice President Corporate Affairs (November 2013 to September 2019), Far Eastern University, Inc.**

    Other Corporate Affiliations: Concurrently Director and Corporate Secretary of FERN Realty Corporation and Amon Trading Corporation; Director of Far Eastern College Silang, Inc., East Asia Computer Center, Inc. and Robinsons True Serve Hardware Phils, Inc. Trustee and Secretary, Foundation for Information Technology Education and Development, Inc. Co-founder of non-profit organizations Hands on Manila Foundation, Inc. and Peace Tech Inc. Associate lawyer of the Quisumbing Torres Law Office (an affiliate of the Baker & McKenzie Law Office, U.S.A.) from 1986 to 1992. Philippine Honorary Consul to the Republic of Peru from 1992 to 1996, Marketing and Business Development manager of Rockwell Land Corporation from 1996 to 1998.

    She earned a Bchelor of Arts degree in International Relations from Mount Holyoke College, U.S.A. and a Bachelor of Laws (Ll.B.) degree, with honors, from the Ateneo de Manila School of Law. She obtained a Masters degree in Public Administration from the John F. Kennedy School of Government at Harvard University, U.S.A.

12. **Juan Miguel R. Montinola, 60, Filipino: Chief Finance Officer (September 2010 to present), and Chief Risk Officer (October 2018 to present), Far Eastern University, Inc.**

    Other Corporate Affiliations: Chair, FEU Health, Welfare and Retirement Fund Plan and Foundation for Information Technology Education and Development, Inc.; President, Amon Trading Corporation; Board Member of FERN Realty Corporation, East Asia Computer Center, Inc., Far Eastern College Silang, Inc., FEU Educational Foundation, Inc., Nicanor Reyes Memorial Foundation, Nicanor Reyes Educational Foundation, Inc., FEU Alabang, Inc, FEU High School, Inc., Urban Program for Livelihood Finance and Training, Roosevelt College, Inc. and Edustria Incorporated. Member of the Executive Committees of many of the organizations he serves as Director.

    Mr. Montinola was Chief Executive Officer and Country Manager of Lafarge Cementi SA, Italy, from 2006 to 2008. From 1996 to 2006 he served as President and CEO of Republic Cement Corporation and concurrently as Senior Vice President for Commercial Business from 2002 to 2006, and Senior Vice President for Procurement from 2001 to 2002, for Lafarge Cement Services, Inc.

    Prior to 1996, Mr. Montinola held various positions in Republic Cement Corporation and served as a member of the Board of Directors in different organizations.

    Mr. Montinola has a Masters in Business Administration from International Institute of Management Development, Switzerland, and an AB Economics degree from College of William & Mary, Virginia, USA.

13. **Myrna P. Quinto, 59, Filipino: Vice President for Academic Development, Far Eastern University, Inc. (April 2014 to present)**

    Other Corporate Affiliations: She is a member of the Biology Teachers Association (BIOTA), Philippine Society of Microbiology (PSM), and the Association of Systematic Biologists of the Philippines (ASBP).

    Among her relevant trainings abroad are the *Educational Leadership Training* in NTU, Singapore, the *ASEAN University Network (AUN) Quality Assurance Training* in Thailand,

and the month-long *CHED Training Program on the Internationalization of Philippine Higher Education* held in Canada, in partnership with the Canadian Bureau of International Education.

Dr. Myrna P. Quinto is a B.S. Biology graduate from the College of the Holy Spirit. She finished her Master of Arts in Education major in Biology at the University of the Philippines and her Doctor of Philosophy in Science Education major in Biology at De La Salle University, Manila, Philippines..

14. Anthony Raymond A. Goquingco, 46, Filipino: Corporate Secretary, Far Eastern University, Inc. (April 2020 to present)

Atty. Anthony Raymond A. Goquingco has been a member of the legal profession since his admittance to the Philippine Bar in 2003. He has had extensive legal experience as a practicing lawyer and has held positions in the Philippine Judicial Academy of the Supreme Court of the Philippines, non-governmental organizations, law firms, and private corporations. Prior to joining the academe, Atty. Goquingco was Associate General Counsel of Aboitiz Equity Ventures, Inc.

Atty. Goquingco joined the academe in 2014 and teaches Obligations and Contracts, Property Law, Negotiations, Special Issues in International Law, and International Moot Court at the Far Eastern University. In 2016, he was appointed as Associate Dean of the Juris Doctor – Master of Business Administration program of the Institute of Law of the Far Eastern University. He was appointed Associate Dean of the Juris Doctor Program of the Institute in 2018. He was appointed Corporate Secretary of the Far Eastern University in 2020.

Atty. Goquingco graduated from the Ateneo de Manila University with an AB Political Science degree in 1997. He pursued his law studies at the same university graduating in 2002 with a Juris Doctor degree. In 2007, he graduated from the Georgetown University Law Center in Washington, D.C. with a Master of Laws in International Legal Studies with a Certificate in National Security Law. He specializes in International Business Law, Contract Law, Property Law, Contract Negotiations, International Law, and National Security Law. He is also the author of “Beyond Borders: Examining Special Issues in International Law”.

15. Edward R. Kilakiga, 47, Filipino: Vice President, Facilities and Technical Services (July 2017 - Present), Far Eastern University, Inc.

Other affiliations: Vice President, Facilities Managers Association for Schools (FMAS); Mission Director, Brotherhood of Christian Businessmen and Professionals (BCBP Manila Chapter); Member: Philippine Society of Mechanical Engineers (PSME Quezon City Chapter); American Society of Heating, Refrigeration and Air-Conditioning Engineers (ASHRAE Phil. Chapter); Institute of Integrated Electrical Engineers (IIEE); Institute of Hotel Engineers Association of the Philippines, National Master Plumber Association of the Philippines (NAMPAP); Philippine Integrated Fire Protection Organization (PIFPO); and Arise Philippines, Global Association of United Nations Office for Disaster Risk Reduction (UNDRR).

He graduated with a degree of BS Mechanical Engineering in 2009, BS Electrical Engineering in 1999 and Electrical Technology in 1994 at Rizal Technological University (RTU). He is a professional Electrical Engineer, a Professional Mechanical Engineer, a registered Master Plumber, and a Registered Master Electrician. Before joining FEU, he works in different hotels local and abroad for 19 years in different capacity from maintenance staff to head of Engineering Department.

He received a Pundasyon Award (Excellent in Engineering Award) from RTU Grand Alumni Association in 2019 and Lorenzo Ruiz Award for National Discipline in 1991 by AY Foundation Inc., Guadalupe Catholic School, Makati City.

16. **Victorino T. Tolosa II, 48 years old, Filipino: Chief Information Officer, Far Eastern University, Inc. (May 2019 to May 2021)**

Prior to joining FEU, Mr. Tolosa worked for 26 years with Jollibee Foods Corporation (JFC); started his career with Store Operations, then with Restaurant Systems and Development, then with Store Operations Opening Team. He spent the last 17 years with Information Management Division in various roles in IT Project Management and Account Management both in JFC Philippines and JFC International Operations. He was the head of the Enterprise Work Tools and Mobility group of JFC Business Technology division in 2018 until 4th of May 2019.

He was also a JFC Group Foundation volunteer and once held the post of Board Secretary of the JFC Cooperative (*a P1.5B asset cooperative and with more than 6,000 members*)

Mr. Tolosa obtained his AB major in Political Science degree, where he started as an academic scholar and active student council officer, from the University of Nueva Caceres, UNC (Naga City, Camarines Sur). He obtained his MBA degree from the De La Salle University (DLSU), Manila, where he held the post of Vice President of the Student Forum DLSU RCBC Campus in 2004.

17. **Rosanna Esguerra-Salcedo, 57, Filipino: Treasurer, Far Eastern University, Inc. (September 2014 to present)**

Other Corporate Affiliations: Vice President for Finance of Roosevelt College, Inc., Trustee of East Asia Educational Foundation Inc, (EAEFI), Trustee of FEU HWRFP, Treasurer of Foundation for Information Technology Education (FIT-ED)

Before joining FEU, she worked at the Bayan Telecommunications, Inc., where she managed numerous departments: initially as Head of General Accounting and Accounts Payable, then, Budget Department and Revenue Accounting, and as Head of Billing and Collection. She also served as the Head of Treasury and Internal Audit of Mariwasa Manufacturing, Inc. for five years.

Prior to joining the private sector, she worked for SGV & Co. both as an External Senior Auditor and Tax Senior Auditor.

Ms. Salcedo is a Certified Public Accountant. She obtained her BSBA Major in Accounting, *cum laude*, from the University of the East. She also completed her Management Leadership Program at the Asian Institute of Management.

18. Glenn Z. Nagal, 63, Filipino: Comptroller, Far Eastern University, Inc. (1996 to present)) and Compliance Officer (April 2021 to present)

Other Corporate Affiliation: Director and Treasurer, FEU High School, Inc.

Professional experience includes External Auditor, Carlos J. Valdes and Company; Examiner, Central Bank of the Philippines; Internal Audit Manager, Far Eastern University; Chief Accountant and Budget Director, Far Eastern University; Compliance Officer, Far Eastern University; and Accounting Professor, Far Eastern University.

A Certified Public Accountant by profession, Mr. Nagal graduated with the degree of Bachelor of Science in Commerce, major in Accounting from Far Eastern University.

19. Pamela M. Hernandez, 44, Filipino: Chief Accountant and Budget Director, Far Eastern University, Inc. (August 2019 to present)

Ms. Hernandez had a combined 23 years of professional work experience, significantly acquired from public accounting practice, in her role as Audit Director for PWC Philippines, Audit Senior Manager for Grant Thornton Philippines and Audit Senior for Grant Thornton Chicago, USA.
Her other prior work exposures were obtained from within corporate and educational sectors, as Financial and Tax Advisor for a large food concessionaire in the country, as Accounting and Budget Manager for a publicly listed cargo shipping company, and very early on in her career, as Internal Auditor for a top universal bank and as a Reviewer at her university.

She is a Certified Public Accountant. In 1998, she obtained her degree of Bachelor of Science in Accountancy, *cum laude*, from the Ateneo de Naga University. In 2010, she completed her Masters in Management post-graduate degree, *with commendation*, at the Asian Institute of Management.

20. Rogelio C. Ormilon, Jr., 54, Filipino: Chief Audit Executive, Far Eastern University, Inc. (September 2015 to November 2020)

Professional experience includes Audit Director at R.G. Manabat & Co./KPMG Philippines; Audit Senior Manager at Isla Lipana & Co./PwC Philippines; Audit Senior Manager at Ernst & Young Ltd. Auckland, New Zealand; Compliance Officer, Far Eastern University (September 2015 to January 2017); and Risk Management Officer, Far Eastern University (September 2015 to October 2018).

He graduated with the degree of B.S. Business Administration, Major in Accounting from Philippine School of Business Administration, Quezon City Campus in 1987 and obtained his Master in Management at the Asian Institute of Management in 2004. He is also a Certified Public Accountant.

The term of office of a Trustee is one (1) year or until his/her successor is elected and qualified. The members of the Board of Trustees of the Corporation are elected at the Annual Stockholders' Meeting to hold office until the next succeeding annual meeting, or up to the time their respective successors shall have been elected and qualified.

The officers are appointed or elected annually by the Board of Trustees at its organizational meeting, each to hold office until the next meeting of the Board the following year or until a successor shall have been elected, appointed and qualified.

Significant Employees

The corporation considers its entire work force as significant employees. Everyone is expected to work together as a team to achieve the corporation's goals and objectives.

Family Relationships

Dr. Lourdes R. Montinola, *Chair Emeritus*, is the mother of Mr. Aurelio R. Montinola III, *Chairman*, Mr. Antonio R. Montinola, *Trustee*, Mr. Juan Miguel R. Montinola, *Chief Finance Officer* and Atty. Gianna R. Montinola, Senior *Vice President for Corporate Affairs*.

Training and/or Continuing Education Programs of Trustees/Officers

The continuing education programs for trustees/officers: programs and seminars and roundtables attended during the year are as follows:

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Aurelio R. Montinola III	September 25, 2020	Webinar on Corporate Governance	Risk, Opportunities, Assessment and Management (ROAM), Inc.
	September 30, 2020	Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF), Board of Directors and Senior Management Refresher Training	SGV
Michael M. Alba	July 6, 2020	CHED's Research-Based Continuing Education Project	Commission on Higher Education
	July 15, 2020	FINEX Foundation: Teaching Business Under the New Norm	FINEX Foundation
	October 28, 2020	IFC Education Webinar Series: Digital Landscape in Higher Education	IFC
	December 8, 2020	FEU Public Policy Center Seminar Urban-novation	FEU Public Policy Center
Angelina P. Jose (+) **Ms. Jose, passed away on 30 March 2021*	November 19, 2020	7th SEC-PSE Corporate Governance Forum	Securities and Exchange Commission
Jose T. Sio	October 23, 2020	Advanced Corporate Governance Training Program	Institute of Corporate Directors (ICD)
Sherisa P. Nuesa	October 21, 2020	Technology Governance for Directors	Zoom Webinar
	November 10, 2020	Ayala Integrated Corporate Governance Summit	Zoom Webinar
	November 19, 2020	7th SEC-PSE Corporate Governance Forum	Securities and Exchange Commission
Edilberto C. De Jesus	March 18 & 25, 2021	Distinguished Corporate Governance Speaker Series	Institute of Corporate Directors (ICD)
Juan Miguel R. Montinola	May 14, 2021	Risk Management in the Age of Covid 19	Institute of Corporate Directors (ICD)
Rosanna E. Salcedo	September 18, 2020	Gearing Up for Recovery	BDO Asset Mgt
	November 27, 2020	Beyond the Pandemic Crisis (Global Economic Prospects 2021)	BPI Corporate Banking
	December 4, 2020	Bayanihan Act 2 - Tax Update	P&A Grant Thornton
	January 22, 2021	The Future of Collections	BPI Digital Forum

	April 16, 2021	DocuSign Seminar	DocuSign
	April 20, 2021	Economic Briefing and Forecast	BPI- Gail Fosler Group
	May 28, 2021	Monthly Market Wrap - May 2021	BPI Asset Mgt & Trust
Anthony Raymond A. Goquingco	March 11, 18, & 25, 2021	Distinguished Corporate Governance Speaker Series	ICD
	May 19-20, 2021	Corporate Secretary as Corporate Governance Professional	ICD
Gianna R. Montinola	September 15, 2020	A whole new world: reigniting the stalled global economy	MAP
	October 21, 2020	Convocation for shared prosperity	MAP
	November 5, 2020	Preparing the Filipino Student for Higher Education During a Pandemic	Manila House
	February 23, 2021	Online Presence Seminar by Issa Litton	1Lit Corp
	February 26, 2021	Moderna Project: Update for Small Private Sector Participants	MAP
Myrna P. Quinto	July 16, 2020	JIS Web Forum 2020	JIS University , Kolkota India
	November 25-27, 2020	Virtual QS Apple 2020	QS
	March 16, 2021	Collaborative Webinar Series	Taylors University (Malaysia) and Far Eastern University (Philippines)
	June 18, 2021	AUN-QA 101 Webinar Series, Writing the AUN-QA Self-Assessment Report	University of Southeastern Philippines, Davao City
Edward R. Kilakiga	May 7, 2020	Lessons from Covid-19 Pandemic	UNDRR
	May 27, 2020	Comfort and Ventilation Filtration against covid-19	ASHRAE Phils.
	July 10, 2020	RA 7920 Sec. 33 & 40. Electrical power quality and substation equipment	IIEE Metrowest
	September 24, 2020	VAV Technology on human comfort and indoor environment	Balcor-Air Phils. Inc
	September 25, 2020	Protecting processes in your microelectronics in segments and particles control for wafer fab.	Air Filters, Phils. Inc

	October 6, 2020	Fundamentals of air diffusion	Balcor-Air, Phils. inc
	October 28, 2020	Reducing Carbon emission for a sustainable future	Business World Insights
	November 12, 2020	Meralco Power up talks: Covid-19 Economic Landscape	Meralco
	November 17, 2020	Waste Management and circular economy	Embassy of Sweden
	November 19, 2020	Healthier Indoor Environment	Miescor/meralco
	November 20, 2020	85th Anniversary and 2020 National convention	NAMPAP
	November 25, 2020	Air Filtration: Principles, standard and applications in healthcare	Air-Filter Phils.
	November 26, 2020	Flood Control	RS Flood Control Asia
	November 26-28, 2020	First Mechanical Engineering career progression and specialization conference	PRC
	November 27-28, 2020	45th Virtual Annual National Convention	IIEE
	February 23. 2021	Air-Diffusion: Fundamentals, design and application and covid-19	Balcor-Air
	April 15, 2021	Meralco power up	Meralco
Pamela M. Hernandez	June 3, 2020	Navigating the Asia-Pacific Transfer Pricing landscape through COVID-19	EY Asia-Pacific Tax
	July 28, 2020	Preparing for the Financial Impact in the Retirement Disclosures	Zalamea - Grant Thornton
	August 5, 2020	Compliance with Transfer Pricing Disclosure Form as Required under BIR RR19-2020	BDB Law
	August 6, 2020	Managing the impact of COVID-19 Pandemic on Transfer Prices and Update on RR 19-2020	Deloitte Philippines
	August 19, 2020	Aggressive Tax Audits in APAC post-COVID-19	BDB Law - WTS Global
	October 6, 2020	COVID-19: Taxation on Employee Benefits	Zalamea - Deloitte
	December 10, 2020	Relevant BIR Tax Updates	Zalamea - P&A Grant Thornton
	December 14, 2020	Corporate Recovery & Tax Incentives for Enterprises Act (CREATE)	SGV

	March 3, 2021	Breaking Down the Tax Incentives Under the CREATE Bill	Zalamea - Deloitte
	March 16, 2021	Impact of Covid-19 on Financial Reporting and Disclosures	Zalamea - P&A Grant Thornton
	March 29, 2021	CREATE, Transfer Pricing, and Other Important Tax Updates and Court Decisions	BDB Law
	March 30, 2021	A Preview to CREATE: Tax Reform & Incentives Rationalized	SGV
	April 7, 2021	Utilizing the Tax Benefits under the CREATE Law	Zalamea - Deloitte Philippines
	April 27, 2021	Good Business Forum: Understanding CREATE Act	PWC Philippines

Number of Meetings and Attendance of the Board of Trustees

Below is the table of attendance of the members of the Board of Trustees in their regular/organizational meetings for the period June 1, 2020 to May 31, 2021 are as follows:

Member of the Board of Trustees	**Regular Meetings**												
	16-Jun-20	**21-Jul-20**	**18-Aug-20**	**15-Sep-20**	**17-Oct-20***	**20-Oct-20**	**17-Nov-20**	**15-Dec-20**	**19-Jan-21**	**16-Feb-21**	**16-Mar-21**	**20-Apr-21**	**18-May-21**
Dr. Lourdes R. Montinola	X	/	/	/	/	/	/	/	/	/	/	X	/
Mr. Aurelio R. Montinola III	/	/	/	/	/	/	/	/	/	/	/	/	/
Dr. Michael M. Alba	/	/	/	/	/	/	/	/	/	/	/	/	/
Ms. Angelina P. Jose	X	X	X	X	X	/	/	/	/	/	/	Deceased 30 Mar 2021	
Dr. Paulino Y. Tan	/	/	/	/	/	/	/	/	/	/	/	/	/
Mr. Antonio R. Montinola	/	/	/	/	/	/	/	/	/	/	/	X	/
Mr. Jose T. Sio	X	/	/	/	/	/	/	/	/	/	/	/	/
Ms. Sherisa P. Nuesa	/	/	/	/	/	/	/	/	/	/	/	/	/
Dr. Edilberto C.. De Jesus	/	/	/	/	/	/	/	/	/	/	/	/	/

Item 10. Executive Compensation

Name	Principal Position	June 1, 2019 to May 31, 2020	June 1, 2020 to May 31, 2021	June 1, 2021 to May 31, 2022
Aurelio R. Montinola III	Chairman, Board of Trustees			
Michael M. Alba	President and Trustee			
Juan Miguel R. Montinola	Chief Finance Officer (CFO) and Chief Risk Officer (CRO)			
Maria Teresa Trinidad P. Tinio	SVP – Academic Affairs			
Gianna R. Montinola	SVP – Corporate Affairs			
Santiago L. Garcia, Jr. [1]	Corporate Secretary			
Anthony Raymond A. Goquingco [2]	Corporate Secretary			
Myrna P. Quinto	VP – Academic Development			
Joven R. Castro [3]	VP – Academic Services			
Generoso B. Pamittan, Jr. [4]	AVP - Academic Services			
Edward R. Kilakiga	VP – Facilities and Technical Services			
Renato L. Serapio [5]	VP – Human Resource Development			
Jefferson S. Aquino [6]	AVP – Human Resource Development			
Rosanna E. Salcedo	Treasurer			
Glenn Z. Nagal	Comptroller and Compliance Officer			
Rogelio C. Ormilon, Jr. [7]	Chief Audit Executive			
Victorino T. Tolosa II [8]	Chief Information Officer (CIO)			
Enrico G. Gilera	Chief Legal Counsel			
Pamela M. Hernandez [9]	Chief Accountant and Budget Director			
Arnualdo B. Macapagal [10]	Chief Accountant and Budget Director			
Gerald L. Villar	University Registrar			
Michelle S. Acomular [11]	Senior Director for Admissions and Financial Aid			
		P 73,729,477	**P 70,791,995**	**P 78,628,707**

The compensation presented are actual for the last two (2) completed fiscal years and the estimate for the ensuing fiscal year ending May 31, 2022. Aggregate amount is P223,150,179.

NOTE:

[1] *Passed away on March 29, 2020*
[2] *Effective April 21, 2020*
[3] *Up to December 31, 2020*
[4] *Effective January 1, 2021*
[5] *Up to December 31, 2019*
[6] *Effective January 16, 2020*
[7] *Up to November 15, 2020*
[8] *Up to May 26, 2020*
[9] *Effective August 16, 2019*
[10] *Up to September 15, 2019*
[11] *Effective October 1, 2020*

Compensation of Directors

Standard Arrangement

The members of the Board of Trustees of the corporation are receiving gas allowances for regular board/special board meetings attended. They are also entitled to bonuses at the end of the fiscal year at the discretion of the Board, while the officers of the corporation are entitled to basic salaries, mandatory benefits, and bonuses at the discretion of the Board.

Other Arrangement

There are no other material terms or conditions of employment for contractual executive officers.

Voting Trust Holders

The Registrant is not a party to any voting trust agreement. No security holder of the Registrant holds a voting trust or other similar agreements.

No information is available on all outstanding warrants or options held by the members of the Board of Trustees and officers of the corporation.

Summary Compensation Table I

Summary and Principal Position	Year	Salary	Bonus	Other Annual Compensation[1]
Aurelio R. Montinola III *Chairman, Board of Trustees*		- x -	- x -	- x -
Michael M. Alba *President and Trustee*		- x -	- x -	- x -
Juan Miguel R. Montinola *Chief Finance Officer (CFO) and Chief Risk Officer (CRO)*		- x -	- x -	- x -
Maria Teresa Trinidad P. Tinio *SVP - Academic Affairs*		- x -	- x -	- x -
Gianna R. Montinola *SVP - Corporate Affairs*		- x -	- x -	- x -
Santiago L. Garcia, Jr. (+) *Corporate Secretary*		- x -	- x -	- x -
Anthony Raymond A. Goquingco *Corporate Secretary*		- x -	- x -	- x -
Myrna P. Quinto *VP - Academic Development*		- x -	- x -	- x -
Joeven R. Castro *VP - Academic Services*		- x -	- x -	- x -
Generoso B. Pamittan, Jr. *VP - Academic Services*		- x -	- x -	- x -
Edward R. Kilakiga *VP - Facilities and Technical Services*		- x -	- x -	- x -
Renato L. Serapio *VP - Human Resource Development*		- x -	- x -	- x -
Jefferson S. Aquino *AVP - Human Resource Development*		- x -	- x -	- x -
Rosanna E. Salcedo *Treasurer*		- x -	- x -	- x -
Glenn Z. Nagal *Comptroller and Compliance Officer*		- x -	- x -	- x -
Rogelio C. Ormilon, Jr, *Chief Audit Executive*		- x -	- x -	- x -
Victorino T. Tolosa II *Chief Information Officer*		- x -	- x -	- x -
Enrico G. Gilera *Chief Legal Counsel*		- x -	- x -	- x -
Pamela M. Hernandez *Chief Accountant and Budget Director*		- x -	- x -	- x -
Arnualdo B. Macapagal *Chief Accountant and Budget Director*		- x -	- x -	- x -
Gerald L. Villar *University Registrar*		- x -	- x -	- x -
Michelle S. Acomular Senior Director for Admissions and Financial Aid		- x -	- x -	- x -

Totals	2019 - 2020	P 57,470,336	P 13,259,141	P 3,000,000
	2020 – 2021	P 54,205,659	P 13,586,336	P 3,000,000
	2021 – 2022 (Estimated)	P 59,922,912	P 15,705,795	P 3,000,000

Summary Compensation Table II

Summary and Principal Position	Year	Salary	Bonus	Other Annual Compensation[1]
Aurelio R. Montinola III *Chairman, Board of Trustees*		- x -	- x -	- x -
Michael M. Alba *President and Trustee*		- x -	- x -	- x -
Juan Miguel R. Montinola *Chief Finance Officer (CFO) and Chief Risk Officer (CRO)*		- x -	- x -	- x -
Maria Teresa Trinidad P. Tinio *SVP - Academic Affairs*		- x -	- x -	- x -
Glenn Z. Nagal *Comptroller and Compliance Officer*		- x -	- x -	- x -
Totals	2019 - 2020	P 26,799,522	P 6,808,431	P 3,000,000
	2020 - 2021	P 26,087,584	P 6,821,486	P 3,000,000
	2021 – 2022 (Estimated)	P 29,241,099	P 7,664,092	P 3,000,000

Summary and Principal Position	Year	Salary	Bonus	Other Annual Compensation[1]
All Officers and Trustees as a Group	2019 - 2020	P 57,470,336	P 13,259,141	P 13,500,000
	2020 - 2021	P 54,205,659	P 13,586,336	P 13,250,000
	2021 - 2022 (Estimated)	P 59,922,912	P 15,705,795	P 13,500,000

[1]*Directors' Bonus*

Item 11. Security Ownership of Certain Beneficial Owners and Management

Beneficial Owners of More Than 5% and 10% Securities as of May 31, 2021

As of May 31, 2021, Far Eastern University does not have on record any person party or entity who beneficially owns more than 5% and 10% of common stock except as set forth in the table below:

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Ownership and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common	Seyrel Investment and Realty Corporation[1] 10th Fl., Pacific Star Bldg. Cor. Makati & Gil Puyat Ave. Makati City	Seyrel Investment and Realty Corporation	Filipino	6,887,051	28.59
Common	Sysmart Corporation[3] 426 MKSE, Ayala Avenue Makati City	Sysmart Corporation	Filipino	5,204,608	21.60
Common	Desrey, Incorporated[2] 10th Fl., Pacific Star Bldg. Cor. Makati & Gil Puyat Ave. Makati City	Desrey, Inc.	Filipino	1,924,956	07.99

All of the above are direct beneficial owners of the securities.

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[1] *Dr. Lourdes, R. Montinola as President is authorized to vote for the shares of the Corporation.*

[2] *Ibid*

[3] *Ms. Teresita T. Sy, Chairman of the Board*

Security Ownership of Management

Title of Class	Name of Beneficial Owner	Number of Shares and Nature of Beneficial Ownership	Citizenship	Percent Of Class
Common	Lourdes R. Montinola *Chair Emeritus*	11,627 – D	Filipino	0.0483
Common	Mr. Aurelio R. Montinola III *Chairman, Board of Trustees*	458,165 – D 6,656 – I	Filipino	1.9046 0.0277
Common	Dr. Michael M. Alba *President and Trustee*	1 – D	Filipino	0.0000
Common	Angelina Palanca Jose *Trustee*	776,534 – D 3,029 – I	Filipino	3.2281 0.0126
Common	Paulino Y. Tan *Trustee*	1 – D	Filipino	0.0000
Common	Antonio R. Montinola *Trustee*	105,721 – D	Filipino	0.4395
Common	Jose T. Sio *Trustee*	14 – D	Filipino	0.0001
Common	Sherisa P. Nuesa *Independent Trustee*	2,219 – D 262 – I	Filipino	0.0092 0.0011
Common	Edilberto C. De Jesus *Independent Trustee*	329 – D	Filipino	0.0014
Common	Juan Miguel R. Montinola *Chief Finance Officer (CFO) and Chief Risk Officer (CRO)*	109,710– D 6,224 – I	Filipino	0.4561 0.0259
Common	Rosanna E. Salcedo *Treasurer*	734 – D	Filipino	0.0031
Common	Glenn Z. Nagal *Comptroller and Compliance Officer*	256 – D	Filipino	0.0011
Common	Gianna R. Montinola *Senior Vice President for Corporate Affairs*	106,033 – D 7,314 – I	Filipino	0.4408 0.0304

<u>Security of Ownership of Management as a Group</u>

Total Shares - 1,594,829
Percentage - 6.6297%

Item 12. Related Party Transactions and Relationships

The University recognizes a related party relationship with another entity if the Group or the other entity has the ability to control or exercise significant influence over the financial and operating decisions of its counter party. The University assess the form and substance of the relationships to determine the presence of related party transactions.

Among the Group's related parties include:
1) Entities under common management
2) The University and its subsidiaries' respective Retirement Funds
3) The University and its subsidiaries' respective Officers, Directors, Stockholders and other persons with related interests

The University has written policies and procedures on related party transactions, endorsed by the Board committee on Related Party Transactions, that addresses the regulatory requirements of the SEC, and foremost is, used as guiding principles in the Group management's evaluation of transactions with related parties.

During the year, the Group, in its regular conduct of business, have entered into transactions with its related parties. Except for the Group's related party transactions which is disclosed in Note 23 to the Consolidated Financial Statements, which is an integral part of this report, no other material transactions, without proper disclosures, was undertaken by the Group.

PART IV – SCHEDULES AND OTHER REPORTS

Item 13. Exhibits and Reports on SEC Form 17-C

(a) Exhibit

The exhibits are not applicable to the company nor require any answer.

(b) Reports on SEC Form 17-C

1. On 04 June 2020:

   Amended disclosures on FEU's Declaration of Stock Dividend, originally filed on PSE Edge submit on 10 September 2019.

   FEU submits copy of obtained SEC approval, dated 19 March 2020, to its increased in authorized capital stock.. Stock dividend record date is 18 June 2020, as per SEC order dated 02 June 2020.

   Email submission acknowledged by SEC on 16 June 2020.

2. On 16 June 2020:

   Appropriations of retained earnings of Far Eastern University as of 31 May 2020 be adjusted to One Billion Three Hundred Four Million Two Hundred Thirty Three Thousand One Hundred Pesos (₱1,304,233,100.00) as follows:

Reserves for:	
Investment in Edustria Incorporated	₱ 601,500,000.00
Investment in FEU Alabang Phase 2	364,000,000.00
Probable Contingency	180,000,000.00
General Upkeep and Improvements	155,000,000.00
Treasury Shares	3,733,100.00
Total	₱ 1,304,233,100.00

   Submitted to SEC via physical chutebox system on 18 June 2020.

3. On 18 June 2020:

   FEU Student Portal Data Breach

   It has come to the attention of the Far Eastern University, Inc. (FEU) that on 17 June 2020, the student portal of the university may have been compromised, including the data contained therein. FEU implemented measures to address the potential breach. Furthermore, its information technology team in coordination with external consultants, investigated the matter with the aim of implementing further cybersecurity measures.

   Submitted to SEC via physical chutebox system on 18 June 2020.

4. On 06 July 2020:
   Change in Outstanding Shares as of record date 18 June 2020

   On 11 June 2020, FEU submitted to PSE its computation to of the adjusted number of outstanding shares, equivalent to 24,056,437. This was based on market data as of 11 June 2020.

   The disclosure filed on 06 July 2020 reflects final computation of the adjusted number of outstanding shares. that is equivalent to 24,055,763. The change is due to the dropping of fractional shares of 674 based on computation of stock dividend as of June 18, 2020 record date.

   Email submission acknowledged by SEC on 08 July 2020.

5. 19 October 2020
   (Two separate reports)

   5.1 Resolutions adopted and approved in the FEU Annual Stockholders Meeting held on 17 Oct 2020:

   a. Minutes of the Annual Stockholders Meeting held on 19 October 2019;
   b. Academic Report of the President for the Academic Year 2019-2020;
   c. Annual Report covering the operations for the Fiscal Year 2019-2020;
   d. Approval, ratification and confirmation of the acts and resolutions of the Board of Trustees, Board Management Committees, and Management and other officers of Far Eastern University taken or adopted since the Annual Meeting of Stockholders last 19 October 2019 until 17 October 2020;
   e. Election of members of the Board of Trustees including independent trustees for the fiscal year 2020-2021;
   f. Re-Appointment of Punongbayan and Araullo, Certified Public Accountants and the Philippine member firm of Grant Thornton as External Auditor for the fiscal year 2020-2021.

   5.2 Matters approved during the Organizational Meeting of the Board of Trustees held on 17 October 2020:

   Elected Corporate Officers and Appointed University Officials and Members of Board Committees for the term 2020-2021

   a. List of Reelected and Reappointed Corporate Officers and University Officials

   <u>Corporate Officers</u>

Dr. Lourdes R. Montinola	-	Chair Emeritus
Mr. Aurelio R. Montinola III	-	Chairman of the Board of Trustees
Dr. Michael M. Alba	-	President
Mr. Juan Miguel R. Montinola	-	Chief Finance Officer and Chief Risk Officer
Ms. Rosanna E. Salcedo	-	Treasurer
Atty. Anthony Raymond A. Goquingco.	-	Corporate Secretary

University Officials

Atty. Gianna R. Montinola	-	Senior Vice President for Corporate Affairs
Dr. Maria Teresa Trinidad P. Tinio	-	Senior Vice President for Academic Affairs
Mr. Glenn Z. Nagal	-	Comptroller
Mr. Joeven R. Castro	-	Vice President for Academic Services
Engr. Edward R. Kilakiga	-	Vice President for Facilities & Technical Services
Dr. Myrna P. Quinto	-	Vice President for Academic Development
Mr. Jefferson S. Aquino	-	Assistant Vice President for Human Resource Development
Atty. Enrico G. Gilera	-	Chief Legal Counsel
Mr. Michael Q. Liggayu	-	Quality Management Representative & Data Protection Officer
Mr. Rogelio C. Ormilon, Jr.	-	Chief Audit Executive
Mr. Victorino T. Tolosa II	-	Chief Information Officer
Mr. Gerald L. Villar	-	University Registrar
Michelle S. Acomular	-	Senior Director for Admissions and Financial Aid

(a) Reappointed Members of the various Board Committees and Lead Independent Trustee for the term 2020-2021:

Executive Committee

Mr. Aurelio R. Montinola III	-	Chairman
Dr. Michael M. Alba	-	President
Ms. Sherisa P. Nuesa	-	Member (Independent Trustee)
Mr. Juan Miguel R. Montinola	-	Member
Dr. Paulino Y. Tan	-	Member

Audit Committee

Ms. Sherisa P. Nuesa	-	Chairman (Independent Trustee)
Dr. Edilberto C. De Jesus	-	Member (independent Trustee)
Mr. Jose T. Sio	-	Member (Independent Trustee)
Ms. Angelina P. Jose	-	Alternate Member

Corporate Governance Committee

Dr. Edilberto C. De Jesus	-	Chairman (Independent Trustee)
Ms. Angelina P. Jose	-	Member
Atty. Gianna R. Montinola	-	Member
Ms. Sherisa P. Nuesa	-	Alternate Member (Independent Trustee)

Nomination Committee

Dr. Edilberto C. De Jesus	-	Chairman (Independent Trustee)
Mr. Antonio R. Montinola	-	Member
Atty. Gianna R. Montinola	-	Member
Dr. Paulino Y. Tan	-	Member

Risk Management Committee

Dr. Edilberto C. De Jesus	-	Chairman (Independent Trustee)
Dr. Michael M. Alba	-	Member
Mr. Jose T. Sio	-	Member (Independent Trustee)

Talent Management Committee

Mr. Aurelio R. Montinola III	-	Chairman
Mr. Juan Miguel R. Montinola	-	Member
Ms. Sherisa P. Nuesa	-	Member (Independent Trustee)
Dr. Paulino Y. Tan	-	Member

Related Party Transaction Committee

Mr. Jose T. Sio	-	Chairman (Independent Trustee)
Ms. Sherisa P. Nuesa	-	Member (Independent Trustee)
Dr. Edilberto C. De Jesus	-	Member (Independent Trustee)

(b) Appointment of Dr. Edilberto C. De Jesus as Lead Independent Trustee
(c) Reappointment of all other incumbent Corporate Officers and University Officials of FEU to the current positions respectively held by them for the term 2020-2021, to serve as such until their respective successor is duly appointed and qualified.

Email submission of both reports acknowledged by SEC on 19 October 2020.

6. On 28 October 2020:

   Resignation of Mr. Rogelio C. Ormilon Jr. as Chief Audit Executive effective 16 November 2020.

   Email submission acknowledged by SEC on 28 October 2020.

7. On 17 November 2020:

   Declaration of ₱3.00/share cash dividend to all stockholders of record as of 03 December 2020, payable on 16 December 2020, as approved during the Board of Trustees meeting held on 17 November 2020.

   Email submission acknowledged by SEC on 17 June 2020.

8. On 03 December 2020:

   Appointment of Ms. Mirajoy Tresmonte as Deputy Chief Audit Executive, Officer in Charge, effective 04 December 2020 until a new Chief Audit Executive is hired.

   Email submission acknowledged by SEC on 09 December 2020.

9. On 16 February 2021:

   Declaration of ₱5.00/share cash dividend to all stockholders of record as of 03 March 2021, payable on 15 March 2021, as approved during the Board of Trustees meeting held on 16 February 2021.

   Email submission acknowledged by SEC on 19 February 2021.

10. On 31 March 2021:

    Demise of Ms. Angelina P. Jose, Member of the Board of Trustees, Ms. Jose was a Non-Executive Trustee.

    Email submission acknowledged by SEC on 31 March 2021.

11. On 20 April 2021:

    Appointment of Mr. Glenn Z. Nagal as Compliance Officer, effective 21 April 2021.

    Email submission acknowledged by SEC on 20 April 2021.

12. On 10 May 2021:

    Resignation of Victorino T. Tolosa as Chief Information Officer effective 25 May 2021.

    Email submission acknowledged by SEC on 12 May 2021.

13. On 26 May 2021:

    FERN Realty Corporation acquisition of 7,300 FEU shares, lodged with PCD Nominee Corporation (Filipino).

    Email submission acknowledged by SEC on 26 February 2021.

(c) Quarterly Reports:

Ended August 31, 2020	– *Acknowledged by SEC on 14 October 2020*
Ended November 30, 2020	– *Acknowledged by SEC on 14 January 2021*
Ended February 28, 2021	– *Acknowledged by SEC on 14 April 2021*

Annex A

FEU Sustainability Report
Fiscal Year 2020 - 2021

Contextual Information

Company Details	
Name of Organization	Far Eastern University, Inc.
Location of Headquarters	Nicanor Reyes Street, Sampaloc, Manila
Location of Operations	Nicanor Reyes Street, Sampaloc, Manila
Report Boundary: Legal entities (e.g., subsidiaries) included in this report*	Far Eastern University, Manila
Business Model, including Primary Activities, Brands, Products, and Services	Educational Institution
Reporting Period	Fiscal Year 2020 - 2021
Highest Ranking Person responsible for this report	Atty Anthony Raymond A. Goquingco, J.D., Ll.M. Corporate Secretary

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.[1]

The mission of FEU is to provide quality higher education through industry-responsive outcomes-based curricular programs. The institution promotes sustainable and responsive research extension, heritage, and environmental stewardship towards national and global development.

The materiality principle was then applied to the determine the main sustainability programs that the institution has deemed key in supporting its educational mission and sustainable development.

FEU, like many other educational institutions, had to tread through the challenges of community lockdown directives of the government as a result of the COVID-19 widening infection risks. Thus, face-to-face education delivery was not allowed and, office personnel had to be maintained at 50% on campus when the lockdowns were lifted and the rest working from home.

This report, therefore, presents updates on ongoing sustainability programs during the COVID-19 year alongside continuing sustainability programs of the institution. Furthermore, some of the initiatives of the FEU, Inc subsidiaries are included in this report.

[1] See *GRI 102-46* (2016) for more guidance.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount (FY 2020 - 2021)	Units
Direct economic value generated (revenue)	3,863,178,113	PHP
Direct economic value distributed:		
a. Operating costs	1,407,168,109	
b. Employee wages and benefits	1,274,897,013	
c. Payments to suppliers, other operating costs	228,069,049	
d. Dividends given to stockholders and interest payments to loan providers	298,112,718	
e. Taxes given to government	93,641,034	
f. Investments to community (e.g., donations, CSR)	1,537,792	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
• FEU works to provide quality education to its student aimed to prepare them for gainful employment. • Effective and efficient financial management has allowed FEU to provide affordable education to its target market as well as grant cash dividends to its shareholders. • This mission is delivered by engaging competitively compensated highly qualified faculty, by using state-of the-art learning platforms & other technology solutions as well as providing the students a well-rounded campus experience.	FEU Community (*students, teaching, and non-teaching employees*) FEU Shareholders	Prudent financial management with the checks and balance in place.
What are the risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
• Student enrollments less than enrollment projections. • Increasing cost of operations.	FEU Community FEU Stakeholders	**Decline in Student Enrollments** Admissions articulation programs are continually conducted that inform potential new students on the educational value that FEU provides.

		Enrollment attritions are managed by continually upgrading the learning delivery through the quality of the curriculum, learning technology platforms and a well-rounded campus experience. Performance of graduates in government board examinations are monitored and the curriculum incorporates programs to prepare these students. Good performance is posted in different communication platforms. Measures are implemented to address poor performance by strengthening the curriculum and programs that prepare the students for their board examinations. **Increase in Cost of Operations** Effective cost control measures are in place. Process improvement programs, often using technology solutions and employee skills upgrading are continually implemented.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Increased revenues allow hiring and maintaining competent faculty, upgrading of educational facilities and capacity expansion to accept more students.	FEU Community FEU Shareholders	Regular assessment on the market competitive compensation package of faculty, the need to upgrade educational facilities and incorporate these in the annual budgets. Increased enrollment potentials are assessed to determine when campus expansion should be implemented.

*Climate-related risks and opportunities[2]

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organization's governance around	*Disclose the actual and potential impacts of climate-related risks and*	*Disclose how the organization identifies,*	*Disclose the metrics and targets used to assess and manage relevant*

[2] Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

climate-related risks and opportunities	*opportunities on the organization's businesses, strategy, and financial planning where such information is material.*	*assesses, and manages climate-related risks.*	*climate-related risks and opportunities where such information is material.*
Recommended Disclosures			
Board oversight: Support for budget allocation addressing climate-related risks: solar panels, efficient buildings less carbon emissions	The Board has always supported implementing infrastructure solutions for more efficient buildings with less carbon emissions.	The Board is informed on the impact of the infrastructure solutions on lessening power and light costs when they approve the budget.	The financial impact of the infrastructure solutions is measured as part of total operating cost.
Management oversight: Continuous review of further improvements towards efficient use of power and light	Management is always open and assessing improvements to its current infrastructure towards more efficient power and light facilities.	Regular monitoring of the performance of the power and light infrastructure is monitored to ensure their efficient performance.	Performance measurements and standards are defined and closely monitored.

<u>Procurement Practices</u>

<u>Proportion of spending on local suppliers</u>

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	1,333,178,113	96 %

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
• Sourcing from local suppliers supports the local economy. • Delivery timelines are usually faster depending on the availability of the products and goods being procured. • After sales support request can also be serviced faster.	FEU community	Management adheres to the procurement principle of buying under the terms and condition beneficial to the university. Local suppliers are accredited, and products and services availed are assessed based on their quality, price, terms of payment and after sales support.

		All procurement decisions are based on the quotation of at least three qualified accredited suppliers.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Insufficient supply, poor quality and/or late delivery of the product or service availed of.	FEU community	The performance of the local suppliers are assessed on a periodic basis and includes feedback from the actual users of the products or services delivered. This local supplier assessments are then considered in the accreditation process as well as decisions for repeat orders.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
• Ordering from local suppliers boost the local economy. • It also establishes closer economic partnerships that open the opportunities for cost reduction versus procuring from international suppliers.	FEU community	Management continues to accredit local suppliers and aims to establish a long relationship with those that meet the quality, price, terms of payment and after sales support objectives of FEU.

Anti-corruption

*Training on Anti-corruption Policies and Procedures

Code of Business Conduct and Ethics is published in the FEU website.

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of directors and management that have received anti-corruption training		
Percentage of employees that have received anti-corruption training	100	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Impact on the stakeholders' awareness and understanding of the anti-corruption policies and guidelines maintain and protect the reputation and image of the university.	FEU Community	Regular review and dissemination of the anti-corruption policies and guidelines
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Stakeholders are not aware or do not understand the policy guidelines	FEU Community	Regular orientation / re-orientation, trainings and issuance of the Code of Business Conduct and Ethics and the Employees Code of Conduct
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Prevention of corruption attempts or incidents	FEU Community	Properly communicate anti-corruption policies and guidelines

<u>Incidents of Corruption</u>

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	0
Number of incidents in which employees were dismissed or disciplined for corruption	0	0
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	0

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Corruption incidences adversely financial soundness as may damage FEU brand.	FEU community	Controls, checks and balance policies are in place. Internal audit on the processes confirm proper compliance.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**

Controls compromised due to lack of awareness or understanding of policy guidelines.	FEU community	Processes include checker control functions. Process simplification initiatives are drawn out incorporating system controls to lessen the opportunity for corruption.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
System controls incorporated in the simplification of the procurement process reduces the opportunity for financial loss due to corruption.	FEU community	Periodic review on the sufficiency of the control process are conducted. Internal Audit surfaces control weakness during their annual reviews for management action.

ENVIRONMENT

Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources) Power from hydro plant power provider	864	MW
Energy consumption (gasoline)	NA	
Energy consumption (LPG)	NA	
Energy consumption (diesel)	NA	
Energy consumption (electricity)	3,996,937	kWh

Reduction of energy consumption:

Disclosure	Quantity	Units
Energy reduction (gasoline)	NA	GJ
Energy reduction (LPG)	NA	GJ
Energy reduction (diesel)	NA	GJ
Energy reduction (electricity)	7,072,315	kWh
Energy reduction (gasoline)	NA	GJ

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Power savings initiatives impact power and light expense as well as contributes to reduce carbon emissions to the environment	FEU community	Power saving measures are constantly installed like: FEU Manila • Centralized cooling system (Chilled Water System) • Use of LED lights • Chiller operations pre-COVID restrictions are shut down one hour before the end of classes and recirculated chilled water is used to cool classrooms and office translating to one-hour free cooling. • Currently, power, water facilities and drinking fountain facilities in buildings not needed for day-day limited operations are shut down. • To conserve the utilities during this pandemic, the workstations of

		onsite employees were compressed from several to few buildings only without violating the IATF guidelines. Other Campus - Power saving measures of other campus other than those listed above • Regular maintenance of Airconditioning Units (ACU) • Maximize natural sunlight by implementing light zoning for every floor • Installation of timer for perimeter lights • Rain and condensate water harvesting • Use of centralized water filtration system for potable drinking water
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Cooling system malfunction. Unscheduled power outages	FEU community	Preventive and maintenance activities to maintain proper functioning of the chillers are conducted on a regular basis by trained service maintenance personnel. Regular maintenance of Genset and monthly checked.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Expansion of the district colling system to all the buildings in campus for FEU Manila. Use of newer technologies directed towards power and water efficiencies for all campus.	FEU community	Continuous study of new technologies that address further power consumption.

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawals	5	Cubic meters
Water consumption	70,181	Cubic meters
Water recycled and reused	887	Cubic meters

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Efficient water consumption results to cost efficiencies as well as supports water conservation initiatives.	FEU Community	Continually study newer technologies to towards more efficient management of water consumption. One such solution is the installation of a sewerage treatment plant in campus. Rain and condensate water harvesting Conversion of 41 portable drinking fountain units to reverse osmosis centralize drinking water plant
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Undetected leakage is the primary risk that will increase water consumption.	FEU community	Inspection is run twice a month on all the buildings for water leakages.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Installation of a sewerage treatment plant will manage down water bill cost and sewerage environmental impact.	FEU Community	Continually study newer technologies to towards more efficient management of water consumption.

*Materials used by the organization – NOT APPLICABLE

Disclosure	Quantity	Units

Materials used by weight or volume	NA	
• renewable	NA	kg/liters
• non-renewable	NA	kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services	NA	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	**Management Approach**
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**

*Ecosystems and biodiversity (whether in upland/watershed or coastal/marine) – NOT APPLICABLE

Disclosure	**Quantity**	**Units**
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	NA	
Habitats protected or restored	NA	
IUCN[3] Red List species and national conservation list species with habitats in areas affected by operations	NA	

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	**Management Approach**
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**

[3] International Union for Conservation of Nature

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach

Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
IDirect (Scope 1) GHG Emissions	NA	Tonnes CO_2e
Energy indirect (Scope 2) GHG Emissions	1,030	Tonnes CO_2e
Emissions of ozone-depleting substances (ODS)	NA	Tonnes

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Reduction in air emissions impact our carbon footprint.	FEU Community	Continually study and implement newer technologies to towards lessening CO2 air emissions on campus.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**

Air pollutants

Last test done for the gensets = 2 years ago on April 5, 2018 as per DENR requirement

Disclosure	Quantity	Units
NO_x	730.6 mg/Ncm	kg
CO	276.1 mg / Ncm	kg
Persistent organic pollutants (POPs)	NA	kg
Volatile organic compounds (VOCs)	NA	kg
Hazardous air pollutants (HAPs)	NA	kg
Particulate matter (PM)	NA	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Genset is an important power stand-by source in cases of power outage. Compliance to air pollution source installation requirement is therefore important.	FEU Community	Continually comply with DENR regulations to avoid penalties and non-use of the genset. A Pollution Control Officer is designated to monitor and comply with the regulations.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Noncompliance to air pollution rules will result to penalties and restrictions of usage	FEU Community	Accreditation of the Pollution Control Officer who will closely guide the school in its compliance to all the relevant rules.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
The accreditation of a designated Pollution Control Officer shall support the school's rollout of its major initiatives with close compliance to relevant rules	FEU Community	Accreditation requirements for the Pollution Control Officer are being prepared and process already underway. Required training for the Head of School as a requirement for the accreditation is to be complied with. Training to be undertaken by the Pollution Control Officer will be cascaded to the other members of the community so that everyone becomes more involved and actively contribute to Pollution Control outcomes.

Solid and Hazardous Wastes

Solid Waste – Not Applicable

Disclosure	Quantity	Units
Total solid waste generated	NA	kg
Reusable	NA	kg
Recyclable	NA	kg
Composted	NA	kg
Incinerated	NA	kg
Residuals/Landfilled	NA	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Construction of Materials Recovery Facility (MRF) to properly segregate solid waste.	FEU Community	Regular compliance to DENR regulations.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Lack of proper knowledge in solid waste segregation procedure among janitorial and maintenance staff.	FEU Community	Continuous training of staff on solid waste management, revisit existing processes, and identify and correct oversights.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Creation of comprehensive solid waste management system.	FEU Community	Conduct comprehensive solid waste management analysis and make recommendations in improving the current system.

Hazardous Waste (chemicals & pathogens from Medical Technology laboratories)

Accredited transporter and treater

Disclosure	Quantity	Units
Total weight of hazardous waste generated not yet transported	3,606	kg
Total weight of hazardous waste transported and treated	4,075	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Management of these hazardous waste specially from the Medical Technology laboratories is crucial to maintain the Medical Technology program. This is one of the key courses that FEU is known for due to the excellent performance of its graduates in the board examinations.	FEU Community	Management uses accredited hazardous waste transporters and treaters for the proper handling, transport, and disposal of these hazardous waste. Management uses two storage facilities for handling and storing hazardous waste.

The health safety of the FEU community must be maintained, and thus proper management is important.		
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Mishandling of the hazardous waste. Fines from non-compliance to DENR regulations	FEU Community	Only accredited service providers are used in disposal management and treatment of these hazardous waste. Compliance to DENR requirement of submitting Quarterly Self-Monitoring Report (SMR) and Semi-annual Compliance Monitoring Report (CMR)
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Proper management confirms health and safety protocol policies of the institution. Public perception that these are in place helps brand awareness for the affected courses	FEU Community	Continue and further improve where feasible compliance to regulations.

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	0
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	0
No. of cases resolved through dispute resolution mechanism	0	0

What is the impact and where does it occur? What is the organization’s involvement in the impact?	Which stakeholders are affected?	Management Approach
FEU complies with DENR regulations on air pollution source installations (APSI), water segregation and hazardous waste generator	FEU Community	Management works to comply to the requirements of the regulatory government agencies and adapts best practices where financially feasible.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Failure to understand and comply to new rules of regulatory government agency may affect operations.	FEU Community	Continually review laws and regulations and its impact on the FEU operations.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Compliance to regulations ensures full use of the campus facilities for classes and daily operations.	FEU community	Commitment of management towards efficient and effective operations

SOCIAL

Employee Management (Information provided is for FEU Main Only)

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees[4]	1,185	100 %
a. Number of female employees	593	50.04%
b. Number of male employees	592	49.96%
Attrition rate[5]		1.096
Ratio of lowest paid employee against minimum wage	0	

Employee benefits

List of Benefits	Y/N	% Of female employees who availed for the year	% Of male employees who availed for the year
SSS	Y	11.5 %	7 %
PhilHealth	Y	4 %	0.88 %
Pag-ibig	Y	4 %	4.6 %
Parental leaves **	Y	2.36 %	0.51 %
Vacation leaves **	Y	17.05 %	10.46 %
Sick leaves **	Y	11.72 %	7.81 %
Medical benefits (aside from PhilHealth)) **	Y	100 %	100 %
Housing assistance (aside from Pag-ibig)	N	NA	NA
Retirement fund (aside from SSS)	Y	8.52%	5.04%
Further education support	Y	28.85%	19.38%
Company stock options	N	NA	NA
Telecommuting		96.96%	90.37%
Flexible-working Hours		refer to telecommuting	refer to telecommuting
Others			
Educational Benefit (Regular) **		28.85 %	19.38 %
Clothing Allowance (Regular) **		100 %	100 %
Rice Subsidy (Regular) **		88.52 %	86.82 %
HMO **		100 %	100 %
Medical Benefit **		100 %	100 %
Memorial Benefit **		88.52 %	86.82 %

Note: ** For Regular Employees Only

[4] Employees are individuals who are in an employment relationship with the organization, according to national law or its application (GRI Standards 2016 Glossary)

[5] Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Stringent talent acquisition process, and retention of competent and engaged employees. .	FEU Employees	Implementation of stringent talent acquisition process to employ high potential employee and ensuring competitive remuneration and benefit package proved to attract and retain competent and engaged employees. Remuneration and benefit package are in place. This includes HMO, medical benefits, leave credits, memorial plan and educational scholarship for employee and their qualified dependents. A tuition fee subsidy tis provided to faculty who pursue their graduate programs. Continues competency development for employees is also in place.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Market and industry competition.	FEU Employees	FEU brand awareness to attract and keep competent and engaged employees. Regular review of remuneration and benefit package and benchmarking with industry and job market.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
• High employee retention. • Onboarding of qualified and high potential candidates. • High job satisfaction and organizational commitment	FEU Employees	Regular review of the remuneration and benefit package of the company as well as benchmarking with the industry and job market

Employee Training and Development

Disclosure	Quantity	Units

Total training hours provided to employees		
a. Female employees	68	hours
b. Male employees	68	hours
Average training hours provided to employees		
a. Female employees	16	hours/employee
b. Male employees	16	hours/employee

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	**Management Approach**
Learning and development programs. Performance management system Employee relation and engagement programs.	FEU Employees	Continue to provide learning and competency development programs, employee relation and engagement of activities for teaching and non-teaching employees. Implementation of a performance management system, identification of performance targets and teaching performance evaluation to increase efficiency and productivity in fulfilling their functions. Through various employee engagement programs, potentials are developed and honed that result to promotion of employees either to a higher position (for non-teaching employees) or to an administrative position (for teaching employees).
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Attrition Exodus of high potential employees.	FEU Employees	Tracking of high potential employees for tenure. Early regularization of outstanding employees and faculty. Competitive remuneration and benefit package.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**

Identification of ready-now and ready-later employees for promotion and/or for administrative positions Identification of leadership potentials among employees	FEU Employees	Continuous mentoring and coaching. Send high potential employees to leadership and management training programs.

Labor-Management Relations

Disclosure	Quantity	Units
% Of employees covered with Collective Bargaining Agreements	Employee (Union Members) = 68 % Faculty (Union Members) =30%	%
Number of consultations conducted with employees concerning employee-related policies	15	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Cordial management and employee relationship.	FEU Community	Maintain open communication lines between management and employees through orientation programs, dialogues, feedback mechanism, and regular Labor Management Council meetings. Collective Bargaining Agreement (CBA) negotiations.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Resistance to change.	FEU Community	Regular dialogues / meetings prior to implementation policies affecting employment and discussions at the Labor Management Council meetings.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Strong support towards FEU's aspirations and goals. Collaboration between management and employees in	FEU Community	Maintain open communication lines between management and employees through orientation programs, dialogues, feedback mechanism and

developing better, efficient, and cost-effective measures.		regular Labor Management Council meetings. Consultation with employees on new policies, procedures and programs affecting employment.

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	50.04	%
% of male workers in the workforce	49.96	%
Number of employees from indigenous communities and/or vulnerable sector*	39*	#

**Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).* Note:
* Employees 60 years and above: 50 (26 Faculty, 24 Non-Teaching), PWD: 0

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Inclusivity, diversity and equal opportunities and admission.	FEU Community	Compliance with laws on equality and anti-discrimination. Establishment of Gender and development Office handling gender sensitivity programs and policy on diversity and inclusion within the FEU community. Provision for all-gender restroom and multi-faith room.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Readiness of the community to diverse groups	FEU Community	Approval of the FEU Policy on Diversity and Inclusion within the FEU Community Compliance with laws on equality and anti-discrimination.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**

Higher innovation and increased creativity Variety of perspectives and contributions Holistic approach in problem solving and decision making	FEU Community	Employee hiring and admission of individuals belonging to diverse groups. Conduct of fellowship programs and team-building activities. Collaborative projects among members of the community.

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours		Man-hours
No. of work-related injuries	1 *	
No. of work-related fatalities	0	#
No. of work-related ill-health	0	#
No. of safety drills	0**	#

Note: * *Outsourced personnel security guard*

** *None, due to quarantine and limited reporting staff but regular testing of fire detection, alarm system and fire protection system continuously done to ensure functionality.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Health and safety of the FEU Community	FEU Community	Compliance with all occupational health and safety laws. Occupational health and safety committee headed by OSH certified Security Officers that meet once a month. Fully staffed and equipped University Health Services. Government compliant Health and Safety Protocols for COVID-19 in place.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**

Threat of COVID-19 and other health and safety issues.	FEU Community	Government compliant Health and Safety Protocols for COVID-19 are in place, Provision of medical benefit and HMO coverage for regular employees. Insurance coverage for students. COVID-19 vaccine program of the university in place.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Heightened consciousness on health and safety among stakeholders Increased involvement in the creation of preventive measures to maintain a hazard-free, safe, and secured work environment	FEU Community	Monthly meetings of the Occupational Health and Safety Committee

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	None	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	NA	
Child labor	NA	
Human Rights	Y	• Anti-Sexual Harassment Policy • FEU Policy on Diversity and Inclusion within the FEU Community • Anti-Bullying Policy • Anti-Cyberbullying Policy

What is the impact and where does it occur? What is the	Which stakeholders are affected?	Management Approach

organization's involvement in the impact?		
Employee rights protection policies and compliance with laws and regulations minimize the possibility of conflicts with employees and lawsuits.	FEU Community	Compliance with all Labor Standards and Labor Laws, regulatory requirements and company policies stipulated in the following: • Faculty and Employee Manual • Faculty and Employee CBA • Employees Code of Conduct
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Changes in the implementing rules and regulations of government laws	FEU Community	Constant review / updating of policies to ensure that changes in the implementing guidelines of the government are observed.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Update/revise existing policies to align with the current trends and to improve systems in the organization	FEU Community	Committees for policy creation and review are in place. Develop implementing rules and regulations (IRR).

Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy: Yes

*Do you consider the following sustainability topics when accrediting suppliers?

Not explicitly stated but supplier has to show certification that they comply with Labor and Employment regulations as well as other statutory and regulatory requirements

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance		
Forced labor		
Child labor		
Human rights		
Bribery and corruption		

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Compliance to statutory and regulatory requirements Quality assurance of products, supplies and services	Purchasing Department Institutes/Departments	Accreditation process for Contractor/Service Provider Accreditation process for Supplier University Bidding Committee
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Few accredited suppliers and service providers that may result to limited choices for the end users		Efficient sourcing of probable suppliers and service providers with good market reputation
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Cost effectiveness Pool of accredited suppliers and service providers		Accreditation process for Contractor/Service Provider Accreditation process for Supplier University Bidding Committee

Relationship with Community

Significant Impacts on Local Communities – FEU runs Community Extension Programs (CES) with FEU partners on a regular basis. These programs are listed in the

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (If applicable) *	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
Project Hope	Sta. Cruz, Manila	Female persons of deprived liberty (PDL)	N	Livelihood	Some livelihood (e.g. crochet & beadwork) are on hold due to the COVID-19 pandemic and

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (If applicable) *	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
					will continue once jail community lifts restrictions on on-site visits. Other livelihood programs were continued through virtual means (e.g., pandesal baking)
				Psychological Needs	Continued with mental health programs through virtual means to cover other batches of PDLs
				Food Security / Recreational Needs	Continued with food security / recreational programs (e.g., urban gardening) through remote facilitation.
				Education	To continue with the program through virtual programs.
Project Joint	Sta. Cruz, Manila	Jail Officers of the Female Dormitory	N	Immediate Needs identified by MCJFD / BJMP	To continue support for the jail officers for requested immediate needs to support their physical and

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (If applicable) *	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
					psychological well-being.
Project Calatagan	Brgy Quilitisan, Calatagan, Batangas	Coastal community	N	Livelihood	Livelihood programs for the community cooperative (e.g., rice selling and small-scale poultry) were started and handled by the cooperative members.
				Livelihood / Food Security	Aquaculture Project proposal to continue as soon as travel restrictions ease.
				Livelihood / Education	Tour guide training to continue once travel restrictions are lifted and travel recovery plan is put in place.
Project Mangyan	Sitio Emok, Brgy Paclolo, Magsaysay, Occidental Mindoro	Hanunuo Mangyan	Y	Livelihood	To continue (e.g., beadwork) once COVID-19 restrictions are lifted
				Health	Informed consent sought from the elders of the community. Water quality and safety programs continue through remote

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (If applicable) *	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
					facilitation to support health education that was started.
				Food Security	Backyard gardening program continue through remote implementation and coordination with partner school in Occidental Mindoro.
				Education	LET review program for Mangyan Education graduates in on hold due to COVID-19 restrictions. Procedures for implementation will be recalibrated to include more stringent guidelines.
Project Barangay 394 – Barangay Participation Survey	Brgy 395 Sampaloc, Manila	Brgy 395 officials and community members	N	Urban renewal	Results were relayed back to the community to address pressing concerns on barangay participation.

**Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)*

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: FPIC secured

Certificates	Quantity	Units
FPIC process is still undergoing	0	#
CP secured	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The following are the impact of sustainable Community Extension Services (CES) programs provided to the members of FEU's partner communities: Have alternative sources of livelihood/income Utilize their existing individual and/or community assets/resources in the selection and provision of programs Gain new knowledge and skills that can empower people and improve their quality of life Receive support related to their efforts on cultural dissemination and preservation, and environmental protection.	FEU Community, Members of the partner communities	All CES activities revolve around the five partner communities of FEU. This ensures continuity of programs to attain sustainable development in the partner communities. In the provision of CES activities, the expertise of the FEU faculty is utilized, as well as that of the other volunteers such as the students, staff, and alumni. Experts from the University provide the needed training/workshop to develop the knowledge and skills of the community members. Assist the community members in the startup process through logistics and costs support as they venture into applying what they learned in the training/workshop. Constant monitoring and evaluation of the CES activities to ensure that they meet expected outcomes and impact.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
• Safety and security of volunteers	FEU Community,	Proper coordination with institute/academic department in

• Insufficient budget for program implementation due to budget cut-off • Non-appearance/ Lack of CES Volunteers • Finding industry partners for big CES projects	Members of the partner communities	charge of the CES activity and non-academic units/offices that provide the logistical support. Working with other academic units/offices such as University Industry Linkage, Placement Office, and Alumni Office who can work on finding external linkages for the big projects of CES once project proposal is ready.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
• Cooperative partner communities • Good rapport with community leaders • Large pool of volunteers • Changed perspective of community extension in FEU community, from dole-out mentality to provision of sustainable programs for the partner community	FEU Community, Members of the partner communities	Restructuring of CES to introduce sustainable activities for the partner communities Ensure continuous strengthening of six CES projects by seeking active involvement and participation of volunteers from different institutes/programs to share their expertise

Customer Management

Customer Satisfaction -

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	Not available at this time	N

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Customer experience and satisfaction creates a distinct brand and reputation of FEU	FEU Community, Alumni, Prospect Students and Applicants	• Student surveys • Customer feedback forms • Student evaluation on faculty performance

Customer feedback provides gainful insights on how to improve the products and services of FEU		• Feedback from accrediting agencies
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Risk perception and subjectivity of customers	FEU Community, Alumni, Prospect Students and Applicants	• Use of varied mechanisms such as survey forms, focused group discussion, reports, comments on social media platforms among others to generate and validate customer experience
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Customer experience and feedback are used as reference for policy formulation and program development/improvement	FEU Community, Alumni, Prospect Students and Applicants	• Strategic planning using results of customer/student survey as reference points • Audit of Quality Objectives

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	0	#
No. of complaints addressed	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Minimal accidents and illnesses Increased productivity and performance due to good health	Administrators, faculty, non-teaching employees, students	• Health services/medical services • Mental health programs, counseling services • Health advisory • HMO • Safety Drills • Safe physical environment through maintenance of a clean and green campus

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Availment of health services	Administrators, faculty, non-teaching employees, students	• Information campaign on available health services • Information Awareness
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Innovation in the conduct of health and safety protocols and services	Administrators, faculty, non-teaching employees, students	• Customer feedback forms • Health records (to automate) • Safety and Health Committee reports

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	0	#
No. of complaints addressed	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Delivering satisfactory marketing and communications services to internal and external FEU stakeholders help achieve student enrollment targets	FEU Community and potential students	Continue building the FEU Brand by utilizing and maximizing different media platforms.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Failure to respond to substantiated complaints can damage the brand image and reputation of FEU.	Negative university image can dampen the morale of students, faculty and employees	Monitor all negative news, address all concerns, and release an official statement if deemed necessary.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**

Create and gain more linkages with stakeholders (i.e., media, university partners, and other organizations)	Students, faculty, and employees will benefit from opportunities created by the partnerships	Enhance and intensify marketing initiatives.

Customer privacy - report for this item shall be provided in FY 2020-2021

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	0	#
No. of complaints addressed	0	#
No. of customers, users and account holders whose information is used for secondary purposes	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Assures students and alumni that their personal information are kept private/confidential. Gains the trust and confidence on the organization's capability to keep all records confidential	FEU Community alumni, prospect students and applicants	Data Protection Policy Forms and systems inclusive of Data Privacy Consent statement Semestral Updating of Data Subject Consent Form through the Registrar's Office
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Likelihood for misuse of information	FEU Community alumni, prospect students and applicants	Clear declaration of the purpose of the information gathered Informed Consent
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Standardization on policies and procedures on customer privacy	FEU Community alumni, prospect students and applicants	Data Protection Policy

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts, and losses of data	1	206,794
	1	20

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
FEU has automated its key process of enrollment, accounting, and payroll. A data breach could be a material issue if student private information is compromised.	FEU community	Information Technology Services (ITS) who manages all technology solutions of the institution have installed standard information security infrastructure to protect the institution from cyber security risks. The enrollment and accounting applications are cloud solutions outsourced to NetSuite who adhere to Industry Standards and are SOC certified.
FEU had to manage a data breach last June 2020 from the FEU website and had no direct impact on the enrollment and accounting systems.	FEU Community	Actions were taken to arrest the data breach, informed affected parties on the measures taken by FEU. Incident Response Team was responsible in overseeing all the agreed actions related to the incident. A Vulnerability Assessment Penetration Test (VAPT) was conducted by a 3rd party and all the system weaknesses were corrected. System software available installed and processes to tighten surveillance in place.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Cyber security risk that may compromise student personal information.	FEU community	Same action as above.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**

Newer technology solutions that can provide stronger and cost-effective solutions.	FEU community	Management continually looks for newer technology solutions that may be applied to strengthen the security posture of the institution.

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs
Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Education Programs for Basic Education, Tertiary and Graduate Levels	Goal 4: Quality Education	Skills mismatch of graduates to industry needs	Programs are drawn and regularly updated that focus on upgrading the curriculum and student development programs to meet the skills set needs of industry. A key initiative is the partnerships with industry who provide input to the curriculum and student development programs on the personal and technical skills of graduates that they will hire.
		Challenges of online learning during due to the COVID restrictions.	Management implemented different modes of online class delivery for AY 2020-21. There were modes for students who have stable to internet access, those with unstable internet access and those without internet access. Faculty formulated their Course Information Booklet (CIB), calendar of activities and modules in consideration of these different remote learning modalities. Creation of guidebook on remote learning modality for students and policies and guidelines for faculty on implementation of remote learning modes including

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
			giving feedback and assessments, etc. Continuous training of faculty members on online delivery of teaching and learning.
	Goal 5: Gender Equality	Possible gender insensitive reactions / responses during online engagements and activities.	Creation of Policy on Diversity and Inclusion. Conduct of training, orientation, webinars of faculty and students on gender sensitivity inclusion.
	Goal 6: Clean Water and Sanitation Goal 7: Affordable and Clean Energy	Increased student enrollment will increase consumption as well.	Management continually studies and implements cost saving solutions that help manage down the consumption even with increase student population.
	Goal 8: Decent Work and Economic Growth	Increased student enrollments will necessitate increased facilities, and this may strain the limited space on campus.	Management continually reviews the work and class area requirements and when needed implements cost viable solutions to address the increased need.
		Safety concerns when office face-face were allowed	Safety and health protocols were implemented and monitored. Assistance was extended to employees affected by the COVID situation.

SIGNATURES

Pursuant to the requirements of Section I7 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Manila, on________________.

By:

AURELIO R. MONTINOLA III Chairman, Board of Trustees and Chief Executive Officer	MICHAEL M. ALBA President and Chief Operating Officer
JUAN MIGUEL R. MONTINOLA Chief Finance Officer and Chief Risk Officer	GLENN Z. NAGAL Comptroller and Compliance Officer
PAMELA M. HERNANDEZ Chief Accountant and Budget Director	ANTHONY RAYMOND A. GOQUINGCO Corporate Secretary

SUBSCRIBED AND SWORN to before me this_____day of SEP 0 8 2021 2021, affiants exhibiting to me their Tax Identification Number, as follows:

Name	Tax Identification Number	Place Issued
Aurelio R. Montinola III	135-558-086	Philippines
Michael M. Alba	157-483-273	Philippines
Juan Miguel R. Montinola	115-203-243	Philippines
Glenn Z. Nagal	130-358-924	Philippines
Pamela M. Hernandez	913-381-936	Philippines
Anthony Raymond A. Goquingco	211-219-446	Philippines

ATTY. ANTONIO G. MALONZO
NOTARY PUBLIC
887 P. Paredes Street, Sampaloc, Manila
Telephone No. 8735-45-26
Roll No. 28170 April 20, 1978
IBP NO. 9788229 Mla. dated 9-29-20 for 2021
TIN No. 106-187-050
PTR No. 9788229 1-4-2021 Mla.
Commission No. 2021-021 3-2-2021
Until December 31, 2022
MCLE VI-0011185 Ermita, Manila
March 17-20-April 21-28, 2018

NOTARY PUBLIC

Doc. No. 357
Page No. 37
Book No. 17
Series of 2021.

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

P W 0 0 0 0 0 5 3 8

Company Name

FAR EASTERN UNIVERSITY
INCORPORATED AND SUBSIDIARIES

Principal Office (No./Street/Barangay/City/Town)Province)

NICANOR REYES STREET,
SAMPALOC, MANILA

Form Type	Department requiring the report	Secondary License Type, If Applicable
17-A	SEC	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
	8735 - 8686	N/A

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
1,509	16-Oct	31-May

CONTACT PERSON INFORMATION

The designated contact person MUST be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
ATTY. ANTHONY RAYMOND A. GOQUINGCO	corpsec@feu.edu.ph	8735 - 8686	-

Contact Person's Address

NICANOR REYES STREET,
SAMPALOC, MANILA

Note: In case of death, resgination or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

FAR EASTERN UNIVERSITY

Nicanor Reyes Street
Sampaloc, Manila
P.O. Box 609 Philippines 1015
(+632) 87777-FEU (338)
(+632) 8849-4000

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Far Eastern University, Incorporated and Subsidiaries (the Group)** is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the year(s) ended May 31, 2021, 2020 and 2019 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Trustees is responsible for overseeing the Group's financial reporting process.

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

Punongbayan & Araullo, the independent auditors appointed by the stockholders, has audited the financial statements of **Far Eastern University, Incorporated and Subsidiaries** in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

AURELIO R. MONTINOLA III
Chairman of the Board and
Chief Executive Officer

MICHAEL M. ALBA
President and Chief Operating Officer

JUAN MIGUEL R. MONTINOLA
Chief Finance Officer and Chief Risk Officer

Signed this ________ day of SEP 08 2021 2021.

SUBSCRIBED AND SWORN to before me this ______ day of SEP 08 2021, 2021 affiants exhibiting their Tax Identification Numbers (TIN) as follows:

Name	TIN	Place Issued
Aurelio R. Montinola III	135-558-086	Philippines
Michael M. Alba	157-483-273	Philippines
Juan Miguel R. Montinola	115-203-243	Philippines

ATTY. ANTONIO O. MALONZO
NOTARY PUBLIC
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TIN No. 106-137-050
PTR No. 9788229 1-4-2021 Mla.
Commission No. 2021-021 3-2-2021
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MCLE VI-0011185 Ermita, Manila
March 17-20-April 21-26, 2018

NOTARY PUBLIC

Doc. No. 365
Page No. 38
Book No. 17
Series of 2021.

P&A Grant Thornton

FOR SEC FILING

Consolidated Financial Statements and Independent Auditors' Report

Far Eastern University, Incorporated and Subsidiaries

March 31, 2021, 2020 and 2019

P&A Grant Thornton

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

Report of Independent Auditors

The Board of Trustees and the Stockholders
Far Eastern University, Incorporated and Subsidiaries
Nicanor Reyes Street,
Sampaloc, Manila

Opinion

We have audited the consolidated financial statements of Far Eastern University, Incorporated (the University) and subsidiaries (together hereinafter referred to as the Group), which comprise the consolidated statements of financial position as at May 31, 2021, 2020 and 2019 and the consolidated statements of profit or loss, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended May 31, 2021, and the notes to consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at May 31, 2021, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended May 31, 2021 in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audits of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 1 to the consolidated financial statements, which describes management's assessment of the continuing impact on the Group's consolidated financial statements of the business disruption brought by the COVID-19 pandemic. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Recognition of Tuition and Other School Fees

Description of the Matter

Tuition and other school fees amounted to P3.5 billion, which accounts for 99% of the total revenues of the Group, for the year ended May 31, 2021 as shown in the Group's consolidated statements of profit or loss and in Note 18 to the consolidated financial statements. It involves significant volume of transactions and the Group is dependent on its information technology infrastructure in processing such voluminous transactions. Relative to this, any potential misstatements on tuition and other school fees could be material to the consolidated financial statements. Growth in tuition and other school fees is also one of the key performance measures used to assess the Group's performance. We therefore identified the recognition of tuition and other school fees as a significant risk requiring special audit consideration.

The Group's policy for revenue recognition and significant judgements used by management related to revenue recognition are more fully described in Notes 2 and 3 to the consolidated financial statements.

How the Matter was Addressed in the Audit

Our audit procedures included, among others, the following:

- Obtaining an understanding of the tuition and other school fees revenue recognition policy of the Group and the related processes and controls, and evaluating the Group's compliance with the requirements of PFRS 15, *Revenue from Contracts with Customers*;

- Testing of design and operating effectiveness of internal controls, including information technology general controls (i.e., security administration, program maintenance and program execution) and application controls, related to the Group's recognition and measurement of tuition and other school fees, including the related scholarship merits and tuition fee discounts, and payments from students;

- Examining students' enrollment transactions (i.e., through examination of tuition bills) and grant of scholarships merits and tuition fee discounts on a sampling basis during the school year;

- Performing revenue cut-off test procedures including, among others, examining tuition bill transactions near period end, and analyzing and reviewing revenue adjustments subsequent to period end to determine whether tuition and other school fees are appropriately recognized in the proper period; and,

- Performing substantive analytical review procedures over tuition and other school fees such as, but not limited to, current year's components of tuition and other school fees (e.g., by student population and by institute or college) as a percentage of total revenues, and yearly and monthly analyses of enrolment transactions based on our expectations, which include corroborating evidence from other audit procedures, and verifying the underlying data used in the analyses are valid and complete.

(b) Assessment of Goodwill Impairment

Description of the Matter

As at May 31, 2021, the balance of goodwill amounts to P186.5 million, which arose from the acquisition of Roosevelt College, Inc. (RCI) in May 2016 as disclosed in Note 3 to the consolidated financial statements. Under PFRS, goodwill, having indefinite useful life, is not subject to amortization but is required to be tested for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying value of goodwill may be impaired. We have identified assessment of goodwill impairment as a key audit matter in our audit because management's assessment process is highly subjective being based on significant assumptions, such as revenue growth rate and discount rate, to determine the recoverable amount of the cash generating units (CGUs) where goodwill is allocated to and the future cash flows of that particular CGUs which are affected by expected future market or economic conditions. The more significant management's assumptions include:

- RCI, the CGU on which the goodwill is allocated to, will continue as a going concern;

- RCI will have sufficient financial resources to finance its working capital requirements to achieve its projected forecast and to support the business needs; and,

- RCI's growth in student population and viability of its performance forecasts for the next five years.

The Group's accounting policy on impairment of goodwill is included in Note 2 to the consolidated financial statements and the related disclosures are included in Note 3.

How the Matter was Addressed in the Audit

With the firm's valuation specialists, we independently checked the reasonableness of the assumptions and methodologies (i.e., discounted cash flows method) used by management, particularly those relating to the forecasted tuition fee rates and number of students assumed to project revenue growth and profit margins of RCI. In doing so, we have considered historical and environmental trends. We also focused on the adequacy of the Group's disclosure about those assumptions to which the outcome of the impairment test is most sensitive, that is, those that have the most significant effect on the determination of the recoverable amount of goodwill.

(c) Conduct of Audit Remotely

Description of the Matter

As disclosed in Note 1 to the consolidated financial statements, a novel strain of coronavirus (COVID-19) started to become widespread in the Philippines in early March 2020. This caused the government to declare the country in a state of public health emergency followed by implementation of enhanced community quarantine (ECQ) and social distancing measures and restrictions within the Luzon area with other cities and provinces in the country enacting similar measures thereafter. The ECQ and social distancing measures implemented by the government resulted in performing the engagement remotely.

The change in working conditions is relevant and significant to our audit since it creates an increased risk of misstatements due to less in-person access to the Group's management and personnel, and lack of access to the physical records and original documents. Given the changes in how the audit will be performed, the audit requires exercising enhanced professional skepticism.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of performing the audit remotely included the following:

- Considering the nature of the engagement and the engagement team's knowledge of the entity and its environment when determining whether it is possible to perform a significant portion, if not all, of the engagement remotely;

- Following the requirements of PSA including providing proper supervision and review, even when working remotely;

- Obtaining information through electronic means, which includes sending and receiving of confirmation electronically, obtaining calculation in electronic form to check the mathematical accuracy, scanning of hard-copy items for review and using real-time inspection technology such as video and screen-sharing;

- Determining the reliability of audit evidence provided electronically using professional skepticism;

- Performing inquiries through video call in order to judge body language and other cues and to have a more interactive audit engagement; and,

- Examining critical electronic copy documents (e.g., contracts, progress billings, billing invoices, purchases invoices, and official receipts) in response to the risk in revenues and costs, which is considered to be significant.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Group's Securities and Exchange Commission (SEC) Form 20-IS (Definitive Information Statement) and SEC Form 17-A (but does not include the consolidated financial statements and our auditors' report thereon) and Annual Report for the year ended May 31, 2021. The SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended May 31, 2021 are expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audits resulting in this independent auditors' report is Mailene Sigue-Bisnar.

PUNONGBAYAN & ARAULLO

By: Mailene Sigue-Bisnar
Partner

CPA Reg. No. 0090230
TIN 120-319-128
PTR No. 8533222, January 4, 2021, Makati City
SEC Group A Accreditation
Partner - No. 0396-AR-3 (until Oct. 1, 2021)
Firm - No. 0002 (until Dec. 31, 2024)
BIR AN 08-002511-20-2020 (until Dec. 21, 2023)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

August 17, 2021

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MAY 31, 2021, 2020 AND 2019
(Amounts in Philippine Pesos)

	Notes	2021	2020	2019
A S S E T S				
CURRENT ASSETS				
Cash and cash equivalents	8	**P 1,191,146,185**	P 1,798,366,234	P 1,520,192,490
Trade and other receivables - net	9	**799,367,504**	990,599,625	620,161,736
Financial assets at fair value through profit or loss	10	**1,605,507,781**	888,517,158	837,414,512
Financial assets at fair value through other comprehensive income	10	**231,920,855**	329,290,221	277,750,721
Investment securities at amortized cost	10	**83,206,231**	227,576,146	263,808,437
Real estate held-for-sale	11	**122,880,159**	123,533,559	123,533,559
Other current assets - net	15	**127,297,249**	173,963,347	206,017,421
Total Current Assets		**4,161,325,964**	4,531,846,290	3,848,878,876
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income	10	**1,179,709,098**	387,166,693	428,946,151
Investment securities at amortized cost	10	**501,560,477**	303,042,121	523,684,713
Property and equipment - net	12, 13	**8,887,089,812**	9,363,421,490	8,708,590,224
Investment properties - net	14	**277,070,909**	194,193,727	154,874,322
Goodwill	1	**186,487,019**	186,487,019	186,487,019
Deferred tax assets - net	22	**24,756,321**	29,533,238	25,673,121
Other non-current assets - net	15	**203,369,377**	190,915,174	202,823,408
Total Non-current Assets		**11,260,043,013**	10,654,759,462	10,231,078,958
TOTAL ASSETS		**P 15,421,368,977**	P 15,186,605,752	P 14,079,957,834

	Notes	2021	2020	2019
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Trade and other payables	13, 16	**P 1,527,355,514**	P 1,902,035,050	P 1,405,750,972
Interest-bearing loans	17	**187,619,048**	868,571,429	1,393,571,429
Derivative liability	10	**-**	-	36,720,866
Deferred revenues	2, 18	**33,672,454**	94,744,453	258,368,982
Provisions	21, 26	**18,698,054**	18,698,054	48,765,588
Income tax payable		**494,027**	29,528,758	27,535,754
Total Current Liabilities		**1,767,839,097**	2,913,577,744	3,170,713,591
NON-CURRENT LIABILITIES				
Lease liabilities	13	**24,512,241**	34,507,453	-
Interest-bearing loans	17	**2,284,761,905**	1,736,666,667	965,000,000
Post-employment benefit obligation	21	**47,010,188**	61,917,618	47,313,579
Deferred tax liabilities - net	22	**15,116,765**	14,659,400	22,684,801
Other non-current liabilities	26	**16,995,892**	7,440,467	6,171,400
Total Non-current Liabilities		**2,388,396,991**	1,855,191,605	1,041,169,780
Total Liabilities		**4,156,236,088**	4,768,769,349	4,211,883,371
EQUITY				
Equity attributable to owners of the parent company				
Capital stock	24	**2,406,799,300**	1,651,435,400	1,651,435,400
Stock dividends distributable	24	**-**	755,431,300	-
Treasury stock - at cost	24	**(67,194,836)**	(67,194,836)	(65,159,830)
Revaluation reserves	24	**42,988,357**	18,041,175	3,264,862
Other reserves	24	**(57,785,452)**	(57,785,452)	(57,785,452)
Retained earnings	24			
Appropriated		**844,233,100**	1,909,733,100	2,170,733,100
Unappropriated		**5,186,533,818**	3,346,821,184	3,548,864,966
Total equity attributable to owners of parent company		**8,355,574,287**	7,556,481,871	7,251,353,046
Non-controlling interests	24	**2,909,558,602**	2,861,354,532	2,616,721,417
Total Equity		**11,265,132,889**	10,417,836,403	9,868,074,463
TOTAL LIABILITIES AND EQUITY		**P 15,421,368,977**	P 15,186,605,752	P 14,079,957,834

See Notes to Consolidated Financial Statements.

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE YEARS ENDED MAY 31, 2021, 2020 AND 2019
(Amounts in Philippine Pesos)

	Notes	2021	2020	2019
REVENUES				
Educational	18			
Tuition fees - net		P 3,336,317,446	P 3,221,389,820	P 3,028,259,008
Other school fees		186,108,760	334,923,888	286,993,109
		3,522,426,206	3,556,313,708	3,315,252,117
Rental	14	10,381,563	33,430,485	43,782,587
		3,532,807,769	3,589,744,193	3,359,034,704
IMPAIRMENT LOSS ON FINANCIAL ASSETS	9	(254,842,087)	(81,673,482)	(27,028,023)
OTHER OPERATING EXPENSES	19	(2,485,285,169)	(2,777,758,711)	(2,666,530,435)
OTHER OPERATING INCOME	14	1,447,139	41,633,237	2,720,649
OPERATING INCOME		794,127,652	771,945,237	668,196,895
FINANCE INCOME	20	190,258,064	136,080,528	152,094,620
FINANCE COSTS	20	(106,575,649)	(246,065,317)	(98,276,377)
OTHER INCOME - NET	12, 16, 18	138,482,282	122,603,549	212,567,714
INCOME BEFORE TAX		1,016,292,349	784,563,997	934,582,852
TAX EXPENSE	22	(36,976,292)	(101,572,455)	(126,111,125)
NET INCOME		P 979,316,057	P 682,991,542	P 808,471,727
Net Income Attributable to:				
Owners of the parent company	25	P 965,682,303	P 621,398,818	P 753,271,625
Non-controlling interests		13,633,754	61,592,724	55,200,102
		P 979,316,057	P 682,991,542	P 808,471,727
Earnings Per Share				
Basic and Diluted	25	P 40.28	P 25.92	P 31.41

See Notes to Consolidated Financial Statements.

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED MAY 31, 2021, 2020 AND 2019
(Amounts in Philippine Pesos)

	Notes	2021	2020	2019
NET INCOME		**P 979,316,057**	P 682,991,542	P 808,471,727
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will be reclassified subsequently to profit or loss				
Net fair value gains (losses) reclassified to profit or loss on debt securities classified as fair value through other comprehensive income	10	**(6,722,480)**	(1,786,872)	14,833,998
Net fair value gains during the year		**24,499,049**	23,059,541	4,382,957
Tax effect		**(311,090)**	(2,127,267)	(1,921,696)
		17,465,479	19,145,402	17,295,259
Item that will not be reclassified subsequently to profit or loss				
Net fair value gains (losses) on equity securities classified as financial assets at fair value through other comprehensive income	10	**5,602,115**	898,729	(15,525,963)
Gains (losses) on remeasurement of post-employment benefit plan	21	**4,629,577**	(8,463,371)	(8,557,937)
Tax effect		**(179,055)**	756,464	2,408,390
		10,052,637	(6,808,178)	(21,675,510)
Other Comprehensive Income (Loss) - net of tax		**27,518,116**	12,337,224	(4,380,251)
TOTAL COMPREHENSIVE INCOME		**P 1,006,834,173**	P 695,328,766	P 804,091,476
Total Comprehensive Income Attributable to:				
Owners of the parent company		**P 990,629,485**	P 636,175,131	P 749,527,120
Non-controlling interests		**16,204,688**	59,153,635	54,564,356
		P 1,006,834,173	P 695,328,766	P 804,091,476

See Notes to Consolidated Financial Statements.

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED MAY 31, 2021, 2020 AND 2019
(Amounts in Philippine Pesos)

		Attributable to Owners of the Parent Company										
							Retained Earnings					
	Notes	Capital Stock	Stock Dividends Distributable	Treasury Stock - at Cost	Revaluation Reserves	Other Reserves	Appropriated	Unappropriated	Total	Total	Non-controlling Interests	Total Equity
Balance at June 1, 2020		P 1,651,435,400	P 755,431,300	(P 67,194,836)	P 18,041,175	(P 57,785,452)	P 1,909,733,100	P 3,346,821,184	P 5,256,554,284	P 7,556,481,871	P 2,861,354,532	P 10,417,836,403
Transactions with owners												
Issuance of shares of stock	24	755,363,900	(755,431,300)	-	-	-	-	67,400	67,400	-	62,000,000	62,000,000
Cash dividends	24	-	-	-	-	-	-	(191,537,069)	(191,537,069)	(191,537,069)	(30,000,618)	(221,537,687)
		755,363,900	(755,431,300)	-	-	-	-	(191,469,669)	(191,469,669)	(191,537,069)	31,999,382	(159,537,687)
Appropriations of retained earnings												
Reversal of appropriations during the year	24	-	-	-	-	-	(1,155,500,000)	1,155,500,000	-	-	-	-
Appropriations during the year	24	-	-	-	-	-	90,000,000	(90,000,000)	-	-	-	-
		-	-	-	-	-	(1,065,500,000)	1,065,500,000	-	-	-	-
Total comprehensive income												
Net income for the year		-	-	-	-	-	-	965,682,303	965,682,303	965,682,303	13,633,754	979,316,057
Other comprehensive income	10, 21	-	-	-	24,947,182	-	-	-	-	24,947,182	2,570,934	27,518,116
		-	-	-	24,947,182	-	-	965,682,303	965,682,303	990,629,485	16,204,688	1,006,834,173
Balance at May 31, 2021		**P 2,406,799,300**	**P -**	**(P 67,194,836)**	**P 42,988,357**	**(P 57,785,452)**	**P 844,233,100**	**P 5,186,533,818**	**P 6,030,766,918**	**P 8,355,574,287**	**P 2,909,558,602**	**P 11,265,132,889**
Balance at June 1, 2019		P 1,651,435,400	P -	(P 65,159,830)	P 3,264,862	(P 57,785,452)	P 2,170,733,100	P 3,548,864,966	P 5,719,598,066	P 7,251,353,046	P 2,616,721,417	P 9,868,074,463
Transactions with owners												
Issuance of shares of stock	24	-	-	-	-	-	-	-	-	-	86,000,125	86,000,125
Investment of non-controlling interest in a new subsidiary	24	-	-	-	-	-	-	-	-	-	171,500,000	171,500,000
Acquisition of treasury stock	24	-	-	(2,035,006)	-	-	-	-	-	(2,035,006)	(32,110,055)	(34,145,061)
Stock dividends distributable	24	-	755,431,300	-	-	-	-	(755,431,300)	(755,431,300)	-	-	-
Cash dividends	24	-	-	-	-	-	-	(329,011,300)	(329,011,300)	(329,011,300)	(39,910,590)	(368,921,890)
		-	755,431,300	(2,035,006)	-	-	-	(1,084,442,600)	(1,084,442,600)	(331,046,306)	185,479,480	(145,566,826)
Appropriations of retained earnings												
Reversal of appropriations during the year	24	-	-	-	-	-	(336,000,000)	336,000,000	-	-	-	-
Appropriations during the year	24	-	-	-	-	-	75,000,000	(75,000,000)	-	-	-	-
		-	-	-	-	-	(261,000,000)	261,000,000	-	-	-	-
Total comprehensive income (loss)												
Net income for the year		-	-	-	-	-	-	621,398,818	621,398,818	621,398,818	61,592,724	682,991,542
Other comprehensive loss	10, 21	-	-	-	14,776,313	-	-	-	-	14,776,313	(2,439,089)	12,337,224
		-	-	-	14,776,313	-	-	621,398,818	621,398,818	636,175,131	59,153,635	695,328,766
Balance at May 31, 2020		P 1,651,435,400	P 755,431,300	(P 67,194,836)	P 18,041,175	(P 57,785,452)	P 1,909,733,100	P 3,346,821,184	P 5,256,554,284	P 7,556,481,871	P 2,861,354,532	P 10,417,836,403

	Notes	Attributable to Owners of the Parent Company: Capital Stock	Stock Dividends Distributable	Treasury Stock - at Cost	Revaluation Reserves	Other Reserves	Retained Earnings: Appropriated	Retained Earnings: Unappropriated	Retained Earnings: Total	Total	Non-controlling Interests	Total Equity
Balance at June 1, 2018		P 1,651,435,400	P -	(P 63,265,755)	P 7,009,367	(P 57,785,452)	P 2,843,733,100	P 2,468,633,785	P 5,312,366,885	P 6,849,760,445	P 2,179,210,844	P 9,028,971,289
Transactions with owners												
Issuance of shares of stock	24	-	-	-	-	-	-	-	-	-	335,500,000	335,500,000
Acquisition of treasury stock	24	-	-	(1,894,075)	-	-	-	-	-	(1,894,075)	-	(1,894,075)
Cash dividends	24	-	-	-	-	-	-	(262,805,944)	(262,805,944)	(262,805,944)	(35,788,283)	(298,594,227)
Stock dividends	24	-	-	-	-	-	-	(83,234,500)	(83,234,500)	(83,234,500)	83,234,500	-
		-	-	(1,894,075)	-	-	-	(346,040,444)	(346,040,444)	(347,934,519)	382,946,217	35,011,698
Appropriations of retained earnings												
Reversal of appropriations during the year	24	-	-	-	-	-	(673,000,000)	673,000,000	-	-	-	-
Total comprehensive income (loss)												
Net income for the year		-	-	-	-	-	-	753,271,625	753,271,625	753,271,625	55,200,102	808,471,727
Other comprehensive loss	10, 21	-	-	-	(3,744,505)	-	-	-	-	(3,744,505)	(635,746)	(4,380,251)
		-	-	-	(3,744,505)	-	-	753,271,625	753,271,625	749,527,120	54,564,356	804,091,476
Balance at May 31, 2019		P 1,651,435,400	P -	(P 65,159,830)	P 3,264,862	(P 57,785,452)	P 2,170,733,100	P 3,548,864,966	P 5,719,598,066	P 7,251,353,046	P 2,616,721,417	P 9,868,074,463

See Notes to Consolidated Financial Statements.

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MAY 31, 2021, 2020 AND 2019
(Amounts in Philippine Pesos)

	Notes	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before tax		**P 1,016,292,349**	P 784,563,997	P 934,582,852
Adjustments for:				
Depreciation and amortization	12, 14	**555,516,561**	471,828,849	372,058,239
Impairment loss on financial assets	9	**254,842,087**	81,673,482	27,078,161
Fair value losses (gains) from financial assets at fair value through profit or loss (FVTPL)	10	**(85,961,962)**	77,384,209	(38,473,202)
Interest expense	20	**62,611,910**	113,078,062	95,072,981
Interest income	20	**(51,772,411)**	(111,655,911)	(121,134,236)
Other investment loss (income) from financial assets at FVTPL and other comprehensive income (FVOCI) - net	20	**(50,432,986)**	75,337,578	(27,864,048)
Unrealized foreign exchange loss - net	20	**30,320,827**	38,285,826	3,153,258
Impairment loss on non-financial assets	15	**27,525,652**	-	-
Reversal of impairment loss	9, 20	**(2,090,705)**	-	-
Gain on sale of investment property	14	**-**	(37,988,903)	-
Fair value gains on derivative liability	20	**-**	(5,060,766)	(3,096,336)
Gain on sale of property and equipment	12	**-**	(2,057,151)	-
Gain on sale of investment in an associate		**-**	-	(140,509,075)
Operating income before working capital changes		**1,756,851,322**	1,485,389,272	1,100,868,594
Increase in trade and other receivables		**(74,719,976)**	(444,184,020)	(113,570,226)
Decrease in real estate held-for-sale		**653,400**	-	-
Decrease in other assets		**14,314,632**	20,722,729	889,595,244
Increase (decrease) in trade and other payables		**(220,146,907)**	424,450,175	42,958,559
Decrease in derivative liability		**-**	(31,660,100)	(3,098,063)
Increase (decrease) in deferred revenues		**(61,071,999)**	(163,624,529)	81,461,504
Increase (decrease) in post-employment benefit obligation		**(10,277,853)**	14,604,039	1,174,947
Increase (decrease) in provisions		**-**	(30,067,534)	28,689,045
Increase in other non-current liabilities		**9,555,425**	1,269,067	1,834,489
Cash generated from operations		**1,415,158,044**	1,276,899,099	2,029,914,093
Income taxes paid		**(120,063,874)**	(111,464,969)	(120,871,832)
Net Cash From Operating Activities		**1,295,094,170**	1,165,434,130	1,909,042,261
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of financial assets at FVTPL	10	**(3,737,884,125)**	(1,267,039,964)	(1,690,108,239)
Proceeds from disposal of financial assets at FVTPL	10	**3,088,266,602**	1,048,518,806	1,935,011,835
Acquisition of financial assets at FVOCI	10	**(978,109,175)**	(239,304,955)	(2,741,291,123)
Acquisitions of investment securities at amortized cost	10	**(306,662,439)**	(41,769,449)	(130,119,203)
Proceeds from disposal of financial assets at FVOCI	10	**299,828,786**	245,059,480	2,852,453,988
Proceeds from maturities of investment securities at amortized cost	10	**248,095,439**	290,653,287	102,167,384
Acquisition of property and equipment	12	**(194,576,931)**	(1,029,365,136)	(1,798,703,265)
Interest received	10	**102,205,397**	111,964,125	120,173,787
Acquisition of investment properties	14	**(26,719,418)**	(87,639,288)	(30,236,767)
Decrease (increase) in advances to supplier and developers	15	**(7,628,389)**	13,338,144	196,037,010
Net advances received from (granted to) related parties	23	**(3,938,577)**	(8,845,364)	(9,463,638)
Proceeds from disposal of investment property	14	**-**	53,571,429	-
Proceeds from disposal of property and equipment	12	**-**	2,678,571	-
Proceeds from sale of investment in an associate		**-**	-	147,000,000
Net Cash Used in Investing Activities		**(1,517,122,830)**	(908,180,314)	(1,047,078,231)
Balance carried forward		**(P 222,028,660)**	P 257,253,816	P 861,964,030

	Notes	2021	2020	2019
Balance brought forward		(P 222,028,660)	P 257,253,816	P 861,964,030
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayments of interest-bearing loans	17, 28	(1,275,714,286)	(948,333,333)	(428,571,429)
Proceeds from additional interest-bearing loans	17, 28	1,142,857,143	1,195,000,000	270,000,000
Dividends paid	24, 28	(239,359,822)	(323,553,105)	(249,095,841)
Interest paid	20, 28	(62,802,729)	(115,687,250)	(125,827,490)
Proceeds from issuance of preferred shares to a related party under common management	23	62,000,000	86,000,000	335,500,000
Repayment of lease liability	13, 28	(12,061,585)	(1,597,281)	-
Acquisition of treasury shares	24	-	(34,145,061)	(1,894,075)
Net Cash Used in Financing Activities		(385,081,279)	(142,316,030)	(199,888,835)
Effect of Exchange Rate Changes on Cash and Cash Equivalents		(110,110)	(8,264,042)	2,785,794
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(607,220,049)	106,673,744	664,860,989
NET INCREASE IN CASH DUE TO CONSOLIDATION OF A NEW SUBSIDIARY	24	-	171,500,000	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		1,798,366,234	1,520,192,490	855,331,501
CASH AND CASH EQUIVALENTS AT END OF YEAR		P 1,191,146,185	P 1,798,366,234	P 1,520,192,490

Supplemental Information on Noncash Investing and Financing Activities:

1.) In 2020, the Group recognized right-of-use asset and lease liability both amounting to P13.5 million as at June 1, 2019 in relation to adoption of PFRS 16, *Leases*. Additional right-of-use asset and lease liability were recognized during the year both amounting to P34.7 million due to a lease agreement entered by the Group as a lessee (see Notes 12 and 13). There were no similar transaction in 2021 and 2019.

2.) In 2020, the University acquired 51% of the outstanding shares of Edustria, Inc. for a subscription price amounting to P255.0 million (see Note 24). There were no similar transaction in 2021 and 2019.

3.) In 2021, 2020 and 2019, the Group capitalized borrowing costs amounting to P6.8 million, P17.0 million and P38.4 million, representing the actual borrowing costs incurred on loans obtained to fund the construction project are recognized as part of Property and Equipment - net in the statements of financial position (see Notes 12 and 20).

4.) In 2019, certain assets amounting to P8.5 million was reclassified from Investment Property to Property and Equipment (see Notes 12 and 14).

5.) The Group declared cash dividends amounting to P191.5 million in 2021, P329.0 million in 2020 and P262.8 million in 2019, of which, P55.0 million, P10.8 million and P17.2 million for years 2021, 2020 and 2019, respectively, were not paid in the year of declaration (see Notes 16 and 24). The outstanding liabilities are presented as part of Trade and other payables in the statements of financial position.

6.) In 2021, FEU High School, Inc. and Fern Realty Corporation declared stock dividends totalling to P755.4 million consisting of 75,536 shares at par (see Note 24). No similar transaction occurred in 2020 and 2019.

See Notes to Condensed Consolidated Financial Statements.

FAR EASTERN UNIVERSITY, INCORPORATED
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MAY 31, 2021, 2020 AND 2019
(Amounts in Philippine Pesos)

1. CORPORATE INFORMATION

1.1 Background of the University

The Far Eastern University, Incorporated (the University or FEU or Parent Company) is a 93-year-old Philippine-based proprietary educational institution founded in June 1928 and registered with the Securities and Exchange Commission (SEC) on October 27, 1933 and became a publicly-listed corporation with the Philippine Stock Exchange (PSE) on July 11, 1986.

The University is a nonsectarian institution of learning, embracing equal opportunity, inclusivity and diversity. FEU is comprised of seven institutes as follows, under each, handling distinct courses and programs of study:

- Institute of Arts and Sciences;
- Institute of Accounts, Business and Finance;
- Institute of Education;
- Institute of Architecture and Fine Arts;
- Institute of Nursing;
- Institute of Tourism and Hotel Management; and,
- Institute of Law.

FEU has been designated the Autonomous Status by the Commission on Higher Education (CHED) on July 25, 2012, with extended validity until May 31, 2023. Among the University's flagship programs are the Teacher Education and Business Administration which are recognized by the CHED as Center of Excellence and Center of Development, respectively.

On top of existing highly accredited programs of local accreditors, eight additional programs received the highest accreditation by the Philippine Association of Colleges and Universities Commission on Accreditation in 2021. Parallel International certifications by the ASEAN University Network – Quality Assurance were also granted similarly for eight programs namely Accountancy, Business Administration, Biology, Medical Technology, Psychology, Communication, Elementary and Secondary Education. While the Nursing program is accredited by the Philippine Accrediting Association of Schools, Colleges and Universities.

Further in the 2021 World's Universities with Real Impact (WURI) Ranking, FEU placed 79th in the Global Top 100 Innovative Universities. The University ascended the international rankings from last year's 91st position. Compared to other educational ranking systems, which evaluate quantitative metrics such as the number of journal publications and employment rate of graduates, WURI evaluates universities' flexible and innovative efforts to cultivate contributions to a workforce that meets the demands from industry and society at large.

As at May 31, 2021, 2020 and 2019, the University holds interest in the following subsidiaries which were all incorporated and are operating in the Philippines:

Company Name	Percentage of Effective Ownership 2021	2020	2019
Subsidiaries:			
East Asia Computer Center, Inc. (EACCI)	**100%**	100%	100%
Far Eastern College – Silang, Inc. (FECSI)	**100%**	100%	100%
FEU Alabang, Inc. (FEUAI)	**100%**	100%	100%
FEU High School, Inc. (FEU High)	**100%**	100%	100%
Roosevelt College, Inc. (RCI)	**97.43%**	97.43%	97.43%
Roosevelt College Educational Enterprises (RCEE)*	**97.43%**	97.43%	97.43%
Fern Realty Corporation (FRC)**	**38.18%**	38.04%	37.52%
Edustria, Inc. (Edustria)	**51%**	51%	-

** Indirectly through the University's ownership of RCI which owns 100% ownership interest in RCEE*
***FEU's interest held in FRC changed as a result of a reverse stock split made by FRC*

The parent company and its subsidiaries are collectively referred to herein as the Group.

Except FRC, which is a real estate company leasing most of its investment properties to the University and other related parties, all other directly owned subsidiaries are operating as educational institutions offering basic education, senior high school and/or tertiary and post graduate courses of study. RCEE, prior to the cessation of its operations, was engaged in selling educational school supplies and food items in campuses of RCI.

1.2 Impact of COVID-19 Pandemic on the Group's Operations

During fiscal years 2019 and 2020, improved results of operations were expected as these years marked the first two years of returning freshmen enrollees in the tertiary schools as part of the K-12 transition. However, the alarming pandemic level of COVID-19 on both a national and global scale brought about the 1st national level-mandated lockdown. Starting mid-March 2020, traditional face-to-face classes were suspended and full remote learning modality became the norm. Accordingly, the anticipated growth trajectory in student population, after K-12, came to an abrupt halt.

Throughout the fiscal year 2021, the country remained under various quarantine restriction levels to curb the spread of COVID-19. The resulting economic hardship on top of health concerns impacted students and their families greatly. The Group delivered academic instruction on an online basis for the entire year.

On the health front, FEU invested in making the work and future study places as safe as possible. Information campaigns on safety protocols, health tracking systems and procedures, retro arranging spaces and investments in disinfection and ventilation equipment were all undertaken. Moderna vaccine supplies were also purchased for the entire workforce of FEU. Vaccination with owned vaccines has commenced and this effort together with the local government unit's superb vaccination drive, will help reach the goal of top vaccination rate within the shortest possible time. The Group has also made the FEU Alabang campus available for the vaccination customers of Ayala Health.

On the operational front, face-to-face classes remained suspended throughout the year. The Group faced challenges including a decline in enrollment, reduced revenue from discounted assessed tuition fees, more relaxed financial accommodation to students intending to continue their education, higher receivable default rates and much higher but necessary costs related to health and safety of personnel.

The Group recognized additional impairment losses, a three-fold increase or P173.2 million increase from last fiscal year's P81.7 million (see Note 9).

Despite the 11% decrease in the Group's total student population in the fiscal year 2021, last year's tuition rebates (see Note 18.3) and cancellation of the third term for the trimestral schools have somehow narrowed down the decrease in educational revenues to only 1% – as core revenues were recorded at P3,522.4 million. During the fiscal year 2021, the Group did not implement any increase in tuition fees and, instead, gave special credit considerations to assist students and ease the effect of the prevailing economic burden on students' household. The University and its subsidiary schools combined, approved an unprecedented volume of student promissory note availment for the school year 2020-2021.

Fortunately, the FEU Group of schools invested heavily on this online learning platforms since 2017, as part of its strategic plans, even before the onset of the pandemic – showing the Group's commitment to continuous innovation and improvement of its content and delivery of instructions to students. Despite such challenges, the Group's strict cost management measures, coupled with better than prior years' returns from investments in financial assets, timing of lower interest rates on bank loans, and tax savings due to lowered income tax rates, have produced optimistic results for the current fiscal year.

Management projects that the Group will continue to report positive results of operations in the future and would remain liquid to meet current obligation as they fall due. Accordingly, management has not determined material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

1.3 Other Corporate Information

The registered offices and principal places of business of the University and its subsidiaries are as follows:

FEU, FRC and FEU High	-	Nicanor Reyes Street, Sampaloc, Manila
EACCI	-	P. Paredes Street, Sampaloc, Manila
FEUAI	-	Lot 1, Corporate Woods cor. South Corporate Avenues, Woods District, Filinvest City, Alabang, Muntinlupa City
FECSI	-	Metrogate Silang Estates, Silang, Cavite
RCI	-	No. 54 J. P. Rizal Street, Lamuan, Marikina City
RCEE	-	Roosevelt College Compound, Sumulong Highway, Cainta, Rizal
Edustria	-	Block R & T, Lima Technology Center, Brgy. Bugtong ng Pulo, Lipa City, Batangas

The University also has a campus in Makati, which offers programs mainly in Law, Accountancy and Business Administration.

1.4 Approval for Issuance of Consolidated Financial Statements

The consolidated financial statements of the Group as of and for the years ended May 31, 2021 (including the comparative consolidated financial statements as of and for the periods ended May 31, 2020 and 2019) were authorized for issue by the Group's Board of Trustees (BOT) on August 17, 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of Preparation of the Consolidated Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS are adopted by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the International Accounting Standards Board (IASB), and approved by the Philippine Board of Accountancy.

The consolidated financial statements have been prepared using the measurement bases specified by PFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) Presentation of the Consolidated Financial Statements

The consolidated financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The Group presents the consolidated statements of comprehensive income separate from the consolidated statements of profit or loss.

The Group presents two comparative periods for the consolidated statements of financial position regardless whether the Group has or does not have retrospective restatement of items in its consolidated financial statements, or reclassifies items in the consolidated financial statements.

(c) Functional Currency

These consolidated financial statements are presented in Philippine pesos, the Group's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the consolidated financial statements of the Group are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Group operates.

2.2 Adoption of New and Amended PFRS

(a) Effective in Fiscal Year 2021 that are Relevant to the Group

The Group adopted for the first time the following amendments to PFRS, which are mandatorily effective for annual periods beginning on or after January 1, 2020:

Conceptual Framework	:	Revised Conceptual Framework for Financial Reporting
PAS 1 and PAS 8 (Amendments)	:	Presentation of Financial Statements and Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material
PFRS 3 (Amendments)	:	Business Combinations – Definition of a Business
PFRS 7 and PFRS 9 (Amendments)	:	Financial Instruments: Disclosures and Financial Instruments – Interest Rate Benchmark Reform
PFRS 16 (Amendments)	:	Leases – COVID-19-Related Rent Concessions

Discussed as follows are relevant information about these pronouncements, unless otherwise noted, the application of these changes had no significant impact to the Group's financial statements:

(i) *Revised Conceptual Framework for Financial Reporting.* The revised conceptual framework will be used in standard-setting decisions with immediate effect. Key changes include (a) increasing the prominence of stewardship in the objective of financial reporting, (b) reinstating prudence as a component of neutrality, (c) defining a reporting entity, which may be a legal entity, or a portion of an entity, (d) revising the definitions of an asset and a liability, (e) removing the probability threshold for recognition and adding guidance on derecognition, (f) adding guidance on different measurement basis, and, (g) stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

(ii) PAS 1 (Amendments), *Presentation of Financial Statements,* and PAS 8 (Amendments), *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material.* The amendments provide a clearer definition of 'material' in PAS 1 by including the concept of 'obscuring' material information with immaterial information as part of the new definition, and clarifying the assessment threshold (i.e., misstatement of information is material if it could reasonably be expected to influence decisions made by primary users, which consider the characteristic of those users as well as the entity's own circumstances). The definition of material in PAS 8 has been accordingly replaced by reference to the new definition in PAS 1. In addition, amendment has also been made in other standards that contain definition of material or refer to the term 'material' to ensure consistency.

(iii) PFRS 3 (Amendments), *Business Combinations – Definition of Business*. The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term ‘outputs’ is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. Also, the amendments will likely result in more acquisitions being accounted for as asset acquisitions.

(iv) PFRS 7 (Amendments), *Financial Instruments: Disclosures*, and PFRS 9 (Amendments), *Financial Instruments – Interest Rate Benchmark Reform*. The amendments clarify that an entity would continue to apply certain hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform.

(v) PFRS 16 (Amendments), *Leases – COVID-19-Related Rent Concessions*. The amendments permit lessees, as a practical expedient, not to assess whether particular rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications.

(b) Effective Subsequent to Fiscal Year 2021 but not Adopted Early

There are amendments to existing standards effective for annual periods subsequent to fiscal year 2021, which are adopted by the FRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, unless otherwise stated, none of these are expected to have significant impact on the Group’s consolidated financial statements:

(i) PFRS 16 (Amendments), *Leases – COVID-19-Related Rent Concessions beyond* June 30, 2021 (effective from April 1, 2021). The amendment extends for one year the use of practical expedient, not to assess whether rent concessions reducing payments up until June 30, 2022 occurring as a direct consequence of the COVID-19 pandemic are lease modification and instead to account for those rent concessions as if they are not lease modifications.

(ii) PFRS 3 (Amendments), *Business Combination – Reference to the Conceptual Framework* (effective from January 1, 2022). The amendments update an outdated reference to the Conceptual Framework in PFRS 3 without significantly changing the requirements in the standard.

(iii) PAS 16 (Amendments), *Property, Plant and Equipment - Proceeds Before Intended Use* (effective from January 1, 2022). The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

(iv) PAS 37 (Amendments), *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract* (effective January 1, 2022). The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

(v) Annual Improvements to PFRS 2018-2020 Cycle. Among the improvements, the following amendments, which are effective from January 1, 2022, are relevant to the Group:

- PFRS 9 (Amendments), Financial Instruments – *Fees in the '10 per cent' Test for Derecognition of Liabilities.* The improvements clarify the fees a company includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

- Illustrative Examples Accompanying PFRS 16 – *Lease Incentives*. The improvement merely removes potential for confusion regarding lease incentives.

(vi) PAS 1 (Amendments), *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current* (effective January 1, 2023). The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

(vii) PFRS 10 (Amendments), *Consolidated Financial Statements*, and PAS 28 (Amendments), *Investments in Associates and Joint Ventures – Sale or Contribution of Assets Between an Investor and its Associates or Joint Venture* (effective date deferred indefinitely). The amendments to PFRS 10 require full recognition in the investor's financial statements of gains or losses arising on the sale or contribution of assets that constitute a business as defined in PFRS 3 between an investor and its associate or joint venture. Accordingly, the partial recognition of gains or losses (i.e., to the extent of the unrelated investor's interests in an associate or joint venture) only applies to those sale of contribution of assets that do not constitute a business. Corresponding amendments have been made to PAS 28 to reflect these changes. In addition, PAS 28 has been amended to clarify that when determining whether assets that are sold or contributed constitute a business, an entity shall consider whether the sale or contribution of those assets is part of multiple arrangements that should be accounted for as a single transaction.

2.3 Basis of Consolidation

The Group's consolidated financial statements comprise the accounts of the University and its subsidiaries as enumerated in Note 1.1, after the elimination of intercompany transactions. All intercompany balances and transactions with subsidiaries, including income, expenses and dividends, are eliminated in full. Unrealized profits and losses from intercompany transactions that are recognized in assets are also eliminated in full. In addition, shares of stock of the parent company held by the subsidiaries are recognized as treasury stocks and are presented as deduction in the consolidated statement of changes in equity (see Note 2.19). Intercompany losses that indicate impairment are recognized in the consolidated financial statements.

The following subsidiaries prepare their financial statements for their respective reporting periods using consistent accounting principles as that of the University:

Subsidiaries:	Reporting Period*
FRC	March 31, 2021
RCEE	March 31, 2021
FECSI	May 31, 2021
FEU High	May 31, 2021
RCI	May 31, 2021
Edustria	May 31, 2021
EACCI	June 30, 2021*
FEUAI	June 30, 2021*

**included in the Group's May 31, 2021 consolidated balances*

These subsidiaries follow their respective school years (i.e., trimestral and semestral), hence, the use of different reporting dates (non-coterminous year-ends) as compared with that of the University.

The University accounts for its investments in subsidiaries and non-controlling interests (NCIs) as follows:

(a) Investments in Subsidiaries

Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date the Group obtains control. The Group reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of controls indicated above. Accordingly, entities are deconsolidated from the date that control ceases.

The acquisition method is applied to account for acquired subsidiaries (see Note 2.4).

(b) Transactions with NCIs

The Group's transactions with NCIs that do not result in loss of control are accounted for as equity transactions – that is, as transaction with the owners of the Group in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of the net assets of the subsidiary is recognized in equity. Disposals of equity investments in NCIs result in gains and losses which the Group also recognizes in equity.

When the Group ceases to have control over a subsidiary, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognized in consolidated profit or loss. The fair value is the initial carrying amount for purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in consolidated comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in consolidated statement of other comprehensive income are reclassified to consolidated profit or loss.

2.4 Business Combinations

Business acquisitions are accounted for using the acquisition method of accounting. This requires recognizing and measuring the identifiable assets acquired, the liabilities assumed and any NCI in the acquiree. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the University, if any. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred and subsequent change in the fair value of contingent consideration is recognized directly in consolidated profit or loss.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the University recognizes any NCI in the acquiree, either at fair value or at the NCI's proportionate share of the recognized amounts of acquiree's identifiable net assets.

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Gain on bargain purchase, which is the excess of the Group's interest in the net fair value of net identifiable assets acquired over acquisition cost, is charged directly to income.

Gains and losses on disposal of an interest in a subsidiary include the carrying amount of goodwill relating to it.

If the business combination is achieved in stages, the acquirer is required to remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss, if any, in the consolidated profit or loss or consolidated other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, either in consolidated profit or loss or as a charge to consolidated other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

2.5 Financial Instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument.

(a) Financial Assets

For purposes of classifying financial assets, an instrument is considered as an equity instrument if it is non-derivative and meets the definition of equity for the issuer in accordance with the criteria under PAS 32, *Financial Instruments: Presentation*. All other non-derivative financial instruments are treated as debt instruments.

Regular purchases and sales of financial assets are recognized on their trade date (i.e., the date that the Group commits to purchase or sell the asset). Deposits, amounts due to banks and customers, and loans are recognized when cash is received by the Group or advanced to the borrowers.

(i) Classification, Measurement and Reclassification of Financial Assets

The classification and measurement of financial assets is driven by the Group's business models for managing the financial assets and the contractual cash flow characteristics of the financial assets. The Group's classification and measurement of financial assets are described below.

Financial Assets at Amortized Cost

Financial assets are measured at amortized cost if both of the following conditions are met:

- the asset is held within the Group's business model whose objective is to hold financial assets in order to collect contractual cash flows ("held-to-collect"); and,

- the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Except for receivables that do not contain a significant financing component and are measured at the transaction price in accordance with PFRS 15, *Revenue from Contracts with Customers*, all financial assets meeting these criteria are measured initially at fair value plus transaction costs. These are subsequently measured at amortized cost using the effective interest method, less allowance for expected credit loss (ECL).

Where the business model is to hold assets to collect contractual cash flows, the Group assesses whether the financial instruments' cash flows represent SPPI. In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e., interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement [see Note 3.1(e)]. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss (FVTPL).

The Group's financial assets at amortized cost are presented in the consolidated statement of financial position as Cash and Cash Equivalents, Trade and Other Receivables, Short-term investments presented under Other Current Assets, Long-term investments and Refundable deposits presented under Other Non-current Assets and Investment Securities at Amortized Cost.

Financial assets measured at amortized cost are included in current assets, except for those with maturities greater than 12 months after the end of reporting period, which are classified as non-current assets.

In the presentation of cash flows, cash and cash equivalents comprise accounts with original maturities of three months or less, including cash. These generally include cash on hand, cash in bank, and short-term deposits.

Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)

The Group accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective is to hold to collect the associated cash flows and sell; and,

- the contractual terms of the financial assets give rise to cash flows that are SPPI on the principal amount outstanding.

At initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate equity investments as at FVOCI; however, such designation is not permitted if the equity investment is held by the Group for trading or as mandatorily required to be classified as FVTPL. The Group has designated certain equity instruments as at FVOCI on initial recognition.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value, with no deduction for any disposal costs. Gains and losses arising from changes in fair value, including the foreign exchange component, are recognized in OCI, net of any effects arising from income taxes, and are reported as part of Revaluation Reserves account in equity. When the asset is disposed of, the cumulative gain or loss previously recognized in the Revaluation Reserves account is not reclassified to profit or loss but is reclassified directly to Retained Earnings, except for those debt securities classified as FVOCI wherein fair value changes are recycled to profit or loss.

Any dividends earned on holding these equity instruments are recognized in profit or loss as part of Other investment income under Finance Income account in the consolidated statement of profit or loss, when the Group's right to receive dividends is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably, unless the dividends clearly represent recovery of a part of the cost of the investment.

Financial Assets at FVTPL

Financial assets that are held within a different business model other than "hold to collect" or "hold to collect and sell" are categorized at FVTPL. Further, irrespective of business model, financial assets whose contractual cash flows are not SPPI are accounted for at FVTPL. Also, equity securities are classified as financial assets at FVTPL, unless the Group designates an equity investment that is not held for trading as at FVOCI at initial recognition. The Group's financial assets at FVTPL include equity securities and investments in unit investment trust fund (UITF) which are held for trading purposes or designated as at FVTPL.

Financial assets at FVTPL are measured at fair value with gains or losses recognized in profit or loss as part of Other investment income under Finance Income account in the consolidated statement of profit or loss. Related transaction costs are recognized directly as expense in profit or loss. The fair values of these financial assets are determined by reference to active market transactions or using valuation technique when no active market exists.

Dividend income earned on these investments is reported as part of Other investment income under Finance Income account in the consolidated statement of profit or loss.

Interest income on debt financial assets measured at amortized cost and FVOCI is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The Group calculates interest income by applying the effective interest rate to the gross carrying amount of the financial assets, except for those that are subsequently identified as credit-impaired and or are purchased or originated credit-impaired assets (POCI assets).

For financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the net carrying amount of the financial assets (after deduction of the loss allowance). If the asset is no longer credit-impaired, the calculation of interest income reverts to gross basis. For POCI assets, interest income is calculated by applying a credit-adjusted effective interest rate to the amortized cost of the asset. The calculation of interest income does not revert to a gross basis even if the credit risk of the POCI asset subsequently improves.

Interest income earned is recognized in the statement of profit or loss as part of Finance Income.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

The Group can only reclassify financial assets if the objective of its business model for managing those financial assets changes. Accordingly, the Group is required to reclassify financial assets: (i) from amortized cost to FVTPL, if the objective of the business model changes so that the amortized cost criteria are no longer met; and, (ii) from FVTPL to amortized cost, if the objective of the business model changes so that the amortized cost criteria start to be met and the characteristic of the instrument's contractual cash flows meet the amortized cost criteria.

A change in the objective of the Group's business model will take effect only at the beginning of the next reporting period following the change in the business model.

(ii) Impairment of Financial Assets

The Group assesses its ECL on a forward-looking basis associated with its investment securities carried at amortized cost and debt instruments at FVOCI. No impairment loss is recognized on equity investments. Recognition of credit losses or impairment is no longer dependent on the Group's identification of a credit loss event. Instead, the Group considers a broader range of information in assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect collectability of the future cash flows of the financial assets.

The Group applies the simplified approach in measuring ECL, which uses a lifetime expected loss allowance for all tuition and other school fee receivables. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets.

To calculate the ECL, the Group uses its historical experience, external indicators and forward-looking information (FLI) to calculate the ECL using a provision matrix. The Group also assesses impairment of tuition and other school fee receivables on a collective basis as they possess shared credit risk characteristics, and have been grouped based on the number of semesters past due [see Note 4.2(b)].

For debt instruments measured at FVOCI and at amortized cost, the allowance for credit losses is based on the ECL associated with the probability of default of a financial instrument in the next 12 months, unless there has been a significant increase in credit risk since the origination of the financial asset, in such case, a lifetime ECL for a POCI asset, the allowance for credit losses is based on the change in the ECL over the life of the asset. The Group recognized a loss allowance for such losses at each reporting date.

The Group's definition of credit risk and information on how credit risk is mitigated by the Group are disclosed in Note 4.2.

The key elements used in the calculation of ECL are as follows:

- *Probability of Default (PD)* – it is an estimate of likelihood of a borrower defaulting on its financial obligation over a given time horizon, either over the next 12 months (12-month PD) or over the remaining lifetime (lifetime PD) of the obligation.

- *Loss Given Default (LGD)* – it is an estimate of loss arising in case where a default occurs at a given time (either over the next 12 months or 12-month LGD), or over the remaining lifetime (lifetime LGD). It is based on the difference between the contractual cash flows of a financial instrument due from a counterparty and those that the Group would expect to receive, including the realization of any collateral. It is presented as a percentage loss per unit of exposure at the time of default.

- *Exposure at Default (EAD)* – it represents the gross carrying amount of the financial instruments subject to impairment calculation; hence, this is the amount that the Group expects to be owed at the time of default over the next 12 months (12-month EAD) or over the remaining lifetime (lifetime EAD). In case of a loan commitment, the Group shall include the undrawn balance (up to the current contractual limit) at the time of default should it occur.

The measurement of the ECL reflects: (i) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; (ii) the time value of money; and, (iii) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

(iii) Derecognition of Financial Assets

The financial assets (or where applicable, a part of a financial asset or part of a group of financial assets) are derecognized when the contractual rights to receive cash flows from the financial instruments expire, or when the financial assets and all substantial risks and rewards of ownership have been transferred to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

(b) Financial Liabilities

Financial liabilities, which includes interest-bearing loans, trade and other payables [except tax-related liabilities, Deposits payable and National Service Training Program (NSTP) trust fund], Derivative Liability and Refundable deposits (presented under Other Non-current Liabilities) are recognized when the Group becomes a party to the contractual terms of the instrument.

Interest-bearing loans are availed for capital expenditures and to provide general corporate funding requirements. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are charged to profit or loss on an accrual basis using the effective interest method and are added to the carrying amount of the instrument to the extent that these are not settled in the period in which they arise.

Trade and other payables account includes deposits payable which represents funds collected from students or entities and are held by the Group. The Group has no control over its use and disburses the funds only upon instruction of the student or entity that made the deposit. [see Note 2.11(a)].

Financial liabilities are recognized initially at their fair values and subsequently measured at amortized cost, except derivative liability which is consistently measured at fair value, using the effective interest method for maturities beyond one year, less settlement payments. The Group is no longer a party to foreign cross-currency swaps in 2020.

Dividend distributions to shareholders are recognized as financial liabilities upon declaration by the respective entities' BOD or BOT.

Financial liabilities are classified as current liabilities if payment is due to be settled within one year or less after the reporting period, or the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Otherwise, these are presented as non-current liabilities.

Financial liabilities are derecognized from the consolidated statement of financial position only when the obligations are extinguished either through discharge, cancellation or expiration. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable is recognized in profit or loss.

(c) *Offsetting Financial Instruments*

Financial assets and financial liabilities are offset and the resulting net amount, considered as a single financial asset or financial liability, is reported in the consolidated statement of financial position when there is a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. The right of set-off must be available at the end of the reporting period, that is, it is not contingent on future event. It must also be enforceable in the normal course of business, in the event of default, and in the event of insolvency or bankruptcy; and, must be legally enforceable for both entity and all counterparties to the financial instruments.

2.6 Real Estate Held-for-Sale

Acquisition costs of raw land intended for sale, including other costs and expenses incurred to effect the transfer of title of the property as well as related property development costs, are accumulated in this account.

Real estate held-for-sale is carried at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs to complete and the estimated costs necessary to make the sale.

Real estate held-for-sale is expected to be sold within the normal operating cycle of FRC.

2.7 Prepayments and Other Assets

Prepayments and other assets pertain to other resources controlled by the Group as a result of past events. They are recognized in the consolidated financial statements when it is probable that the future economic benefits will flow to the Group and the asset has a cost or value that can be measured reliably.

Other recognized assets of similar nature, where future economic benefits are expected to flow to the Group beyond one year after the end of the reporting period, are classified as non-current assets.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see Note 2.14).

Prepayment and other current assets of the Group include inventoriable items such as books and merchandise. These are valued at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method. The cost of these saleable inventories includes all costs directly attributable to acquisition, such as the purchase price, import duties, if any, and other taxes that are not subsequently recoverable from taxing authorities.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see Note 2.14).

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

2.8 Property and Equipment

Except for land, which is stated at cost less any impairment in value, property and equipment are stated at cost less accumulated depreciation, amortization and impairment in value, if any.

The cost of an asset comprises its purchase price and directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, major improvements and renewals are capitalized; expenditures for repairs and maintenance are charged to expense as incurred.

Depreciation and amortization are computed on the straight-line basis over the estimated useful lives of the assets as follows:

Building and improvements	20 years
Furniture and equipment	3 - 6 years
Miscellaneous equipment	5 years

Construction in progress represents properties under construction and is stated at cost. This includes cost of construction, borrowing costs and other direct costs (see Note 2.16). The account is not depreciated until such time that the assets are completed and available for use.

Leasehold improvements are amortized over the estimated useful lives of 20 years or the remaining term of the lease, whichever is shorter.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see Note 2.14).

The residual values, estimated useful lives and method of depreciation and amortization of property and equipment are reviewed and adjusted, if appropriate, at the end of each reporting period.

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

An item of property and equipment, including the related accumulated depreciation, amortization and impairment losses, is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in consolidated profit or loss in the period the item is derecognized.

2.9 Investment Properties

Investment properties are measured initially at acquisition cost. Subsequently, investment properties, except land, are carried at cost less accumulated depreciation and impairment in value, if any. Depreciation and amortization of investment properties, which consist of buildings and improvements and land improvements, are computed using the straight-line method over its estimated useful life of 20 years and 5 years, respectively. Land is carried at cost less impairment in value, if any.

Investment properties include construction in progress which represents condominium units of FRC that are still under construction and are stated at cost. This includes cost of construction, applicable borrowing costs (see Note 2.16) and other direct costs. The account is not depreciated until such time that the assets are completed and available for use.

Transfers are made to and from investment property when, and only when, there is a change in use, evidenced by the end or commencement of owner-managed, commencement of an operating lease to another party, by the end of construction or development, or commencement of development with a view to sell.

For a transfer from investment property to owner-occupied property or inventories, the cost of property for subsequent accounting is its carrying value at the date of change in use. If an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under Property and Equipment up to the date of change in use (see Note 2.8).

Investment property is derecognized upon disposal or when permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in consolidated profit or loss in the year of retirement or disposal.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see Note 2.14).

2.10 Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. When time value of money is material, long-term provisions are discounted to their present values using a pretax rate that reflects market assessments and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the consolidated financial statements. Similarly, possible inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the consolidated financial statements. On the other hand, any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

2.11 Revenue and Expense Recognition

Revenue arises mainly from: (i) educational and related activities such as tuition and other school fees, income from sale of books and other merchandise, rental income from real estate and school campus' food concessionaires; and, (ii) investment-related transactions such as, investment income, dividend income from Financial Assets at FVTPL and at FVOCI, interest income and others.

The management determined that the revenues arising from educational and related activities are within the scope of PFRS 15, while rental income is covered by PFRS 16 (see Note 2.12). Investment-related revenues are subject to the provisions of PFRS 9 (see Note 2.5).

To determine whether to recognize revenue, the Group follows a five-step process:

1. Identifying the contract with a customer;
2. Identifying the performance obligation;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and,
5. Recognizing revenue when/as performance obligations are satisfied.

The Group determines whether a contract with customer exists by evaluating whether the following gating criteria are present:

(a) the parties to the contract have approved the contract either in writing, orally or in accordance with other customary business practices;
(b) each party's rights regarding the goods to be transferred or performed can be identified;
(c) the payment terms for the goods to be transferred or performed can be identified;
(d) the contract has commercial substance (i.e., the risk, timing or amount of the future cash flows is expected to change as a result of the contract); and,
(e) collection of the consideration in exchange of the goods and services is probable.

Revenue is recognized only when (or as) the Group satisfies a performance obligation by transferring control of the promised goods or services to a customer. The transfer of control can occur over time or at a point in time.

A performance obligation is satisfied at a point in time unless it meets one of the following criteria, in which case it is satisfied over time:

(a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
(b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; and,
(c) the Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

The Group enters into transactions involving the tuition fees and other school fees and other school-related activities such as sale of school merchandise and books, and sale of real estate. There are no significant judgments used in determining the transaction price and the amount allocated to the performance obligations. Developing the knowledge and enhancing the abilities of the students represent promises to transfer a series of distinct goods that are substantially the same and that have the same pattern of transfer to the customer; therefore, the services rendered represent one performance obligation that is satisfied over time. The transaction price of the single performance obligation is recognized as revenue as the performance obligation is satisfied, which is usually throughout the school year or the semestral/trimestral period, whichever is applicable. With respect to the sale of school merchandise and books, the obligation is satisfied when the goods, particularly the merchandise and books are delivered to the customers. Hence, revenue is recognized at a point in time. As for real estate sales, the obligation is satisfied at the point the control over the properties is transferred by the FRC to the buyers.

In addition, the following specific recognition criteria must also be met before revenue is recognized [significant judgments in determining the timing of satisfaction of the following performance obligations are disclosed in Note 3(b)]:

(a) *Educational revenues* – Revenue is recognized in profit or loss over the corresponding school term. Tuition fee received in advance and applicable to a school term after the reporting period is not recognized in profit or loss until the next reporting period and is presented as part of Deferred Revenues account in the consolidated statement of financial position. Payment for tuition fees is due upon enrollment, which is before the school year starts, and can be made either in full payment or installment.

Revenues from NSTP trust fund are recognized upon fulfillment of conditions attached to the fund and/or extent that the related expenses have been incurred. Restricted funds for which restrictions and conditions have not yet been met are classified as NSTP trust funds (liability) recorded as part of the Trade and Other Payables account in the consolidated statement of financial position.

(b) *Sale of books and other educational-related merchandise* – Revenue is recognized at a point in time when the control of the goods have been passed to the buyer. This is generally when the customer has acknowledged delivery of goods. The sale of this merchandise is made for the Group's students. Payment for the transaction price is due immediately at the point the customer purchases the goods.

(c) *Other fees* – This pertains to but not limited to transcripts, certification and graduation fees and fees for diplomas and identification cards. Revenue is recognized at the point in time when the related academic document is made available to requestors. Official receipts for the services are issued once request from students have been fulfilled.

(d) *Real estate sales* – This pertains to sale of lots and completed townhouses of FRC. Revenue is recognized at the point the control to the property is passed to the customer, that is, when the property is transferred to the buyer.

In obtaining customer contracts, the Group incurs incremental costs. As the expected amortization period of these costs, if capitalized, would be less than one year, the Group uses the practical expedient in PFRS 15 and expenses such costs as incurred. The Group also incurs costs in fulfilling contracts with customers. However, as those costs are within the scope of other financial reporting standards, the Group accounts for those costs in accordance with accounting.

Cost and expenses are recognized in profit or loss upon utilization of goods or services or at the date such cost and expenses are incurred. All finance costs are reported in profit or loss on an accrual basis, except capitalized borrowing costs which are included as part of the cost of the related qualifying asset (see Note 2.16).

2.12 Leases

The Group accounts for its leases as follows:

(a) *Group as Lessee*

(i) Accounting for Leases in Accordance with PFRS 16 (beginning June 1, 2019)

For any new contracts entered into on or after June 1, 2019, the Group considers whether a contract is, or contains, a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;

- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and,

- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At lease commencement date, the Group recognizes a right-of-use asset (ROUA) and a lease liability. The ROUA is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). Subsequently, the Group depreciates the ROUA on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the ROUA or the end of the lease term. The Group also assesses the ROUA for impairment when such indicators exist (see Note 2.14).

On the other hand, the Group measures the lease liability at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments include fixed payments (including in-substance fixed) less lease incentives receivable, if any, variable lease payments based on an index or rate, amounts expected to be payable under a residual value guarantee, and payments arising from options (either renewal or termination) reasonably certain to be exercised. After initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the ROUA, or profit and loss if the ROUA is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a ROUA and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

In the consolidated statement of financial position, ROUA and current portion of lease liabilities have been presented as part of Property and Equipment and Trade and Other Payables, respectively. Non-current portion of lease liabilities, on the other hand, has been presented separately in the consolidated statement of financial position.

(i) Accounting for Leases in Accordance with PAS 17 (Prior to June 1, 2019)

Leases which do not transfer to the Group substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments (net of any incentive received from the lessor) are recognized as expense in profit or loss on a straight-line basis over the lease term. Associated costs, such as repairs and maintenance and insurance, are expensed as incurred.

(b) Group as Lessor

Leases which do not transfer to the lessee substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income from operating leases is recognized in profit or loss on a straight-line basis over the lease term and is presented as Rental in the consolidated statement of profit or loss.

The Group determines whether an arrangement is, or contains, a lease based on the substance of the arrangement. It makes an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

2.13 Foreign Currency Transactions and Translation

The accounting records of the Group are maintained in Philippine pesos. Foreign currency transactions during the year are translated into the functional currency at exchange rates which approximate those prevailing on transaction dates.

Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of profit or loss.

Changes in the fair value of monetary financial assets denominated in foreign currency classified as financial assets at FVOCI and at FVTPL are analyzed between translation differences resulting from changes in the amortized cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortized cost are recognized in consolidated profit or loss, and other changes in the carrying amount are recognized in consolidated other comprehensive income.

2.14 Impairment of Non-financial Assets

The Group's property and equipment, investment properties, and certain other non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill is tested for impairment annually.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows [cash-generating units (CGU)]. As a result, some assets are tested individually for impairment and some are tested at CGU level. An impairment loss is recognized in the consolidated profit or loss for the amount by which the asset's or CGU's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use, based on an internal evaluation of discounted cash flows. In determining value in use, management estimates the expected future cash flows from each CGU and determines the suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of asset enhancements.

Discount factors are determined individually for each CGU and reflect management's assessment of respective risk profiles, such as market and asset-specific risk factors. Impairment loss is charged pro-rata to the other assets in the CGU.

All assets, except goodwill for which impairment loss is not reversed (see Note 2.4), are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment loss is reversed if the asset's or CGU's recoverable amount exceeds its carrying amount.

2.15 Employee Benefits

The Group, except RCI, provides post-employment benefits to employees through a defined contribution plan subject to compliance to a minimum guarantee required by Republic Act (RA) No. 7641, *The Retirement Pay Law*, which is accounted for as a defined benefit plan, and various compensations mandated by law. Such application of the minimum guarantee prescribed by RA No. 7641 is based on the interpretations issued by the Philippine Interpretations Committee (PIC) in its Question and Answer on PAS 19 – *Accounting for Employee Benefits Under a Defined Benefit Contribution Plan Subject to the Requirements of RA 7641*.

(a) Post-employment Benefits

The Group maintains defined contribution and defined benefit plans. Under the defined contribution plan, the Group (except RCI) pays fixed contributions based on the employees' monthly salaries.

RCI, which does not have a formal post-employment benefit plan, bases its determination of post-employment benefit obligation on RA No. 7641, which is considered a defined benefit plan. RA No. 7641 provides for a qualified employee a defined benefit minimum guarantee. The defined benefit minimum guarantee is equivalent to 75% of the last monthly salary of an employee at normal retirement age with the required credited years of service based on the provisions of RA No. 7641. The legal obligation for any benefits from this kind of post-employment plan remains with the entity even if plan assets, if any, for funding the defined benefit plan have been acquired.

Accordingly, the Group, (except RCI), recognizes its post-employment benefit obligation based on the higher of the defined benefit obligation relating to the minimum guarantee required by RA No. 7641 and the obligation arising from the defined contribution plan. On the other hand, RCI accrues its post-employment benefit obligation solely based on minimum guarantee requirement of RA No. 7641.

For defined benefit minimum guarantee plan, the liability is determined based on the present value of the excess of the projected defined benefit obligation over the projected defined contribution obligation at the end of the reporting period. The defined benefit obligation is calculated annually by a qualified independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows for expected benefit payments using a discount rate derived from the interest rates of a zero coupon government bonds [using the reference rates published by Bloomberg using its valuation technology, Bloomberg Valuation (BVAL)], that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related post-employment liability. BVAL provides evaluated prices that are based on market observations from contributed sources. The Group determines the net interest expense (income) on the defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to the defined benefit plan are recognized in profit or loss.

The defined contribution, on the other hand, is measured at the fair value of the defined contribution assets upon which the defined contribution benefits depend, with an adjustment for margin on asset returns, if any, where this is reflected in the defined contribution benefits.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in consolidated profit or loss. The Group recognizes gains or losses on the settlement of a defined benefit plan when the settlement occurs.

(b) *Termination Benefits*

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed to either: (i) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or, (ii) providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the reporting period are discounted to their present value.

(c) *Bonuses*

The Group recognizes a liability and an expense for bonuses. The Group recognizes a provision where it is contractually obliged to pay the benefits, or where there is a past practice that has created a constructive obligation.

(d) *Compensated Absences*

Compensated absences are recognized for the number of paid leave days (including holiday entitlement) remaining at the end of the reporting period. These are included in the Trade and Other Payables account in the consolidated statement of financial position at the undiscounted amount that the Group expects to pay as a result of the unused entitlement.

2.16 Borrowing Costs

Borrowing costs are recognized as expenses in the period in which they are incurred, except to the extent that they are capitalized. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (i.e., an asset that takes a substantial period of time to get ready for its intended use or sale) are capitalized as part of cost of such asset. The capitalization of borrowing costs commences when expenditures for the asset and borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalization ceases when substantially all such activities are complete.

Investment income, if any, earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

2.17 Income Taxes

Tax expense recognized in profit or loss comprises the sum of current tax and deferred tax not recognized in other comprehensive income or directly in equity, if any.

Current tax assets or current tax liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the end of the reporting period. They are calculated using the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in profit or loss.

Deferred tax is accounted for using the liability method on temporary differences at the end of the reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Under the liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carryforward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will be available to allow such deferred tax assets to be recovered.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled provided such tax rates have been enacted or substantively enacted at the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The measurement of deferred tax liabilities and deferred tax assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Most changes in deferred tax assets or deferred tax liabilities are recognized as a component of tax expense in the consolidated profit or loss. Only changes in deferred tax assets or liabilities that relate to items recognized in the consolidated other comprehensive income or directly in equity are recognized in the consolidated other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset only if the Group or any of its subsidiaries has a legally enforceable right to set-off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

2.18 Related Party Transactions and Relationships

Related party transactions are transfers of resources, services or obligations between the Group and its related parties, regardless of whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial and operating decisions. These parties include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Group; (b) associates; (c) individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group and close members of the family of any such individual; and, (d) certain funded retirement plans administered by an organization, through its Retirement Board.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form. The Group established policies and procedures on related party transactions in accordance with the regulations of the SEC. All material related party transactions, which exceed the established materiality thresholds, must undergo prior internal review from Audit Committee before endorsing for approval of the BOT. Further, the Chief Executive Officer, President, or any member of the Audit Committee may request that a related party transaction, regardless of amount, be reviewed by the Audit Committee if such related party transaction meet any of the qualitative factors affecting materiality threshold.

All individual material related party transactions shall be approved by at least two-thirds (2/3) vote of the BOT, with at least a majority of the independent trustees voting to approve such transactions. In case that a majority of the independent trustees' vote is not secured, the material related party transaction may be ratified by the vote of the stockholders representing at least two thirds (2/3) of the outstanding capital stock. For aggregate related party transactions within a twelve (12) month period that breaches the materiality threshold, the same board approval would be required for the transaction that meets and exceeds the materiality threshold covering the same related party.

2.19 Equity

Capital stock represents the nominal value of shares that have been issued.

Stock dividends distributable account is a stockholders' equity (paid-in capital) account credited for the par or stated value of the shares distributable when recording the declaration of a stock dividend until the stock is issued to shareholders.

Treasury stocks are stated at the cost of reacquiring such shares and are deducted from equity attributable to the University's equity holders until the shares are cancelled, reissued, retired, or disposed of. This also includes shares of the parent company held by a certain subsidiary (see Note 2.3).

Revaluation reserves comprise accumulated gains or losses arising from the revaluation of Financial Assets at FVOCI and remeasurements of post-employment defined benefit plan.

Other reserves refer to the amount attributable to the parent company arising from the changes in the ownership of the NCI in the Group.

Retained earnings, both restricted and available for dividend declaration, represent all current and prior period results of operations as reported in the consolidated statement of profit or loss. The appropriated portion represents the amount which is not available for distribution.

NCI represents the interests not held by the Group in FRC and RCI. It also includes the preferred shares of stock of EACCI and FEUAI issued to a stockholder outside of the Group but under the Group's common management (see Note 24.5).

2.20 Earnings Per Share

Basic earnings per share (EPS) is determined by dividing net profit or loss attributable to equity holders of the University by the weighted average number of shares subscribed and issued during the period after giving retroactive effect to stock dividend declared, stock split and reverse stock split during the current year, if any.

Diluted EPS is computed by adjusting the weighted average number of ordinary shares outstanding to assume conversion of dilutive potential shares. The Group does not have dilutive potential shares outstanding that would require disclosure of diluted EPS in the consolidated statement of profit or loss.

2.21 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's strategic steering committee, its chief operating decision-maker. The strategic steering committee is responsible for allocating resources and assessing performance of the operating segments.

In identifying its operating segments, management generally follows the Group's major geographical areas as disclosed in Note 7, which represent the breadth and reach of the Group's educational services.

Each of these operating segments is managed separately as each of these geographical areas requires different technologies and other resources, as well as marketing approaches. All intersegment transfers are carried out at arm's length prices.

The measurement policies the Group uses for segment reporting under PFRS 8, *Operating Segments*, are the same as those used in its consolidated financial statements.

In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment. There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

2.22 Events After the End of the Reporting Period

Any post-year-end event that provides additional information about the Group's consolidated financial position at the end of the reporting period (adjusting event) is reflected in the consolidated financial statements. Post-year-end events that are not adjusting events, if any, are disclosed when material to the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements in accordance with PFRS requires management to make judgments and estimates that affect the amounts reported in the consolidated financial statements and related notes. 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. Actual results may ultimately differ from these estimates.

3.1 Critical Management Judgments in Applying Accounting Policies

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimation. The following judgments have the most significant effect on the amounts recognized in the consolidated financial statements:

(a) Determination of Lease Term of Contracts with Renewal and Termination Options (2021 and 2020)

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option. Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated.

For leases of buildings, the factors that are normally the most relevant are (a) if there are significant penalties should the Group pre-terminate the contract, and (b) if any leasehold improvements are expected to have a significant remaining value, the Group is reasonably certain to extend and not to terminate the lease contract. Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The Group did not include the renewal period as part of the lease term for leases of university buildings because the terms are renewable upon the mutual agreement of the parties.

The lease term is reassessed if an option is actually exercised or not exercised or the Group becomes obliged to exercise or not exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Group.

(b) Determination of Timing of Satisfaction of Performance Obligations

The management determines that its revenue from tuition fees shall be recognized over time. In making its judgment, the Group considers the timing of receipt and consumption of benefits provided by the Group to the students. This demonstrates that the customers simultaneously receive and consume the benefits as the Group performs its obligation.

With respect to revenues from sale of merchandise and books, and various other school-related fees, the management deems that revenues shall be recognized at a point in time as control over the goods, particularly the merchandise, books and requested documents is transferred to the customers upon delivery.

With respect to sale of lots and completed townhouses, the Group satisfies the performance obligation at the point in time when the property is transferred to the customer (i.e., upon acknowledgment of the customer).

(c) Determination of ECL on Tuition and Other Fee Receivables

The Group uses a provision matrix to calculate ECL for tuition and other fee receivables. The loss rates are based on actual credit-impaired student accounts or those which are outstanding for two semesters and have not enrolled for the succeeding term [see Note 4.2(b)].

The Group's management intends to calibrate on an annual basis the matrix to consider the historical credit loss experience with forward-looking information. Details about the ECL on the Group's tuition fees and other receivables are disclosed in Notes 4.2 and 9.

(d) Application of ECL to Investment Securities at Amortized Cost and Financial Assets at FVOCI

The Group uses a general approach to calculate ECL for all debt instruments at FVOCI and amortized cost. The allowance for credit loss is based on the ECLs associated with the probability of default of a financial instrument in the next 12 months, unless there has been a significant increase in credit risk since origination of the financial instrument, in such case, a lifetime ECL for the instrument is recognized.

The Group has established a policy to perform an assessment, at the end of each reporting period, whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

(e) Evaluation of Business Model Applied in Managing Financial Instruments

The Group manages its financial assets based on business models that maintain adequate level of financial assets to match its expected cash outflows.

In determining the classification of a financial instrument under PFRS 9, the Group developed business models which reflect how it manages its portfolio of financial instruments. The Group's business models need not be assessed at entity level or as a whole but shall be applied at the level of a portfolio of financial instruments and not on an instrument-by-instrument basis (i.e., not based on intention or specific characteristics of individual financial instrument).

In determining the classification of a financial instrument under PFRS 9, the Group evaluates in which business model a financial instrument or a portfolio of financial instruments belong to taking into consideration the objectives of each business model established by the Group as those relate to the Group's investment, trading strategies.

(f) Testing the Cash Flow Characteristics of Financial Assets and Continuing Evaluation of the Business Model

In determining the classification of financial assets under PFRS 9, the Group assesses whether the contractual terms of the financial assets give rise on specified dates to cash flows that are SPPI on the principal outstanding, with interest representing time value of money and credit risk associated with the principal amount outstanding. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual term that changes the timing or amount of cash flows (unless it is a variable interest rate that represents time value of money and credit risk) does not meet the amortized cost criteria.

In cases where the relationship between the passage of time and the interest rate of the financial instrument may be imperfect, known as modified time value of money, the Group assesses the modified time value of money feature to determine whether the financial instrument still meets the SPPI criterion. The objective of the assessment is to determine how different the undiscounted contractual cash flows could be from the undiscounted cash flows that would arise if the time value of money element was not modified (the benchmark cash flows). If the resulting difference is significant, the SPPI criterion is not met. In view of this, the Group considers the effect of the modified time value of money element in each reporting period and cumulatively over the life of the financial instrument.

In addition, PFRS 9 emphasizes that if more than an infrequent sale is made out of a portfolio of financial assets carried at amortized cost, an entity should assess whether and how such sales are consistent with the objective of collecting contractual cash flows. In making this judgment, the Group considers certain circumstances documented in its business model manual to assess that an increase in the frequency or value of sales of financial instruments in a particular period is not necessarily inconsistent with a held-to-collect business model if the Group can explain the reasons for those sales and why those sales do not reflect a change in the Group's objective for the business model.

(g) Determination of Control of Entities in which the University Holds Less than 50%

Management considers that the University has de facto control of FRC even though it holds less than 50% of the ordinary shares and voting rights in the latter. Although the University holds less than 50% of the voting shares of stock of FRC, it has control over FRC because it is exposed or has right to variable returns from its involvement with FRC and it has the ability to affect those returns through its power over FRC. It is able to do this primarily because the University has the power to cast the majority of votes at meetings of the BOD and elect officers of FRC. Accordingly, FRC is recognized as a subsidiary of the University (see Note 1.1).

(h) Distinction between Investment Properties and Owner-managed Properties

The Group determines whether a property qualifies as investment property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity.

Owner-managed properties generate cash flows that are attributable not only to the property but also to other assets used in the process of providing educational services. Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for use in the supply of services or for administrative purposes. If a portion can be sold separately (or leased out separately under finance lease), the Group accounts for such portion separately. If the portion cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the supply of services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

(i) Distinction between Real Estate for Sale and Investment Properties

Real estate for sale comprise lots that are held for sale in the ordinary course of business (see Note 11). Meanwhile, investment properties (see Note 14) comprise of land and buildings which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. The Group considers management's intention over these assets in making its judgement.

(j) Distinction between Operating and Finance Lease (2019)

The Group has entered into various lease agreements as either a lessor or a lessee. Judgment was exercised by management to distinguish each lease agreement as either an operating or finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities. Currently, all of the Group's lease agreements are determined to be operating leases.

(k) Recognition of Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. Accounting policies on recognition and disclosure of provisions and contingencies are discussed in Note 2.10 and relevant disclosures are presented in Note 26.

3.2 Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

(a) Determination of Appropriate Discount Rate in Measuring Lease Liabilities (2021 and 2020)

The Group measures its lease liabilities at present value of the lease payments that are not paid at the commencement date of the lease contract. The lease payments were discounted using a reasonable rate deemed by management equal to the Group's incremental borrowing rate. In determining a reasonable discount rate, management considers the term of the leases, the underlying asset and the economic environment. Actual results, however, may vary due to changes in estimates brought about by changes in such factors.

(b) Estimation of Allowance for Impairment of Financial Instruments

The measurement of the allowance for ECL on financial assets at FVOCI and at investment securities at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 4.2.

The Group uses a provision matrix to calculate ECL for its trade receivables which are based on the Group's historical observed default rates. The Group's management intends to calibrate on an annual basis the matrix to consider the historical credit loss experience with forward-looking information.

(c) Determination of Fair Value Measurement for Financial Instruments

Management applies valuation techniques to determine the fair value of financial instruments where active market quotes are not available. This requires management to develop estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the instrument. Where such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting period.

The carrying values of the Group's Financial Assets at FVTPL and at FVOCI and the amounts of fair value changes recognized during the years on those assets are disclosed in Note 10 while fair value gains or losses on cross-currency swap agreements are presented as fair value gain or loss on derivative liability under Finance Income or Finance Costs in the consolidated statement of profit or loss (see Note 20).

(d) Estimation of Useful Lives of Investment Properties and Property and Equipment

The Group estimates the useful lives of investment properties and property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of these assets 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 assets.

The carrying amounts of property and equipment and investment properties are presented in Notes 12 and 14, respectively. Based on management's assessment as at May 31, 2021, 2020 and 2019, there is no change in the estimated useful lives of the assets during those years. Actual results, however, may vary due to changes in factors mentioned above.

(e) Determination of Fair Value of Investment Properties

Investment properties are measured using the cost model. The fair value disclosed in Note 14 is determined by the Group based on the appraisal report prepared by independent appraisers using the relevant valuation methodology as discussed in Note 6.4.

For investment properties with appraisal conducted prior to the end of the current reporting period, management determines whether there are significant circumstances during the intervening period that may require adjustments or changes in the disclosure of fair value of those properties.

The principal assumptions underlying management's estimation of fair value are those related to the receipt of contractual rentals, expected future market rentals, and appropriate discount rates. These valuations are regularly compared to actual to market yield data, and actual transactions by the Group and those reported by the market.

A significant change in these elements may affect the prices and the value of the assets. As of May 31, 2021, 2020 and 2019, the Group determined that there were no significant circumstances that may affect the fair value determination of investment properties.

(f) Estimation of Impairment of Non-financial Assets

The Group's policy on estimating the impairment of non-financial assets is discussed in detail in Note 2.14. Though management believes that the assumptions used in the estimation of recoverable amounts are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

Based on management's assessment, no impairment loss is required to be recognized on the Group's investment properties, property and equipment, goodwill and certain other non-financial assets as for the years ended May 31, 2021, 2020 and 2019.

As at the acquisition date of RCI on May 12, 2017, the fair value of the University's share in RCI's net identifiable assets amounts to P621.8 million resulting in the recognition of goodwill amounting to P186.5 million. The goodwill arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of the University and RCI. The goodwill recognized is subject to annual impairment testing [see Notes 2.4 and 2.14].

For purposes of assessing impairment, the Group based on the value in use of the CGU (that is, RCI) to which the carrying value of goodwill is compared. This methodology is in accordance with PAS 36, *Impairment of Assets*. The management considers that the benefits of acquisition accrue to the University as a whole and not to a specific business unit nor department only.

In determining the value in use, discounted cash flows method was used. Some of the key assumptions that have been considered which have significant impact on the results of the determination of the value in use are as follows:

- RCI will continue as a going concern entity and will have sufficient financial resources to finance its working capital requirements to achieve its projected forecast and to support its business needs;
- RCI's performance forecasts for the next five years from the end of each reporting period;
- In estimating the terminal value of the CGU, long-term growth rates at 2.0%, 1.0% and 1.2% (based on forecasted gross domestic product growth rate) as of May 31, 2021, 2020 and 2019 was used, respectively; and,
- In discounting the projected free cash flows, weighted average cost of capital of 4.88%, 4.76% and 6.79% was used in 2021, 2020 and 2019, respectively.

For the years ended May 31, 2021, 2020 and 2019, the Group has assessed that the recoverable amount of the goodwill of P3.7 billion, P3.0 billion and P1.6 billion, respectively, exceeds its carrying amount. Accordingly, no impairment loss is required to be recognized in 2021, 2020 and 2019.

(g) Determination of Recoverability of Deferred Tax Assets

The Group reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Management assessed that the deferred tax assets as at May 31, 2021, 2020 and 2019 are fully recoverable and will be fully utilized within the prescribed periods, except for the related benefits of net operating loss carryover (NOLCO) and other temporary differences of certain subsidiaries which are not recognized, because it expects that the Group will generate sufficient taxable profits in the future against which the assets can be applied (see Note 22).

(b) Valuation of Post-employment Defined Benefit Obligation

The determination of the obligation and cost of post-employment defined benefit is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates, expected rate of return on plan assets, salary rate increase, and employee turnover rate. A significant change in any of these actuarial assumptions may generally affect the recognized expense, other comprehensive income or losses and the carrying amount of the post-employment benefit obligation in the next reporting period.

The amounts of post-employment benefit obligation and expense and an analysis of the movements in the estimated present value of post-employment defined benefit, as well as the significant assumptions used in estimating such obligation are presented in Note 21(b).

4. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to certain financial risks in relation to financial instruments. Its main purpose for its dealings in financial instruments is to fund operational and capital expenditures. The BOT has overall responsibility for the establishment and oversight of the Group's risk management framework. It has a risk management committee headed by an independent trustee that is responsible for developing and monitoring the Group's policies, which address risk management areas.

Management is responsible for monitoring compliance with the Group's risk management policies and procedures and for reviewing the adequacy of these policies in relation to the risks faced by the Group.

The Group does not engage in trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed to are described in the succeeding pages.

4.1 Market Risk

(a) Foreign Currency Risk

Most of the Group's transactions are carried out in Philippine pesos, its functional currency. Exposures to currency exchange risk arise from certain cash and cash equivalents, financial assets at FVTPL, financial assets at FVOCI and investment securities at amortized cost that are primarily denominated in United States (US) dollars.

Financial assets denominated in US dollar, translated into Philippine pesos at the closing rate, as of May 31 are presented below.

	2021	2020	2019
Short-term exposure – Financial assets	**P 663,078,157**	P 409,534,498	P 561,752,399
Long-term exposure – Financial assets	**P 120,685,405**	P 162,277,191	P 228,040,069

The following table illustrates the sensitivity of the Group's profit or loss before tax with respect to changes in Philippine peso against US dollar exchange rates. The percentage changes in rates have been determined based on the average market volatility in exchange rates, using standard deviation, in the previous periods (for the years ended May 31, 2021, 2020 and 2019) at a 95% confidence level.

	2021			2020			2019		
	Reasonably possible change in rate	**Effect in profit before tax**	**Effect in equity**	Reasonably possible change in rate	Effect in profit before tax	Effect in equity	Reasonably possible change in rate	Effect in loss before tax	Effect in equity
PhP - USD	**4.67%**	**P 35,867,865**	**P 35,240,178**	4.38%	P 25,045,352	P 22,540,817	3.98%	P 30,249,052	P 27,224,146

Exposures to US dollar exchange risk vary during the year depending on the volume of foreign currency denominated transactions. Nonetheless, the analysis above is considered to be representative of the Group's currency risk.

(b) Interest Rate Risk

The Group is exposed to changes in market interest rates through its cash and cash equivalents, short and long-term debt securities investments, and interest-bearing loans as of end of each reporting period, which are subject to variable interest rates, and is shown below. All other financial assets and financial liabilities have fixed interest rates.

	Notes	**2021**	2020	2019
Cash and cash equivalents	8	**P 1,191,146,185**	P 1,798,366,234	P 1,520,192,490
Financial assets at FVOCI	10	**1,239,740,426**	542,005,510	537,594,985
Investment securities at amortized cost	10	**584,766,708**	530,618,267	787,493,150
Short-term investments	15	**32,211,342**	64,562,591	76,269,824
Long-term investments - net	15	**10,706,000**	11,280,724	16,425,700
Interest-bearing loans	17	**(2,472,380,953)**	(2,105,238,095)	(1,333,571,429)
		P 586,189,708	P 841,595,231	P 1,604,404,720

The table shown below illustrates the sensitivity of profit or loss before tax for the periods with regard to the Group's interest-bearing financial instruments. These percentages have been determined based on the average market volatility rates, using standard deviation, in the periods ended May 31, 2021, 2020 and 2019, estimated at 95% level of confidence. The sensitivity analysis is based on the Group's financial instruments held at May 31, 2021, 2020 and 2019.

	2021		2020		2019	
	Reasonably possible change in rate	**Effect on profit before tax**	Reasonably possible change in rate	Effect on profit before tax	Reasonably possible change in rate	Effect on loss before tax
Cash and cash equivalents	**+/-0.73%**	**P 8,695,367**	+/-0.45%	P 8,092,648	+/-0.75%	P 11,401,444
Financial assets at FVOCI	**+/-0.69%**	**8,554,209**	+/-4.26%	15,230,355	+/-4.26%	22,901,546
Investment securities at amortized cost	**+/-0.69%**	**4,034,890**	+/-2.81%	14,910,373	+/-4.26%	33,547,208
Short-term investments	**+/-1.03%**	**331,777**	+/-2.45%	1,581,783	+/-2.73%	2,082,166
Long-term investments	**+/-0.78%**	**83,507**	+/-2.81%	316,988	+/-4.84%	795,004
Interest-bearing loans	**+/-0.69%**	**(17,059,429)**	+/-0.75%	(15,789,286)	+/-2.73%	(36,406,500)
		P 4,640,321		P 24,342,861		P 34,320,868

(c) Other Price Risk

The Group's exposure to price risk arises from its investments in equity securities, which are classified as part of the Financial Assets at FVOCI and Financial Assets at FVTPL accounts in the consolidated statements of financial position. These consist of publicly listed equity securities which are carried at fair value.

Management monitors its equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis.

For equity securities listed in the Philippines, an average volatility have been observed for the years ended May 31, 2021, 2020 and 2019 which was shown on the table below.

	Effect on Total Comprehensive Income					
	+/-%	**2021**	+/-%	2020	+/-%	2019
Financial assets at FTVPL	**16.30%**	**P898,992,320**	32.81%	P 153,750,667	13.26%	P 67,619,740
Financial assets at FVOCI	**18.85%**	**171,889,527**	19.00%	25,786,424	15.58%	21,029,362

No sensitivity analysis was provided for government and corporate bonds, and investments in UITF classified as Financial Assets at FVTPL as management deemed that the risk at the end of the period is not representative of a risk inherent in the Group's financial instruments.

Certain investments are considered medium to long-term strategic investments. In accordance with the Group's policies, no specific hedging activities are undertaken in relation to these investments. The investments are continuously monitored to ensure that returns of these equity instruments are timely utilized or reinvested in the Group's favor.

4.2 Credit Risk

Credit risk represents the loss that the Group would incur if the counterparty fails to perform its contractual obligations.

The Group is mainly exposed to credit risk relating to its tuition and other school fees receivables due primarily to the student's possible inability to pay and to fully settle his or her unpaid balance of tuition fees and other charges which are owed to the Group based on installment payment schemes. The Group has established controls and procedures to minimize risks of non-collection. Students are not allowed to enroll in the following semester unless the unpaid balance in the previous semester has been paid. The Group also withholds the academic records and clearance of the students with unpaid balances, thus ensuring that collectability is reasonably assured. The Group's exposure to credit risk on its other receivables from debtors and related parties is managed through close account monitoring and setting limits.

Other than the foregoing, the Group is not exposed to significant credit risk and has no significant exposure to any individual customer or counterparty nor it has any other concentration of credit risk arising from counterparties in similar business activities, geographic region or economic parties.

With respect to credit risk arising from debt instruments, the Group's maximum exposure is equal to the carrying amount, before any allowances for impairment, of these instruments.

The maximum exposure to credit risk at the end of the reporting period is as follows:

	Notes	**2021**	2020	2019
Cash and cash equivalents	8	**P 1,191,146,185**	P 1,798,366,234	P 1,520,192,490
Trade and other receivables - net	9	**782,189,376**	970,146,864	608,223,874
Financial assets at FVOCI	10	**1,239,740,426**	542,005,510	537,594,985
Investment securities at amortized cost	10	**584,766,708**	530,618,267	787,493,150
Short-term investments	15	**32,211,342**	64,562,591	76,269,824
Long-term investments - net	15	**10,706,000**	11,280,724	16,425,700
Refundable deposits	15	**22,819,818**	16,235,991	9,975,338
		P 3,863,579,885	P 3,933,216,181	P 3,556,175,361

a. *Cash and Cash Equivalents, and Short-term Placements*

The credit risk for cash and cash equivalents, and short-term placements herein is considered negligible or the probability of default from these reputable banks is remote since there has been no history of default from these counterparties and because of their high-quality external credit ratings.

Cash in banks are insured by the Philippine Deposit Insurance Corporation (PDIC) up to a maximum coverage of P0.5 million per depositor per banking institution, as provided for under RA No. 9576, *Amendment to Charter of PDIC.*

For cash and cash equivalents, and financial assets of similar nature, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECL on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

As of May 31, 2021, 2020 and 2019, management assessed that the allowance for ECL on these financial instruments is not material.

b. *Trade and Other Receivables*

The Group's trade and other receivables include tuition fees and other school receivables, rental receivables and other miscellaneous receivables.

The Group applies the simplified approach in measuring ECL, which uses a lifetime expected loss allowance for tuition fees and other receivables. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. To calculate the ECL, the Group uses its historical experience, external indicators and forward-looking information to calculate the ECL using a provision matrix. The loss rates are based on actual credit-impaired student accounts or those which are outstanding for two terms and have not enrolled for the succeeding term. In practice and considering the nature of its business, particularly with respect to its educational activities, the Group writes off such balances as collection becomes more unlikely as the concerned students did not return for enrollment. The Group also assesses impairment of tuition fees and other receivables on a collective basis as they possess shared credit risk characteristics.

The expected loss rates on these receivables are determined based on the history of credit-impaired student accounts. The Group analyses tuition and other school fees receivables based on the number of semesters the receivables have been outstanding. Student receivables that are outstanding for at least two semesters are assessed for credit impairment.

The historical loss rates, which are expressed as the relationship between the credit-impaired accounts and the related recognized tuition fees, are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the students to settle the receivables. The Group assessed that the expected loss rates for tuition fees and other receivables are a reasonable approximation of the loss rates for these financial assets. As at May 31, 2021, 2020 and 2019, the weighted average loss rate, adjusted with FLI, used in the measurement of ECL is at 6.4%, 8.4% and 4.7%, respectively.

The Group incorporates FLI into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL. The most relevant macro-economic variable used in the measurement of ECL is consumer spending as at May 31, 2021, 2020 and 2019 based on the correlation of historical loss rates and FLI.

The Group writes off its receivables from students who have not enrolled for two terms and are not expected by management to re-enroll in the near future.

For the years ended May 31, 2021, 2020 and 2019, the Group recognized total impairment losses amounting to P254.8 million, P81.7 million and P27.0 million, respectively. A reconciliation of the allowance for ECL as at May 31, 2021, 2020 and 2019 to the opening loss allowance is presented in Note 9.

On the other hand, to calculate the ECL of rental receivables, these have been grouped based on shared credit risk characteristics and the days past due (age buckets). The rental receivables which relate to both third party and related party receivables have substantially the same risk characteristics. The Group has therefore concluded that the expected loss rates for all rental receivables, whether from third party or related party, are the same. The expected loss rates are based on the payment profiles of sales over a period of 36 months before May 31, 2021, 2020 and 2019, respectively, and the corresponding historical credit losses experienced within such period. The Group has identified the Philippine inflation rate to be the most relevant factor and has accordingly adjusted the historical loss rates based on expected changes in this factor. There are no past due rental receivables for the years ended May 31, 2021, 2020 and 2019.

On that basis, there is no additional loss allowance recognized based on management's assessment as of March 31, 2021, 2020 and 2019, as the expected credit losses are assessed to be insignificant to the Group's consolidated financial statements.

c. *Debt Instruments Classified as Financial Assets at FVOCI and Amortized Cost*

Debt securities measured at amortized cost and at FVOCI are considered to have low credit risk, and therefore, the loss allowance during the period is determined to be equivalent to 12 months ECL. Management considers "low credit risk" for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

The loss allowance are as follows:

Company Internal Credit Rating	External Credit Rating	ECL Rate	Estimated Gross Carrying Amount at Default	Allowance
2021				
Investment Securities at Amortized Cost				
Performing	A - AAA	0.00% - 0.05%	P 516,046,376	P 146,262
Underperforming	BB - BBB+	0.23% - 0.45%	69,055,667	-
Financial Assets at FVOCI				
Performing	AAA	0.0%	177,230,169	-
Underperforming	BBB+	0.00% - 0.09%	975,503,462	842,339
			P 1,737,835,674	**P 988,601**
2020				
Investment Securities at Amortized Cost				
Performing	A - AAA	0.00% - 0.06%	P 313,600,494	P 104,778
Underperforming	BB - BBB+	0.10% - 0.52%	217,546,529	423,978
Financial Assets at FVOCI				
Performing	AAA	0.0%	338,646,198	-
Underperforming	BBB+	0.00% - 0.11%	203,546,254	186,942
			P 1,073,339.475	P 715,698
2019				
Investment Securities at Amortized Cost				
Performing	A - AAA	0.00% - 0.06%	P 530,063,053	P 80,616
Underperforming	BB - BBB+	0.10% - 0.52%	257,934,691	423,978
Financial Assets at FVOCI				
Performing	AAA	0.0%	359,209,640	-
Underperforming	BBB+	0.00% - 0.11%	178,572,287	186,942
			P 1,325,779,671	P 691,536

In 2021 and 2020, the Group did not recognize additional or reversal of ECL for debt securities at amortized cost and debt securities at FVOCI.

d. Refundable Deposits

Management has assessed that these financial assets have low probability of default since these relate to continuing lease contracts and any outstanding deposit balance can be applied against future monthly rentals. Also, these are no longer discounted since management believes that the effect of discounting is not material to the consolidated financial statements.

4.3 Liquidity Risk

The Group manages liquidity risk by maintaining a balance between continuity of funding and flexibility. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely monitors the Group's future and contingent obligations and ensures that future cash collections are sufficient to meet them in accordance with internal policies. The Group invests in cash placements when excess cash is obtained from operations.

As at May 31, 2021, 2020 and 2019, the Group's financial liabilities (excluding lease liabilities – see Note 13) have contractual maturities which are presented below.

	Current		Non-current	
	Within 6 Months	6 to 12 Months	1 to 5 Years	Total
2021				
Trade and other payables	P 1,152,522,499	P -	P -	P 1,152,522,499
Interest-bearing loans	114,314,086	118,517,541	2,449,429,071	2,682,260,698
Refundable deposits (presented under Other Non-current Liabilities)	-	-	16,995,892	16,995,892
	P 1,266,836,585	**P 118,517,541**	**P 2,466,424,963**	**P 3,851,779,089**
2020				
Trade and other payables	P 1,593,203,461	P -	P -	P 1,593,203,461
Interest-bearing loans	761,269,133	261,903,478	1,787,566,785	2,810,739,396
Refundable deposits (presented under Other Non-current Liabilities)	-	-	7,440,466	7,440,466
	P 2,354,472,594	P 261,903,478	P 1,795,007,251	P 4,411,383,323
2019				
Trade and other payables	P 837,651,708	P 345,811,952	P -	P 1,183,463,660
Interest-bearing loans	1,253,245,255	220,090,570	1,057,178,460	2,530,514,285
Derivative liability	36,720,866	-	-	36,720,866
Refundable deposits (presented under Other Non-current Liabilities)	-	-	4,796,804	4,796,804
	P 2,127,617,829	P 565,902,522	P 1,061,975,264	P 3,718,774,749

The contractual maturities presented above reflect the gross cash flows, which may differ from the carrying values of the liabilities at the end of the reporting period.

5. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

5.1 Carrying Amounts and Fair Values by Category

The carrying amounts and fair values of financial assets and financial liabilities measured at fair value and an investment carried at amortized cost but whose fair value is required to be disclosed are shown below.

		2021		2020		2019	
	Notes	Carrying Values	Fair Values	Carrying Values	Fair Values	Carrying Values	Fair Values
Financial Assets							
At FVOCI:							
Debt securities	10	**P 1,239,740,426**	**P 1,239,740,426**	P 542,005,510	P 542,005,510	P 537,594,985	P 537,594,985
Equity securities	10	**170,389,527**	**170,389,527**	170,819,604	170,819,604	166,271,887	166,271,887
Golf club shares	10	**1,500,000**	**1,500,000**	3,631,800	3,631,800	2,830,000	2,830,000
		1,411,629,953	**1,411,629,953**	716,456,914	716,456,914	706,696,872	706,696,872
At FVTPL:							
Equity securities	10	**898,992,320**	**898,992,320**	431,633,214	431,633,214	445,378,506	445,378,506
UITF	10	**706,515,461**	**706,515,461**	456,883,944	456,883,944	392,036,006	392,036,006
		1,605,507,781	**1,605,507,781**	888,517,158	888,517,158	837,414,512	837,414,512
At Amortized Cost:							
Receivables	9	**782,189,376**	**782,189,376**	970,146,864	970,146,864	608,223,874	608,223,874
Investments –							
Debt securities	10	**584,766,708**	**590,706,382**	530,618,267	535,734,400	787,493,150	787,986,918
Refundable deposits	15	**22,819,812**	**22,819,812**	16,235,991	17,235,991	9,975,338	9,975,338
		1,389,775,896	**1,395,715,570**	1,517,001,122	1,523,117,255	1,405,692,362	1,406,186,130
		P 4,406,913,630	**P 4,412,853,304**	P 3,121,975,194	P 3,128,091,327	P 2,949,803,746	P 2,950,297,514
Financial Liabilities							
At amortized cost:							
Interest-bearing loans	17	**P 2,472,380,953**	**P 2,299,852,978**	P 2,605,238,096	P 2,555,915,182	P 2,358,571,429	P 2,326,214,523
Lease liabilities	13	**34,510,986**	**34,510,986**	46,572,571	46,572,571	-	-
Derivative liability – Cross-currency Swaps		**-**	**-**	-	-	36,720,866	36,720,866
		P 2,506,891,939	**P 2,334,363,964**	P 2,651,810,667	P 2,602,487,753	P 2,395,292,295	P 2,362,935,389

Except for the financial assets and financial liabilities presented above, cash and cash equivalents, short-term investments, long-term investments, trade and other payables and refundable deposit, the Group has no other financial assets and/or financial liabilities that are carried at fair value or that are not carried at fair value but are required to be disclosed at fair value (see Note 6.3).

Management determined that the carrying amounts of the other financial instruments are equal to or approximate their fair values; hence, no further comparison between their carrying amounts and fair values is presented.

See Note 2.5 for a description of the accounting policies for each category of financial instruments. A description of the Group's risk management objectives and policies for financial instruments is provided in Note 4.

5.2 Offsetting of Financial Assets and Financial Liabilities

The Group's cash in bank, which is presented as part of the Cash and Cash Equivalents account, and portion of Short-term investments under the Other Current Assets – net account in the consolidated statements of financial position (see Notes 8 and 15) are subject to offsetting, enforceable master netting arrangements and similar agreements as at May 31, 2021, 2020 and 2019, such as loan agreements, as presented in the succeeding page.

	Gross Amounts Recognized in the Consolidated Statements of Financial Position		Net Amount Presented in the Consolidated Financial Statements of Position	Related Amounts not Set-off in the Consolidated Statements of Financial Position		
	Financial liabilities	Financial assets instruments		Financial Instruments	Cash Collateral Received	Net Amount
May 31, 2021						
Interest-bearing loans	**P2,472,380,953**	**P -**	**P2,472,380,953**	**(P 264,699,879)**	**P -**	**P 2,207,681,074**
May 31, 2020						
Interest-bearing loans	P2,605,238,095	P -	P 2,605,238,095	(P 188,339,418)	P -	P 2,416,898,677
May 31, 2019						
Interest-bearing loans	P2,358,571,429	P -	P 2,385,571,429	(P 189,368,822)	P -	P 2,169,202,607

For financial assets and financial liabilities subject to enforceable master netting agreements or similar arrangements above, each agreement between the Group and counterparties (i.e., depository bank) allows for net settlement of the relevant financial assets and financial liabilities (i.e., interest-bearing loans) when both elect to settle on a net basis.

All other financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (i.e., related parties) will have the option to settle all such amounts on a net basis through the approval by both parties' BOT or BOD. As such, the Group's outstanding receivables from and payables to the same related parties, if any, can potentially be offset to the extent of their corresponding outstanding balances.

6. FAIR VALUE MEASUREMENT AND DISCLOSURES

6.1 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy is shown below.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurable date;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For investments which do not have quoted market price, the fair value is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market of another instrument which is substantially the same after taking into account the related credit risk of counterparties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When the Group uses valuation technique, it maximizes the use of observable market data where it is available and relies as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

6.2 Financial Instruments Measurement at Fair Value

The foregoing tables show the fair value hierarchy of the Group's classes of financial assets and financial liabilities measured at fair value in the consolidated statements of financial position on a recurring basis as of:

	Level 1	Level 2	Level 3	Total
May 31, 2021				
Financial assets at FVOCI:				
Debt securities:				
Government	P 994,863,274	P -	P -	P 994,863,274
Corporate	244,877,152	-	-	244,877,152
Equity securities	170,389,527	-	-	170,389,527
Golf club shares	-	1,500,000	-	1,500,000
Financial assets at FVTPL – Equity securities	898,992,320	706,515,461	-	1,605,507,781
Investment securities at amortized cost	590,706,382	-	-	590,706,382
	P 2,899,828,655	**P 708,015,461**	**P -**	**P 3,607,844,116**
May 31, 2020				
Financial assets at FVOCI:				
Debt securities:				
Government	P 285,289,832	P -	P -	P 285,289,832
Corporate	256,715,678	-	-	256,715,678
Equity securities	170,819,604	-	-	170,819,604
Golf club shares	-	3,631,800	-	3,631,800
Financial assets at FVTPL – Equity securities	431,633,214	456,883,944	-	888,517,158
Investment securities at amortized cost	507,984,400	-	27,750,000	535,734,400
	P 1,652,442,728	**P 460,515,744**	**P 27,750,000**	**P2,140,708,472**

	Level 1	Level 2	Level 3	Total
May 31, 2019				
Financial assets at FVOCI:				
Debt securities:				
Government	P 242,080,283	P -	P -	P 242,080,283
Corporate	295,514,702	-	-	295,514,702
Equity securities	166,271,887	-	-	166,271,887
Golf club shares	-	2,830,000	-	2,830,000
Financial assets at FVTPL – Equity securities	445,378,506	392,036,006	-	837,414,512
Investment securities at amortized cost	787,986,918	-	-	787,986,918
	P 1,937,232,296	P 394,866,006	P -	P 2,332,098,302
Derivative liability – Cross-currency swaps	P -	(P 36,720,866)	P -	(P 36,720,866)

There were neither transfers between levels nor changes in levels of classification of instruments in all the years presented.

Following are the information about how the fair values of the Group's classes of financial assets and financial liabilities are determined.

a) *Equity Securities*

As of May 31, 2021, 2020 and 2019, instruments included in Level 1 comprise of listed common and preferred shares which are classified as and designated at financial assets at FVTPL and FVOCI, respectively. The corporate shares were valued based on their market prices quoted in the PSE at the end of each reporting period. On the other hand, the fair value of investments in UITF are classified as Level 2, since fair values are generally measured based on the net asset value of the Group's investment, computed and determined at the end of each reporting period based on the closing market and trade prices of the securities comprising the fund's portfolio. This valuation approach takes into the account the period end performance of the funds including all trades made within the funds and the related income and expenses arising therefrom.

b) *Golf Club Shares*

The Group's golf club shares are included in Level 2 as their prices are not derived from market considered as active due to lack of trading activities among market participants at the end or close to the end of the reporting period.

c) *Debt Securities*

The fair value of the Group's debt securities which consist of government and corporate bonds is estimated by reference to quoted bid price in active market at the end of the reporting period and is categorized within Level 1.

(i) Fair values of government securities issued by the Philippine government, are determined based on the reference price per Bloomberg which used BVAL. These BVAL reference rates are computed based on the weighted price derived using an approach based on a combined sequence of proprietary BVAL algorithms of direct observations or observed comparable.

(ii) For corporate and other quoted debt securities, fair value is determined to be the current mid-price, which is computed as the average of as and bid prices as appearing on the Corporate Securities Board Summary.

d) *Derivatives*

Derivatives classified as financial liability at FVTPL are included in Level 2 as their prices are not derived from market considered as active due to lack of trading activities among market participants at the end or close to the end of the reporting period. The fair value of derivative financial instruments that are not quoted in an active market is determined through valuation techniques normally using the discounted cash flow.

Valuation techniques are used to determine fair values, which are validated and periodically reviewed. To the extent practicable, models use observable data, however, areas such as credit risk (both own and counterparty), volatilities require management to make estimates. Changes in assumptions and correlations affect reported fair value of financial instruments.

6.3 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

As of May 31, 2021, 2020 and 2019, the fair value of debt securities categorized as Investment Securities at Amortized Cost amounted to P590.7 million, P535.7 million and P788.0 million, respectively, which is Level 1 in the hierarchy of fair values (see Note 5.1).

On the other hand, the fair value of the Group's interest-bearing loans amounted to P2,299.9 million, P2,555.9 million and P2,326.2 million as of May 31, 2021, 2020 and 2019, respectively. For interest-bearing loans with more than one year of maturity, its estimated fair value represents the discounted amount of the future cash flows expected to be paid which are discounted at current market rates. The fair values of the Group's interest-bearing loans are classified under Level 3 of the fair value hierarchy.

Other than the investment securities at amortized cost and interest-bearing loans, management determined that due to the short-term duration of the other financial assets and financial liabilities measured at amortized costs of the Group, as described in Note 2.5, their fair values as at May 31, 2021, 2020 and 2019 equal or approximate their carrying amounts. Accordingly, the Group did not anymore present a comparison of their fair values with their carrying amounts and correspondingly, their level in the fair value hierarchy. Nevertheless, if presented in the hierarchy, only cash and cash equivalents and short-term investments would fall under Level 1 and the rest would be under Level 3.

6.4 Fair Value Measurement for Non-financial Assets

(a) Determining Fair Value of Investment Properties

As of May 31, 2021, 2020 and 2019, the total estimated fair value of the Group's parcels of land and building and improvements classified as investment property are categorized as Level 3 in the fair value hierarchy (see Note 14.2).

	2021	2020	2019
Building and improvements	**P 189,530,407**	P 189,530,407	P 151,549,095
Land	**103,932,373**	44,498,295	53,572,000
	P 293,462,780	P 234,028,702	P 205,121,095

The fair value of the Group's investment properties, except for certain investment properties owned by FRC which were determined using the discounted cash flows technique since information on appraisal reports is not readily available, are determined on the basis of the appraisals performed by an independent appraiser with appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. To some extent, the valuation process was conducted by the appraiser in discussion with the Group's management with respect to the determination of inputs such as the size, age, and condition of the land and buildings, and the comparable prices in the corresponding property location.

In estimating the fair value of these properties, management takes into account the market participant's ability to generate economic benefits by using the assets in their highest and best use. Based on management's assessment, the best use of the Group's non-financial assets indicated above is their current use.

The fair values of these non-financial assets were determined based on the following approaches:

(i) Fair Value Measurement for Land

The Level 3 fair value of land was derived using the market comparable approach that reflects the recent transaction prices for similar properties in nearby locations. Under this approach, the observable recent prices of the reference properties were adjusted for differences in key attributes such as property size, zoning, and accessibility. The most significant input into this valuation approach is the price per square foot, hence, the higher the price per square foot, the higher the fair value.

(ii) Fair Value Measurement for Building and Improvements

The Level 3 fair value of the buildings and improvements included under the Investment Properties account was determined using the cost approach that reflects the cost to a market participant to construct an asset of comparable usage, construction standards, design and layout, adjusted for obsolescence. The more significant inputs used in the valuation include direct and indirect costs of construction such as but not limited to, labor and contractor's profit, materials and equipment, surveying and permit costs, electricity and utility costs, architectural and engineering fees, insurance and legal fees. These inputs were derived from various suppliers and contractor's quotes, price catalogues, and construction price indices. Under this approach, higher estimated costs used in the valuation will result in higher fair value of the properties.

There has been no change to the valuation techniques used by the Group during the year for its non-financial assets. Also, there were no transfers into or out of the different levels of the fair value hierarchy as of May 31, 2021, 2020 and 2019.

The carrying amount of investment properties included in Level 3 is presented in Note 14.

(b) Other Fair Value Information

There were no transfers into or out of Level 3 fair value hierarchy during the years ended May 31, 2021, 2020 and 2019.

7. SEGMENT INFORMATION

7.1 Geographic Segments

In identifying its operating segments, management generally follow the Group's two major geographical areas, namely Metro Manila and provincial. These are the basis of the Group in reporting to its strategic steering committee for its strategic decision-making activities.

7.2 Segment Assets and Liabilities

Segment assets include all operating assets used by a segment and consist primarily of operating cash and cash equivalents, trade and other receivables, financial assets at FVTPL and FVOCI, investment securities at amortized cost, real estate held-for-sale, investment properties, and property and equipment.

Segment assets do not include deferred tax assets and other assets which are not allocated to any segment's assets.

Segment liabilities include all operating liabilities as presented in the consolidated statements of financial position, except for deferred tax liabilities.

7.3 Intersegment Transactions

Segment revenues, expenses and performance include revenues and purchases between geographical segments. Such services and purchases are eliminated in consolidation.

7.4 Analysis of Segment Information

The Group's geographical segment, which is based from location of all the Group's school campuses, for the years ended May 31, 2021, 2020 and 2019 follows (in thousands).

	Metro Manila	Provincial	Total
May 31, 2021			
Segment revenues			
From external customers	P 3,455,443	P 267,622	P 3,723,065
Intersegment revenues	314,008	-	314,008
Total revenues	3,769,451	267,622	4,037,073
Operating expenses	(2,423,962)	(314,295)	(2,738,257)
Segment operating profit	**P 1,345,489**	**(P 46,673)**	**P 1,298,816**
Total segment assets	**P 17,323,272**	**P 2,891,008**	**P 20,214,280**
Total segment liabilities	**P 5,325,940**	**P 1,176,126**	**P 6,502,066**
May 31, 2020			
Segment revenues			
From external customers	P 3,423,300	P 302,525	P 3,725,825
Intersegment revenues	207,926	-	207,926
Total revenues	3,631,226	302,525	3,933,751
Operating expenses	(2,598,145)	(323,802)	(2,921,947)
Segment operating profit	P 1,033,081	(P 21,277)	P 1,011,804
Total segment assets	P 17,425,706	P 2,889,399	P 20,315,105
Total segment liabilities	P 6,203,940	P 1,120,913	P 7,324,853
May 31, 2019			
Segment revenues			
From external customers	P 3,220,365	P 290,765	P 3,511,130
Intersegment revenues	186,547	-	186,547
Total revenues	3,406,912	290,765	3,697,677
Operating expenses	(2,412,688)	(280,871)	(2,693,559)
Segment operating profit	P 994,224	P 9,894	P 1,004,118
Total segment assets	P 14,931,368	P 1,593,890	P 16,525,258
Total segment liabilities	P 4,219,484	P 839,040	P 5,058,524

7.5 Reconciliation

Presented below is a reconciliation of the Group's segment information to the key financial information presented in its consolidated financial statements (in thousands).

	2021	2020	2019
Revenue			
Total segment revenues	**P 4,037,074**	P 3,933,751	P 3,697,677
Elimination of intersegment revenues	**(314,008)**	(207,926)	(186,547)
Finance income	**(190,258)**	(136,081)	(152,095)
Revenues as reported in consolidated profit or loss	**P 3,532,808**	P 3,589,744	P 3,359,035
Profit or loss			
Segment operating profit	**P 1,298,817**	P 1,011,804	P 1,004,118
Other income	**139,929**	164,236	212,568
Finance costs	**(106,576)**	(246,065)	(101,778)
Other unallocated expense	**(315,878)**	(145,411)	(180,325)
Tax expense	**(36,976)**	(101,572)	(126,111)
Group net profit as reported in profit or loss	**P 979,316**	P 682,992	P 808,472
Assets			
Segment assets	**P 20,214,280**	P 20,315,105	P 16,525,258
Deferred tax assets – net	**24,756**	29,533	25,673
Goodwill	**186,487**	186,487	186,487
Elimination of intercompany accounts	**(5,004,154)**	(5,344,519)	(2,657,460)
Total Assets	**P 15,421,369**	P 15,186,606	P 14,079,958
Liabilities			
Segment liabilities	**P 6,502,066**	P 7,324,853	P 5,058,524
Deferred tax liabilities – net	**15,117**	14,660	22,685
Elimination of intercompany accounts	**(2,360,947)**	(2,570.744)	(869,326)
Total Liabilities	**P 4,156,236**	P 4,768,768	P 4,211,883

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components:

	2021	2020	2019
Cash on hand and in banks	**P 1,006,820,540**	P 748,186,077	P 549,674,206
Short-term placements	**184,325,645**	1,050,180,157	970,518,284
	P 1,191,146,185	P 1,798,366,234	P 1,520,192,490

Cash in banks generally earn interest based on daily bank deposit rates. Short-term placements are made for varying periods of up to three months depending on the immediate cash requirements of the Group.

These placements earn effective annual interest as follows:

	2021	2020	2019
Peso placements	**0.1% to 2.6%**	1.5% to 6.5%	0.8% to 6.0%

Interest income earned from cash and cash equivalents are presented as part of Finance Income in the consolidated statements of profit or loss (see Note 20.1). The related interest receivable from placements as of May 31, 2021, 2020 and 2019 is presented as part of Accrued interest under the Trade and Other Receivables account in the consolidated statements of financial position (see Note 9).

9. TRADE AND OTHER RECEIVABLES

This account is composed of the following:

	Notes	**2021**	2020	2019
Non-related parties:				
Tuition and other school fees		**P 707,967,727**	P 866,914,767	P 577,801,471
Rental receivables		**108,561,659**	34,214,279	28,195,961
		816,529,386	901,129,046	605,997,432
Related parties:				
Other advances	23.1, 23.2, 23.7	**67,292,199**	102,398,435	43,732,028
Rental receivables	23.4(a), 23.4(b)	**-**	13,122,403	10,643,063
		67,292,199	115,520,838	54,375,091
Others:				
Advances to officers and employees		**17,178,128**	20,452,761	11,937,862
Accrued interest	8, 10, 15	**3,886,074**	5,981,939	6,290,153
Miscellaneous		**83,464,030**	49,770,963	20,909,743
		104,528,232	76,205,663	39,137,758
		988,349,817	1,092,855,547	699,510,281
Allowance for impairment on tuition and other school fees receivables		**(188,982,413)**	(102,255,922)	(79,348,545)
		P 799,367,504	P 990,599,625	P 620,161,736

Non-related parties' rental receivables relates to the FRC's receivables from its lease contracts.

Advances to officers and employees comprise of unsecured and noninterest-bearing advances, subject to liquidation within 15 days from the earlier date between the release of the advances and the event to which the advances are utilized.

A reconciliation of the allowance for impairment on receivables at the beginning and end of each of the reporting period is shown below.

	2021	2020	2019
Balance at beginning of year	**P 102,255,922**	P 79,348,545	P 77,327,375
Impairment losses during the year	**254,842,087**	81,673,482	27,028,023
Reversal of allowance	**(1,614,531)**	-	-
Recovery of previously written-off receivables	**-**	724,809	-
Receivables written-off during the year	**(166,501,065)**	(59,490,914)	(25,006,853)
Balance at end of year	**P 188,982,413**	P 102,255,922	P 79,348,545

All of the Group's receivables, which are subject to credit risk exposure [see Note 4.2(b)] have been reviewed for impairment. The Group applies the PFRS 9 simplified approach in measuring expected credit losses taking into consideration the expected loss rates determined through the assessment of credit impairment, which was observed for student receivables that are outstanding for at least two semesters/terms and are unenrolled in the previous term.

During the years ended May 31, 2021, 2020 and 2019, tuition and other school fees receivables were assessed for impairment and corresponding impairment losses were recognized as Impairment losses on receivables in the consolidated statements of profit or loss.

Miscellaneous receivables significantly pertain to due from brokers which pertains to the receivable by the Group's trust funds and other various receivables from non-related parties.

10. FINANCIAL ASSETS

10.1 Financial Assets at FVTPL

The types of investments classified under Financial Assets at FVTPL as of May 31 are shown below.

	2021	2020	2019
Equity securities	**P 898,992,320**	P 431,633,214	P 445,378,506
UITF	**706,515,461**	456,883,944	392,036,006
	P 1,605,507,781	P 888,517,158	P 837,414,512

The breakdown of Financial Assets at FVTPL as to currency denomination is as follows:

	2021	2020	2019
Local	**P 958,144,678**	P 499,767,405	P 447,066,961
Foreign	**647,363,103**	388,749,753	390,347,551
	P 1,605,507,781	P 888,517,158	P 837,414,512

An analysis of the movements in the carrying amounts of the Group's investments is presented below:

	2021	2020	2019
Balance at beginning of year	**P 888,517,158**	P 837,414,512	P 1,036,396,859
Additions	**3,737,884,125**	1,267,039,964	1,690,108,239
Disposals	**(3,088,266,602)**	(1,130,883,011)	(1,925,191,984)
Fair value gains – net	**85,961,962**	(77,384,209)	38,473,202
Foreign currency losses – net	**(18,588,862)**	(7,670,098)	(2,371,804)
Balance at end of year	**P 1,605,507,781**	P 888,517,158	P 837,414,512

Investment income or losses from FVTPL financial assets, which includes dividend income, gain or loss on disposal and realized fair value gains or losses, totaling P113.7 million, P94.7 million and P13.6 million for the years ended May 31, 2021, 2020 and 2019, respectively, has been reinvested as part of additions to financial assets at FVTPL and is presented separately as Other investment income from financial assets at FVTPL under Finance Income in 2021 and 2019 and Other investment loss on financial assets at FVTPL under Finance Cost in 2020 in the consolidated statement of profit or loss (see Note 20).

The related outstanding interest is presented as part of Accrued interest under the Trade and Other Receivables account in the consolidated statements of financial position (see Note 9).

10.2 Financial Assets at FVOCI

As of May 31, the Group's financial assets at FVOCI are classified in the consolidated statements of financial position as follows:

	2021	2020	2019
Current	**P 231,920,855**	P 329,290,221	P 277,750,721
Non-current	**1,179,709,098**	387,166,693	428,946,151
	P 1,411,629,953	P 716,456,914	P 706,696,872

The types of investments classified under Financial Assets at FVOCI as of May 31 are shown below.

	2021	2020	2019
Debt securities:			
Government	**P 994,863,274**	P 285,289,832	P 242,080,283
Corporate	**244,877,152**	256,715,678	295,514,702
	1,239,740,426	542,005,510	537,594,985
Equity securities:			
Corporate shares	**170,389,527**	170,819,604	166,271,887
Golf club shares	**1,500,000**	3,631,800	2,830,000
UITF	**-**	-	-
	171,889,527	174,451,404	169,101,887
	P 1,411,629,953	P 716,456,914	P 706,696,872

Government securities bear annual interest rates ranging from 1.1% to 12.1% in 2021, 2.9% to 12.1% in 2020 and 3.4% to 12.1% in 2019. Corporate bonds bear interest rates ranging from 2.1% to 5.5% in 2021, 3.2% to 5.5% in 2020, and 3.3% to 7.0% in 2019. These securities were not used as collaterals for any borrowings of the Group.

The breakdown of quoted financial assets at FVOCI as to currency denomination is as follows:

	2021	2020	2019
Local	**P 1,363,039,103**	P 644,093,972	P 593,416,086
Foreign	**48,590,850**	72,362,942	113,280,786
	P 1,411,629,953	P 716,456,914	P 706,696,872

In 2019, certain financial assets at FVOCI were reclassified as part of Investment Securities at Amortized Cost (see Note 10.3).

Analyses of the movements in the carrying amounts of the Group's financial assets at FVOCI are presented below.

	2021	2020	2019
Balance at beginning of year	**P 716,456,914**	P 706,696,872	P 800,667,386
Additions	**978,136,132**	239,304,955	2,741,291,123
Disposals	**(299,828,786)**	(257,527,621)	(2,842,111,934)
Fair value gains – net	**22,861,582**	31,831,992	3,957,638
Unrealized foreign exchange gains (losses) – net	**(5,995,889)**	(3,849,284)	2,892,659
Balance at end of year	**P 1,411,629,953**	P 716,456,914	P 706,696,872

Investment income from Financial assets at FVOCI, which includes dividend income, gain or loss on disposal, and realized fair value gains or losses, totaling P42.0 million, P38.5 million, and P35.2 million for the years ended May 31, 2021, 2020 and 2019, respectively, have been reinvested as part of additions to financial assets at FVOCI and are presented separately as Interest income from financial assets at FVOCI and as Other investment income from financial assets at FVOCI under Finance Income in the consolidated statements of profit or loss (see Note 20.1). The related outstanding interest is presented as part of Accrued interest under the Trade and Other Receivables account in the consolidated statements of financial position (see Note 9).

The total fair value gains and losses from equity securities amounted to P5.6 million, P0.9 million and (P15.5 million) for the years ended May 31, 2021, 2020 and 2019 respectively, which are presented as an item that will not be reclassified subsequently to profit or loss, in the consolidated statements of comprehensive income. Total fair value losses amounting to P6.7 million and P1.8 million in 2021 and 2020, and total fair value gains amounting to P14.8 million in 2019, from debt securities are presented as an item that will be reclassified to profit or loss in the consolidated statements of comprehensive income.

10.3 Investment Securities at Amortized Cost

As of May 31, 2021, 2020 and 2019, the Group's investment securities at amortized cost are classified in the consolidated statements of financial position as follows:

	2021	2020	2019
Current	**P 83,206,231**	P 227,576,146	P 263,808,437
Non-current	**501,560,477**	303,042,121	523,684,713
	P 584,766,708	P 530,618,267	P 787,493,150

These investments are composed of investment in government and corporate bonds denominated in Philippine pesos and US dollars which bear fixed interest rates ranging from 2.0% to 7.8% per annum. These debt securities have maturities ranging from one to 10 years.

The breakdown of investment securities at amortized cost as to currency denomination is as follows:

	2021	2020	2019
Local	**P 512,818,415**	P 425,995,015	P 491,159,855
Foreign	**72,094,555**	105,152,008	296,837,889
	584,912,970	531,147,023	787,997,744
Allowance for ECL	**(146,262)**	(528,756)	(504,594)
	P 584,766,708	P 530,618,267	P 787,493,150

Portion of the investments were foreign currency denominated bonds which all matured in 2020 but prior to maturity were previously subject to cross-currency swap agreement. As of May 31, 2019, these investments had carrying and fair values of P185.6 million. The underlying derivative of these cross-currency swaps had fair value amounting to P36.7 million and is presented as Derivative Liability in the 2019 consolidated statements of financial position.

An analysis of the movements in the carrying amount of the Group's investment securities at amortized cost for the years ended May 31, 2021, 2020, and 2019 is presented below.

	2021	2020	2019
Balance at beginning of year	**P 531,147,023**	P 787,997,744	P 765,942,441
Additions	**306,662,439**	41,769,449	130,119,203
Maturities	**(248,095,439)**	(287,357,470)	(102,167,384)
Amortization of premium (discount) – net	**824,913**	(3,271,655)	(3,460,815)
Unrealized foreign currency losses – net	**(5,625,966)**	(7,991,045)	(2,435,701)
	584,912,970	531,147,023	787,997,744
Expected credit losses	**(146,262)**	(528,756)	(504,594)
Balance at end of year	**P 584,766,708**	P 530,618,267	P 787,493,150

A reconciliation of the allowance for impairment loss on investment securities at amortized cost at the beginning and end of May 31, 2021 is presented below:

		2021		2020		2019
Balance at beginning of year	**P**	**528,756**	P	504,594	P	454,456
Reversal of allowance	**(**	**476,173)**		-		-
Impairment loss during the year		**93,679**		24,162		50,138
Balance at end of year	**P**	**146,262**	P	528,756	P	504,494

Net amortization of discount during the years ended May 31, 2021, 2020 and 2019, amounting to P0.1 million, P0.5 million and P3.3 million, respectively, is offset against Interest income from investment securities at amortized cost (see Note 20.1).

11. REAL ESTATE HELD-FOR-SALE

Real estate held-for-sale represents inventory of the Group's lots and townhouse units for sale located in Silang, Cavite and Ferndale Villas in Quezon City.

Management assessed that the carrying values of these assets are lower than their net realizable values considering present market values; hence, no impairment loss is recognized in fiscal years 2021, 2020 and 2019.

12. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of property and equipment at the beginning and end of each of the reporting period are as follows:

	Land	Building and Improvements	Furniture and Equipment	Miscellaneous Equipment	Construction in Progress	Right-of-use Assets	Total
May 31, 2021							
Cost	P 2,887,272,189	P 7,563,955,690	P 974,299,163	P 411,350,439	P 31,554,746	P 48,169,852	P11,916,602,079
Accumulated impairment loss	-	(2,804,402)	-	-	-	-	(2,804,402)
Accumulated depreciation and amortization	-	(1,893,410,590)	(784,845,606)	(331,784,597)	-	(16,667,072)	(3,026,707,865)
Net carrying amount	**P 2,887,272,189**	**P 5,667,740,698**	**P 189,453,557**	**P 79,565,842**	**P 31,554,746**	**P 31,502,780**	**P 8,887,089,812**
May 31, 2020							
Cost	P 2,946,706,267	P 6,371,717,489	P 943,813,225	P 417,582,943	P 1,142,397,297	P 48,169,852	P11,870,387,073
Accumulated impairment loss	-	(2,804,402)	-	-	-	-	(2,804,402)
Accumulated depreciation and amortization	-	(1,522,120,790)	(690,656,530)	(285,318,050)	-	(6,065,811)	(2,504,161,181)
Net carrying amount	P 2,946,706,267	P 4,846,792,297	P 253,156,695	P 132,264,893	P 1,142,397,297	P 42,104,041	P 9,363,421,490
May 31, 2019							
Cost	P 2,946,706,267	P 4,887,285,315	P 817,197,709	P 313,829,168	P 1,811,445,855	P -	P10,776,464,314
Accumulated impairment loss	-	(2,804,401)	-	-	-	-	(2,804,401)
Accumulated depreciation and amortization	-	(1,229,478,205)	(596,987,928)	(238,603,556)	-	-	(2,065,069,689)
Net carrying amount	P 2,946,706,267	P 3,655,002,709	P 220,209,781	P 75,225,612	P 1,811,445,855	P -	P 8,708,590,224

A reconciliation of the carrying amounts of property and equipment at the beginning and end of periods ended May 31, 2021, 2020 and 2019 is shown below and in the succeeding page.

	Land	Building and Improvements	Furniture and Equipment	Miscellaneous Equipment	Construction in Progress	Right-of-use Assets	Total
Balance at June 1, 2020 net of accumulated depreciation and amortization	P 2,946,706,267	P 4,846,792,297	P 253,156,695	P 132,264,893	P 1,142,397,297	P 42,104,041	P 9,363,421,490
Additions	-	34,636,090	50,043,043	18,132,926	98,537,572	-	201,349,631
Reclassifications from (to) - net	(59,434,078)	1,157,602,111	(19,557,105)	(24,365,430)	(1,209,380,123)	-	(155,134,625)
Depreciation and amortization charges for the year	-	(371,289,800)	(94,189,076)	(46,466,547)	-	(10,601,261)	(522,546,684)
Balance at May 31, 2021 net of accumulated depreciation and amortization	**P 2,887,272,189**	**P 5,667,740,698**	**P 189,453,557**	**P 79,565,842**	**P 31,554,746**	**P 31,502,780**	**P 8,887,089,812**

	Land	Building and Improvements	Furniture and Equipment	Miscellaneous Equipment	Construction in Progress	Right-of-use Assets	Total
Balance at June 1, 2019 net of accumulated depreciation and amortization	P 2,946,706,267	P 3,655,002,709	P 220,209,781	P 75,225,612	P 1,811,445,855	P 13,517,469	P 8,722,107,693
Additions	-	53,701,712	123,482,696	89,603,049	779,586,869	34,652,383	1,081,026,709
Disposals	-	-	-	(621,420)	-		(621,420)
Reclassifications from (to) - net	-	1,430,730,461	3,132,820	14,772,146	(1,448,635,427)	-	-
Depreciation and amortization charges for the year	-	(292,642,585)	(93,668,602)	(46,714,494)	-	(6,065,811)	(439,091,492)
Balance at May 31, 2020 net of accumulated depreciation and amortization	P 2,946,706,267	P 4,846,792,297	P 253,156,695	P 132,264,893	P 1,142,397,297	P 42,104,041	P 9,363,421,490
Balance at June 1, 2018 net of accumulated depreciation and amortization	P 2,942,991,320	P 2,828,843,445	P 147,728,641	P 56,864,390	P 1,229,203,637	P -	P 7,205,631,433
Additions	-	146,901,055	160,167,006	42,768,034	1,487,219,679	-	1,837,055,774
Disposals	-	-	(26,835)	(670,754)	-	-	(697,589)
Reclassifications from (to) - net	3,714,947	909,734,744	-	-	(904,977,461)	-	8,472,230
Depreciation and amortization charges for the year	-	(230,476,535)	(87,659,031)	(23,736,058)	-	-	(341,871,624)
Balance at May 31, 2019 net of accumulated depreciation and amortization	P 2,946,706,267	P 3,655,002,709	P 220,209,781	P 75,225,612	P 1,811,445,855	P -	P 8,708,590,224

Construction in progress pertains to the costs incurred for the on-going construction of the school building of RCI in Rizal, and various on-going building additions and improvements of EACCI in Manila, FECSI in Cavite and the University in Manila.

In 2021, 2020 and 2019, RCI capitalized borrowing costs amounting to P6.8 million, P17.0 million and P4.7 million, respectively, representing the actual borrowing costs incurred on loans obtained to fund the construction project with capitalization rate of 1.92% to 4.70% (see Note 20.2).

In 2019, borrowing costs amounting to P33.7 million were capitalized, using the capitalization rate of 6.60%, incurred on loans obtained by the University to fund the construction of a new building in Lerma Street (see Note 20.2).

As of May 31, 2021, 2020 and 2019, certain fully depreciated assets with acquisition cost of P1,475.4 million, P810.2 million and P723.8 million, respectively, are still being used in the Group's operations.

In 2020, the Group recognized gain on disposal of miscellaneous equipment amounting to P2.1 million and is shown as Other Income – net account in the 2020 consolidated statement of profit or loss. No similar transaction for the years ended May 31, 2021 and 2019.

As at May 31, 2021, 2020 and 2019, none of the Group's property and equipment are used as collateral for any of the Group's interest-bearing loans and borrowings.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognized in the consolidated statements of financial position.

	Number of right-of-use assets leased	Range of remaining term	Average remaining lease term	Number of leases with extension options	Number of leases with termination options
2021					
Building and lot	2	3-4 years	3.5 years	2	2
2020					
Building and lot	2	4 years	4 years	2	2

As at May 31, 2021 and 2020, none of the Group's right-of-use assets are used as collateral for any of the Group's interest-bearing loans and borrowings.

The amount of depreciation on right-of-use assets is presented as part of Depreciation and amortization presented under Other Operating Expenses account (see Note 19).

13. LEASES

The Group has leases for certain university buildings, transportation equipment, and event venues. With the exception of leases of low-value underlying assets, Right-of-use Assets and current portion of lease liabilities are presented under Property and Equipment and Trade and Other Payables, respectively (see Notes 12 and 16). Non-current portion of lease liabilities, on the other hand, has been presented separately in the 2021 and 2020 consolidated statements of financial position.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an extension of the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over offices, the Group must keep those properties in a good state of repair and return the properties in good condition at the end of the lease. Further, the Group must insure the leased assets and incur maintenance fees on such items in accordance with the lease contracts.

13.1 Lease Liabilities

Current portion of lease liabilities are presented in the consolidated statements of financial position as part of Trade and other payables (see Note 16). On the other hand, the non-current portion is presented separately in the consolidated statements of financial position as of May 31, 2021 and 2020. The use of extension and termination options gives the Group added flexibility in the event it has identified more suitable premises in terms of cost and/or location or determined that it is advantageous to remain in a location beyond the original lease term. An option is only exercised when consistent with the Group's regional markets strategy and the economic benefits of exercising the option exceeds the expected overall cost.

Lease liabilities are presented in the consolidated statements of financial position as at May 31, 2021 and 2020 as follows:

	2021	2020
Current	**P 9,998,745**	P 12,065,118
Non-current	**24,512,241**	34,507,453
	P 34,510,986	P 46,572,571

The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities at May 31, 2021 and 2020 is as follows:

	Within 1 year	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**Total**
2021					
Lease payments	P 12,082,672	P 12,780,428	P 12,761,834	P 847,448	P 38,472,382
Finance charges	(2,084,606)	(1,352,823)	(523,967)	-	(3,961,396)
Net present value	**P 9,998,066**	**P 11,427,605**	**P 12,237,867**	**P 847,448**	**P 34,510,986**
2020					
Lease payments	P 14,789,087	P 12,082,672	P 12,780,428	P 13,611,060	P 53,263,247
Finance charges	(2,723,969)	(2,084,606)	(1,352,823)	(529,278)	(6,690,676)
Net present value	P 12,065,118	P 9,998,066	P 11,427,605	P 13,081,782	P 46,572,571

13.2 Lease Payments Not Recognized as Liabilities

The Group has elected not to recognize a lease liability for leases of low-value assets and short-term leases. Payments made under such leases are expensed on a straight-line basis. The expenses relating to leases of low-value assets and short term leases amounted to P1.2 million and P14.4 million and is presented as Rental under Operating Expenses in the May 31, 2021 and 2020 consolidated statements of profit or loss (see Note 19).

At May 31, 2020, the total future cash outflows for lease of low-value assets amounted P59,000 (nil in 2021).

13.3 Additional Profit or Loss and Cash Flow Information

The total cash outflow in respect of leases amounted to P14.8 million and P2.8 million in 2021 and 2020, respectively. Interest expense in relation to lease liabilities amounted to P2.8 million and P1.2 million and is presented as part of Interest expense under Finance Costs in the 2021 and 2020 consolidated statements of profit or loss (see Note 20.2).

14. INVESTMENT PROPERTIES

The gross carrying amounts and accumulated depreciation and amortization of investment properties at the beginning and end of each of the reporting period are shown below.

	Land	Land Improvements	Building and Improvements	Construction in Progress	Total
May 31, 2021					
Cost	P 66,244,078	P 14,340,361	P 407,792,431	P 74,745,037	P 563,121,907
Accumulated depreciation and amortization	-	(7,918,444)	(278,132,554)	-	(286,050,998)
Net carrying amount	**P 66,244,078**	**P 6,421,917**	**P 129,659,877**	**P 74,745,037**	**P 277,070,909**
May 31, 2020					
Cost	P 6,810,000	P 11,143,171	P 372,675,205	P 56,646,472	P 447,274,848
Accumulated depreciation and amortization	-	(6,474,161)	(246,606,960)	-	(253,081,121)
Net carrying amount	P 6,810,000	P 4,669,010	P 126,068,245	P 56,646,472	P 194,193,727
May 31, 2019					
Cost	P 6,810,000	P 10,821,740	P 460,004,458	P 15,423,919	P 493,060,117
Accumulated depreciation and amortization	-	(4,892,787)	(333,293,008)	-	(338,185,795)
Net carrying amount	P 6,810,000	P 5,928,953	P 126,711,450	P 15,423,919	P 154,874,322

A reconciliation of the carrying amounts of investment properties at the beginning and end of each of the reporting period are shown in the succeeding page.

	Land	Land Improvements	Building and Improvements	Construction in Progress	Total
Balance at June 1, 2020, net of accumulated depreciation and amortization	P 6,810,000	P 4,669,010	P 126,068,245	P 56,646,472	P 194,193,727
Additions	-	1,473,624	2,227,422	23,018,372	26,719,418
Reclassifications	59,434,078	1,723,566	32,889,804	(4,919,807)	89,127,641
Depreciation and amortization charges for the period	-	(1,444,283)	(31,525,594)	-	(32,969,877)
Balance at May 31, 2021, net of accumulated depreciation and amortization	**P 66,244,078**	**P 6,421,917**	**P 129,659,877**	**P 74,745,037**	**P 277,070,909**
Balance at June 1, 2019, net of accumulated depreciation and amortization	P 6,810,000	P 5,928,953	P 126,711,450	P 15,423,919	P 154,874,322
Additions	-	321,429	46,095,306	41,222,553	87,639,288
Disposal	-	-	(15,582,526)	-	(15,582,526)
Depreciation and amortization charges for the period	-	(1,581,372)	(31,155,985)	-	(32,737,357)
Balance at May 31, 2020, net of accumulated depreciation and amortization	P 6,810,000	P 4,669,010	P 126,068,245	P 56,646,472	P 194,193,727
Balance at June 1, 2018, net of accumulated depreciation and amortization	P 10,524,947	P 1,529,523	P 130,864,071	P 8,001,388	P 150,919,929
Additions		3,655,721	4,531,264	22,049,782	30,236,767
Reclassifications - net	(3,714,947)	1,485,378	20,761,061	(14,627,251)	3,904,241
Depreciation and amortization charges for the period	-	(741,669)	(29,444,946)	-	(30,186,615)
Balance at May 31, 2019, net of accumulated depreciation and amortization	P 6,810,000	P 5,928,953	P 126,711,450	P 15,423,919	P 154,874,322

In 2020, the Group recognized gain on disposal of building and improvements amounting to P38.0 million and is shown as part of Other Operating Income in the 2020 statements of profit or loss. No similar transaction for the years ended May 31, 2021 and 2019.

14.1 Related Income and Direct Expenses

The total rental income earned by the Group from its investment properties amounting to P10.4 million, P33.4 million and P43.8 million for the periods ended May 31, 2021, 2020 and 2019, respectively, are presented as Rentals in the revenues section of the consolidated statements of profit or loss. The direct operating expenses, which include depreciation and amortization, insurance, and real property taxes incurred by the Group relating to investment properties, are presented as part of Depreciation and amortization, Property insurance, and Taxes and licenses, under Operating Expenses in the consolidated statements of profit or loss (see Note 19).

14.2 Fair Values of Investment Properties

Based on the latest appraisal report of an independent appraiser, the total fair value of investment properties amounted to P293.5 million, P234.0 million and P205.1 million as of May 31, 2021, 2020 and 2019, respectively. Information about the fair value measurement and disclosures related to investment properties are presented in Note 6.4.

15. OTHER ASSETS

The breakdown of this account is as follows:

	2021	2020	2019
Current:			
Prepaid expenses	**P 57,020,916**	P 58,324,013	P 68,142,305
Input value-added tax (VAT)	**38,482,851**	42,015,482	38,935,032
Short-term investments	**32,211,342**	64,562,591	76,269,824
Inventories	**20,428,543**	7,981,951	25,940,353
Others	**14,018,463**	12,113,487	7,710,804
	162,162,115	184,997,524	216,998,318
Allowance for impairment of input VAT	**(34,864,866)**	(11,034,177)	(10,980,897)
	P 127,297,249	P 173,963,347	P 206,017,421
Non-current:			
Advances to suppliers and developers	**P 169,843,559**	P 162,215,170	P 174,553,314
Refundable deposits	**22,819,818**	16,235,991	9,975,348
Long-term investments	**14,400,963**	11,280,724	16,425,700
Loans to employees	**-**	1,183,289	1,869,046
	207,064,340	190,915,174	202,823,408
Allowance for impairment of long-term investments	**(3,694,963)**	-	-
	P 203,369,377	P 190,915,174	P 202,823,408

Short-term investments, which consist of special savings deposits, investment in special deposit accounts and time deposits, earn interest ranging from 0.38% to 0.50%, from 0.88% to 2.50% and from 0.80% to 2.50% for the years ended May 31, 2021, 2020 and 2019, respectively (see Note 20.1). These investments are maturing beyond three months but within one year from the end of each reporting period. Related accrued interest is presented as part of the Trade and other Receivables account in the consolidated statements of financial position (see Note 9).

Inventories consist of merchandise inventory items relating to the University's bookstore.

Advances to suppliers pertain to advances made by FECSI, EACCI, FEUAI and FEU High to its suppliers for the various projects, which will be applied as payment for progress billings of the contractors and suppliers within 12 months from the end of the reporting periods. Advances to developers represent the amount paid for FRC's condominium units purchased at pre-selling stage that are not yet ready for occupancy or fully constructed at the end of the reporting periods.

Long-term investments includes investments in redeemable preference shares and time deposits that earn effective interest rates ranging from 6.13% to 6.63% for the years ended May 31, 2021 and 2020, and are maturing beyond one year from the date of placement as of the end of each reporting period.

Additional allowance for impairment on input VAT and long-term investments amounting to P23.8 million and P3.7 million, respectively, were recognized by the Group in 2021 (see Note 19).

16. TRADE AND OTHER PAYABLES

This account consists of:

	Notes	**2021**	2020	2019
Non-related parties:				
Accrued expenses	17	**P 395,671,460**	P 524,772,506	P 289,320,583
Deposits payable		**260,934,435**	228,268,324	150,324,252
Trade payables		**216,772,114**	435,821,724	307,494,724
Dividends payable	24.4(b), 28	**175,203,878**	223,026,631	215,371,368
Retention payable		**108,249,973**	217,842,363	208,812,713
Amounts due to students		**103,431,861**	63,899,888	37,446,294
NSTP and other trust funds		**64,049,883**	39,570,686	51,068,981
Lease liabilities	13.1	**9,998,745**	12,065,118	-
		1,334,312,349	1,745,267,240	1,224,597,180
Related parties:				
Due to related parties	23.8	**27,374,961**	39,496,131	24,389,415
Others:				
Accrued salaries and employee benefits		**55,370,027**	43,465,799	48,470,538
Withholding taxes and other payables		**39,849,952**	28,927,461	56,135,814
Miscellaneous		**70,448,225**	44,878,419	16,916,290
		165,668,204	117,271,679	121,522,642
		P 1,527,355,514	P 1,902,035,050	P 1,405,750,972

Accrued expenses include the Group's accrual for salaries, professional's fees, interest, utilities, rentals and directors' bonuses, among others.

Deposits payable are amounts held by the Group on behalf of students and third parties for various specific activities. During the year ended May 31, 2020, certain deposits payable recognized in prior years amounting to P57.3 million, were recognized as income because the purpose for which the amounts were held have already been fulfilled. The related gains are presented as part of Other Income – net account in the 2020 consolidated statement of profit or loss. No similar transactions occurred during the year ended May 31, 2021 and 2019.

As of May 31, 2021, 2020 and 2019, retention payable includes portion of the consideration given for the acquisition of RCI which is retained by the University to ensure compliance by the selling shareholders of RCI to certain terms of the share purchase agreement. This amounts to P22.9 million as of May 31, 2021 and P42.2 million as of May 31, 2020 and 2019 and is currently maintained in an escrow account with a local bank. On the other hand, the remaining portion of retention payable pertains to the amounts owed to the Group's contractors of its ongoing construction projects (see Note 12).

Amounts due to students represent excess payment of tuition and miscellaneous fees that are refundable to them.

The NSTP trust funds collected from students amounted to P19.5 million, P27.1 million and P28.3 million for the years ended May 31, 2021, 2020 and 2019, respectively. As of May 31, 2021, 2020 and 2019, the remaining balance is set aside as a contingency fund and is presented as part of NSTP and other funds.

17. INTEREST-BEARING LOANS

The Group's interest-bearing loans as of May 31, 2021, 2020 and 2019 are as follows:

Original Principal Amount	Outstanding Principal Balance (in Million Pesos)			Interest Charges (in Million Pesos)			Accrued Interest (in Million Pesos)			Current Interest Rate*	Security	Maturity Date	Principal Repayment
	2021	2020	2019	2021	2020	2019	2021	2020	2019				
P 542.9	P 542.9	P -	P -	P 8.7	P -	P -	P 1.3	P -	P -	2.15%	Unsecured	July 2027	Quarterly
500.0	500.0	-	-	2.1	-	-	1.2	-	-	2.15%	Unsecured	July 2027	Quarterly
425.0	425.0	425.0	-	10.0	16.3	-	1.1	6.4	-	2.15%	Unsecured	July 2027	Quarterly
300.0	300.0	300.0	-	6.5	12.7	-	0.7	3.1	-	4.67%	Unsecured	July 2027	End of Term
680.0	161.9	291.4	421.0	5.6	17.2	26.0	0.7	2.7	5.6	1.93%	Unsecured	June 2022	Quarterly
150.0	150.0	150.0	-	3.5	4.2	-	0.4	2.3	-	2.15%	Unsecured	July 2027	Quarterly
120.0	120.0	120.0	-	2.8	1.5	-	0.3	1.5	-	2.15%	Unsecured	July 2027	Quarterly
100.0	100.0	100.0	-	2.2	0.2	-	0.3	0.2	-	4.30%	Unsecured	July 2027	End of Term
50.0	50.0	-	-	0.4	-	-	0.1	-	-	2.15%	Unsecured	July 2027	End of Term
50.0	50.0	-	-	0.2	-	-	0.1	-	-	2.15%	Unsecured	July 2027	End of Term
200.0	47.6	85.7	123.8	1.7	5.0	7.6	0.2	0.8	1.8	1.93%	Unsecured	June 2022	Quarterly
100.0	25.0	45.0	65.0	0.9	2.6	4.0	0.1	0.4	1.0	1.93%	Unsecured	June 2022	Quarterly
800.0	-	495.2	609.5	3.7	27.4	38.0	-	6.2	2.0	4.16%	Unsecured	August 2020	End of Term
100.0	-	100.0	100.0	3.6	5.6	5.9	-	0.4	0.3	4.50%	Unsecured	February 2021	End of Term
100.0	-	100.0	100.0	3.6	5.6	1.6	-	0.3	0.5	4.50%	Unsecured	February 2021	End of Term
100.0	-	100.0	-	3.7	4.3	-	-	0.1	-	4.50%	Unsecured	February 2021	End of Term
150.0	-	92.9	114.3	0.7	5.1	7.0	-	1.2	0.3	4.16%	Unsecured	August 2020	Quarterly
80.0	-	80.0	80.0	2.9	4.5	4.5	-	-	0.2	4.50%	Unsecured	February 2021	End of Term
70.0	-	70.0	70.0	2.5	4.0	1.1	-	0.2	0.3	4.50 %	Unsecured	February 2021	End of Term
50.0	-	50.0	-	1.7	2.9	-	-	0.1	-	4.50%	Unsecured	February 2021	End of Term
200.0	-	-	200.0	-	1.8	11.2	-	-	0.3	6.50%	Unsecured	July 2019	End of Term
175.0	-	-	175.0	-	1.5	9.8	-	-	0.1	6.50%	Unsecured	July 2019	End of Term
100.0	-	-	100.0	-	1.5	2.7	-	-	-	1.92%	Unsecured	July 2027	End of Term
80.0	-	-	80.0	-	1.2	2.2	-	-	-	1.92%	Unsecured	July 2027	End of Term
70.0	-	-	70.0	-	1.1	1.9	-	-	-	1.92%	Unsecured	July 2027	End of Term
50.0	-	-	50.0	-	0.4	2.8	-	-	0.1	6.50%	Unsecured	July 2019	End of Term
500.0	-	-	-	2.1	-	-	-	-	-	4.25%	Unsecured	March 2021	End of Term
148.0	-	-	-	-	1.4	-	-	-	-	5.75%	Unsecured	February 2020	End of Term
60.0	-	-	-	-	-	2.0	-	-	-	6.55%	Unsecured	January 2019	End of Term
	P 2,472.4	P 2,605.2	P 2,358.6	P 69.1	P 128.0	P 128.3	P 6.5	P 26.9	P 12.5				

Interest-bearing loans are presented in the consolidated statements of financial position as at May 31, 2021 and 2020 as follows:

	2021	2020	2019
Current	**P 187,619,048**	P 868,571,429	P 1,393,571,429
Non-current	**2,284,761,905**	1,736,666,667	965,000,000
	P 2,472,380,953	P 2,605,238,096	P 2,358,571,429

All of the Group's interest-bearing loans and borrowings are clean loans; no assets used and/or required as collaterals as of May 31, 2021, 2020 and 2019.

The total interest incurred by the Group on all of these loans, which are already exclusive of the capitalized borrowing costs on the property and equipment of the Group, are presented as part of Interest expense under Finance Costs in the consolidated statements of profit or loss (see Notes 12 and 20.2), while any outstanding interest payable is recognized as part of Accrued expenses under the Trade and Other Payables account in the consolidated statements of financial position (see Note 16).

Loans obtain with a local commercial bank are subject to loan covenants effective for the years ended May 31, 2021, 2020 and 2019, respectively, which require the Group to maintain a debt service coverage ratio of at least 1.2x and debt-to-equity ratio of not more than 2:1. As of May 31, 2021, 2020 and 2019, the Group has complied with its loan covenants.

18. EDUCATIONAL REVENUES

Details of net tuition and other school fees presented in the consolidated statements of profit or loss are as follows:

	2021	2020	2019
Tuition fees	**P 3,669,594,355**	P 3,565,824,098	P 3,243,801,630
Less rebates	**-**	115,899,515	-
	3,669,594,355	3,449,924,583	3,243,801,630
Less discounts:			
Scholarship	**251,882,937**	190,479,279	176,166,019
Cash	**75,784,079**	23,178,799	19,767,376
Family	**5,609,893**	14,876,685	19,609,227
	333,276,909	228,534,763	215,542,622
	3,336,317,446	3,221,389,820	3,028,259,008
Other school fees:			
Senior high school miscellaneous fees	**52,639,245**	78,210,312	87,115,575
Entrance fees	**12,758,691**	12,919,539	16,840,529
Identification cards	**9,315,691**	7,821,011	6,883,409
Diplomas	**9,071,597**	9,066,625	4,286,406
Developmental fees	**7,299,500**	54,126,154	54,299,978
Transcript fees	**5,917,106**	8,148,959	10,884,526
Certification fees	**4,676,089**	3,236,512	5,298,399
Graduation and commencement fees	**609,617**	15,081,427	8,675,865
Other registration fees	**14,990,679**	-	16,472,695
Miscellaneous	**68,830,545**	146,313,349	76,763,651
	186,108,760	334,923,888	286,993,109
	P 3,522,426,206	P 3,556,313,708	P 3,315,252,117

Miscellaneous fees include various fees such as transportation fees, insurance fees, laboratory fees, subject fees and other miscellaneous fees, which are required to be paid together with the tuition fees upon student enrollment.

18.1 Core Revenue Stream

The Group derives revenues from transactions involving tuition fees, other school fees and other school-related activities such as sale of school merchandise and books. Revenues from tuition fees are recognized over time. All other revenue sources, such as other school fees and sale of school merchandise and books (presented as part of Other Income – net account in the consolidated statements of profit or loss), are recognized at a point in time.

The Group presents below the disaggregation of its revenue based on school units for the years ended May 31, 2021, 2020 and 2019. The Group recognizes revenues over time in the following education levels:

	2021			
	Levels			
Nature	**Tertiary Education**	**Secondary Education**	**Basic Education**	**Total**
Tuition fees - net	P 2,813,705,713	P 464,917,732	P 57,694,001	P 3,336,317,446
Other school fees	94,161,793	89,487,667	2,459,300	186,108,760
Total	**P 2,907,867,506**	**P 554,405,399**	**P 60,153,301**	**P 3,522,426,206**

	2020			
	Levels			
Nature	Tertiary Education	Secondary Education	Basic Education	Total
Tuition fees - net	P 2,664,403,788	P 410,161,875	P 146,824,157	P 3,221,389,820
Other school fees	172,386,351	158,399,267	4,138,270	334,923,888
Total	P 2,836,790,139	P 568,561,142	P 150,962,427	P 3,556,313,708

	2019			
	Levels			
Nature	Tertiary Education	Secondary Education	Basic Education	Total
Tuition fees - net	P 2,542,498,599	P 397,271,065	P 88,489,344	P 3,028,259,008
Other school fees	131,380,427	151,508,144	4,104,538	286,993,109
Total	P 2,673,879,026	P 548,779,209	P 92,593,882	P 3,315,252,117

18.2 Unearned Tuition Fees

For the years ended May 31, 2021, 2020 and 2019, the Group, except FRC, has collected advance tuition fee payments from students who enrolled for the next school term which amounted to P33.7 million, P94.7 million and P258.4 million, respectively. These collections are presented as Deferred Revenues in the consolidated statements of financial position. These will be recognized as revenue once the performance obligation of the schools within the Group has been rendered.

18.3 Tuition Fee Rebates

The implementation of the government measures in response to COVID-19 caused the temporary shutdown of Group's operations from March until May 2020, together with the adoption of a skeleton workforce for designated employees with necessary and urgent functions.

The remaining second semester of school year 2019-2020 was continued via full online learning platform, the strategic implementation of Canvas since three school years ago, made the Group's quick transition to full online mode easier. However, with the shift of the learning platform, the Group found it necessary to return unutilized miscellaneous fees through a rebate to the students totaling P115.9 million as of May 31, 2020.

For school year 2020-2021, the Group adopted full online classes for the continuation of learning of students as the quarantine restrictions ensues. Unlike in the preceding year there was no rebate provided as outright reduction or discounted rate were applied upon enrolment of student.

19. OPERATING EXPENSES

Operating expenses consist of:

	Notes	**2021**	2020	2019
Salaries and allowances	23.5	**P 982,904,329**	P 1,087,287,688	P 997,763,344
Depreciation and amortization	12, 14.1	**555,516,561**	471,828,849	372,058,239
Employee benefits	21, 23.5	**291,992,684**	371,749,116	276,697,715
Repairs and maintenance		**110,611,431**	37,882,439	29,345,602
Professional fees		**102,971,086**	119,120,187	103,608,222
Outside services		**77,249,380**	130,857,284	113,987,193
Utilities		**62,903,290**	146,519,499	177,052,070
Taxes and licenses	14.1	**56,664,742**	91,478,300	286,500,769
Supplies and materials		**35,093,645**	98,277,046	82,156,258
Impairment losses	15	**27,525,652**	-	-
Trainings and seminars		**19,111,635**	31,036,447	28,956,177
Publicity and promotions		**17,146,676**	15,615,449	20,117,994
Directors' bonus		**14,500,000**	14,506,928	13,125,000
Insurance	14.1	**9,503,244**	9,095,568	4,637,657
Rental	13.2	**1,157,034**	14,418,547	14,556,299
Others		**120,433,780**	138,085,364	145,967,896
		P 2,485,285,169	P 2,777,758,711	P 2,666,530,435

In 2019, the University and EACCI recognized and paid basic local taxes in arrears amounting to P225.3 million, presented as part of Taxes and licenses, which covers taxable calendar years 2009 to 2018, as assessed and belatedly covered by tax amnesty by the local government of City of Manila.

Others include expenses incurred by the Group for software licenses and subscriptions, transportation and travel, research and other miscellaneous expenses.

20. FINANCE INCOME AND FINANCE COSTS

20.1 Finance Income

This consists of the following:

	Notes	**2021**	2020	2019
Interest income from:				
Financial assets at FVOCI	10.2	**P 19,365,582**	P 19,141,331	P 20,924,170
Investment securities at amortized cost	10.3	**16,793,882**	34,657,034	48,563,514
Short-term investments	15	**11,015,054**	47,842,264	41,234,815
Cash and cash equivalents	8	**4,597,893**	10,015,282	7,751,966
Financial assets at FVTPL	10.1	**-**	-	2,659,771
Other investment income from:				
Financial assets at FVTPL	10.1	**113,711,327**	-	13,564,356
Financial assets at FVOCI	10.2	**22,683,621**	19,363,851	14,299,692
Reversal of impairment loss		**2,090,705**	-	-
Fair value gain on derivative liability		**-**	5,060,766	3,096,336
		P 190,258,064	P 136,080,528	P 152,094,620

20.2 Finance Costs

This account is broken down into the following:

	Notes	**2021**	2020	2019
Interest expense from:				
Interest-bearing loans	17	**P 59,832,208**	P 110,973,948	P 95,072,981
Lease liabilities	13.3	**2,779,702**	1,183,812	-
Deficiency tax		**-**	920,302	-
Foreign exchange loss-net	10	**30,320,827**	38,285,826	3,153,258
Other investment loss from financial asset at FVTPL	10.1	**-**	94,701,429	-
Fair value loss on derivative liability		**-**	-	-
Impairment loss on investment securities at amortized cost	10.3	**-**	-	50,138
Others		**13,642,912**	-	-
		P 106,575,649	P 246,065,317	P 98,276,377

In 2021, 2020 and 2019, an interest expense amounting to P6.8 million, P17.0 million and P38.4 million, respectively, have been capitalized as part of construction in progress under property and equipment account, which arose solely from specific borrowings (see Note 12).

Other finance cost pertains to bank service charges for maintaining tuition collection facilities with depository banks, services provided by investment trust managers, wire transfer transactions, foreign currency payment transactions to suppliers, among others.

21. EMPLOYEES' HEALTH, WELFARE AND RETIREMENT FUND

(a) Characteristics of the Defined Contribution and Defined Benefit Plans

(i) The University, FECSI and EACCI

The University, FECSI and EACCI maintain tax-qualified, funded and contributory retirement plans, which fall under a defined contribution type of retirement plan, covering regular teaching and non-teaching personnel members. The University, FECSI and EACCI's retirement plans were maintained since 1967, 2013 and 2017, respectively.

The respective retirement funds are under the administration of organizations, the FEU Health, Welfare and Retirement Fund, the FEU Cavite Health, Welfare and Retirement and Private Education Retirement Annuity Association (the Funds), through their respective Board of Governors.

Contributions to these funds are in accordance with the defined contribution established by the Retirement Board, which is the sum of the employees' and the University, FECSI and EACCI's contributions.

As a policy, any contributions made by the University, FECSI and EACCI in the past years that were subsequently forfeited resulting from resignations of covered employees prior to vesting of their retirement pay can be applied to reduce employer contributions in the succeeding years.

(ii) RCI, FRC, FEUAI and FEU High

RCI, FRC, FEUAI and FEU High have not yet established a formal post-employment plan. However, they accrue the estimated cost of post-employment benefits, actuarially determined, required by the provisions of RA No. 7641. These companies have discretion when to fund the minimum post-employment benefits calculated, however upon retirement of qualified employees, funds must be readily available for payment of employees' retirement benefits.

Retirement expense presented as part of Employee benefits under Other Operating Expenses in the consolidated statements of profit or loss amounted to P56.5 million, million, P71.6 million and P82.0 million for the years ended May 31, 2021, 2020 and 2019, respectively (see Note 19).

(b) Explanation of Amounts Disclosed in the Consolidated Financial Statements

Actuarial valuations are obtained: (i) to determine the higher of the defined benefit obligation relating to the minimum guarantee and the obligation arising from the defined contribution plan (for FEU, FECSI and EACCI); and, (ii) to update the retirement benefit costs for the others. All amounts presented below are based on the actuarial valuation reports obtained from an independent actuary for the years ended May 31, 2021, 2020 and 2019 (for FEU, FECSI and RCI) and June 30, 2021, 2020 and 2019 (for EACCI).

The post-employment benefit obligation amounting to P47.0 million, P61.9 million and P47.3 million as of May 31, 2021, 2020 and 2019, respectively, pertains to RCI, EACCI and FRC's defined benefit liability, which is presented under non-current liabilities in the consolidated statements of financial position.

The movements in the present value of the post-employment benefit obligation recognized in the books are as follows:

	2021	2020	2019
Balance at beginning of year	**P 61,917,618**	P 47,313,579	P 46,138,632
Benefits paid	**(28,037,108)**	(2,072,257)	(12,339,588)
Current service cost	**11,344,387**	2,509,465	1,773,812
Interest expense	**6,414,868**	5,703,460	3,182,786
Remeasurements – actuarial (gain) losses arising from:			
Experience adjustments	**(1,260,818)**	1,099,145	4,562,562
Changes in financial assumptions	**(3,368,759)**	7,364,226	3,995,375
Balance at end of year	**P 47,010,188**	P 61,917,618	P 47,313,579

The components of amounts recognized in profit or loss (as part of Employee benefits under Cost and Operating Expenses) and in other comprehensive income in respect of the post-employment defined benefit plan is shown below:

	2021	2020	2019
Reported in profit or loss:			
Current service cost	**P 11,344,387**	P 2,509,465	P 1,773,812
Interest expense	**6,414,868**	5,703,460	3,182,786
	P 17,759,255	P 8,212,925	P 4,956,598
Reported in other comprehensive income:			
Actuarial gains (losses) from:			
Changes in financial assumptions	**P 3,368,759**	(P 7,364,226)	(P 3,995,375)
Experience adjustments	**1,260,818**	(1,099,145)	(4,562,562)
	P 4,629,577	(P 8,463,371)	(P 8,557,937)

In determining the amounts of post-employment obligation in accordance with PAS 19 (Revised), the following significant actuarial assumptions were used:

	2021	2020	2019
FEU, FECSI and EACCI			
Discount rates	**4.46% - 4.94%**	3.39% - 5.06%	5.63% - 7.27%
Salary growth rate	**2.00% - 3.00%**	3.00% - 5.00%	2.00% - 3.50%
RCI			
Discount rates	**4.78%**	3.87%	5.71%
Salary growth rate	**5.00%**	5.00%	5.00%

Assumptions regarding future mortality experience are based on published statistics and mortality tables. The average remaining working lives of an individual retiring at the following ages are as follows:

FEU (at age 60)	-	14 years both for males and females
FECSI (at age 60)	-	21 years both for males and females
EACCI (at age 60)	-	38 years both for males and females
RCI (at age 60)	-	14 years for males and 18 years for females

These assumptions were developed by management with the assistance of an independent actuary. Discount factor is determined close to the end of the reporting period by reference to the interest rates of a zero-coupon government bond with terms to maturity approximating to the terms of the post-employment obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

As discussed in Note 2.15, the defined contribution plans of FEU, FECSI and EACCI are also accounted for as a defined benefit plan with minimum guarantee starting in 2014 upon the University's adoption of the PIC Interpretation on PAS 19 (Revised). However, considering that the present value of the obligation as determined by an independent actuary approximates the fair value of the plan assets, management opted not to recognize further the overfunding of the obligation for the years ended May 31, 2021, 2020 and 2019, in consideration of the Group's constructive obligation to pay a fixed amount of contribution to the fund.

An analysis of the defined benefit obligation of FEU, FECSI and EACCI following PIC Interpretation with respect to the defined benefit minimum guarantee under RA No. 7641 is presented below.

	2021	2020	2019
Fair value of plan assets	**P 865,525,239**	P 892,599,993	P 756,932,798
Present value of obligation	**(840,196,295)**	(842,784,116)	(755,712,233)
Excess of plan assets over retirement obligation	**P 25,328,944**	P 49,815,877	P 1,220,565

The movements in the fair value of plan assets are presented below.

	2021	2020	2019
Balance at beginning of year	**P 892,599,993**	P 756,932,798	P 756,979,018
Actual contributions	**86,614,040**	96,844,479	75,278,883
Benefits paid	**(126,628,540)**	(55,520,750)	(47,980,553)
Interest income (expense)	**12,640,409**	41,639,607	(27,185,137)
Remeasurement gain	**299,337**	-	-
Expected return	**-**	52,703,859	(159,413)
Balance at end of year	**P 865,525,239**	P 892,599,993	P 756,932,798

The movements in the present value of the retirement benefit obligation are as follows:

	2021	2020	2019
Balance at beginning of year	**P 842,784,116**	P 755,712,233	P 751,398,293
Benefits paid	**(70,960,945)**	(55,870,154)	(47,980,553)
Actuarial gain	**64,879,816**	58,709,543	13,169,173
Current service cost	**44,935,337**	41,569,069	26,025,489
Interest expense	**26,685,417**	42,663,425	39,438,177
Balance at end of year	**P 840,196,295**	P 842,784,116	P 755,712,233

(c) *Risks Associated with the Retirement Plan*

The plan exposes the University, FECSI, RCI, and EACCI to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

(i) Investment and Interest Risks

The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bonds will increase the plan obligation. However, this will be partially offset by an increase in the return on the plan's investments in debt securities and if the return on plan asset falls below this rate, it will create a deficit in the plan. Currently, the plan has relatively balanced investment in cash and cash equivalents, equity securities and debt securities. Due to the long-term nature of the plan obligation, a level of continuing equity investments is an appropriate element of the Group's long-term strategy to manage the plan efficiently.

Currently, the University's plan is significantly composed of equity securities and debt securities. Due to the long-term nature of the plan obligation, a level of continuing equity investments is an appropriate element of the University's long-term strategy to manage the plans efficiently. FECSI, on the other hand, has investments in cash and cash equivalents and loans.

(ii) Longevity and Salary Risks

The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the plan participants both during and after their employment, and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

(d) Other Information

The information on the sensitivity analysis for certain significant actuarial assumptions, the asset-liability matching strategy of the University, FECSI and EACCI, and the timing and uncertainty of future cash flows related to the retirement plan are described below and in the succeeding pages.

(i) Sensitivity Analysis

The table shown below summarizes the effects of changes in the significant actuarial assumptions used in the determination of the defined benefit obligation as of:

	Impact on Post-employment Benefit Obligation		
	Change in Assumption	**Increase/ (Decrease) in Assumption**	**Increase/ (Decrease) in Assumption**
May 31, 2021			
RCI:			
Discount rate	**+/-0.5%**	**(P 1,635,842)**	**P 1,787,573**
Salary growth rate	**+/-1.0%**	**3,483,066**	**(2,989,382)**
University:			
Discount rate	**+/-0.5%**	**(P 263,694)**	**P 359,029**
Salary growth rate	**+/-1.0%**	**804,328**	**(481,181)**
FECSI:			
Discount rate	**+9.3%/11.1%**	**(P 444,853)**	**P 532,167**
Salary growth rate	**+11.2%/-9.5%**	**537,443**	**(457,604)**
EACCI:			
Discount rate	**+/- 0.5%**	**(P 19,793)**	**P 28,837**
Salary growth rate	**+4%/- 7.0%**	**296,543**	**(11,947,593)**
May 31, 2020			
RCI:			
Discount rate	+/-0.5%	(P 2,227,124)	P 2,417,190
Salary growth rate	+/-1.0%	4,671,546	(4,055,783)
University:			
Discount rate	+/-0.5%	(P 402,278)	P 566,798
Salary growth rate	+/-1.0%	1,382,434	(730,879)
FECSI:			
Discount rate	+/-1.0%	(P 388,285)	P 468,134
Salary growth rate	+/-1.0%	478,443	(402,463)
EACCI:			
Discount rate	+/- 0.5%	(P 522,416)	P 849,669
Salary growth rate	+/- 7.0%	2,200,865	(26,872,389)

	Change in Assumption	Impact on Post-employment Benefit Obligation: Increase/ (Decrease) in Assumption	Increase/ (Decrease) in Assumption
May 31, 2019			
RCI:			
Discount rate	+/-0.5%	(P 1,767,052)	P 1,645,369
Salary growth rate	+/-1.0%	3,460,562	(3,041,321)
University:			
Discount rate	+/-0.5%	(P 486,352)	P 646,334
Salary growth rate	+/-1.0%	1,322,191	(861,361)
FECSI:			
Discount rate	+/-1.0%	(P 367,333)	P 442,623
Salary growth rate	+/-1.0%	456,168	(383,387)

The sensitivity analysis shown above is based on a change in an assumption while holding all other assumptions constant. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognized in the consolidated statements of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

(ii) Asset-liability Matching Strategies

To efficiently manage the retirement plan, the University through its Retirement Board, ensures that the investment positions are managed in accordance with its asset-liability matching strategy to achieve that long-term investments are in line with the obligations under the retirement scheme. This strategy aims to match the plan assets to the retirement obligations by investing in long-term fixed interest securities (i.e., government or corporate bonds) with maturities that match the benefit payments as they fall due and in the appropriate currency. The University actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the retirement obligations.

In view of this, investments are made in reasonably diversified portfolio, such that the failure of any single investment would not have a material impact on the overall level of assets.

There has been no change in the University's strategies to manage its risks from previous periods.

Currently, EACCI and FECSI have no specific matching strategy between the plan assets and the plan liabilities.

(iii) Funding Arrangements and Expected Contributions

While there is no minimum funding requirement in the country for defined benefit plans, the size of the fund, bearing that it is significantly under a defined contribution regime, is also sufficient to cover the vested benefits of the higher between the RA No. 7641 or the Group's retirement plan itself, when a significant number of employees are expected to retire in 13 to 20 years' time.

The University expect to make contribution of P74.8 million to its plan during the next reporting period; FECSI and EACCI does not expect to make contributions to their plans during the next reporting period; while, RCI's management is yet to determine when it shall establish a formal plan for its post-employment benefit obligation.

The maturity profile of RCI's undiscounted expected benefit payments from the plan as of May 31 is shown below.

	2021	2020	2019
Within one year	**P 8,616,949**	P 8,672,753	P 9,896,529
More than one year to five years	**14,137,839**	19,895,300	17,648,623
More than five years to 10 years	**18,653,370**	24,611,035	29,547,720
More than 10 years to 15 years	**35,922,605**	35,982,283	34,686,504
More than 15 years to 20 years	**23,611,028**	36,977,745	35,173,132
More than 20 years	**141,156,004**	227,980,603	164,732,922
	P 242,097,795	P 354,119,719	P 291,685,430

The weighted average duration of RCI's defined benefit obligation at the end of the reporting period is 15 years.

The latest available audited statements of financial position of the University's Fund, which comprised of both employer and employee share contributions, show the following as of December 31:

	2021	2020	2019
Assets			
Cash and cash equivalents	**P 74,152,930**	P 43,951,699	P 64,746,279
Receivables - net	**67,520,237**	58,835,006	50,056,975
Investment in debt securities:			
Government securities	**320,422,304**	235,406,954	201,987,635
Corporate bonds and other debt instruments	**182,648,568**	269,374,573	297,941,782
Investment in equity securities:			
Corporate shares	**365,563,048**	335,101,670	267,831,112
UITF	**91,653,602**	76,280,200	55,709,024
Others	**106,932**	160,961	173,746
	1,102,067,621	1,019,111,063	938,446,553
Liabilities	**(37,223,416)**	(29,687,421)	(24,577,883)
Net Assets Available for Plan Benefits	**P 1,064,844,205**	P 989,423,642	P 913,868,670

Shown in the succeeding page is the breakdown of the employer's share in the University's Fund's net plan assets as to type of investments as of May 31, 2021, 2020 and 2019. These financial assets are maintained in trust funds under credible trustee-banks under control by the Fund through its Board of Governors.

	2021	2020	2019
Cash and cash equivalents	**P 93,325,628**	P 39,300,689	P 37,546,004
Domestic listed shares	**272,326,305**	200,610,035	283,751,057
Corporate bonds	**94,395,345**	138,953,332	128,563,323
Other securities and debt instruments	**10,843,378**	22,887,356	84,173,329
UITF	**48,295,735**	59,556,414	10,692,764
Government bonds	**214,627,262**	241,846,837	136,093,180
Fixed income loans	**-**	-	4,669,573
Others	**50,950,693**	64,320,982	23,706,082
	P784,764,346	P767,475,645	P709,195,312

The breakdown of the Fund's net plan assets, as shown above, is presented to show the composition of the plan assets used by the actuary in determining the net retirement obligation based on the minimum guarantee under RA 7641 as of May 31, 2021, 2020 and 2019.

22. INCOME TAXES

Under Philippine laws, the taxable income from operations related to school activities and passive investment income of proprietary educational institutions is subject to a tax of 10%. However, if 50% or more of the institution's total gross income is from unrelated business activities, the regular corporate income tax (RCIT) of 30% will apply to the entire taxable income instead of the 10% preferential rate. Except FRC, which is subject to RCIT, all schools within the group are qualified to avail of the 10% preferential rate given their revenue profiles. In addition, all registered schools are not covered by the minimum corporate income tax (MCIT) provision of the 1997 Tax Code.

In March 2021, RA No. 11534 or the Corporate Recovery and Tax Incentives for Enterprises Act (CREATE) has been passed into law which provides for a reduced tax rate of proprietary schools to 1% from the previous 10%, effective July 2021 until June 2023. On April 2021, however, the Bureau of Internal Revenue (BIR) issued Revenue Regulation (RR) No. 5 - 2021 excluding the private schools, which includes the University and its subsidiary-schools, from availing of the preferential tax and effectively increasing the tax rate to the 25% regular corporate income tax.

In July 2021, the BIR issued the RR No. 14-2021 suspending certain provisions of RR No. 5-2021 including the 25% tax rate on private schools. Subsequently, House Bill No. 9913, a bill that seek to amend the National Internal Revenue Code (NIRC) to define the tax rates of proprietary schools to continue to allow them to avail of the preferential tax rate of 10%, and eventually the tax rate of 1% as provided by the CREATE law, has been filed and approved by the House of Representatives. Accordingly, the University and the subsidiary schools used the preferential tax rates of 10% and 1% for the computation of its income tax for the fiscal year ended May 31, 2021.

Furthermore, FRC used the tax rates of 30% and 25% for the computation of RCIT for its fiscal year.

The major components of tax expense (income) reported in the consolidated statements of profit or loss are as follows:

	2021	2020	2019
Current tax expense:			
RCIT at 25%	P **13,773,998**	P -	P -
Final tax at 20% and 15%	**10,861,845**	20,120,720	42,408,929
Special rate at 1%	**10,821,044**	-	-
Special rate at 10%	**2,574,877**	62,279,854	61,477,258
RCIT at 30%	**-**	30,709,972	23,066,223
MCIT	**-**	-	1,776
	38,031,764	113,110,546	126,954,186
Deferred tax income arising from the origination and reversal of temporary differences	**(1,055,472)**	(11,538,091)	(843,061)
	P 36,976,292	P 101,572,455	P 126,111,125

A reconciliation of tax on pretax income computed at the applicable statutory rates to tax expense (income) reported in consolidated profit or loss is presented below:

	2021	2020	2019
Tax on pretax income at 10 % (June 2020) and 1% (July 2020 to May 2021)	P **23,280,561**	P 78,456,400	P 93,458,285
Adjustments for income subjected to:			
Final tax	**8,743,495**	20,120,720	33,630,167
RCIT	**-**	30,709,972	23,066,223
	32,024,056	129,287,092	150,154,675
Tax effects of:			
Non-deductible expenses	**6,703,183**	11,091,941	111,971
Change in tax rate on deferred tax liabilities	**(2,887,397)**	-	-
Unrecognized deferred tax asset (DTA) on allowance for impairment	**657,944**	875,751	516,142
Unrecognized NOLCO	**(191,922)**	(2,093,027)	1,304,555
Non-taxable income	**-**	(36,755,676)	(20,366,046)
Excess of optional standard deduction (OSD) over itemized deductions	**-**	(9,920,465)	(5,705,993)
Unrecognized MCIT			1,776
Others	**670,428**	9,086,839	94,045
	P 36,976,292	P 101,572,455	P 126,111,125

The net deferred tax assets and net deferred tax liabilities of the Group, as of May 31, 2021, 2020 and 2019, relates to the following:

	Consolidated Statements of					
	Financial Position			Profit or Loss		
	2021	2020	2019	**2021**	2020	2019
Deferred tax assets:						
Change in tax rate	**P 18,642,111**	P -	P -	**P 18,642,111**	P -	P -
Allowance for impairment losses on trade and other receivables – net	**4,361,582**	7,252,112	5,760,356	**(2,890,530)**	(1,491,756)	557,209
NOLCO	**1,776,437**	1,909,467	5,528	**(133,030)**	(1,903,939)	5,528
Unrealized fair value gains (losses)	**(805,154)**	7,364,776	4,135,165	**(8,169,930)**	(3,229,611)	(309,634)
Accrued rent expense	**726,945**	9,527,751	7,074,962	**(5,536,725)**	(2,450,789)	(1,378,431)
Unrealized foreign currency gains (losses)	**241,851**	1,265,251	430,884	**(1,023,400)**	(825,367)	(3,601,192)
Prepaid rent expense	**(226,546)**	-	920,622	**(226,546)**	920,622	-
Allowance for impairment of investment	**-**	47,616	504,691	**(47,616)**	457,075	-
Accrued income	**-**	1,281,128	360,506	**(1,281,128)**	(920,622)	-
Post-employment benefit	**39,095**	885,137	6,480,407	**(846,042)**	5,595,270	51,187
Deferred tax assets – net	**P 24,756,321**	P 29,533,238	P 25,673,121			
Deferred tax expense (income)				**(P 1,512,836)**	(P 3,849,117)	(P 4,675,333)
Deferred tax liabilities:						
Accrued rent receivable	**(P 21,517,237)**	(P 24,599,108)	(P 21,716,091)	**(P 3,081,872)**	P 2,883,017	P 4,212,028
Revaluation surplus on land		-	(6,471,071)	**-**	(6,471,071)	-
Post-employment benefit	**4,712,197**	5,306,624	4,722,024	**594,427**	(248,173)	687,112
Unrealized foreign currency gains (losses)	**1,329,586**	4,068,705	(450,380)	**2,739,119**	(4,519,085)	(462,625)
Unearned rental income	**358,689**	147,536	813,874	**(211,153)**	666,338	(187,400)
Allowance for impairment						
Accrual of expenses	**-**	416,843	416,843	**416,843**	-	(416,843)
Deferred tax liabilities – net	**(P 15,116,765)**	(P 14,659,400)	(P 22,684,801)			
Deferred tax expense (income)				**P 457,364**	(P 7,688,974)	P 3,832,272
Deferred tax expense (income) – net				**(P 1,055,472)**	(P 11,538,091)	P 843,061

RCI's deferred tax expense amounting to P0.3 million and P0.3 million relates to the remeasurement of post-employment benefit plan during the years ended May 31, 2021 and 2020, (nil in 2019), respectively, and is recognized as a component of tax expense reported in the consolidated statement of comprehensive income.

The net deferred tax assets of the University are not allowed to be offset against net deferred tax liabilities of other subsidiaries, or vice versa, for purposes of consolidation.

Presented below are the details of NOLCO of FECSI, FEUAI, Edustria and RCI.

Period Incurred	Original Amount	Expired Balance in 2020	NOLCO Applied in Prior Years	Remaining Balance	Valid Until
May 31, 2021	P 60,237,929	P -	P -	P 60,237,929	2026
May 31, 2020	33,127,628	-	-	33,127,628	2023
May 31, 2019	7,337,605	-	-	7,337,605	2022
May 31, 2018	49,261,655	38,294,712	10,966,943	-	2021
	P 149,964,817	**P 38,294,712**	**P 10,966,943**	**P 100,703,162**	

The companies within the Group that were not entitled to avail of the preferential rate of 10% is subject to MCIT, which is computed at 2% of gross income as defined under the tax regulations, or RCIT, whichever is higher.

	2021		2020		2019	
	Tax Base	**Tax Effect**	Tax Base	Tax Effect	Tax Base	Tax Effect
FEUAI –						
NOLCO	**P -**	**P -**	P -	P -	P 23,238,638	P 2,323,864
MCIT	**11,919**	**11,919**	11,919	11,919	519,080	519,080
RCI:						
NOLCO	**P 8,470,660**	**P 84,707**	P 34,493,676	P 3,449,368	P 48,019,928	P 4,801,993
Allowance for impairment	**1,461,110**	**146,111**	3,639,180	363,918	5,161,420	516,142
FECSI:						
NOLCO	**P 46,590,148**	**P 465,901**	P 1,414,118	P 141,412	P 55,276	P 5,528
Allowance for impairment	**906,965**	**90,697**	710,177	71,018	5,528	5,528
Edustria:						
NOLCO	**P 45,642,354**	**P 456,424**	P 17,680,549	-	-	-

No deferred tax assets were recognized by certain subsidiaries since management of the respective subsidiaries believes that no sufficient taxable profit will be realized against which deferred tax assets can be applied within the prescriptive period.

RCI did not recognize the deferred tax assets pertaining to allowance for impairment of receivables amounting to P0.3 million and P2.5 million as at May 31, 2021 and 2020, respectively. Also, RCI did not recognize deferred tax assets on its NOLCO amounting to P0.1 million and P3.4 million as of May 31, 2021 and 2020, respectively. The management has yet to perceive whether the related tax benefit on NOLCO and allowance for impairment of receivables are realizable in the future.

23. RELATED PARTY TRANSACTIONS

The Group's related parties include related parties under common management, key management personnel and others as described in Note 2.18. The following are the Group's transactions with such related parties:

		2021		2020		2019			
	Notes	**Amount of Transaction**	**Outstanding Receivable (Payable)**	Amount of Transaction	Outstanding Receivable (Payable)	Amount of Transaction	Outstanding Receivable (Payable)	Terms	Conditions
Related Parties Under Common Management:									
Subscription of preferred stock	23.1	**P 62,000,00**	**P -**	P126,000,000	P 40,000,000	P112,500,000	P -	nonredeemable; non-controlling	not applicable
Advances to related parties	23.2	**(20,121,600)**	**37,384,820**	19,453,425	57,506,420	(9,229,702)	38,840,013	due and demandable; noninterest-bearing	unsecured
Advances from related party	23.2(c)	**15,931,885**	**-**	(10,608,061)	(15,931,885)	(9,229,702)	(5,323,824)	due and demandable; noninterest-bearing	unsecured
Reimbursement of expenses	23.3	**(15,792,810)**	**16,717,029**	3,127,335	32,509,839	7,088,641	29,382,504	due and demandable;	unsecured
Rental income	23.4(a) 23.4(b)	**-**	**-**	19,222,576	13,122,403	19,951,790	10,643,063	payable within 30 days; noninterest-bearing	unsecured
Lease liabilities	23.4(c)	**(5,792,444)**	**(8,276,801)**	(2,584,220)	(14,069,245)	-	-	due and demandable; interest bearing	not applicable
Right-of-use asset	23.4(c)	**(2,796,718)**	**7,924,033**	(2,796,718)	10,720,751	-	-	not applicable	not applicable
Rental expense	23.4(c)	**-**	**-**	-	-	(3,135,996)	(6,794,657)	payable within 30 days noninterest-bearing	unsecured

	Notes	**2021** Amount of Transaction	**2021** Outstanding Receivable	2020 Amount of Transaction	2020 Outstanding Receivable	2019 Amount of Transaction	2019 Outstanding Receivable	Terms	Conditions
Retirement Funds:	23.5								
Retirement plan assets		**P -**	**P 865,525,239**	P -	P 892,599,993	P -	P756,932,798	not applicable	not applicable
Reimbursement of expenses		**3,595,970**	**5,062,058**	1,466,088	1,466,088	-	-	due and demandable; noninterest-bearing	unsecured; not-impaired
Others –									
Key management personnel compensation	23.6	**116,417,150**	**-**	136,661,205	-	145,341,733	-	not applicable	not applicable

In 2021, 2020 and 2019, the Group reviewed its receivables from related parties and were accordingly assessed for impairment. Except for those receivables provided with corresponding allowance, no impairment loss was necessary to be recognized for all other receivables in all years presented.

23.1 Subscription of Preferred Shares of Stock

(a) EACCI

During the years ended May 31, 2020 and 2019, East Asia Educational Foundation, Inc. (EAEF) entered into a subscription agreement for the purchase of 100,000 and 112,500 preferred shares with total consideration of P100.0 million and P112.5 million, respectively. Outstanding receivable arising from the transaction amounting P40.0 million as of May 31, 2020 is presented as part of Other advances to related parties under Trade and Other Receivables account (see Note 9), has been fully paid in 2021.

(b) FEUA

During the year ended May 31, 2021 and 2020, EAEF, a related party under common management, entered into a subscription agreement for the purchase of 22,000 and 26,000 preferred shares of FEUA [see Note 24.5 (b)]. The total consideration paid by EAEF amounted to P22.0 million and P26.0 million for 2021 and 2020, respectively. There was no outstanding receivable arising from the transaction as the amount was fully paid by EAEF in the year of subscription.

23.2 Noninterest-bearing Advances

(a) Advances of the University to a Related Party

The University grants unsecured and noninterest-bearing advances, which are due and demandable to FEU Public Policy Foundation, Inc., related party under common management of the Group for working capital purposes.

Summarized below are the outstanding receivables from these advances as of May 31, 2021, 2020 and 2019 recorded as part of Other advances to related parties under Trade and Other Receivables account in the consolidated statements of financial position (see Note 9):

	2021	2020	2019
Balance at beginning of year	**P 2,779,304**	P 1,673,060	P 1,185,000
Additional advances during the year	**2,059,199**	1,106,244	488,060
Balance at end of year	**P 4,838,503**	P 2,779,304	P 1,673,060

As of May 31, 2021, management re-assessed that the entire amount of receivable is doubtful of collection, therefore, full allowance for impairment on these receivables were recognized. No allowance was provided in prior years.

(b) Advances between EACCI and EAEF

During the years ended May 31, 2021, 2020 and 2019, EACCI granted to EAEF cash advances for working capital requirements and other purposes. These advances are noninterest-bearing, unsecured and payable in cash upon demand. As of May 31, 2021, 2020 and 2019, outstanding advances to EAEF amounting to P29.1 million, P51.7 million and P34.1 million, respectively, are presented as part of Non-trade advances to related parties under the Trade and Other Receivables account in the consolidated statements of financial position (see Notes 9). No impairment loss is recognized by the Group on the receivables arising from advances.

(c) Advances between EACCI and NREF

During the years ended May 31, 2021, 2020 and 2019, certain tuition and other school fees have been ceollected by NREF for the account of EAACI. Conversely, there were also collections received by EACCI for the account of NREF. These collections and remittances came about due to incorrect ID numbers used by the students. Subsequently, these collections were appropriately transmitted to the entities to which the related receivables are due. The receivable and payable accounts are unsecured, noninterest-bearing and payable in cash immediately upon demand. Outstanding payables amounting to P15.9 million and P5.3 million as of May 31, 2020 and 2019, respectively, (nil in 2021) are presented as part of Other advances from related parties under the Trade and Other Payables account in the consolidated statements of financial position (see Note 16).

(d) Advances of RCI to its Related Party

RCI grants noninterest-bearing and unsecured advances to RCEE, Roosevelt College Scholarship Foundation and Roosevelt College Center for Teacher Education, related parties under common management, for working capital purposes. These advances are generally collectible in cash and are due upon demand or through offsetting arrangement. The outstanding balance from these transactions amounts to P3.6 million, P3.1 million and P2.3 million as of May 31, 2021, 2020 and 2019, respectively, are presented as part of Other advances to related parties under the |Trade and Other Receivables account in the consolidated statements of financial position (see Note 9). In 2021 and 2020, RCI's management assessed that certain outstanding balances with the related parties were impaired; hence, impairment losses amounting to P0.2 million and P0.8 million, are recognized.

23.3 Reimbursement of Expenses

During the year ended May 31, 2021, 2020 and 2019, the University billed its related entities for the reimbursement of amounts it initially advanced to third party suppliers and service providers for certain expenses and various allocated expenses, at cost. These expenses pertain to those incurred in the normal course of operations of the University and its related entities, which include legal fees, various supplies, use of facilities, and salaries and benefits of seconded employees, among others.

		2021		2020		2019
FEU Public Policy Center Foundation, Inc.	**P**	**12,190,775**	P	9,613,117	P	5,615,114
NREF		**4,526,254**		18,004,707		18,875,375
EAEFI		**-**		4,892,015		4,892,015
	P	**16,717,029**	P	32,509,839	P	29,382,504

23.4 Leases

(a) Lease of Certain Floors to EAEF

Outstanding receivables, arising from prior years' lease of certain floors by the University and EACCI to EAEF, amounted to P2.9 million as of May 31, 2020 and 2019 (nil in 2021), and is presented as part of Rental receivable under Trade and Other Receivables account in the consolidated statements of financial position (see Note 9).

(b) Lease of Buildings to Nicanor Reyes Educational Foundation (NREF)

FRC leased out certain buildings to NREF with new effectivity January 31, 2013 to December 31, 2023 for an annual rental fee of P1.2 million or 10% of NREF's annual gross income, whichever is higher.

In January 2020, the FRC entered into an amended lease agreement with EACCI to cover the lease of certain buildings within campus premises collectively referred to as FEU Diliman Campus. The amended lease term is from February 1, 2020 to January 31, 2021 for an annual rental fee of 10% of EACCI's annual gross income from tertiary and senior high school departments and 5% from basic education and junior high school department, but no lower than P25.0 million.

Total rental income of FRC from NREF amounted to P19.2 million and P20.0 million for the years ended May 31, 2020 and 2019 (nil in 2021), respectively, which is recorded as part of Rental under Revenues in the consolidated statements of profit or loss. Outstanding receivables from this transaction amount to P10.2 million and P7.7 million as of May 31, 2020 and 2019 (nil in 2021), respectively, are presented as part of Rental receivable under the Trade and Other Receivables account in the consolidated statements of financial position (see Note 9). No impairment loss is recognized by the Group on this receivable from NREF.

(c) Lease of Building from NREF

The University had lease agreement with NREF for its lease of facilities. The lease agreements are long-term and renewable.

Upon adoption of PFRS 16, the Group, as a lessee, recognized right-of-use asset and lease liabilities as at June 1, 2019. Amortization of the right-of-use asset arising from these transactions amounting to P2.8 million is presented as part of Depreciation and amortization under Cost and Operating Expenses in the 2021 and 2020 consolidated statements of profit or loss. Total interest expense on lease liabilities amounting to P0.4 million and P0.6 million for the years ended May 31, 2021 and 2020, respectively, is presented as part of Interest expense on lease liabilities under Finance Costs in the consolidated statements of profit or loss. The outstanding balances arising from these transactions as at May 31, 2021 and 2020, are presented as part of right-of-use asset under Property and Equipment, and Lease Liabilities (current portion under Trade and Other Payable) in the consolidated statements of financial position.

Under PAS 17, total rental expense arising from the lease charged to operations amounting to P3.1 million for the year ended May 31, 2019, is presented as part of Rental under Operating Expenses in 2019 consolidated statement of profit or loss (see Note 19). Outstanding payable arising from the transaction amounting to P6.8 million as at May 31, 2019, is presented as part of Accrued expenses under the Trade and Other Payables account in the consolidated statements of financial position (see Note 16).

23.5 Retirement Funds

The University, FECSI and EACCI's retirement funds are in the form of trustee-banks managed accounts. The fair value of the Group's retirement plan assets amounted to P865.5 million in 2021, P892.6 million in 2020 and P757.0 million in 2019 [see Note 21(b)]. The University, FECSI and EACCI have no transactions with the retirement plans other than contributions and benefit payments in all periods presented.

None of the retirement plan assets are invested in or provided to the University, EACCI or FECSI, their related parties, and to their officers in the form of advances or loans.

The retirement funds neither provide any guarantee nor surety for any obligation of the University, EACCI and FECSI.

In January 2020, the FRC entered into an amended lease agreement with EACCI to cover the lease of certain buildings within campus premises collectively referred to as FEU Diliman Campus. The amended lease term is from February 1, 2020 to January 31, 2021 for an annual rental fee of 10% of EACCI's annual gross income from tertiary and senior high school departments and 5% from basic education and junior high school department, but no lower than P25.0 million

23.6 Key Management Personnel Compensation

Total remunerations of the Group's key management personnel for the years ended May 31, 2021, 2020 and 2019, which are presented as part of Employee benefits under Operating Expenses in the consolidated statements of profit or loss (see Note 21), are as follows:

	2021	2020	2019
Short-term benefits	**P 101,367,997**	P 123,069,612	P 131,260,806
Post-employment benefits	**15,049,153**	13,591,593	14,080,927
	P 116,417,150	P 136,661,205	P 145,341,733

23.7 Financial Guaranty for Subsidiaries' Loans

In March 2017 and January 2018, the BOT approved that for and in consideration of the loan or credit facilities obtained by any subsidiary of the University, in which the University owns at least 75% of the outstanding voting capital stock of such subsidiary, from a certain local commercial bank, the University gives its full consent and authority to act as surety up to P500 million for the subsidiary's obligations arising from any loan or availments from any credit facilities granted by the said local bank in favor of the subsidiary, as well as any renewals, increases, extensions of existing obligations obtained by or which may hereafter be obtained by the subsidiary from the local bank, whether direct or indirect, principal or secondary. As of May 31, 2021, 2020 and 2019, RCI has availed a loan amounting to P500.0 million, P400.0 million and P150.0 million, respectively, from the said local bank (see Note 17).

23.8 Others

In July 2014, the FRC's declaration of stock dividend resulted in 291 fractional shares amounting to P0.3 million, which the FRC also opted to treat as treasury shares.

On October 8, 2019, the FRC's BOD approved the proposal to increase its par value from P1,000 to P10,000, resulting to fractional shares for stockholders owning less than ten shares. Outstanding liability amounting to P27.1 million and P28.5 million as of May 31, 2021 and 2020, (nil in 2019), respectively, are presented as part of Due to related parties under Trade and Other Payables account in the consolidated statements of financial position (see Note 16).

24. EQUITY

24.1 Capital Stock

The University's capital stock consists of common shares with details below.

	2021	2020	2019
Authorized number of shares – P100 par value per share	**50,000,000**	50,000,000	20,000,000
Total shares issued	**24,093,094**	16,514,354	16,514,354

On September 10, 2019 the BOT approved the increase of the University's authorized capital stock. The same was ratified by the stockholders on October 19, 2019, and approved by the SEC on March 19, 2020.

In line with the increase in authorized capital stock of the University, the BOT also declared, which was subsequently ratified by the shareholders, 46% stock dividends amounting to P755.4 million. The approval for the issuance of such dividend shares was granted by the SEC on June 2, 2020, with distribution date set on June 18, 2020 (see Note 24.2). As of May 31, 2020, pending the approval from the SEC, the value of the stock dividends has been recognized and presented as Stock Dividends Distributable in the 2020 consolidated statement of financial position.

Below is the ownership structure of the University's outstanding shares as of May 31, 2021, 2020 and 2019.

	2021	2020	2019
Number of shares held by related parties	**15,959,877**	10,840,053	10,788,176
Number of shares held by the public	**8,016,071**	5,582,302	5,637,180
Total shares issued and Outstanding*	**23,975,948**	16,422,355	16,425,356

**Net of those held in Treasury (see Note 24.2)*

As of May 31, 2021, 2020 and 2019, the public owns 33.43%, 33.99% and 34.32%, respectively, of the University's listed shares.

As of May 31, 2021, there are 1,509 holders of the listed common shares owning at least one share.

All shares of the University are listed on the PSE, there had been no follow-on listing since the initial listing in 1986 at an offer price of P100. The closing price of the University's listed shares was P570, P830 and P890 per share as of May 31, 2021, 2020 and 2019, respectively.

24.2 Treasury Stock

This account includes the University's common shares held and acquired by FRC in various dates during the respective reporting periods. The changes in market values of these shares, recognized as fair value gains or losses by FRC, were reclassified to treasury stocks, as presented in the consolidated statements of changes in equity. As of May 31, 2021, 2020 and 2019, it consists of 117,146, 91,999 and 88,998 shares, respectively.

A portion of the University's retained earnings is restricted from dividend declaration up to the cost of treasury stocks, excluding the amount acquired and held by FRC as this is considered as a cross-holding as of the end of the reporting period.

24.3 Revaluation Reserves

The components and reconciliation of items of other comprehensive income (loss) presented in the consolidated statements of changes in equity at their aggregate amount under Revaluation Reserves account, are shown below.

	Financial Assets at FVOCI	Retirement Benefit Obligation	Total
Balance as of June 1, 2020	P 25,031,515	(P 6,990,340)	P 18,041,175
Remeasurements of retirement benefit obligation	-	4,510,596	4,510,596
Fair value gains on financial assets at FVOCI	20,880,938	-	20,880,938
Tax effect	(482,316)	37,964	(444,352)
Other comprehensive income	20,398,622	4,548,560	24,947,182
Balance as of May 31, 2021	**P 45,430,137**	**(P 2,441,780)**	**P 42,988,357**
Balance as of June 1, 2019	P 2,638,168	P 626,694	P 3,264,862
Remeasurements of retirement benefit obligation	-	(8,463,371)	(8,463,371)
Fair value gains on financial assets at FVOCI	24,881,497	-	24,881,497
Tax effect	(2,488,150)	846,337	(1,641,813)
Other comprehensive income	22,393,347	(7,617,034)	14,776,313
Balance as of May 31, 2020	P 25,031,515	(P 6,990,340)	P 18,041,175
Balance as of June 1, 2018	(P 1,319,471)	P 8,328,838	P 7,009,367
Remeasurements of retirement benefit obligation	-	(8,557,937)	(8,557,937)
Fair value gains on financial assets at FVOCI	4,397,376	-	4,397,376
Tax effect	(439,737)	855,793	(416,056)
Other comprehensive income	3,957,639	(7,702,144)	(3,744,505)
Balance as of May 31, 2019	P 2,638,168	P 626,694	P 3,264,862

24.4 Retained Earnings

Significant transactions affecting Retained Earnings are shown below.

(a) Appropriation of Retained Earnings

As of May 31, 2021, 2020 and 2019, the University's Appropriated Retained Earnings consists of appropriations for:

	2021	2020	2019
Property and investment acquisition	**P 493,000,000**	P 1,448,000,000	P 1,631,000,000
Purchase of equipment and improvements	**257,000,000**	167,000,000	92,000,000
Contingencies	**90,000,000**	180,000,000	190,000,000
Treasury stock	**3,733,100**	3,733,100	3,733,100
Expansion of facilities	**-**	111,000,000	164,000,000
General retirement	**-**	-	90,000,000
	P 844,733,100	P 1,909,733,100	P 2,170,733,100

The changes in Appropriated Retained Earnings are shown below.

	2021	2020	2019
Balance at beginning of year	**P 1,909,733,100**	P 2,170,733,100	P 2,843,733,100
Reversal of appropriations	**(1,155,500,000)**	(336,000,000)	(670,000,000)
Appropriations	**90,000,000**	75,000,000	-
Balance at end of year	**P 844,233,100**	P 1,909,733,100	P 2,170,733,100

(b) Dividend Declaration

The University's BOT approved the following dividend declarations during the years ended:

	Declaration	Date of Record	Payment/Issuance	Amount
May 31, 2021				
Cash dividend of P3 per share	November 17, 2020	December 3, 2020	December 16, 2020	P 71,826,401
Cash dividend of P5 per share	February 16, 2021	March 3, 2021	March 15, 2021	119,710,668
				P 191,537,069
May 31, 2020				
Cash dividend of P10 per share	September 10, 2019	September 24, 2019	October 9, 2019	P 164,505,650
Cash dividend of P10 per share	February 18, 2020	March 4, 2020	March 18, 2020	164,505,650
Stock dividend of 46%	September 10, 2019	October 19, 2019	June 18, 2020	755,431,300
				P 1,084,442,600
May 31, 2019				
Cash dividend of P8 per share	September 18, 2018	October 2, 2018	October 18, 2018	P 131,405,532
Cash dividend of P8 per share	February 19, 2019	March 6, 2019	March 20, 2019	131,400,412
				P 262,805,944

Unclaimed checks related to dividends declared as of May 31, 2021, 2020 and 2019 are presented as Dividends payable under the Trade and Other Payables account in the consolidated statements of financial position (see Note 18).

24.5 Subsidiaries with Material Non-controlling Interest

(a) FRC

The University holds 38.18%, 38.04% and 37.52% interest in FRC as of May 31, 2021, 2020 and 2019, respectively. Management considers that the University has de facto control over FRC even though it holds less than 50% of the voting shares of stock of FRC, because it is exposed or has right to variable returns through its power over FRC [see Notes 1.1 and 3.1(i)]. The accumulated NCI of FRC amounted to P785.5 million, P801.9 million and P814.7 million as of May 31, 2021, 2021 and 2019, respectively.

A summary of financial information of FRC as of and for the years ended May 31, 2021, 2020 and 2019 before intragroup eliminations are shown below.

	2021	2020	2019
Current assets	**P 361,377,412**	P 321,925,382	P 302,698,009
Non-current assets	**1,139,837,024**	1,132,066,986	1,077,932,619
Current liabilities	**39,334,609**	53,845,991	24,316,472
Non-current liabilites	**38,835,480**	28,610,615	28,311,279
Total equity	**1,423,044,347**	1,371,535,762	1,328,002,877
Total revenue	**118,487,190**	198,056,890	151,811,691
Net profit for the year	**44,182,487**	99,498,571	88,596,837
Other comprehensive income (loss) for the year	**7,326,098**	(3,936,554)	(1,694,419)
Total comprehensive income for the year	**51,508,585**	95,562,017	80,735210
Net cash from (used in) operating activities	**77,583,687**	(4,346,457)	93,631,571
Net cash from (used in) investing activities	**(79,202,878)**	7,039,282	(72,201,069)
Net cash used in financing activities	**(274,729)**	(23,579,708)	(13,502,726)
	(P 1,893,920)	(P 20,886,883)	P 7,927,776

(b) EACCI and FEUAI

Prior to 2017, EACCI issued its newly authorized preferred shares to EAEF, a related party under common management. In 2020 and 2019, EACCI issued additional authorized preferred shares to NREF, a related party under common management (see Note 23.1). Total cost of preferred shares issued and outstanding amounts to P1.2 billion as of May 31, 2021 and 2020 and P1.1 billion as of May 31, 2019.

In 2021, 2020 and 2019, FEUAI also issued its newly authorized preferred shares to EAEF (see Note 23.1). Total cost of preferred shares issued and outstanding amounts to P750.0 million, P728.0 million and P702.0 million as of May 31, 2021, 2020 and 2019, respectively.

Both non-controlling interests in EACCI and FEUAI relate to non-voting shares.

EACCI and FEUAI's preferred shares have the following features:

(a) Holders of the preferred stock have no pre-emptive right to subscribe to any or all issues or other disposition of shares of common stock or preferred stock of EACCI or FEUAI, including treasury stock, if any;

(b) Subject to availability of retained earnings and sufficient cash as may be determined by EACCI's BOT or FEUAI's BOD, holders of the preferred stock are entitled to receive, out of unrestricted retained earnings of the EACCI or FEUAI, non-cumulative dividends at the rate of 3% per annum based on the issue value of each share, payable annually on such date as may be determined by the EACCI's BOT or FEUAI's BOD from time to time;

(c) Preferred stock shall be non-voting (except in instances specifically provided by law) and non-participating as to the payment of dividends;

(d) Preferred stock may be redeemed at the option of the issuer regardless of existence of unrestricted retained earnings at an issue price equal to the issue value and under terms and conditions as determined by the EACCI's BOT or FEUAI's BOD; and,

(e) In the event of any voluntary or involuntary liquidation, dissolution, distribution of assets or winding up of EACCI or FEUAI's operations, the holders of preferred stock shall have preference and priority as to the net assets of EACCI or FEUAI or proceeds thereof over the holders of common stock.

During the years ended May 31, 2021, 2020 and 2019, the BOT of EACCI declared cash dividend to all of their stockholders. Accordingly, EAEF received P30.0 million, P27.5 million and P27.5 million from each of the said declarations in 2021, 2020 and 2019, respectively.

A summary of financial information of FEUAI and EACCI as of and for the years ended May 31, 2021, 2020 and 2019, before intragroup eliminations are shown below and in the succeeding page (in thousands).

	EACCI	FEUAI
May 31, 2021		
Current assets	P 1,312,347	P 87,042
Non-current assets	2,217,893	1,832,570
Current liabilities	270,402	193,466
Non-current liabilities	212,284	162,000
Total equity	3,047,553	1,564,146
Total revenue	898,858	247,978
Net income for the year	443,335	24,730
Other comprehensive income for the year	23,716	-
Total comprehensive income for the year	467,051	24,730
Net cash from operating activities	523,641	93,395
Net cash used in investing activities	(1,203,919)	(13,591)
Net cash used in financing activities	(162,689)	(87,691)
	(P 842,967)	**(P 7,887)**
May 31, 2020		
Current assets	P 1,860,273	P 112,785
Non-current assets	1,384,587	1,923,861
Current liabilities	288,943	312,231
Non-current liabilities	553,883	207,000
Total equity	2,690,977	1,517,414
Total revenue	758,062	288,003
Net income for the year	259,128	58,519
Other comprehensive income for the year	2,065	-
Total comprehensive income for the year	261,193	58,519
Net cash from operating activities	330,366	123,801
Net cash used in investing activities	(28,493)	(141,603)
Net cash used in financing activities	(22,010)	(67,000)
	P 279,863	(P 84,802)

	EACCI	FEUAI
May 31, 2019		
Current assets	P 1,262,321	P 195,763
Non-current assets	1,455,043	1,854,664
Current liabilities	219,988	317,608
Non-current liabilities	93	300,000
Total equity	2,497,283	1,432,819
Total revenue	908,383	132,716
Net income (loss) for the year	416,511	(2,571)
Other comprehensive income for the year	11,206	-
Total comprehensive income (loss) for the year	427,717	(2,571)
Net cash from (used in) operating activities	1,250,030	(24,676)
Net cash used in investing activities	(231,428)	(364,133)
Net cash from (used in) financing activities	(303,340)	473,000
	P 715,262	P 84,191

(c) Edustria

Upon incorporation of Edustria, the Parent Company subscribed to 225.0 million shares, representing 51% of the total issued and outstanding shares of Edustria. The NCI of Edustria, amounting to P171.5 million is presented as part of Non-controlling Interest in the 2021 and 2020 consolidated statements of financial position.

A summary of financial information of Edustria as of for the years ended May 31, 2021 and 2020 before intragroup eliminations are shown below.

	2021	2020
Current assets	P 239,091,800	P 282,581,121
Non-current assets	80,842,303	85,946,223
Current liabilities	9,487,814	8,760.304
Non-current liabilities	19,025,860	26,230,652
Total equity	291,420,429	333,536,388
Total revenue	5,334,581	-
Net loss for the year	(25,652,347)	(16,463,612)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	(25,652,347)	(16,463,612)
Net cash used in operating activities	(10,376,559)	(14,024,851)
Net cash used in investing activities	(10,296,251)	(50,935,849)
Net cash from (used in) financing activities	(6,778,913)	347,218,907
	(P 27,451,723)	P 282,258,207

25. EARNINGS PER SHARE

EPS amounts were computed as follows:

	2021	2020	2019
Net profit attributable to owners of the parent company	**P 965,682,303**	P 621,398,818	P 753,271,625
Divided by weighted average number of shares outstanding, net of treasury stock of 117,146, 91,999 and 88,998 as of May 31, 2021, 2020 and 2019, respectively	**23,975,948**	23,977,387	23,978,859*
Basic and diluted EPS	**P 40.28**	P 25.92	P 31.41

**Restated after giving retrospective effect on the stock dividend declared on September 10, 2019.*

The weighted average number of shares outstanding as of May 31, 2020 is computed below.

	Number of Shares	Months Outstanding	Weighted Number of Shares
Balance at beginning of year	16,425,356	12	197,104,272
Adjustment for stock dividends distributable	7,553,593	12	90,643,116
Purchase of treasury stock during the period –			
August 2019	(1,249)	10	(12,490)
February 2020	(1,000)	4	(4,000)
March 2020	(752)	3	(2,256)
Balance at end of period	23,975,948		287,728,642
Divided by total months during the year			12
Weighted average number of shares outstanding as of May 31, 2020			23,977,387

As of May 31, 2021, the weighted average and actual number of outstanding shares is the same.

The University has no potential dilutive common shares as of May 31, 2021, 2020 and 2019; accordingly, the diluted EPS is the same as the basic EPS in all the years presented.

26. COMMITMENTS AND CONTINGENCIES

The following are the significant commitments and contingencies involving the Group:

26.1 Capital Commitments

As of May 31, 2021, 2020 and 2019, FRC has commitments of about P66.0 million, P84.1 million and P116.6 million, respectively, for the condominium units acquired at pre-selling stage that are currently under construction.

26.2 Operating Lease Commitments

(a) Group as Lessor

As discussed in Note 23.4(a), FRC lease out certain buildings to EAEF and NREF for varying periods. FRC also lease out certain land and buildings to several non-related parties for a period of one to ten years. FRC also receives customer and security deposits relevant to its leasing activities as a lessor which is recognized under Other Non-current Liabilities in consolidated statements of financial position.

Future minimum rental receivables, excluding contingent rental, under these operating leases are shown below.

	2021	2020	2019
Within one year	**P 4,497,842**	P 12,880,020	P 23,123,123
After one year but not more than five years	**8,770,915**	22,528,952	42,890,129
More than five years	**-**	808,245	7,568,490
	P 13,268,757	P 36,217,216	P 73,581,742

(b) Group as Lessee

The Group is a lessee under operating lease agreements covering rentals of event venues, transportation vehicles and small items of equipment used for various students' and employees' activities.

The future minimum rentals payable under these non-cancellable operating leases as of May 31, 2019 are as follows:

Within one year	P 3,135,996
After one year but not more than five years	12,021,315
	P 15,157,311

26.3 Other Provisions and Contingencies

As of May 31, 2021, the University and its subsidiaries has no record of any litigation not being contested or any that the University and its entities has accepted any liability in relation to labor cases and other civil cases.

Further, the previous tax case and its attendant omnibus motion filed by the University with the Court of Tax Appeals was withdrawn on March 15, 2021 to fully satisfy the requirements of the tax amnesty availed by the University in December 2019.

There are other contingencies that arise in the normal course of business that are not recognized in the Group's financial statements. Management believes that losses, if any, arising from these commitments and contingencies will not materially affect its financial statements, however, the University opted to appropriate portion of its retained earnings to cover for such contingencies.

The Group has entered into transactions which resulted to obligations that will probably result to an outflow of economic resources. Accordingly, the management has recognized the probable losses as Provisions in its consolidated statements of financial position. However, as allowed by relevant accounting standards, the Group did not disclose the nature and details of its provisions because it may prejudice the interest and position currently being taken by the Group.

27. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group aims to provide returns on equity to shareholders while managing operational and strategic objectives. The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or obtain debt financing.

The Group defines capital as paid-in capital stock and retained earnings, both appropriated and unappropriated. Other components of equity such as treasury stock and revaluation reserves are excluded from capital for purposes of capital management. The BOT has overall responsibility for monitoring of capital in proportion to risks. Profiles for capital ratios are set in the light of changes in the Group's external environment and the risks underlying the Group's business, operation and industry.

The University monitors capital on the basis of debt-to-equity ratio, which is calculated as total liabilities excluding deferred revenues divided by total adjusted equity (comprised of capital stock, stock dividends distributable and retained earnings) attributable to owners of the parent company. Capital for the reporting periods under review is summarized below.

	2021	2020	2019
Total adjusted liabilities	**P 4,122,563,634**	P 4,674,024,896	P 3,953,514,389
Total adjusted equity attributable to owners of the parent company	**8,437,566,218**	7,663,420,984	7,371,033,466
Debt-to-equity ratio	**0.49 : 1.00**	0.61 : 1.00	0.54 : 1.00

The Group's goal in capital management is to maintain a lower liability compared with its adjusted equity or debt-to-equity structure ratio of not more than 1.00 : 1.00. This is in line with the Group's bank covenants related to its borrowings, which requires the Group to maintain debt-to-equity ratio of not more than 2.00 : 1.00 and debt service coverage ratio of at least 1.2x.

The Group has complied with its covenant obligations, including maintaining the required debt-to-equity ratio and debt service coverage ratio for all the years presented

There was no significant change in the Group's approach to capital management during the year.

28. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Presented below is the reconciliation of liabilities arising from various financing activities in fiscal year 2021, 2020 and 2019.

	Interest-bearing Loans (see Note 17)	**Lease Liabilities** (see Note 13)	**Dividends Payable** (see Note 16)	**Accrued Interest** (see Note 17)	**Total**
Balance at June 1, 2020	P 2,605,238,096	P 46,572,571	P 223,026,631	P 26,915,531	P 2,901,752,829
Cash flows from financing activities:					
Repayment of loans	(1,275,714,286)	-	-	-	(1,275,714,286)
Repayment of lease liabilities	-	(12,061,585)	-	-	(12,061,585)
Proceeds from additional loans	1,142,857,143	-	-	-	1,142,857,143
Dividends paid	-	-	(239,359,822)	-	(239,359,822)
Interest paid	-	(2,779,702)	-	(60,023,027)	(62,802,729)
Non-cash financing activities:					
Dividend declaration	-	-	191,537,069	-	191,537,069
Interest amortization in lease liabilities	-	2,779,702	-	-	2,779,702
Accrual of interest	-	-	-	32,916,677	31,916,677
Capitalized borrowing cost	-	-	-	6,772,700	6,772,700
Balance at May 31, 2021	**P 2,472,380,953**	**P 34,510,986**	**P 175,203,878**	**P 6,581,881**	**P 2,688,677,698**
Balance at June 1, 2019	P 2,358,571,429	P -	P 215,371,368	P 12,515,531	P 2,586,458,328
Effect of adoption of PFRS 16	-	13,517,469	-	-	13,517,469
Cash flows from financing activities:					
Repayment of loans	(948,333,333)	-	-	-	(948,333,333)
Repayment of lease liabilities	-	(1,597,281)	-	-	(1,597,281)
Proceeds from additional loans	1,195,000,000	-	-	-	1,195,000,000
Dividends paid	-	-	(323,553,105)	-	(323,553,105)
Interest paid	-	(1,183,812)	-	(114,503,438)	(115,687,250)
Non-cash financing activities:					
Dividend declaration	-	-	331,208,368	-	331,208,368
Additional lease liabilities	-	34,652,383	-	-	34,652,383
Interest amortization in lease liabilities	-	1,183,812	-	-	1,183,812
Accrual of interest	-	-	-	111,894,250	111,894,250
Capitalized borrowing cost	-	-	-	17,009,188	17,009,188
Balance at May 31, 2020	P 2,605,238,096	P 46,572,571	P 223,026,631	P 26,915,531	P 2,901,752,829

	Interest-bearing Loans (see Note 17)	Lease Liabilities (see Note 13)	Dividends Payable (see Note 16)	Accrued Interest (see Note 17)	Total
Balance at June 1, 2018	P 2,517,142,858	P -	P 201,661,265	P 9,615,531	P 2,728,419,654
Cash flows from financing activities:					
Proceeds from additional loans	270,000,000	-	-	-	270,000,000
Repayment of loans	(428,571,429)	-	-	-	(428,571,429)
Dividends paid	-	-	(249,095,841)	-	(249,095,841)
Interest paid	-	-	-	(125,827,490)	(125,827,490)
Non-cash financing activities:					
Dividend declaration	-	-	262,805,944	-	262,805,944
Accrual of interest	-	-	-	95,072,981	95,072,981
Capitalized borrowing cost	-	-	-	33,654,509	33,654,509
Balance at May 31, 2019	P 2,358,571,429	P -	P 215,371,368	P 12,515,531	P 2,586,458,328

THE FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
INDEX TO SUPPLEMENTAL SCHEDULES
MAY 31, 2021

Independent Auditor's Report on the SEC Supplementary Schedules Filed Separately from the Basic Financial Statements

Supplementary Schedules to Consolidated Financial Statements (Form 17-A, Item 7)

Other Required Information

P&A
Grant Thornton

Report of Independent Auditors to Accompany Supplementary Information Required by the Securities and Exchange Commission Filed Separately from the Basic Consolidated Financial Statements

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The Board of Trustees and the Stockholders
Far Eastern University, Incorporated and Subsidiaries
Nicanor Reyes Street,
Sampaloc, Manila

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Far Eastern University, Incorporated and subsidiaries (the Group) for the year ended May 31, 2021, on which we have rendered our report dated August 17, 2021. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) is presented for purposes of additional analysis in compliance with the requirements of the Revised Securities Regulation Code Rule 68, and is not a required part of the basic consolidated financial statements prepared in accordance with Philippine Financial Reporting Standards. Such supplementary information is the responsibility of the Group's management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

PUNONGBAYAN & ARAULLO

By: Mailene Sigue-Bisnar
Partner

CPA Reg. No. 0090230
TIN 120-319-128
PTR No. 853322, January 4, 2021, Makati City
SEC Group A Accreditation
Partner - No. 0396-AR-3 (until Oct. 1, 2021)
Firm - No. 0002 (until Dec. 31, 2024)
BIR AN 08-002511-020-2020 (until Dec. 21, 2023)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

August 17, 2021

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule A - Marketable Securities
MAY 31, 2021

Name of Issuing Entity and Association of Each Issue	*Number of Shares or Principal Amount of Bonds and Notes*	*Amounts Shown on the Statements of Financial Position*	*Income Received and Accrued*
Bank of the Philippine Islands (BPI) Trust Account:			
Government Securities			
FXT1060MR	P 1,544,188	P 1,582,365	
FXT2511MR	3,438,971	3,294,282	
FXT2023	25,900,000	30,668,221	
FXT1064	1,000,000	1,164,900	
FXT25-5	1,000,000	1,314,923	
RTB251	3,700,000	4,111,949	
RTB103	12,700,000	12,869,430	
RTB3-10	12,500,000	12,878,241	
RTB5-12	8,900,000	9,648,878	
Corporate Bonds			
SMCGPDBDM	P 15,000,000	P 14,798,982	
AC BOND	34,500,000	37,993,411	
APC-BONDM	2,000,000	2,072,883	
SMIC-BNDM	9,200,000	9,423,024	
ALI BOND	5,000,000	5,204,469	
CPI-BOND	7,900,000	8,097,652	
Equity Securities			
Common Shares			
BDO	90,453	P 9,379,976	
BPI	133,940	11,250,960	
MBT	181,042	8,690,016	
SECB	38,200	4,660,400	
AP	84,200	1,911,340	
MER	15,760	4,469,536	
JFC	37,170	7,170,093	
URC	56,430	7,843,770	
AC	19,805	15,725,170	
AEV	130,960	5,284,236	
DMC	243,050	1,351,358	
GTCAP	8,754	5,164,860	
JGS	208,726	11,897,382	
MPI	709,000	2,821,820	
SM	26,732	25,930,040	
ALI	560,716	19,288,630	
MEG	1,748,760	5,316,230	
RLC	284,316	4,833,372	
SMPH	549,680	19,788,480	
GLO	1,650	2,979,900	
TEL	4,645	6,108,175	
PGOLD	58,060	2,162,735	
RRHI	5,860	301,204	
Preferred Shares			
FGENG	50,000	P 5,375,000	
ACPB1	100,000	53,800,000	
APB2R	35,800	18,508,600	
DMPA1	40,000	19,192,466	
Mutual Funds			
WELGDGA	3,464	P 3,495,111	
PIMGBAI	3,381	5,765,719	
Unit Investment Trust Fund (UITF)			
STF UITF	137,158	P 21,407,621	
BPI USSTF	2,433	P 36,276,228	
PDBIF	342	P 4,126,857	
BPI GEFOF	671	P 16,570,829	
SP500ETF	699	14,003,631	
Totals for BPI Trust Account (FEU)		**P 537,975,356**	

Forward

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule A - Marketable Securities
MAY 31, 2021

Name of Issuing Entity and Association of Each Issue	*Number of Shares or Principal Amount of Bonds and Notes*	*Amounts Shown on the Statements of Financial Position*	*Income Received and Accrued*
Bank of the Philippine Islands (BPI) Trust Account:			
Government Securities			
FXT1064	P 6,850,000	P 8,036,812	
FXT2014	3,800,000	4,710,237	
FXT2015	3,500,000	4,602,382	
FXT2017	4,300,000	5,567,595	
FXT2023	10,000,000	11,810,245	
FXT5-75	50,000,000	52,500,786	
RTB3-10	45,200,000	46,727,583	
RTB5-11	1,000,000	1,033,006	
RTB5-12	37,200,000	40,205,257	
TBILL 042022	30,000,000	29,700,937	
TBILL 051122	10,000,000	9,892,753	
Corporate Bonds			
ALI BOND 2.90%	P 31,200,000	P 31,200,000	
ALI BOND 3.09%	5,000,000	4,970,286	
ALI BOND 5.095%	5,000,000	5,442,616	
MBT BOND 5.04%	3,000,000	3,077,720	
SMC GP	2,000,000	2,028,203	
SMIC-BOND	8,000,000	8,078,136	
SMPH-BOND	1,200,000	1,197,182	
Equity Securities			
Common Shares			
AYALA CORP - (AC)	16,930	P 13,544,000	
ABOITIZ EQUITY VENTURES INC - (AEV)	159,400	6,718,710	
ALLIANCE GLOBAL GROUP INC - (AGI)	124,100	1,260,856	
AYALA LAND INC - (ALI)	493,200	17,779,860	
ABOITIZ POWER CORP - (AP)	136,500	3,337,425	
BDO UNIBANK INC - (BDO)	88,890	10,062,348	
BANK OF THE PHILIPPINE ISLANDS - (BPI)	135,530	12,021,511	
GLOBE TELECOM INC - (GLO)	2,420	4,452,800	
GT CAPITAL HOLDINGS INC - (GTCAP)	7,680	4,661,760	
JOLLIBEE FOODS CORP - (JFC)	12,810	2,736,216	
JG SUMMIT HOLDINGS INC - (JGS)	189,948	11,805,268	
METROPOLITAN BANK & TRUST CO - (MBT)	179,040	8,719,248	
MEGAWORLD CORP - (MEG)	644,000	2,080,120	
MANILA ELECTRIC CO - (MER)	5,160	1,430,352	
METRO PACIFIC INVESTMENTS CORP - (MPI)	1,510,000	5,873,900	
MANILA WATER CO INC - (MWC)	106,400	1,947,120	
PUREGOLD PRICE CLUB INC - (PGOLD)	22,400	907,200	
ROBINSONS LAND CORP - (RLC)	208,700	3,606,336	
ROBINSONS RETAIL HOLDINGS INC - (RRHI)	44,100	2,368,170	
SECURITY BANK CORP - (SECB)	49,430	5,832,740	
SM INVESTMENTS CORP - (SM)	16,950	16,941,525	
SM INVESTMENTS CORP - (SM)	453,400	16,549,100	
PLDT, INC. - (TEL)	5,365	6,936,945	
UNIVERSAL ROBINA CORP - (URC)	47,230	6,824,735	
Preferred Shares			
APB2R	8,000	P 4,188,000	
Phil Corporates			
AC ENERGY	200,000	P 10,641,915	
BDO-BOND	1,400,000	69,557,155	
Mutual Funds			
PIMBGAI 007000	1,380	P 2,410,051	
Wellington Opportunistic Fixed Income	16,983	9,862,158	
Wellington Global Quality Growth	1,992	4,176,985	
Unit Investment Trust Fund (UITF)			
BPI INVEST USD STFUND	278	P 4,247,864	
BPI SHORT TERM FUND	565,428	88,128,468	
Ishares Core MSCI World UCITS ETF- IWDA	7,119	28,779,217	
SPDR s and P 500 ETF	402	8,397,511	
Totals for BPI Trust Account (EACCI)		**P 669,569,304**	

Forward

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule A - Marketable Securities
MAY 31, 2021

Name of Issuing Entity and Association of Each Issue	*Number of Shares or Principal Amount of Bonds and Notes*	*Amounts Shown on the Statements of Financial Position*	*Income Received and Accrued*
Banco De Oro (BDO) Trust Account:			
Government Securities			
FXTN 10-59 (IMA-TX)	P 6,237,933	P 6,469,150	
FTXN 20-11 (TX) IMA	1,600,000	2,084,032	
FXTN 10-55 (IMA-TX)	2,000,000	2,033,545	
FXTN 5-75 (IMA-TX)	8,000,000	8,356,343	
RETAIL TREAS BOND (R5-11) IMA	20,000,000	20,588,527	
RETAIL TREASURY BOND (R5-12) IMA	26,005,000	33,610,970	
RETAIL TREASURY BOND 10-4 (TX-IMA)	25,000,000	25,409,849	
FXTN 7-61 (IMA-TX)	27,000,000	29,305,148	
FXTN 7-62 (IMA-TX)	4,000,000	4,438,140	
RETAIL TREASURY BOND (R3-10) IMA	43,000,000	44,303,146	
FXTN 10-60 (TAXABLE-IMA)	15,000,000	15,371,043	
FXTN 7-58 (TX-IMA)	15,000,000	15,297,394	
RETAIL TREAS BONDS (R5-13) IMA	37,300,000	37,204,679	
FXTN 7-59 (TX-IMA)	14,000,000	14,609,499	
FXTN 7-56 (TX-IMA)	14,000,000	14,576,374	
RETAIL TREAS BONDS (R3-11) IMA	15,000,000	15,002,865	
Corporate Bonds			
San Miguel Brewery Bond 10Yrs	9,000,000	9,000,000	
Filinvest Dev Corp Bond - 10Yrs	3,000,000	3,009,807	
Aboitiz Power Corp Bonds (Tax)	29,700,000	29,700,000	
Robinsons Land Corp. Fixed Rate	17,500,000	17,499,824	
Ayala Corporation Bond (TX-IMA)	2,000,000	2,127,116	
Aboitiz Equity Ventures 7 Year	5,000,000	5,000,000	
Megaworld Corp Bond (IMA-TX)	31,470,000	31,470,000	
Ayala Land Inc. Corporate Bond	8,000,000	8,000,000	
Petron Corp. 5Yr Bonds (IMA)	5,000,000	5,000,000	
Security Bank Bonds (IMA-TX)	9,000,000	9,000,000	
Less: Allowance for impairment	-	(113,739)	
Long Term Negotiable Certificate of Deposit (LTNCD)			
SECURITY BANK CORP. LTNCD (IMA	33,000,000	32,987,658	
BPI LTNCD (IMA-TX) HTM	17,500,000	17,493,455	

Forward

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule A - Marketable Securities
MAY 31, 2021

Name of Issuing Entity and Association of Each Issue	*Number of Shares or Principal Amount of Bonds and Notes*		*Amounts Shown on the Statements of Financial Position*	*Income Received and Accrued*
Banco De Oro (BDO) Trust Account (continuation):				
Equity Securities				
Common Shares				
MEG	1,357,660	P	4,127,286	
GLO	2,852		5,150,712	
TEL	5,152		6,774,880	
URC	75,090		10,437,510	
RLC	350,940		5,965,980	
ALI	659,920		22,701,248	
JGS	158,370		9,027,090	
ICT	67,570		9,669,267	
JFC	19,495		3,760,586	
MBT	228,603		10,972,944	
BPI	131,397		11,037,348	
AC	24,264		19,265,616	
MPI	1,633,070		6,499,619	
SMPH	672,028		24,193,008	
AEV	140,230		5,658,281	
MER	16,020		4,543,272	
DMC	191,230		1,063,239	
BDO	161,850		16,783,845	
SM	30,978		30,048,660	
AP	248,660		5,644,582	
PGOLD	52,690		1,962,703	
GTCAP	7,469		4,406,710	
RRHI	106,460		5,472,044	
WLCON	204,500		3,762,800	
AREIT	101,800		3,664,800	
Preferred Shares				
DD	49,000	P	4,968,600	
FGENF	145,000		15,587,500	
FPHP	56,000		28,224,000	
GLOBE PREF	96,240		48,793,680	
GT Captial Holdings Inc. Series	4,500		4,500,000	
UITF				
BDO-TRUST & INV	259,163	P	31,906,048	
Totals for BDO Trust Account (FEU)		**P**	**825,408,682**	

Forward

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule A - Marketable Securities
MAY 31, 2021

Name of Issuing Entity and Association of Each Issue		*Number of Shares or Principal Amount of Bonds and Notes*		*Amounts Shown on the Statements of Financial Position*	*Income Received and Accrued*
Banco De Oro (BDO) Trust Account:					
Government Securities					
FXTN 10-55 (IMA-TX)	P	6,157,000	P	6,249,511	
FXTN 10-59 (IMA-TX)		38,000,000		39,554,670	
FXTN 10-60 (IMA-TX)		25,000,000		25,748,245	
FXTN 3-25 (IMA-TX)		20,000,000		20,134,944	
FXTN 5-75 (IMA-TX)		25,000,000		26,252,515	
FXTN 5-76 (IMA-TX)		46,000,000		48,100,751	
FXTN 7-58 (TX) IMA		11,200,000		11,471,621	
FXTN 7-59 (IMA-TX)		11,960,000		12,542,187	
FXTN 7-61 (IMA-TX)		32,000,000		34,848,913	
FXTN 7-62 (IMA-TX)		14,000,000		15,614,187	
RETAIL TREASURY BOND 10-4 (TX-IMA)		37,000,000		33,192,010	
RETAIL TREASURY BOND (R5-11) IMA		6,050,000		6,250,076	
RETAIL TREAS BOND (R5-12) IMA		54,300,000		58,691,214	
RETAIL TREAS BOND (R5-13) IMA		33,000,000		32,005,329	
RETAIL TREASURY BOND (R3-10) IMA		33,500,000		38,252,462	
Corporate Bonds					
ABOITIZ EQUITY VENTURES (TXI)		1,000,000		1,000,000	
ABOITIZ POWER CORP		247,200,000		247,200,000	
AYALA LAND CORP BND TRNCHE2 (I		1,000,000		1,000,000	
AYALA LAND INC. CORP BOND (IMA		1,400,000		1,400,000	
AYALA LAND INC. CORP. BOND (IM		3,900,000		3,900,000	
BDO FIXED RATE BONDS (IMA-TX)		5,000,000		5,000,000	
MEGAWORLD CORP. BOND (IMA-TX)-		1,000,000		1,000,000	
NLEX CORP 7YR (IMA-TX)-HTC		4,030,000		4,030,000	
PETRON CORP. 5 YR BONDS (IMA -		1,620,000		1,620,000	
RCBC FIXED RATE BONDS (IMA-TX)		1,000,000		1,000,000	
SECURITY BANK BONDS (IMA-TX) H		1,000,000		1,000,000	
TREASURY BILLS (IMA-TX)- FVOCI		4,973,085		4,973,152	
SMC BONDS (TX-IMA)-HTC		3,500,000		3,500,000	
Long Term Negotiable Certificate of Deposit (LTNCD)					
ROBINSONS BANK PESO LTNCD (IMA		5,000,000		5,033,677	
SECURITY BANK CORP. LTNCD (IMA		1,000,000		1,000,875	
Equity Securities					
Common Shares					
ABOITIZ EQUITY VENTURES INC - (AEV)		69,560	P	2,931,954	
ABOITIZ POWER CORP (APC)		67,000		1,638,150	
AREIT INC		32,600		1,186,640	
AYALA CORP - (AC)		11,665		9,332,000	
AYALA LAND INC - (ALI)		308,520		11,122,146	
BANK OF THE PHILIPPINE ISLANDS		49,329		4,375,482	
BDO UNIBANK INC - (BDO)		66,884		7,571,269	
DMCI HOLDINGS		9,420		59,252	
GLOBE TELECOM INC - (GLO)		1,860		3,422,400	
GT CAPITAL HOLDINGS INC - (GTCAP)		749		454,643	
INT'L CONTAINER		18,830		3,082,471	
JG SUMMIT HOLDINGS INC - (JGS)		94,184		5,853,536	
JOLLIBEE FOODS CORP - (JFC)		8,300		1,772,880	
MANILA ELECTRIC COMPANY		6,783		1,880,248	
MEGAWORLD CORP - (MEG)		758,160		2,448,857	
METRO PACIFIC INVESTMENTS CORP - (MPI)		696,210		2,708,257	
METROPOLITAN BANK & TRUST CO - (MBT)		89,774		4,371,994	
MONDE NISSIN CORPORATION		61,800		1,020,936	
PLDT, INC. - (TEL)		3,150		4,072,950	
PUREGOLD PRICECLUB INC		22,640		916,920	
ROBINSONS LAND CORP - (RLC)		139,524		2,410,975	
ROBINSONS RETAIL HOLDINGS INC - (RRHI)		21,680		1,164,216	
SM INVESTMENTS CORP - (SM)		15,550		15,542,225	
SM PRIME HOLDINGS		284,740		10,393,010	
UNIVERSAL ROBINA CORP - (URC)		38,974		5,631,743	
WILCON DEPOT INC		36,290		731,244	
Preferred Shares					
GT Captial Holdings Inc. Series		1,000	P	1,020,000	
SMC GL POWERS SENIOR		7650		39,347,618.33	
UITF					
BDO INST'L CASH RESERVE FUND		165,265		20,349,194.11	
BDO MONEY MARKET FUND		187		1,310,712.27	
Totals for BDO Trust Account (EACCI)			**P**	**859,690,262**	

Forward

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule A - Marketable Securities
MAY 31, 2021

Name of Issuing Entity and Association of Each Issue	*Number of Shares or Principal Amount of Bonds and Notes*	*Amounts Shown on the Statements of Financial Position*	*Income Received and Accrued*
HSBC Account:			
UITF			
SEI GBL MSTR FD PLC - GBL FX INC FD USD	23,442	P 20,166,804	
SEI GBL MSTR FD PLC - US CORE FX INC	38,311	40,427,915	
SEI GBL MSTR FD PLC - EMRG MKTS DBT FD USD	8,529	12,951,698	
SEI GBL MSTR FD PLC - GBL OPP FX INC USD	20,279	20,195,016	
SEI GBL MSTR FD PLC - HGH YLD FX INC USD	5,178	12,833,374	
SEI GBL MSTR FD PLC - EMRG MKTS EQTY USD	5,251	11,351,824	
SEI GBL MSTR FD PLC - GBL EQTY USD	76,639	64,170,672	
SEI GBL MSTR FD PLC - GBL MGD VOL FD USD H	30,411	20,568,635	
SEI GBL MSTR FD PLC - PAN EURO SML CAP USD	4,522	4,414,499	
SEI GBL MSTR FD PLC - US SML COMPNS FD USD	1,325	7,885,878	
VINTAGE 2018 CARLYLE LP A USD	500,000	13,392,641	
HSBC DIVERSIFIED LOAN SCSP RAIF A USD	500,000	24,741,939	
SCHRODER ISF GLOBAL CREDIT INCOME A USD MCS	2,901	14,278,173	
BNP PARIBAS FDS CLIMATE IMPACT U2 USD ACC	883	4,880,215	
PICTET GLOBAL ENVIRONMENTAL OPP P USD ACC	281	4,850,585	
BLACKSTONE REIT ICAP OFF ACC A 0621 USD MCSH	-	9,676,002	
Totals for HSBC Account (FEU)		**P 286,785,870**	

Forward

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule A - Marketable Securities
MAY 31, 2021

Name of Issuing Entity and Association of Each Issue		*Number of Shares or Principal Amount of Bonds and Notes*		*Amounts Shown on the Statements of Financial Position*		*Income Received and Accrued*
Other Investment Accounts						
Equity Securities (BPI Securities)						
Commons Shares						
CEU		2,273,007		15,820,129		
Preferred Shares						
GTPPA		7,940	P	7,940,000		
Total			**P**	**23,760,129**		
UITF (BPI)						
BPI SHORT TERM UITF		139,926	P	21,839,643		
BPI US DOLLAR SHORT TERM FUND		1,608		24,078,549		
BGF CONTINENTAL FN NON DIS A2 USD HDGE		2,300		2,417,180		
BGF CONTINENTAL FN NON DIS A2 USD HDGE		945		2,242,500		
BGF GLO MULTI ASSET IN FN DIS A6 USD		5,765		2,695,063		
AB FCP I AMER INC AT USD		16,988		6,599,449		
JAN HND BAL A USD IN		11,610		7,457,711		
BGF GLOBAL ALLOCATION FN NON DIS A2		6,700		24,901,479		
AB FCP I AMER INC AT USD (2)		42,950		16,685,092		
JAN HND BAL A USD IN (2)		27,300		17,536,221		
FIRST STATE ASIAN EQUITY PLUS I ACC USD		2,950		14,673,262		
IWX US Equity (iSHARES RUSSEL TOP 200 VALUE)		4,990		16,127,084		
Total			**P**	**157,253,233**		
Corporate Bonds (BPI)						
PETRON CORPORATION (3.2%, 10/27/2021)	P	15,000,000	P	15,000,000		
BPI Peso Short Term UITF		446,550		446,550		
BPI USD Short Term UITF		146,447		7,107,053		
AB American Income Profolio		392,140		19,030,530		
JH Balance Fund		97,686		4,740,686		
BGF Global Allocation		438,960		21,302,729		
NB Strategic Income Fund		296,050		14,367,307		
AREIT Inc common shares		59,496		2,023,000		
PLDT Inc common shares		2,290		2,796,090		
VLL International Inc		200,000		10,250,701		
AYC Finance Linited		500,000		24,835,227		
Bank of the Philippine Islands		900,000		45,967,179		
VLL INTERNATIONAL INC		400,000		19,251,143		
AYC FINANCE LIMITED (1)		500,000		24,160,409		
AC ENERGY FIN INTL LTD (1)		200,000		9,547,137		
BANK OF THE PHILIPPINE ISLANDS		200,000		9,555,667		
AYC FINANCE LIMITED (3)		200,000		9,580,200		
Total			**P**	**239,961,607**		
Others						
Anvaya Cove Beach and Nature Club		1	P	650,000		
Tagaytay Highlands The Country Club		1		850,000		
Total			**P**	**1,500,000**		
Grand Totals			**P**	**3,601,904,442**	**P**	**172,554,412**

Note:

The financial assets in this schedule is presented in the 2021 consolidated statement of financial position as follows.

Financial assets at fair value through profit or loss	*P*	*1,605,507,781*
Financial assets at fair value through other comprehensive income		*1,411,629,953*
Investment securities at amortized cost		*584,766,708*
	P	*3,601,904,442*

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other Than Related Parties)
MAY 31, 2021

	Name and Designation of Debtor	*Balance at Beginning of Period*	*Additions*	*Deductions*		*Current*	*Non-Current*	*Balance at End of Period*
				Amounts Collected	*Amounts Written-Off*			
1	ABAD, DIEGO JOSE	P 1,244	1,225	(1,225)	-	P 1,244	-	P 1,244
2	ABAD, Kastle Lee	(1,080)	1,080	-	-	-	-	-
3	ABANTAO, BANILINE	(2,770)	440	-	-	(2,330)	-	(2,330)
4	Abanto, Flordeliz L.	(21,180)	-	-	-	(21,180)	-	(21,180)
5	ABARETE, JOHN LLOYD	(900)	-	-	-	(900)	-	(900)
6	ABEJERO, ANGELO	(3,579)	55	(1,495)	-	(5,019)	-	(5,019)
7	ABELLANA, FAE MARIE A.	63,000	5,348	-	-	68,348	-	68,348
8	ABINOJA, PATRICIA MAYE L	-	-	(1,225)	-	(1,225)	-	(1,225)
9	Abitria, Rommel	(2,662)	640	(640)	-	(2,662)	-	(2,662)
10	ABLAO, CARL JOSEPH	(900)	-	(900)	-	(1,800)	-	(1,800)
11	Ablola, Ferissa	(1,140)	1,140	-	-	-	-	-
12	Abordo, Aleeks Megxel	(2,700)	2,700	-	-	-	-	-
13	ABOY, ZEUS	(900)	-	-	-	(900)	-	(900)
14	Abrantes, Rogelio	16,625	38,000	(19,000)	-	35,625	-	35,625
15	ABRENICA-ORILLOSA, Vergenee Marree	(2,966)	348	(348)	-	(2,966)	-	(2,966)
16	ABRIGO, ALDREN	(1,561)	560	-	-	(1,001)	-	(1,001)
17	ACOL, ARCADIO	(572)	-	(1,600)	-	(2,172)	-	(2,172)
18	ACOMULAR JR., MELQUIADES A	112,000	-	-	-	112,000	-	112,000
19	ACOMULAR, MICHELLE S	(1,660)	127,212	(111,855)	-	13,697	-	13,697
20	ADOLFO, DOMELYN	(900)	-	-	-	(900)	-	(900)
21	ADVINCULA, JASMIN	(900)	1,225	(1,225)	-	(900)	-	(900)
22	AGBANLOG , JAYSON MATTHEW	-	2,390	-	-	2,390	-	2,390
23	AGGABAO, JENNY ROSE	(1,800)	-	-	-	(1,800)	-	(1,800)
24	Agnes, Reynold D.	7,319	2,900	(3,144)	-	7,075	-	7,075
25	Aguila, Eirene Jhone	(1,830)	1,068	(1,068)	-	(1,830)	-	(1,830)
26	AGUILA, JAMES ROBERT D	-	-	(960)	-	(960)	-	(960)
27	AGUIRRE, MARIA LOURDES	(840)	9,616	(9,616)	-	(840)	-	(840)
28	AGUSTIN, John Michael	(1,800)	-	-	-	(1,800)	-	(1,800)
29	AGUSTIN, MA. REGINA P	-	-	(1,685)	-	(1,685)	-	(1,685)
30	Agustin, Maria Theresa A.	38,704	20	(10,000)	-	28,724	-	28,724
31	AHMAD, INOCENCIA	(663)	-	-	-	(663)	-	(663)
32	AKBAR, MARIA CHRISTINA (Alombro-Akbar)	(2,872)	-	-	-	(2,872)	-	(2,872)
33	ALAVE, JUN	-	-	(880)	-	(880)	-	(880)
34	Alba, Michael	597,030	429,613	(496,147)	-	530,495	-	530,495
35	Albano, Allan Rey	7,875	6,050	(7,875)	-	6,050	-	6,050
36	ALCAIDE, ADALBERT	-	2,900	-	-	2,900	-	2,900
37	ALCALA, LOREN	(1,140)	380	-	-	(760)	-	(760)
38	Alejandro, Greeebio Jonathan	(2,120)	-	-	-	(2,120)	-	(2,120)
39	Alentajan, Carlo Bonifacio	(1,953)	585	(585)	-	(1,953)	-	(1,953)
40	AL-FAYYED M ALI	-	-	(1,100)	-	(1,100)	-	(1,100)
41	ALFONSO, ANNA LIZA	(900)	900	-	-	-	-	-
42	ALFONSO, HANNAH JOYCE	(681)	-	-	-	(681)	-	(681)
43	ALFONSO, MARIA CARMENCITA	-	3,042	-	-	3,042	-	3,042
44	Allam, Marion	(999)	505	(1,825)	-	(2,319)	-	(2,319)
45	ALMANZOR, NIDHAL	(2,700)	-	-	-	(2,700)	-	(2,700)
46	ALOG, JACKYLENE C.	30,500	-	-	-	30,500	-	30,500
47	ALVERO, EDWARDO	6,720	-	-	-	6,720	-	6,720
48	ALVERO, MARK	-	2,900	-	-	2,900	-	2,900
49	Amaranto, Roni Lyn	(2,000)	2,000	(538)	-	(538)	-	(538)
50	Amboy, Inoh Mark	(840)	-	-	-	(840)	-	(840)
51	AMORADO, JOSE AMOR	(2,405)	1,308	(348)	-	(1,445)	-	(1,445)
52	Amoroso, Dranyl JARED	(1,466)	595	(595)	-	(1,466)	-	(1,466)
53	ANCAJAS, JOANNE	-	-	(1,160)	-	(1,160)	-	(1,160)
54	ANCHETA, JOIE FE	(731)	830	(370)	-	(271)	-	(271)
55	Angeles, Emerito	(500)	500	-	-	-	-	-
56	Anot Jr., Juanito	(794)	-	-	-	(794)	-	(794)
57	ANTIG, LUIS DOMINICK	(1,363)	-	-	-	(1,363)	-	(1,363)
58	APOLONIO, ROCEL	308,000	-	-	-	308,000	-	308,000
59	AQUINO, ALFIE	(880)	-	-	-	(880)	-	(880)
60	Aquino, Anna Esperanza	(1,045)	-	-	-	(1,045)	-	(1,045)
61	Aquino, Timoteo	(1,825)	-	(1,178)	-	(3,003)	-	(3,003)
62	ARCANGEL, KURT CHRISTIAN B	-	-	(1,225)	-	(1,225)	-	(1,225)
63	ARCEO, JULES GERARD A	-	-	(875)	-	(875)	-	(875)
64	ARCILLA, ESPERANZA	-	-	(620)	-	(620)	-	(620)
65	ARENAS, MINERVA	-	900	(900)	-	-	-	-
66	ARGONIA, ADAM	(900)	-	-	-	(900)	-	(900)
67	ARIZALA, CARL VINCENT DEL ROSARIO	-	-	(2,700)	-	(2,700)	-	(2,700)
68	ARLOS, AISA	(900)	-	-	-	(900)	-	(900)
69	Armingol, Kevin	37,987	460	-	-	38,447	-	38,447
70	AROJADO, LAWRENCE	16,625	40,042	(16,625)	-	40,042	-	40,042
71	ARREDO, Ma. Kathern.	48,750	-	-	-	48,750	-	48,750
72	ARRIOLA, AXEL	(420)	900	(900)	-	(420)	-	(420)
73	Arshed, Muhammad	(354)	1,528	(1,528)	-	(354)	-	(354)
74	ARZADON, SYCHEM	(681)	-	-	-	(681)	-	(681)
75	Aseremo, Aleli Jihan	(440)	-	-	-	(440)	-	(440)
76	ASISTIO, EUNICE	(681)	-	-	-	(681)	-	(681)
77	ASPIRAS, MARK CHRISTOPHER	-	-	(460)	-	(460)	-	(460)
78	ASUNCION, ERIC JAYSON V	11,000	-	-	-	11,000	-	11,000
79	Atanacio, Heidi	112,000	415	(785)	-	111,631	-	111,631
80	ATANACIO, JOHN DAVID	(1,228)	348	(1,548)	-	(2,428)	-	(2,428)
81	AT-AT, ROBIN	-	-	(1,800)	-	(1,800)	-	(1,800)
82	ATENDIO, GIOVANNI	(900)	-	-	-	(900)	-	(900)
83	AYAP, SEAN JUSTIN	16,625	19,000	(9,500)	-	26,125	-	26,125
84	AZARCON, JOCELYN	(1,363)	-	-	-	(1,363)	-	(1,363)
85	Baddiri, Edilwasif	1,088	-	-	-	1,088	-	1,088
86	BAILE, LIAN KAITHLYN	-	1,876	-	-	1,876	-	1,876
87	BAJAL, MA. GEENELL Q	(1,800)	-	-	-	(1,800)	-	(1,800)
88	BAJAMUNDE III, LORENZO	7,875	6,050	(7,875)	-	6,050	-	6,050
89	BALADAD, MARJORIE ANNE U	(299)	299	(150)	-	(150)	-	(150)
90	Balasa, Mark	(1,844)	-	-	-	(1,844)	-	(1,844)
91	BALAWANG, BEA JOSEFINA O	(500)	500	-	-	-	-	-
92	BALDO, CERLINDA	-	70,000	-	-	70,000	-	70,000
93	BALINGIT, LEA	(1,800)	900	(150)	-	(1,050)	-	(1,050)
94	BALOG, PERSIEUS	(681)	-	-	-	(681)	-	(681)
95	Balte, Rocell Mari Ejoy	(2,700)	2,700	-	-	-	-	-
96	BANA III, NORBERTO	(3,771)	-	-	-	(3,771)	-	(3,771)
97	BANAAG, JESSA KIRBY ELLIN M	-	-	(1,820)	-	(1,820)	-	(1,820)
98	BARO, GERALD DICK.	(3,624)	680	-	-	(2,944)	-	(2,944)
99	BARON, HERBERT C	-	505	(505)	-	-	-	-
100	Barro, Liana	-	2,900	-	-	2,900	-	2,900
101	BARTOLOME, LIEZL	-	1,811	-	-	1,811	-	1,811
102	BARTOLOME, MA. SOCORRO	(2,380)	-	(1,783)	-	(4,163)	-	(4,163)
103	BARTOLOME, REODERICK	500	-	-	-	500	-	500
104	BARTONICO, RENZ	(781)	-	-	-	(781)	-	(781)
105	BASAN, HALLELUE M	-	-	(2,090)	-	(2,090)	-	(2,090)
106	Baul, Bernadette	(1,800)	-	-	-	(1,800)	-	(1,800)
107	Bautista, Clinton Kingsley	7,875	6,050	(1,125)	-	12,800	-	12,800
108	BAUTISTA, JUDY C	-	550	(550)	-	-	-	-
109	BAUTISTA, MARIELLE CELINE	-	-	(1,460)	-	(1,460)	-	(1,460)
110	BAUTISTA, REINER CHAN	(4,281)	-	(1,263)	-	(5,544)	-	(5,544)
111	BAYAN, KARLA MAY	16,625	-	(16,625)	-	-	-	-

Forward

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other Than Related Parties)
MAY 31, 2021

	Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions: Amounts Collected	Deductions: Amounts Written-Off	Current	Non-Current	Balance at End of Period
112	BAYANI, MARY ANN	(P 2,700)	-	-	-	(P 2,700)	-	(P 2,700)
113	BAYANIN, RAE MARIELLE M	-	-	(1,820)	-	(1,820)	-	(1,820)
114	BAYBAYON, GILBERT	(900)	-	-	-	(900)	-	(900)
115	BEJO, NOEL	-	1,169	-	-	1,169	-	1,169
116	Belardo, Amy	(2,375)	19,000	(21,375)	-	(4,750)	-	(4,750)
117	Belleza, Asuncion L.	17,451	19,000	(19,000)	-	17,451	-	17,451
118	BELTRAN, FRANCES	(900)	-	-	-	(900)	-	(900)
119	Benicta, Eugeene Emmanuel	(2,201)	620	-	-	(1,581)	-	(1,581)
120	Benoya, Serknight	(1,800)	-	-	-	(1,800)	-	(1,800)
121	Bercede, Daniel	(1,800)	-	-		(1,800)	-	(1,800)
122	Bernaldez, Isachar	954	900	-	-	1,854	-	1,854
123	BERNARDO, REDANTE R	(179)	179	-	-	-	-	-
124	Berosil, Jaderick N.	(2,200)	-	(1,050)	-	(3,250)	-	(3,250)
125	BESA, GRACE F.	-	62,907	-	-	62,907	-	62,907
126	Betia, Jem Ryn	8,855	6,050	(7,875)	-	7,030	-	7,030
127	BINARAO ,ROMAEL	(781)	-	-	-	(781)	-	(781)
128	Bingculado, Roger	24,300	-	-	-	24,300	-	24,300
129	Blas, Maria Theresa	(1,380)	1,380	-	-	-	-	-
130	Blas, Nikki	1,663	-	-	-	1,663	-	1,663
131	Bleza, Jewel	-	40,000	-	-	40,000	-	40,000
132	BOLO JR., BENJAMIN ARCANGEL	1,028	688	(1,709)	-	7	-	7
133	BONGOLAN, JENNY SHIEL S.	(2,900)	-	-	-	(2,900)	-	(2,900)
134	BORGOÑA, EARL JOSEPH	-	7,439	-	-	7,439	-	7,439
135	BORINES, MARIA TALITHA ESTRELLA L.	-	-	(900)	-	(900)	-	(900)
136	BORJA, GENESIS	(663)	-	-	-	(663)	-	(663)
137	Borja, Sofriano	16,625	-	(7,125)	-	9,500	-	9,500
138	Borja, Victoria Ana	-	13,328	-	-	13,328	-	13,328
139	BRAGAIS, MA. ROSA	(900)	-	-	-	(900)	-	(900)
140	Bravo, Arnel	(2,900)	-	-	-	(2,900)	-	(2,900)
141	Bremner, Pamela Rose	(1,440)	1,440	-	-	-	-	-
142	BRIOSO, JOHN OLIVER	-	2,900	-	-	2,900	-	2,900
143	Bronce, Roentgen	(1,751)	460	(460)	-	(1,751)	-	(1,751)
144	Buenafe, Maria Belinda	76,380	34,924	(116,003)	-	(4,700)	-	(4,700)
145	BUENCONSEJO, ROSEMARIE	224,000	-	-	-	224,000	-	224,000
146	Bueno, Harold	(2,900)	2,900	-	-	-	-	-
147	BUENO, PAOLO ROBERT P	-	-	(2,315)	-	(2,315)	-	(2,315)
148	BULLAGO, JENINA CAMILLE G	-	-	(2,450)	-	(2,450)	-	(2,450)
149	BULUSAN, LOVELY GRACE	-	-	(1,280)	-	(1,280)	-	(1,280)
150	BUNAG, JOSE ANGELO	(740)	-	-	-	(740)	-	(740)
151	Bustamante, Maria Christine	499	-	-	-	499	-	499
152	Caagbay, Elpidio Z.	18,120	(7,125)	-	-	10,995	-	10,995
153	CABALIDA, ROAN JOYCE T	-	-	(830)	-	(830)	-	(830)
154	Cabaltica, Leilani A.	2,130	-	-	-	2,130	-	2,130
155	CABANERO, ROBERT	(540)	-	-	-	(540)	-	(540)
156	CABANZA III, LEO GUARIN	2,044	-	-	-	2,044	-	2,044
157	CABARLOC, BYRON	(900)	-	-	-	(900)	-	(900)
158	Cabasal, Herwin	(776)	19,074	(19,074)	-	(776)	-	(776)
159	CABAUATAN, CECILIA	-	70,000	-	-	70,000	-	70,000
160	CABINTA, MA. DOLORES	-	4,071	-	-	4,071	-	4,071
161	Cabungan, Mike Christian	7,875	6,050	(1,125)	-	12,800	-	12,800
162	CAHIWAT, MARY LORNA C	(900)	900	-	-	-	-	-
163	Cajuday, Noel	35,800	19,000	(9,225)	-	45,575	-	45,575
164	CALIMPAS, JOAN	(23,857)	-	-	-	(23,857)	-	(23,857)
165	CALLAO, SHIELA B	-	-	(2,450)	-	(2,450)	-	(2,450)
166	CALMA, MANAMI JOIE	-	59,714	-	-	59,714	-	59,714
167	CALUPAZ, MA. LUTGARDA	(200)	-	(100)	-	(300)	-	(300)
168	CAMANA, LOVE	(1,500)	3,766	-	-	2,266	-	2,266
169	Canares, Jonathan	29,658	-	(5,908)	-	23,750	-	23,750
170	CANDO, CROMWEL	-	129	-	-	129	-	129
171	Cañero, Marvin	(2,993)	348	(348)	-	(2,993)	-	(2,993)
172	CANETE, GERALDINE	(1,581)	-	-	-	(1,581)	-	(1,581)
173	CANO, EARL ADRIANNE A	-	-	(1,595)	-	(1,595)	-	(1,595)
174	Canoza, Geraldine	47,107	-	(11,800)	-	35,307	-	35,307
175	Cao, Marilou F.	131,416	-	-	-	131,416	-	131,416
176	CARBO, KEVIN LOUIE T	-	-	(1,800)	-	(1,800)	-	(1,800)
177	CARDENAL, JOFFREY	(2,843)	-	-	-	(2,843)	-	(2,843)
178	CARDENAS, REINALYN	(1,363)	-	-	-	(1,363)	-	(1,363)
179	CARDONA, VICTORIA D	-	-	(2,300)	-	(2,300)	-	(2,300)
180	CARILLO, RENZ ROE	(1,363)	-	-	-	(1,363)	-	(1,363)
181	CARILLO-RIVERA, KRISTINE BERNADETTE	15,462	-	(6,736)	-	8,726	-	8,726
182	CARIT, LALY I	(820)	-	(900)	-	(1,720)	-	(1,720)
183	Casado, Eric	-	3,450	-	-	3,450	-	3,450
184	Casas, Criselda	1,570	-	(1,570)	-	-	-	-
185	CASTELO, YVES MIKKA	-	348	(348)	-	-	-	-
186	CASTIL, KATHERINE	-	-	(151)	-	(151)	-	(151)
187	CASTILLO, DIANAFE	(1,581)	-	-	-	(1,581)	-	(1,581)
188	CASTILLO, JEFFREY	(963)	-	-	-	(963)	-	(963)
189	CASTILLO, LAWRENCE	(681)	-	-	-	(681)	-	(681)
190	Castro, Joeven	85,061	17,187	(78,403)	-	23,845	-	23,845
191	CASTRO, KARLA MARIE	-	8,825	-	-	8,825	-	8,825
192	CASTRONUEVO, ELLAINE	16,625	19,000	(16,917)	-	18,708	-	18,708
193	Catchillar, Ulysses	(1,119)	-	-	-	(1,119)	-	(1,119)
194	CATLI, NERIZZA JAY P	-	-	(2,450)	-	(2,450)	-	(2,450)
195	CEBU, JAYVEE C	-	-	(1,225)	-	(1,225)	-	(1,225)
196	CELESTINO, LEONORA	(720)	720	-	-	-	-	-
197	CELIZ, PRETTY B	(900)	900	-	-	-	-	-
198	Ceniza, Sergio	(2,057)	640	(640)	-	(2,057)	-	(2,057)
199	Centeno, Raf Sopia	(3,600)	3,600	-	-	-	-	-
200	Cervantes-Poco, Maria Patricia	(1,197)	1,368	(348)	-	(177)	-	(177)
201	CHAVEZ, JAYSON	(79,265)	-	-	-	(79,265)	-	(79,265)
202	CHUA, ALEXIS	(1,092)	900	(150)	-	(342)	-	(342)
203	CIDRO, MARK GLEEN O	-	1,225	(1,549)	-	(324)	-	(324)
204	CIVIL, JERWIN JOHN Y	(900)	900	-	-	-	-	-
205	CLAUD, FREEDIERICK	(760)	-	-	-	(760)	-	(760)
206	CLEMENTE, WINNIE	(900)	685	-	-	(215)	-	(215)
207	CO, LEAH REBECCA C.	272	-	-	-	272	-	272
208	Cobarrubias, Normita	25,371	5,648	-	-	31,019	-	31,019
209	COLLADO, KLERVIN	(900)	-	-	-	(900)	-	(900)
210	CONCHA, EZEKIEL	(900)	-	-	-	(900)	-	(900)
211	Constantino, Michelle Anne	(4,000)	-	-	-	(4,000)	-	(4,000)
212	Cordova, Maria Fleur	5,907	-	-	-	5,907	-	5,907
213	CORPUS, DAVID	(681)	-	-	-	(681)	-	(681)
214	CORTES, LURHEN	(2,481)	1,810	(910)	-	(1,581)	-	(1,581)
215	CORTEZ, DALE JON	-	415	(415)	-	-	-	-
216	CORTEZ, DANILO	(420)	-	-	-	(420)	-	(420)
217	CRUDA JR, VICTORIANO L	(720)	720	(476)	-	(476)	-	(476)
218	Cruz- LICOP, ANNA PAULINE	-	19,000	(2,375)	-	16,625	-	16,625
219	CRUZ, DREXEL HEINZ	(1,162)	888	(888)	-	(1,162)	-	(1,162)
220	Cruz, Jayson	4,967	5,691	(3,967)	-	6,691	-	6,691
221	Cruz, Jim	(1,800)	-	-	-	(1,800)	-	(1,800)
222	CRUZ, Kathleen Mae	(1,800)	-	-	-	(1,800)	-	(1,800)

Forward

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other Than Related Parties)
MAY 31, 2021

	Name and Designation of Debtor		*Additions*	*Deductions*		*Current*	*Non-Current*	*Balance at End of Period*
				Amounts Collected	*Amounts Written-Off*			
223	CRUZ, POPE JOHN P	-	-	(2,360)	-	(P 2,360)	-	(P 2,360)
224	CRUZ, RAQUEL	(900)	-	-	-	(900)	-	(900)
225	CU, NEUGENE ROWAN	(780)	-	(1,225)	-	(2,005)	-	(2,005)
226	Cuario, Rishirl	(1,063)	-	-	-	(1,063)	-	(1,063)
227	Cuason, Willy	(4,017)	325	(3,193)	-	(6,885)	-	(6,885)
228	CUCIO, MARIA RITA	(776)	-	-	-	(776)	-	(776)
229	CUDOG, VENMAR	(681)	-	-	-	(681)	-	(681)
230	CUERPO, VON BRYAN	(2,499)	1,308	(348)	-	(1,539)	-	(1,539)
231	Cuibillas, Jorge	(8,400)	-	-	-	(8,400)	-	(8,400)
232	Culala, Harold John O. with cr from old	13,379	39,612	(16,625)	-	36,366	-	36,366
233	Dacela, Mark Anthony	(1,080)	-	-	-	(1,080)	-	(1,080)
234	DADUFALZA, GRACE	(2,263)	-	-	-	(2,263)	-	(2,263)
235	Dadulla Jr, Jose Pepito Yamongan	(900)	3,800	(2,375)	-	525	-	525
236	DAGOHOY, FRANCISCO	681	-	(360)	-	321	-	321
237	DALIMEG, JUVENAL S	-	-	(1,225)	-	(1,225)	-	(1,225)
238	DANGANAN JR., RUDY M	-	-	(753)	-	(753)	-	(753)
239	Dating, Jaclyn	(1,800)	-	-	-	(1,800)	-	(1,800)
240	Dayag, Kate Ashlyn	(2,598)	18,669	(18,669)	-	(2,598)	-	(2,598)
241	De Castro, Deo Lorenzo	(745)	-	(2,375)	-	(3,120)	-	(3,120)
242	DE CASTRO, MA. CLARA	-	-	(1,515)	-	(1,515)	-	(1,515)
243	De Guzman, Jonathan	7,875	6,050	(7,875)	-	6,050	-	6,050
244	DE GUZMAN, KYLE PATRICK	(1,800)	-	-	-	(1,800)	-	(1,800)
245	DE JESUS, EUGENE	(2,391)	-	(930)	-	(3,321)	-	(3,321)
246	DE JESUS, GIAN CARLO P	-	1,225	(1,225)	-	-	-	-
247	DE JESUS, JELIANNE SHAREE	(900)	-	-	-	(900)	-	(900)
248	DE LEO, RAN	(900)	-	-	-	(900)	-	(900)
249	De Leon, Angelito	(11,475)	19,000	(19,400)	-	(11,875)	-	(11,875)
250	De Leon, Dino Robert	(2,425)	505	(505)	-	(2,425)	-	(2,425)
251	De Leon, John Angelo	(10,167)	-	-	-	(10,167)	-	(10,167)
252	DE LEON, Kriselle	(1,080)	-	-	-	(1,080)	-	(1,080)
253	De Leon, Lemuel	16,625	19,000	(19,000)	-	16,625	-	16,625
254	DE LEON, RYAN	(2,040)	680	-	-	(1,360)	-	(1,360)
255	De Rosas, Dario	7,875	9,000	(7,875)	-	9,000	-	9,000
256	De Torres, Noreen	(2,700)	2,700	-	-	-	-	-
257	DE VERA, DALE	(1,440)	-	(900)	-	(2,340)	-	(2,340)
258	De Vera, Michael	57,348	-	(57,348)	-	-	-	-
259	De Villa, Sienna Marie	(1,800)	-	-	-	(1,800)	-	(1,800)
260	Deabanico, Eden Gay	(1,800)	-	-	-	(1,800)	-	(1,800)
261	Decena, Jennelyn	(680)	-	-	-	(680)	-	(680)
262	DEL OCAMPO, REYJANE	(900)	-	-	-	(900)	-	(900)
263	DEL ROSARIO, ELAINE	(2,458)	70,000	-	-	67,543	-	67,543
264	DEL ROSARIO, JOHNCENT	6,000	-	-	-	6,000	-	6,000
265	Del Rosario, Julius	8,532	6,050	(7,875)	-	6,707	-	6,707
266	Del Rosario, Maria Theresa	558	-	-	-	558	-	558
267	Del Rosario, Mark	(1,500)	1,500	-	-	-	-	-
268	DEL ROSARIO, RUTH O.	75,000	-	-	-	75,000	-	75,000
269	Dela Cruz Jr., Leonard	(598)	370	(370)	-	(598)	-	(598)
270	DELA CRUZ, ALMA EMERITA V	256,072	114,249	-	-	370,320	-	370,320
271	DELARIARTE, CLARISSA	-	-	(3,350)	-	(3,350)	-	(3,350)
272	Delgado, Emy	5,576	8,058	(8,504)	-	5,131	-	5,131
273	DELOS REYES, MARK JOED	(1,800)	-	-	-	(1,800)	-	(1,800)
274	DELOS SANTOS, JOHN VINCENT	(900)	-	-	-	(900)	-	(900)
275	Deveraturda, Joana Paula	(2,590)	640	(640)	-	(2,590)	-	(2,590)
276	DIANZON, EDRICK L	-	-	(2,000)	-	(2,000)	-	(2,000)
277	Diaz Jr., Reynaldo	18,727	9,000	(18,727)	-	9,000	-	9,000
278	DIAZ, ROBERTO D	(4,820)	5,280	-	-	460	-	460
279	DICANG, CRISTOPHER JAMES D	-	-	(1,100)	-	(1,100)	-	(1,100)
280	DIGO, IRISH SHERINA	(900)	-	-	-	(900)	-	(900)
281	DILI, RAMCES	(720)	-	-	-	(720)	-	(720)
282	Dimarucot, Heildenberg	(541)	-	-	-	(541)	-	(541)
283	Dimzon, Marnelli	7,875	9,000	(7,875)	-	9,000	-	9,000
284	DINGLASAN, RENE JESUS ALFREDO R.	-	-	(1,460)	-	(1,460)	-	(1,460)
285	DINO-APARICIO, CHENEE	(1,498)	-	-	-	(1,498)	-	(1,498)
286	Dionisio, Joseph	14,415	2,412	(10,000)	-	6,827	-	6,827
287	Dionisio, Maricar	252,000	1,413	-	-	253,413	-	253,413
288	DOCOT, RUDOLPH	(22,237)	680	-	-	(21,557)	-	(21,557)
289	Dolor, Princess Patricia	(3,600)	3,600	-	-	-	-	-
290	Dolores, Rea	(1,800)	-	-	-	(1,800)	-	(1,800)
291	DOMINGUEZ JR., REX S	-	31,772	-	-	31,772	-	31,772
292	DONESA, LYNN	28,000	-	-	-	28,000	-	28,000
293	Dorega, John John J	(938)	-	-	-	(938)	-	(938)
294	Ducut, Mirela	43,484	49,515	(45,000)	-	47,999	-	47,999
295	Dulay, Greg	76,157	-	-	-	76,157	-	76,157
296	Dulay, Sofronio	(477,740)	-	-	-	(477,740)	-	(477,740)
297	EBRON, GREGORIO JR	(900)	-	-	-	(900)	-	(900)
298	ENRIQUEZ, KENNETH BRYAN B	-	-	(2,315)	-	(2,315)	-	(2,315)
299	Era, Joy	17,759	-	-	-	17,759	-	17,759
300	ERUM, FILJU	-	2,807	-	-	2,807	-	2,807
301	Escano, Juan Paolo Lorenzo	7,875	-	(1,125)	-	6,750	-	6,750
302	ESCARAMAN, ELAINE R	2,458	-	-	-	2,458	-	2,458
303	ESPALDON, JOSANNE	(620)	1,260	(640)	-	-	-	-
304	Espino, Marjorie Theresa Ann	(1,120)	230	(230)	-	(1,120)	-	(1,120)
305	Esquibel, Melissa	25	19,000	(19,000)	-	25	-	25
306	ESTEBAN, FRANCIZ/s	(819)	2,900	-	-	2,081	-	2,081
307	ESTEBAN, STEPHANIE JOY S	-	1,225	(1,225)	-	-	-	-
308	ESTOQUE, HOMELO	(900)	-	-	-	(900)	-	(900)
309	Estrada, Gemee	1,500	-	(1,980)	-	(480)	-	(480)
310	ESTRELLA, DAVIE BEN	-	18,042	-	-	18,042	-	18,042
311	Estrella, Luisito	16,625	32,421	(16,625)	-	32,421	-	32,421
312	EUSTAQUIO, PATRICK	-	-	(1,800)	-	(1,800)	-	(1,800)
313	EVANGELISTA, ANNA	(900)	-	-	-	(900)	-	(900)
314	EVANGELISTA, MICHELLE	(681)	-	-	-	(681)	-	(681)
315	FABELLON, SAMANTHA MAE	(681)	-	-	-	(681)	-	(681)
316	FABRICANTE, OLIVER.	(900)	-	-	-	(900)	-	(900)
317	FAJARDO, ROLANDO	-	2,900	-	-	2,900	-	2,900
318	FAJATIN, ADRIANNE	(2,700)	900	-	-	(1,800)	-	(1,800)
319	FELICES,CATHERINE	-	70,000	-	-	70,000	-	70,000
320	FELIPE, PATRICK JULIUS	-	57,000	-	-	57,000	-	57,000
321	FERNANDEZ, MAGDALAINE	-	645	-	-	645	-	645
322	FERNANDEZ, MELVIN	(300)	300	-	-	-	-	-
323	FERRAREN, JENNYLYN	(1,947)	207	(207)	-	(1,947)	-	(1,947)
324	FERRER, ETHELDREDA.	(2,900)	-	-	-	(2,900)	-	(2,900)
325	FILOTEO, JOYCELYN	3,352	23,946	(3,352)	-	23,946	-	23,946
326	FLORENDO, JOSEFINA	(269,176)	-	-	-	(269,176)	-	(269,176)
327	FLORENTINO, NESTLE M	16,625	917	(11,875)	-	5,667	-	5,667
328	Flores, Arbie Diane	(1,560)	-	-	-	(1,560)	-	(1,560)
329	Flores, Joyce Ann	(598)	194	(194)	-	(598)	-	(598)
330	Flores, Roberto	19,575	9,000	(19,375)	-	9,200	-	9,200
331	FLORES, RONALD	(173)	618	(618)	-	(173)	-	(173)
332	FLORIDA, JENNIFER	35,091	-	-	-	35,091	-	35,091
333	FORONDA, ALEXIS	(900)	900	-	-	-	-	-

Forward

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other Than Related Parties)
MAY 31, 2021

	Name and Designation of Debtor		Additions	Deductions		Current	Non-Current	Balance at End of Period
				Amounts Collected	Amounts Written-Off			
334	FORTADES, CEDRICK JEMINA	-	-	(753)	-	(P 753)	-	(P 753)
335	Francisco, Dyan Nicole	(1,620)	1,620	-	-	-	-	-
336	Fresnido, Roberto	7,875	6,050	(1,125)	-	12,800	-	12,800
337	Fulgar III, Ildefonso	(116)	6,678	-	-	6,563	-	6,563
338	GABUMPA, VON KARLO G	-	1,225	(1,225)	-	-	-	-
339	Gabunilas, Joana Marie Carina	(592)	592	-	-	-	-	-
340	Galang Jr., Romeo	(540)	540	-	-	(0)	-	(0)
341	GALANG, AIKO NINA O	-	-	(1,370)	-	(1,370)	-	(1,370)
342	GALANG, ARCHIESYL T	-	8,125	-	-	8,125	-	8,125
343	GAMOLO, MARIA GIA G	-	19,000	-	-	19,000	-	19,000
344	Gan, Louwie	(681)	-	-	-	(681)	-	(681)
345	GANA, RAUL	-	-	(2,575)	-	(2,575)	-	(2,575)
346	Ganchoon, Fretti	(2,265)	370	(370)	-	(2,265)	-	(2,265)
347	GARCIA, CHANELL	(681)	-	-	-	(681)	-	(681)
348	GARCIA, GINO RAY	(1,307)	3,580	-	-	2,273	-	2,273
349	GARCIA, LEONY ROSE	-	230	(230)	-	-	-	-
350	GARCIA, MERRY CAROLINE	-	969	-	-	969	-	969
351	GARCIA, SHARMAINE	-	-	(1,800)	-	(1,800)	-	(1,800)
352	GARMA, PAUL FROILAN	(1,305)	-	-	-	(1,305)	-	(1,305)
353	GASCON, RONDELL	(2,044)	-	-	-	(2,044)	-	(2,044)
354	Gatbonton, Ryan Ray	(1,440)	2,215	(775)	-	-	-	-
355	Gavieta, Rommel	(3,349)	325	(2,833)	-	(5,856)	-	(5,856)
356	GELLA, FREDERICK S	-	1,743	-	-	1,743	-	1,743
357	GENESE, JOHN ALLENBER	(681)	-	-	-	(681)	-	(681)
358	GENILO, JOSE EDUARDO	(1,903)	348	(348)	-	(1,903)	-	(1,903)
359	Geocaniga, Rommel	(1,714)	1,720	(1,060)	-	(1,054)	-	(1,054)
360	GIDALAGA, MARIELLE	(900)	-	-	-	(900)	-	(900)
361	Gilera, Enrico	122,964	46,312	(20,099)	-	149,178	-	149,178
362	GIRADO, MARIE BEMBIE A	-	-	(2,450)	-	(2,450)	-	(2,450)
363	GODOY, MARIETTE E	(2,114)	1,700	-	-	(414)	-	(414)
364	Gongora, Marian	681	-	-	-	681	-	681
365	GONZAGA, GIAN CARLO	(900)	-	-	-	(900)	-	(900)
366	GONZALES, EMMANUEL	-	15,027	(1,445)	-	13,581	-	13,581
367	Gonzales, Jayson	613	9,000	(7,875)	-	1,738	-	1,738
368	Gonzales, Julieta	(1,373)	-	-	-	(1,373)	-	(1,373)
369	GONZALEZ, Aurelle Marie	40,694	-	-	-	40,694	-	40,694
370	GONZALEZ, NOEL A	7,875	-	(7,875)	-	-	-	-
371	GONZALEZ, Paola Katherina	(1,260)	-	(335)	-	(1,595)	-	(1,595)
372	GOQUINGCO, ANTHONY RAYMOND	116,620	-	(116,620)	-	-	-	-
373	Gudani, Vicente C	(2,300)	-	-	-	(2,300)	-	(2,300)
374	Guevarra, Remedios	956	-	-	-	956	-	956
375	Gutierrez, Jan Patrick	(531)	-	-	-	(531)	-	(531)
376	Gutierrez, Mary Victory	252,000	84,000	(224,000)	-	112,000	-	112,000
377	HADLOS, ARVIN	-	-	(900)	-	(900)	-	(900)
378	HAGOSOJOS, BERNARDINO	1,384	660	-	-	2,044	-	2,044
379	Halili, Marj Ingrid	(1,800)	-	-	-	(1,800)	-	(1,800)
380	Hamero, Roselyn	7,875	9,000	(7,875)	-	9,000	-	9,000
381	HEIMBROD, CAMILLE CARMINA S	-	-	(2,450)	-	(2,450)	-	(2,450)
382	HERNAL, NARY JOUYCE	681	-	-	-	681	-	681
383	HERNANDEZ, HAZEL ANNE A	-	-	(1,955)	-	(1,955)	-	(1,955)
384	HERNANDEZ, Mary Hyacinth	(1,800)	-	-	-	(1,800)	-	(1,800)
385	HERNANDEZ, PAMELA	20,850	15,362	(38,758)	-	(2,546)	-	(2,546)
386	Hernandez, Paul	(869)	-	-	-	(869)	-	(869)
387	HIDALGO, ERNEST VONDON M	-	-	(1,190)	-	(1,190)	-	(1,190)
388	Hieras, Cydnie	(800)	800	-	-	-	-	-
389	HOBO III, ROMULO G	(640)	640	-	-	-	-	-
390	HOFILENA, RIZALDY	(540)	-	-	-	(540)	-	(540)
391	Honorica, Wenceslao	16,625	-	(7,125)	-	9,500	-	9,500
392	HONTIVEROS, RYAN	(2,026)	-	-	-	(2,026)	-	(2,026)
393	Hosingco, Bryan Darwin	(680)	-	-	-	(680)	-	(680)
394	HUELAR, MARIA CORAZON	(900)	-	(1,190)	-	(2,090)	-	(2,090)
395	HYATT, JANETH	2,044	-	-	-	2,044	-	2,044
396	Ignacio, Lourdes D.	606	-	(738)	-	(132)	-	(132)
397	IMPORTADO, FERDINAND	(658)	380	-	-	(278)	-	(278)
398	Inciong, Cherry Wyne	4,190	-	-	-	4,190	-	4,190
399	INSON, JESSAMAINE GAIL M	(2,540)	1,300	(400)	-	(1,640)	-	(1,640)
400	INTERNO, MARJIE	(681)	-	-	-	(681)	-	(681)
401	IRENEO, RAFAEL	(754)	-	-	-	(754)	-	(754)
402	Isip, Mark Gracer	7,875	-	(7,875)	-	-	-	-
403	ISON, MARY ROSE	16,625	21,656	(16,625)	-	21,656	-	21,656
404	Israel, Marietta	(19,762)	-	-	-	(19,762)	-	(19,762)
405	ISRAEL, WILFREDO S	-	-	(2,450)	-	(2,450)	-	(2,450)
406	JABINES, AL VINCENT	-	-	(1,800)	-	(1,800)	-	(1,800)
407	Jacinto, Archie	(2,944)	-	-	-	(2,944)	-	(2,944)
408	JACOB III, ALVIN L	-	-	(1,023)	-	(1,023)	-	(1,023)
409	JAVIER FILEMON RAY	-	-	(1,680)	-	(1,680)	-	(1,680)
410	JAVIER, ROLAND PHILIP C	-	-	(1,055)	-	(1,055)	-	(1,055)
411	JAYME, FATIMA WINNICLARE	-	900	(900)	-	-	-	-
412	JONSON, ANNA PAMELA	5,284	2,900	-	-	8,184	-	8,184
413	JONSON, KISSARNE ALLYSA L	19,004	-	(2,642)	-	16,362	-	16,362
414	JUBAC JR., ANECITO.	(1,800)	-	(495)	-	(2,295)	-	(2,295)
415	JULIAN, RAFAEL	(1,581)	-	-	-	(1,581)	-	(1,581)
416	JULIANDA, SHIELA MAY	(900)	-	-	-	(900)	-	(900)
417	JUMALON, NATHANIEL JOHN	-	-	(1,800)	-	(1,800)	-	(1,800)
418	Jumamil, Ana Nelia	(531)	4,307	-	-	3,776	-	3,776
419	Junio, Nenitha	240	-	-	-	240	-	240
420	JUNTADO, DOMINIQUE	(681)	-	-	-	(681)	-	(681)
421	Katigbak, Jovito Jose	(1,080)	-	-	-	(1,080)	-	(1,080)
422	KAW, EUGENE	(1,988)	460	(460)	-	(1,988)	-	(1,988)
423	KILAKIGA, EDWARD	88,920	143,680	(57,000)	-	175,600	-	175,600
424	LABANGON, IRIANNE G	-	900	(900)	-	-	-	-
425	Lacaden, Raffy	363,119	-	(28,000)	-	335,119	-	335,119
426	LACHICA, ALAN	(900)	-	-	-	(900)	-	(900)
427	LACHICA, PERLA	(900)	-	-	-	(900)	-	(900)
428	LACORTE, LAARNI HANNAH C	(900)	-	900	-	-	-	-
429	LACSON, ANNELYN	(2,263)	-	-	-	(2,263)	-	(2,263)
430	Ladera, Renville	20,023	-	-	-	20,023	-	20,023
431	LADIC, RAINIER	(900)	-	-	-	(900)	-	(900)
432	Laguimun,Armando	-	10,245	(273,130)	-	(262,885)	-	(262,885)
433	LALU, ERICKSON	(2,720)	-	-	-	(2,720)	-	(2,720)
434	LANDAGAN, MYRA DELOS REYES	(900)	900	-	-	-	-	-
435	Lantican, Mark Lixcel	56,000	-	-	-	56,000	-	56,000
436	Lantin, Rommel	-	291	(291)	-	-	-	-
437	LAPUZ, MARIA CARMEN B	-	14,995	-	-	14,995	-	14,995
438	LAPUZ, PAULA BIANCA P	-	-	(2,450)	-	(2,450)	-	(2,450)
439	Las Pinas, Mary Grace	145,077	-	(126,278)	-	18,799	-	(18,799
440	Laza, Benilda	3,755	-	-	-	3,755	-	3,755
441	Lazarte, Bernabe Jr	(1,080)	753	(753)	-	(1,080)	-	(1,080)
442	LAZO, REYMARK	1,281	-	(2,280)	-	(999)	-	(999)
443	LEDESMA, GIAN CARLO	(681)	-	-	-	(681)	-	(681)
444	LEDESMA, RODOLFO	(1,436)	900	-		(536)	-	(536)

Forward

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other Than Related Parties)
MAY 31, 2021

	Name and Designation of Debtor		*Additions*	*Deductions*		*Current*	*Non-Current*	*Balance at End of Period*
				Amounts Collected	*Amounts Written Off*			
445	LEE, JASMIN	(P 1,654)	400	-	-	(P 1,254)	-	(P 1,254)
446	LEGASPI, AERON JOHN M	-	-	(1,280)	-	(1,280)	-	(1,280)
447	LEGASPINA, HALIVIER	(3,163)	-	-	-	(3,163)	-	(3,163)
448	LENGSON, MARIA OLIVIA	(681)	-	-	-	(681)	-	(681)
449	LEUTERIO, JESSA C	-	-	(2,450)	-	(2,450)	-	(2,450)
450	Licayan, Kebart	(2,725)	-	-	-	(2,725)	-	(2,725)
451	LIM, IVY	(3,119)	-	(2,703)	-	(5,822)	-	(5,822)
452	Lim, Jhon Nityananda	7,875	-	(9,000)	-	(1,125)	-	(1,125)
453	Lim, Richmond	(906)	906	-	-	-	-	-
454	Limson, Gladys Anne Marie	(1,720)	-	-	-	(1,720)	-	(1,720)
455	Lirio, Mary Rose	2,344	-	-	-	2,344	-	2,344
456	Liwanag, Marichu	10,194	11,466	-	-	21,660	-	21,660
457	LOGAN, GRACE	-	4,744	-	-	4,744	-	4,744
458	LONTOC, DON JONSON	(647)	-	-	-	(647)	-	(647)
459	LOPEZ JR., ANASTACIO	-	5,690	-	-	5,690	-	5,690
460	LOPEZ, JILIAN VANESSA T	(740)	-	-	-	(740)	-	(740)
461	LOPEZ, JOMELYN	83,125	-	(83,125)	-	-	-	-
462	Lopez, Joseph	(2,700)	-	-	-	(2,700)	-	(2,700)
463	Lopez, Martin Z.	115,706	-	-	-	115,706	-	115,706
464	Loresco, Justine James	-	-	(1,800)	-	(1,800)	-	(1,800)
465	Luansing, Glenn	(3,180)	1,900	(820)	-	(2,100)	-	(2,100)
466	LUMABI, BETHANY	(900)	-	-	-	(900)	-	(900)
467	MAALA, ALEXCEE	(3,164)	360	-	-	(2,804)	-	(2,804)
468	Mabbagu, Reymund	(1,800)	-	-	-	(1,800)	-	(1,800)
469	Mabuan, Romualdo	(560)	-	-	-	(560)	-	(560)
470	Macadangdang Jr. Romulo	(1,363)	-	-	-	(1,363)	-	(1,363)
471	MACALINAO. KAREN ANN	-	415	(415)	-	-	-	-
472	MACATUNO, JERRY	(681)	-	-	-	(681)	-	(681)
473	MACLANG, EDWIN	-	5,436	-	-	5,436	-	5,436
474	Madriaga, Joventina	(2,900)	2,900	-	-	-	-	-
475	Madrid, Lady DIANNE	(681)	-	-	-	(681)	-	(681)
476	Madurar, A	39,666	-	-	-	39,666	-	39,666
477	MAGNO, ROSEMARIE	(620)	620	-	-	-	-	-
478	MAGSALIN, CAMILLE	(1,581)	-	-	-	(1,581)	-	(1,581)
479	MAGSINO, RIZA	(3,593)	-	(720)	-	(4,313)	-	(4,313)
480	Magtibay, Marie Danielle	(1,800)	-	-	-	(1,800)	-	(1,800)
481	Magumun, Van Angelo	1,528	380	-	-	1,908	-	1,908
482	MALACURA, BILLY RAY	4,539	267	-	-	4,806	-	4,806
483	MALLARI, EARL FRANCIS I	-	-	(1,225)	-	(1,225)	-	(1,225)
484	MALLARI, MARIE JUNEAU	(681)	-	-	-	(681)	-	(681)
485	Mallari, Neil Aldrin David	(6,364)	840	-	-	(5,524)	-	(5,524)
486	Mallari, Roel	2,175	763	(2,175)	-	763	-	763
487	Malonzo, John	409	15,112	-	-	15,521	-	15,521
488	MAMAAT, JOSE EDWARDO R	-	19,000	(2,120)	-	16,880	-	16,880
489	MANALANG, FATIMA M	-	-	(1,225)	-	(1,225)	-	(1,225)
490	Manalastas, Ma Barbara C	(2,095)	-	(480)	-	(2,575)	-	(2,575)
491	MANANSALA, LORRAINE CHARMAYNE	(1,117)	-	(1,390)	-	(2,507)	-	(2,507)
492	MANANSALA, MA. MELANIE	(900)	-	-	-	(900)	-	(900)
493	MANANSALA, Mary Jane Joyce	(1,800)	-	-	-	(1,800)	-	(1,800)
494	MANAOIS, FELY ROSE.	(1,200)	-	-	-	(1,200)	-	(1,200)
495	Manarpiiz, Candido	(226,347)	-	-	-	(226,347)	-	(226,347)
496	MANAS, KIREINA OTOKO M	(1,140)	460	-	-	(680)	-	(680)
497	MANGUILIN, RAIZONELL	(1,620)	-	(505)	-	(2,125)	-	(2,125)
498	MANIGAN, ALMA	49,875	57,000	(52,250)	-	54,625	-	54,625
499	MANILA, ANTONIO CEASAR	(2,105)	2,568	(348)	-	115	-	115
500	Mano, Razna	(2,860)	348	(348)	-	(2,860)	-	(2,860)
501	Manongsong, Marie Joyce	(1,869)	1,608	(348)	-	(609)	-	(609)
502	Manzanares, William	(1,800)	-	-	-	(1,800)	-	(1,800)
503	MANZANO, JOSEPH CHRISTIAN M	-	-	(2,450)	-	(2,450)	-	(2,450)
504	MARANAN, CAROLINE	(765)	540	-	-	(225)	-	(225)
505	MARCOS, PATRICIA	(900)	-	-	-	(900)	-	(900)
506	Mariano, Maria Lourdes	61,041	-	(57,375)	-	3,666	-	3,666
507	Mariscotes, Maria Norlinda	3,409	435	-	-	3,843	-	3,843
508	Martillo, Pocholo	645	-	-	-	645	-	645
509	Martinez, Maria Teresa	760	2,900	-	-	3,660	-	3,660
510	Martinez, Oliver	(1,363)	-	(1,800)	-	(3,163)	-	(3,163)
511	MASA, JAN RACKY	-	1,225	(1,225)	-	-	-	-
512	MASANGCAY, JOHN ROY	-	5,408	-	-	5,408	-	5,408
513	MASANGYA, RAYMART	(1,363)	-	-	-	(1,363)	-	(1,363)
514	MASAOAY, SHIELA MARIE	(900)	-	-	-	(900)	-	(900)
515	MATANDAG, MARIVEL	(1,138)	-	-	-	(1,138)	-	(1,138)
516	MATEO, AVERY PAUL	(300)	300	-	-	-	-	-
517	MATEO, Pamela Ruth	-	-	(1,800)	-	(1,800)	-	(1,800)
518	Medillo. Robert Joseph	(414)	393	(393)	-	(414)	-	(414)
519	MEDINA, RANNIE	2,372	299	-	-	2,671	-	2,671
520	MENDENILLA, DONRICK	(2,107)	1,680	-	-	(427)	-	(427)
521	MENDILLO, BENJAMIN	(2,044)	-	-	-	(2,044)	-	(2,044)
522	Mendoza, Catherine	10,080	-	-	-	10,080	-	10,080
523	MENDOZA, FRANCIS ROBERT	19,920	-	-	-	19,920	-	19,920
524	Mendoza, Mariel	-	62,708	-	-	62,708	-	62,708
525	Mendoza, Norberto	3,445	9,411	(3,445)	-	9,411	-	9,411
526	MENESES, BENITA	(1,843)	-	-	-	(1,843)	-	(1,843)
527	MERCADO, MARK JOSEPH	(681)	-	-	-	(681)	-	(681)
528	Mercado, Ryan Christian	(270)	-	-	-	(270)	-	(270)
529	MILANO, AMEERAH	(2,726)	-	-	-	(2,726)	-	(2,726)
530	Miranda, Dennis	7,875	6,050	(7,875)	-	6,050	-	6,050
531	MOJICA, MICHAELA JAN	(681)	-	-	-	(681)	-	(681)
532	Molina, Caryl Monique	7,875	-	(7,875)	-	-	-	-
533	Molina, Mark Oliver	278,402	19,000	(297,402)	-	-	-	-
534	MONDALA II, JONATHAN M	-	38,000	(2,375)	-	35,625	-	35,625
535	Montinola, Antonio	115,680	-	(100,000)	-	15,680	-	15,680
536	Montinola, Aurelio	226,793	-	(100,000)	-	126,793	-	126,793
537	Montinola, Gianna	265,391	4,927	-	-	270,318	-	270,318
538	Montinola, Juan Miguel R.	208,006	3,597,890	(2,500,918)	-	1,304,978	-	1,304,978
539	Monton, Jade	(3,600)	3,600	-	-	-	-	-
540	MORAGA, MELVIN	(2,683)	680	-	-	(2,003)	-	(2,003)
541	MORANTE, MARIA WILLA C	-	483	(483)	-	-	-	-
542	MORENO, BRYAN ANGELO	-	7	-	-	7	-	7
543	MUAN ,MARIA ETHEL	-	2,087	-	-	2,087	-	2,087
544	Muria, Ramel	(4,022)	1,000	(1,000)	-	(4,022)	-	(4,022)
545	MUTUC -- SHS	4,549	138,345	(1,493)	-	141,400	-	141,400
546	Nagal, Glenn Z.	(6,479)	19,000	(23,750)	-	(11,229)	-	(11,229)
547	Narval, Antonio G.	9,024	81,658	(35,424)	-	55,258	-	55,258
548	NATIVIDAD, JESSA MARIE	(681)	-	-	-	(681)	-	(681)
549	Navarrete, Angelica	(900)	900	-	-	-	-	-
550	Neo, Helen Azor cr from old	1,717	7,429	-	-	9,146	-	9,146
551	NERIDA, CLARISSE MAE	90,045	-	(27,593)	-	62,452	-	62,452
552	NERY, LEO ANGELO	(19,986)	-	-	-	(19,986)	-	(19,986)
553	NERY-CURA, MA. LOURDES S	(2,700)	900	-	-	(1,800)	-	(1,800)
554	NG TSAI, FILBERT RICHERD N	-	-	(2,100)	-	(2,100)	-	(2,100)
555	Nicolas, Lloyd Mark	-	7,726	-	-	7,726	-	7,726

Forward

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other Than Related Parties)
MAY 31, 2021

	Name and Designation of Debtor		Additions	Deductions: Amounts Collected	Deductions: Amounts Written Off	Current	Non-Current	Balance at End of Period
556	Nierras Jr., Julius Felicisimo	P 7,875	P 6,050	(P 1,125)	-	P 12,800	-	P 12,800
557	Nisperos, Dulce Marie	1,250	-	(1,250)	-	-	-	-
558	Nora, Jon Paolo	33,250	38,000	(33,250)	-	38,000	-	38,000
559	NOTARIO, ANTHONY	(900)	900	-	-	-	-	-
560	NOVENARIO, IBRAHIM GIEM	-	2,362	-	-	2,362	-	2,362
561	NUCUM, JONALYN	45,985	-	-	-	45,985	-	45,985
562	NUESA, SHERISA P.	100,000	-	(100,000)	-	-	-	-
563	NUNEZ, KRYZTL BOPEEP	(681)	-	-	-	(681)	-	(681)
564	Nuqui, Paula Bianca	(1,800)	-	-	-	(1,800)	-	(1,800)
565	Nuqui, Romeo	(3,327)	9,059	-	-	5,731	-	5,731
566	Obsid, Beatriz	(1,800)	-	-	-	(1,800)	-	(1,800)
567	Ocampo, Wilfredo - OLD	17,775	20,753	(7,125)	-	31,403	-	31,403
568	OLIMPO, RHEA	(380)	-	-	-	(380)	-	(380)
569	Olipany, Ruby	-	15,504	-	-	15,504	-	15,504
570	Olivo, Shirley	(869)	869	-	-	(0)	-	(0)
571	ONDEVILLA, MIEL KRISTIAN	47,086	-	-	-	47,086	-	47,086
572	Ong, Johnson	2,300	-	-	-	2,300	-	2,300
573	ORBEGOSO, MICHAEL	(1,320)	-	(927)	-	(2,247)	-	(2,247)
574	ORDIZ, LADY MAY P	-	400	(15,259)	-	(14,859)	-	(14,859)
575	ORDOÑA, MA. OLIVE GRACE	-	-	(2,450)	-	(2,450)	-	(2,450)
576	ORMITA, LUZELLE	1,800	-	-	-	1,800	-	1,800
577	ORNUM, ROSARIO STEPHANIE F	(900)	900	-	-	-	-	-
578	ORTUA, SHEREE ANN	(900)	-	-	-	(900)	-	(900)
579	Pabiton, Jose Marlon	(6,176)	-	-	-	(6,176)	-	(6,176)
580	Pablo, Victor	7,875	6,050	(7,875)	-	6,050	-	6,050
581	PADILLA, UNICE	(680)	-	-	-	(680)	-	(680)
582	PADUAL, JENNIFER	-	65,333	-	-	65,333	-	65,333
583	Pahutan, Ludivinia	36,744	42,827	(40,175)	-	39,395	-	39,395
584	Pajuyo, Driselle	33,250	2,900	(22,916)	-	13,234	-	13,234
585	Palenzuela, Rowena	6,240	-	-	-	6,240	-	6,240
586	PALIS, FERNANDO	1,188	8,985	(1,188)	-	8,985	-	8,985
587	PALISOC, KATHERINE	(900)	900	(900)	-	(900)	-	(900)
588	PALPARAN, KAROLINE	-	6,930	-	-	6,930	-	6,930
589	PAMITTAN JR., GENEROSO	86,531	34,369	(30,531)	-	90,369	-	90,369
590	PANELA, KAREN LEE V.	681	-	-	-	681	-	681
591	Panesa, Isabelita	10,780	-	(24,014)	-	(13,234)	-	(13,234)
592	Pangan, Eryka, Marie	(1,800)	-	-	-	(1,800)	-	(1,800)
593	PAñO, DIANA ABIGAIL	141	348	(348)	-	141	-	141
594	PANTOLLA, HERNAN	(1,800)	-	-	-	(1,800)	-	(1,800)
595	Parafina, Ria Zenice	(1,240)	-	-	-	(1,240)	-	(1,240)
596	Paraiso, Lourdes Oliva- OLD	84,848	-	-	-	84,848	-	84,848
597	Paras, Eugene	(2,304)	393	(393)	-	(2,304)	-	(2,304)
598	PARAS, PERCIVAL	(681)	-	-	-	(681)	-	(681)
599	PARCON, REY	(746)	2,900	-	-	2,154	-	2,154
600	Pascua, George	12,775	9,000	(7,875)	-	13,900	-	13,900
601	Pascua, Jennifer - OLD	45,628	2,900	-	-	48,528	-	48,528
602	Pascual, Jhaydee	(1,680)	1,680	(620)	-	(620)	-	(620)
603	PASION, ELLINE ISABELLE	33,250	-	(33,250)	-	-	-	-
604	PASON, ALVIN	(1,800)	900	-	-	(900)	-	(900)
605	Patadlas, Marie Grace	(1,119)	-	-	-	(1,119)	-	(1,119)
606	PATRICIO, STEPHEN SUCCOR	(3,200)	-	-	-	(3,200)	-	(3,200)
607	Pe Benito, Galahad Richard	(1,411)	370	(370)	-	(1,411)	-	(1,411)
608	PE, MURPHY	(1,363)	-	-	-	(1,363)	-	(1,363)
609	Pedregosa, Jeremy Floyd	(7,626)	7,626	-	-	-	-	-
610	PEDRON, DIVINA	(2,317)	-	-	-	(2,317)	-	(2,317)
611	Pelias, Christopher	9,719	-	(8,758)	-	961	-	961
612	PEñA, GIDEON	(2,561)	708	(708)	-	(2,561)	-	(2,561)
613	Peralis, Marie Dale	(1,800)	-	-	-	(1,800)	-	(1,800)
614	PEREDA, JACQUELINE MARJORIE	(1,880)	820	(820)	-	(1,880)	-	(1,880)
615	PEREN, ANELYN	-	2,703	-	-	2,703	-	2,703
616	PEREZ, AIDILYN MAE	-	-	(1,800)	-	(1,800)	-	(1,800)
617	PEREZ, WINNIE	-	35,999	-	-	35,999	-	35,999
618	PERILLO, CHERRIE MAE F	-	38,000	-	-	38,000	-	38,000
619	PERLAS, MARK ANECITO R.	-	-	(2,460)	-	(2,460)	-	(2,460)
620	Permalino, Albert Emmanuel S.	7,061	-	-	-	7,061	-	7,061
621	PICHAY, Jane Laarni	(2,720)	1,020	-	-	(1,700)	-	(1,700)
622	Pilapil, Angelo Carlo	(1,680)	85	(420)	-	(2,015)	-	(2,015)
623	PILAR, DULCE AMOR.	(1,965)	-	-	-	(1,965)	-	(1,965)
624	Pineda, Annabelle SJ	(1,800)	-	-	-	(1,800)	-	(1,800)
625	PINEDA, ROBERT	4,607	-	(4,607)	-	-	-	-
626	PINZON, ROSARIO	(1,427)	800	-	-	(627)	-	(627)
627	PITOC, MARK RAYMOND	-	-	(620)	-	(620)	-	(620)
628	POBLACION, SAMANTHA	(1,975)	-	-	-	(1,975)	-	(1,975)
629	Policarpio, Ma. Lourdes	(1,000)	6,330	-	-	5,330	-	5,330
630	Polido, Jelyca	49,453	57,000	(57,000)	-	49,453	-	49,453
631	PONELAS, RAQUEL E	-	1,225	(1,225)	-	-	-	-
632	PONES, RAYMOND	(2,001)	-	(20)	-	(2,021)	-	(2,021)
633	PONSARAN, LEVY	-	10,187	-	-	10,187	-	10,187
634	PORTENTO, ALLAN J	(100)	-	(100)	-	(200)	-	(200)
635	PORTUGAL, MERWIN R	(900)	900	-	-	-	-	-
636	Prudencio, Philip	11,506	19,464	(11,506)	-	19,464	-	19,464
637	Pulido, Dennis	2,344	-	-	-	2,344	-	2,344
638	PUNZALAN, JEDDA	(2,944)	-	(2,350)	-	(5,294)	-	(5,294)
639	Punzalan, Noel Oliver	(1,320)	-	-	-	(1,320)	-	(1,320)
640	Quan, Ryan Jeremiah	(1,965)	945	(505)	-	(1,525)	-	(1,525)
641	QUERO, MARC DELVIN	(820)	-	(640)	-	(1,460)	-	(1,460)
642	Quijencio Jr., Wilfredo	(1,000)	-	-	-	(1,000)	-	(1,000)
643	Quinto, Myrna	797,376	760,242	(820,573)	-	737,044	-	737,044
644	RAGUINDIN, PRINCESS ZARLA J	-	-	(2,450)	-	(2,450)	-	(2,450)
645	Ramirez, Percival	(513)	14,221	-	-	13,708	-	13,708
646	RAMO, PATRICIA LIANA	(2,944)	-	-	-	(2,944)	-	(2,944)
647	RAMOS, CHRISTINE ANTONIETTE	(2,700)	690	(370)	-	(2,380)	-	(2,380)
648	RAMOS, GERARD ANDREW L	-	-	(2,450)	-	(2,450)	-	(2,450)
649	RAMOS, JOHN ABRAHAM O	-	1,225	(1,225)	-	-	-	-
650	RAMOS, MARK ANTHONY	(1,581)	900	-	-	(681)	-	(681)
651	Ramos, Rosemarie	27,206	19,000	(28,650)	-	17,556	-	17,556
652	RANCES, DOMNINA T	-	-	(2,650)	-	(2,650)	-	(2,650)
653	RAñESES, MARLON	(1,809)	900	-	-	(909)	-	(909)
654	RASGO, CRISTINA	(540)	-	(1,165)	-	(1,705)	-	(1,705)
655	REAL JR, JOHN ROY ROBERT G.	-	505	(2,545)	-	(2,040)	-	(2,040)
656	Realin, John Guiller	(1,062)	-	-	-	(1,062)	-	(1,062)
657	Rebosa, Antonio Alejandro	(808)	-	-	-	(808)	-	(808)
658	RECTO, LUIS	-	-	(920)	-	(920)	-	(920)
659	Refugia Jr., Manolo	7,875	6,050	(1,125)	-	12,800	-	12,800
660	Regalia, Marites R	(960)	-	-	-	(960)	-	(960)
661	Rejano, Emrick Salven	(1,800)	-	-	-	(1,800)	-	(1,800)
662	Relente, Miguelito	(7,850)	-	-	-	(7,850)	-	(7,850)
663	RELINGO, JULIUS PAULO S	-	-	(460)	-	(460)	-	(460)
664	RELUCIO, ROCHELLE ANN M	-	-	(2,450)	-	(2,450)	-	(2,450)
665	REMOTO, DANTON	-	-	(2,225)	-	(2,225)	-	(2,225)
666	REQUIDAN, JEROME	112,000	56,000	-		168,000	-	168,000

Forward

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other Than Related Parties)
MAY 31, 2021

	Name and Designation of Debtor		*Additions*	*Deductions*		*Current*	*Non-Current*	*Balance at End of Period*
				Amounts Collected	*Amounts Written Off*			
667	REQUILMAN, OLIVER	-	-	(3,685)	-	(P 3,685)	-	(P 3,685)
668	Retoriano, Kerfelcel	580	-	-	-	580	-	580
669	REYES, JIEGO MIGUEL	(1,260)	1,260	-	-	-	-	-
670	Reyes, Ma. Editha	47,646	79,480	(48,358)	-	78,768	-	78,768
671	Reyes, Maria Fleur de liz	(5,907)	7,221	-	-	1,314	-	1,314
672	Reyes, Maria Veronica	16,625	19,000	(23,750)	-	11,875	-	11,875
673	Reyes, Marlen	30,589	-	-	-	30,589	-	30,589
674	Reyes, Melodia S.	9,791	30,752	(16,625)	-	23,918	-	23,918
675	REYES, PIERRE MARTIN	(2,105)	1,308	(1,148)	-	(1,945)	-	(1,945)
676	Reyes, Richard Glenn	3,208	19,000	(20,200)	-	2,008	-	2,008
677	Reyes, Rowena	89,513	88,422	(19,000)	-	158,935	-	158,935
678	Reyes, Shaira	-	-	(1,800)	-	(1,800)	-	(1,800)
679	Reyes-FAJARDO, Marian Ivy	(4,040)	2,380	(1,520)	-	(3,180)	-	(3,180)
680	REYNOSO, LESLIE	(681)	-	-	-	(681)	-	(681)
681	REYNOSO, RHEENA M	-	-	(2,450)	-	(2,450)	-	(2,450)
682	RICAFORT, LINA MARIE	(1,361)	680	-	-	(681)	-	(681)
683	RICAFRENTE, MARK IVAN	(3,764)	820	-	-	(2,944)	-	(2,944)
684	Riguera, Manuel	(3,693)	505	(505)	-	(3,693)	-	(3,693)
685	Rio, Rommel Marvin	91	40,435	(42,885)	-	(2,359)	-	(2,359)
686	RIVERA III, GINO ANTONIO	(900)	-	-	-	(900)	-	(900)
687	RIVERA, MA. THERESA M	111,983	-	(13,883)	-	98,100	-	98,100
688	Rivera, Mayla	(900)	-	-	-	(900)	-	(900)
689	Rivera, Vim Kiester	(900)	-	-	-	(900)	-	(900)
690	ROBLE, MARIA LOURDES A	-	-	(1,730)	-	(1,730)	-	(1,730)
691	ROBLES, RAFAELA MARIE C	-	-	(2,450)	-	(2,450)	-	(2,450)
692	Rodriguez, Gabrielle	(1,800)	-	-	-	(1,800)	-	(1,800)
693	ROMA, MARGIE	(680)	595	(595)	-	(680)	-	(680)
694	RONDA, MARIA LEA A	(640)	-	(1,820)	-	(2,460)	-	(2,460)
695	Rosal, Josefina	5,679	6,176	(4,679)	-	7,176	-	7,176
696	Rosales, Alvin	(681)	-	-	-	(681)	-	(681)
697	Rosales, Rhoel	(1,800)	-	-	-	(1,800)	-	(1,800)
698	ROSALES, VIVIEN LEIGH B	-	-	(1,225)	-	(1,225)	-	(1,225)
699	ROSARIO, MARK ANTHONY B	-	900	(900)	-	-	-	-
700	Roxas, James Ibraim	(920)	-	-	-	(920)	-	(920)
701	Rubio, Marisa	14,870	14,542	(14,870)	-	14,542	-	14,542
702	Rufo, Rowena	817	-	(2,626)	-	(1,809)	-	(1,809)
703	RUIZ, CAESAR FRANZ	(1,363)	820	(820)	-	(1,363)	-	(1,363)
704	SABAS, HERC B	(900)	-	(1,740)	-	(2,640)	-	(2,640)
705	Saguinsin, James Owen	-	2,900	-	-	2,900	-	2,900
706	Sagut, Jeysie S.	2,438	-	(2,438)	-	-	-	-
707	Salcedo, Rosanna	(15,816)	-	(3,611)	-	(19,426)	-	(19,426)
708	Salcedo, Vera Shayne	(1,760)	460	(460)	-	(1,760)	-	(1,760)
709	SALDO, LENY	(800)	-	(760)	-	(1,560)	-	(1,560)
710	SALGADO, MAJAH	(927)	-	-	-	(927)	-	(927)
711	SALONGA, JESTIE ROI R	-	-	(2,450)	-	(2,450)	-	(2,450)
712	SALONGA, REDENTOR	(1,844)	-	(460)	-	(2,304)	-	(2,304)
713	SALUD, JOSE VICTORÑINO	(4,059)	348	(348)	-	(4,059)	-	(4,059)
714	Salvador, Norina	2,525	-	-	-	2,525	-	2,525
715	SAMARITA, MERCY CRISTY	(2,525)	-	-	-	(2,525)	-	(2,525)
716	SAMPILO, GOLDILUCKS	-	-	(1,280)	-	(1,280)	-	(1,280)
717	Samson, Leylani	68,990	-	-	-	68,990	-	68,990
718	SAN AGUSTIN, JENORIE	(1,320)	-	(1,065)	-	(2,385)	-	(2,385)
719	SAN ANTONIO, MARICON	(900)	-	-	-	(900)	-	(900)
720	SAN DIEGO, CYNTHIA	16,625	-	(15,250)	-	1,375	-	1,375
721	SAN JOSE, JAIRAH D	-	-	(1,225)	-	(1,225)	-	(1,225)
722	SAN JUAN, SARA MAE	(1,581)	-	-	-	(1,581)	-	(1,581)
723	SAN JUAN-TORRES, MARIA JOSEFINA	(2,818)	1,095	(595)	-	(2,318)	-	(2,318)
724	San Luis, Michelle Reyes	(2,700)	2,700	-	-	-	-	-
725	SANAPO, MARGARET	(681)	-	-	-	(681)	-	(681)
726	Sanchez, Annlyn	(681)	-	-	-	(681)	-	(681)
727	Sanchez, Timothy	(2,485)	-	-	-	(2,485)	-	(2,485)
728	SANCHEZ, TRACY JOY	-	-	(2,450)	-	(2,450)	-	(2,450)
729	SANGCAP, REYJOHN MARK	(681)	-	-	-	(681)	-	(681)
730	SANTANDER, JHUREN VICSON	(681)	-	-	-	(681)	-	(681)
731	SANTOS, Celmer	52,250	-	(33,250)	-	19,000	-	19,000
732	SANTOS, LEO ANGELO	(1,363)	-	(1,055)	-	(2,418)	-	(2,418)
733	SANTOS, MARC LANCER J	-	-	(2,450)	-	(2,450)	-	(2,450)
734	SAPINOSO, FRANCESCA MARIE	16,625	-	(16,625)	-	-	-	-
735	Saplala, Mariano	1,400	8,062	-	-	9,462	-	9,462
736	Saret, Angelyn R.	32,271	38,000	(26,125)	-	44,146	-	44,146
737	SARMIENTO, ALDOUS JEROME R	(900)	900	-	-	-	-	-
738	Sarmiento, Randy	(856)	-	-	-	(856)	-	(856)
739	SARTE, SOFIA	(360)	-	-	-	(360)	-	(360)
740	SAYAT, RUBY	21,852	4,348	(26,200)	-	-	-	-
741	SEGISMUNDO, RACHELLE G	-	-	(2,450)	-	(2,450)	-	(2,450)
742	SEGISMUNDO, THEO JOHN M	-	-	(2,000)	-	(2,000)	-	(2,000)
743	SEGOVIA, JULIUS ANTHONY	(672)	-	(800)	-	(1,472)	-	(1,472)
744	Segun, VAnesa	(1,720)	-	-	-	(1,720)	-	(1,720)
745	Segundo, Jonnah Liza	(920)	-	-	-	(920)	-	(920)
746	SEKITO, RALPH EDWARD R	(2,700)	900	(340)	-	(2,140)	-	(2,140)
747	SEMBRANO, GILBERT	(4,120)	1,390	(370)	-	(3,100)	-	(3,100)
748	Serquina, Pauline Reyanne	(1,800)	-	-	-	(1,800)	-	(1,800)
749	Serrano, Chellie Mae	(1,800)	-	-	-	(1,800)	-	(1,800)
750	SERRANO, MARIA LYNETTE	-	-	(1,640)	-	(1,640)	-	(1,640)
751	SEVILLA, BORIS A	-	-	(1,020)	-	(1,020)	-	(1,020)
752	SEVILLA, CAMILLE	(900)	-	-	-	(900)	-	(900)
753	SIAPIAN, ALVIN II	(680)	340	-	-	(340)	-	(340)
754	SIBAYAN, LAWRENCE	-	-	(2,978)	-	(2,978)	-	(2,978)
755	SIBUG, JOHN PAUL H	(266)	266	-	-	-	-	-
756	SINGYAO, ROCELLE	-	4,600	-	-	4,600	-	4,600
757	Siongco, Josephine	2,732	-	(10,727)	-	(7,995)	-	(7,995)
758	Sioson, Yolanda - OLD	57,480	-	-	-	57,480	-	57,480
759	SOBERANO, ISRAEL	(2,044)	-	-	-	(2,044)	-	(2,044)
760	SOLANO, MARIANNE DEINN	-	-	(2,450)	-	(2,450)	-	(2,450)
761	Soliman, Rian Ceasar	(906)	-	-	-	(906)	-	(906)
762	SOLOMON, BYRON JONES	-	170	-	-	170	-	170
763	Solomon, Rommel	800	15,360	-	-	16,160	-	16,160
764	SOMERA, AURELIO	1,600	-	-	-	1,600	-	1,600
765	Soquerata, Charles Dwane	(1,800)	-	-	-	(1,800)	-	(1,800)
766	SORIANO, ROWENA	(2,574)	370	(370)	-	(2,574)	-	(2,574)
767	Sta. Maria, Melencio	332,531	-	(115,961)	-	216,570	-	216,570
768	SUATENGCO, ROSARITO	16,625	19,000	(19,000)	-	16,625	-	16,625
769	Suba, Gerald Manalo	(2,762)	-	(1,695)	-	(4,457)	-	(4,457)
770	Sucgang, David Sean	(1,800)	-	-	-	(1,800)	-	(1,800)
771	SUGAY, JUDITH	27,219	-	-	-	27,219	-	27,219
772	SULIT, KRISTINE	(636)	-	-	-	(636)	-	(636)
773	Sumulong, Dan Nathaniel	(900)	-	-	-	(900)	-	(900)
774	SUNGA-Tagal, Johana	19,792	2,268	(348)	-	21,712	-	21,712
775	Suriaga, Christian Dale	(1,160)	-	-	-	(1,160)	-	(1,160)
776	TABAR, EUREZE	(667)	600	-	-	(67)	-	(67)
777	TABINAS, BAILON IIII I	-	-	(2,045)	-	(2,045)	-	(2,045)
						-	-	-

Forward

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other Than Related Parties)
MAY 31, 2021

	Name and Designation of Debtor		*Additions*	*Deductions*		*Current*	*Non-Current*	*Balance at End of Period*
				Amounts Collected	*Amounts Written Off*			
778	TABOTABO, RAQUEL	-	278	-	-	P 278	-	P 278
779	TABUENA, RICHARD	-	2,900	-	-	2,900	-	2,900
780	Tabuzo, Victor	10,000	-	(3,771)	-	6,230	-	6,230
781	Talion, Daniel C	(1,800)	-	-	-	(1,800)	-	(1,800)
782	TALUSAN, RONNEL	(900)	900	(900)	-	(900)	-	(900)
783	Tamares, John Joseph	(1,620)	1,620	-	-	-	-	-
784	Tan, Ma Floran	151,818	-	(152,501)	-	(683)	-	(683)
785	Tan, Melanie	(1,800)	-	-	-	(1,800)	-	(1,800)
786	TAN, PAULINO Y.	100,000	-	(100,000)	-	-	-	-
787	Tan, Rowena Nieves	(3,653)	2,380	(640)	-	(1,913)	-	(1,913)
788	Tapalgo, Elyn	(480)	-	-	-	(480)	-	(480)
789	TAPAR, MARK	(700)	700	-	-	-	-	-
790	TAPNIO, MELANIE	-	595	(595)	-	-	-	-
791	Taroy, Jose Carlos	(1,800)	-	-	-	(1,800)	-	(1,800)
792	Taton, Maria Thelma	16,625	19,000	(21,375)	-	14,250	-	14,250
793	TAY, MARIA DOLORES	(1,360)	-	-	-	(1,360)	-	(1,360)
794	TCHUENTE, PATRICK KAMDEM	-	35,000	-	-	35,000	-	35,000
795	TECSON, CHARMIGNE GRACE V	-	-	(2,450)	-	(2,450)	-	(2,450)
796	TEJADA, MADONNA	-	8,011	-	-	8,011	-	8,011
797	Temprosa, Francis Tom	(2,086)	1,390	(1,250)	-	(1,946)	-	(1,946)
798	Tenoso, Isidro	1,563	-	-	-	1,563	-	1,563
799	THOMAS, MARY CATHERINE	-	-	(2,450)	-	(2,450)	-	(2,450)
800	TIANELA, CRISTINA	(900)	-	-	-	(900)	-	(900)
801	Ticman Jr., Modesto	(57)	1,225	(1,225)	-	(57)	-	(57)
802	Tinio, Maria Teresa	261,599	226,729	(74,998)	-	413,330	-	413,330
803	Tirazona, Renato	12,544	3,618	(12,544)	-	3,618	-	3,618
804	TIU, MICHAEL	(4,660)	1,200	(640)	-	(4,100)	-	(4,100)
805	Tobias, Ana Patricia	(392)	370	(1,330)	-	(1,352)	-	(1,352)
806	TOLENTINO, Florence	(1,360)	-	-	-	(1,360)	-	(1,360)
807	TOLOSA, VICTORINO	16,625	160,733	(105,054)	-	72,304	-	72,304
808	TONGOL, CHRISDIE FLORES	(859)	65,973	-	-	65,114	-	65,114
809	Tongol, Jan Frederick	(881)	-	-	-	(881)	-	(881)
810	Torregrosa, Rosalyn P	(680)	-	-	-	(680)	-	(680)
811	Trinidad, Bryan	2,300	-	-	-	2,300	-	2,300
812	TUASON, JOHN LESTER	(800)	2,900	-	-	2,100	-	2,100
813	TUAZON, MIKKEY MARI M	-	-	(2,450)	-	(2,450)	-	(2,450)
814	TUPPAL, CYRUZ P	(900)	-	(605)	-	(1,505)	-	(1,505)
815	URQUICO, CRYSTAL	(900)	-	-	-	(900)	-	(900)
816	USACDIN, LEAH B	19,800	38,000	(4,750)	-	53,050	-	53,050
817	Ustaris, Christina Stella	(2,460)	23,046	(20,586)	-	-	-	-
818	Uy, Moira	273,141	-	(3,141)	-	270,000	-	270,000
819	UYSECO, WAYNE WINTER	(1,800)	-	-	-	(1,800)	-	(1,800)
820	Valderrama, RUth	(32,400)	-	-	-	(32,400)	-	(32,400)
821	Valdez Jr., Marcos	8,774	-	(8,774)	-	0	-	0
822	Valencia, Mary Clydeen	(1,600)	348	(348)	-	(1,600)	-	(1,600)
823	VALERA, STEPHEN RUSSEL	(2,105)	960	(1,043)	-	(2,188)	-	(2,188)
824	Valerio, Francis	16,600	-	-	-	16,600	-	16,600
825	VALEZA, JOHN RUBEN	-	-	(1,800)	-	(1,800)	-	(1,800)
826	VARGAS, MA. CRISTINA.	(2,044)	-	-	-	(2,044)	-	(2,044)
827	VASQUEZ, VILMA	(3,600)	-	-	-	(3,600)	-	(3,600)
828	VENCIO, GRACE	2,815	1,035	(1,365)	-	2,485	-	2,485
829	Ventenilla, JohnFrancis	(1,196)	1,196	-	-	-	-	-
830	Vicente, Gudani	2,300	-	-	-	2,300	-	2,300
831	VICTOR, RAMON	(5,425)	-	(1,348)	-	(6,773)	-	(6,773)
832	VICTORIA, MICHAEL	18,608	19,000	(21,375)	-	16,233	-	16,233
833	Victoria, Wendelliza	10,000	-	-	-	10,000	-	10,000
834	VICTORIO, MA. SOCORRO	(880)	23,902	(23,902)	-	(880)	-	(880)
835	VILLALBA, MABEL LYN	(681)	-	-	-	(681)	-	(681)
836	Villaluz, Gerardo	(1,532)	-	-	-	(1,532)	-	(1,532)
837	VILLANUEVA, Jay Pee	(1,920)	1,920	-	-	-	-	-
838	Villar, Gerald	148,658	19,906	(19,175)	-	149,389	-	149,389
839	VILLARINO, JOHN KEBYN	(1,538)	560	-	-	(978)	-	(978)
840	VILLAVIZA, GREGORIO	(2,868)	-	-	-	(2,868)	-	(2,868)
841	VILLEGAS JR,M AMADO	200	-	-	-	200	-	200
842	VILLEGAS, VIDA LUZ	(900)	-	-	-	(900)	-	(900)
843	Villena, Jean Marie	(1,603)	348	(348)	-	(1,603)	-	(1,603)
844	VILLORA, KARIZZA MAE	-	-	(1,080)	-	(1,080)	-	(1,080)
845	VILORIA, ERIKA STEPHANIE	(1,640)	-	-	-	(1,640)	-	(1,640)
846	Vinluan, Kervin Paul	-	-	(1,860)	-	(1,860)	-	(1,860)
847	VIOLA, ALDRIN	(2,100)	-	(880)	-	(2,980)	-	(2,980)
848	VIRAY, MARIAH MIKAILA	(1,800)	-	-	-	(1,800)	-	(1,800)
849	VISPERAS, NIKKO	(900)	23,925	(23,925)	-	(900)	-	(900)
850	VITUG, SOLITA	(1,581)	900	-	-	(681)	-	(681)
851	YAGO, ROWENA	-	1,242	-	-	1,242	-	1,242
852	Yangco, Brandon Kyle	(1,800)	-	-	-	(1,800)	-	(1,800)
853	Zafra, Reynele Bren G.	346	-	(460)	-	(114)	-	(114)
854	Zamudio, Rowena B.	(5,100)	60	-	-	(5,040)	-	(5,040)
855	ABELLANA, FAE MARIE A	-	7,200	-	-	7,200	-	7,200
856	ACOMULAR, MICHELLE S	56,477	226,700	(234,458)	-	48,719	-	48,719
857	Alba, Michael	48,248	-	-	-	48,248	-	48,248
858	ALCANTARA, JOHN MARVI	-	139,144	(89,144)	-	50,000	-	50,000
859	ALVAREZ JR., ABEL	-	119,547	(113,047)	-	6,500	-	6,500
860	Andaya, Marie Jina	3,356	-	-	-	3,356	-	3,356
861	Andrade, Alexander	550	-	-	-	550	-	550
862	BAILE, LIAN KAITHLYN	(10,925)	-	-	-	(10,925)	-	(10,925)
863	Baldres, Ramil	9,613	-	-	-	9,613	-	9,613
864	BARTOLOME, LIEZL	-	5,000	(5,000)	-	-	-	-
865	Basilio, Rosalinda	9,456	9,019	(18,475)	-	-	-	-
866	BELTRAN, EDNA	-	3,525	(3,525)	-	-	-	-
867	Benicta, Eugeene	(7,706)	-	-	-	(7,706)	-	(7,706)
868	Bingculado, Roger	(20,572)	26,000	-	-	5,428	-	5,428
869	Blas, Maria Theresa	1,451	-	(1,380)	-	71	-	71
870	Borgona, Earl Joseph	(1,535)	-	-	-	(1,535)	-	(1,535)
871	BRIOSO, JOHN OLIVER	40,065	-	-	-	40,065	-	40,065
872	Bueno, Harold	(0)	36,175	(34,075)	-	2,100	-	2,100
873	BULANHAGUI, NIDA	137,234	34,000	(167,000)	-	4,234	-	4,234
874	Caagbay, Elpidio Z.	-	18,241	(18,241)	-	-	-	-
875	CALMA, MANAMI JOIE	-	2,000	-	-	2,000	-	2,000
876	Cao, Marilou F.	(183,843)	-	-	-	(183,843)	-	(183,843)
877	CAPATI, ARIEL	20,000	-	(20,000)	-	-	-	-
878	Carillo - Rivera , Kristine Bernadette	(5,935)	-	-	-	(5,935)	-	(5,935)
879	Castillo, Flordeliza	0	-	-	-	0	-	0
880	Castro, Joeven	29,424	-	-	-	29,424	-	29,424
881	Catamora, Catherine	38,993	-	-	-	38,993	-	38,993
882	CHUA, RICK JOHN B	(3,356)	-	-	-	(3,356)	-	(3,356)
883	CO, STEPHEN JAY	(5,711)	-	-	-	(5,711)	-	(5,711)
884	COBARRUBIAS, NORMITA	(18,365)	-	-	-	(18,365)	-	(18,365)
885	CONCHA, JHONALYN	3,140	20	(3,170)	-	(10)	-	(10)
886	Cruz, Jayson	(943)	-	-	-	(943)	-	(943)
887	De Vera, Michael	(58,619)	57,348	-	-	(1,271)	-	(1,271)
888	DEL ROSARIO, JOHNCENT M	9,636	-	-		9,636	-	9,636

Forward

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MAY 31, 2021

	Name and Designation of Debtor		*Additions*	*Deductions*		*Current*	*Non-Current*	*Balance at End of Period*
				Amounts Collected	*Amounts Written Off*			
889	Del Rosario, Maria Theresa	(P 1,576)	-	-	-	(P 1,576)	-	(P 1,576)
890	DELA CRUZ, ALMA EMERITA V	(30,531)	-	-	-	(30,531)	-	(30,531)
891	DELOS SANTOS, MARIE LENORE N	(5,296)	-	-	-	(5,296)	-	(5,296)
892	DUKA, JHELMAR	50,063	587,816	(546,216)	-	91,663	-	91,663
893	EVIZA, ALYSSA FAYE R	(3,314)	53,850	(53,850)	-	(3,314)	-	(3,314)
894	FENNIS, ROGELYN	(1,569)	-	-	-	(1,569)	-	(1,569)
895	FERNANDEZ, MAGDALAINE	-	14,582	(14,182)	-	400	-	400
896	Flores, Roberto	(11,500)	11,500	-	-	-	-	-
897	Fulgar III, Ildefonso	116	-	-	-	116	-	116
898	Galang Jr., Romeo	540	-	(540)	-	-	-	-
899	GARCIA, MERRIE CAROLYNE	(492)	-	-	-	(492)	-	(492)
900	Gonzales, Emmanuel	7,419	-	(7,419)	-	-	-	-
901	Gonzales, Jayson	4,972	-	-	-	4,972	-	4,972
902	GONZALES, MARK NIKCO	2,259	-	(1,150)	-	1,109	-	1,109
903	GOQUINGCO, ANTHONY RAYMOND	(117,680)	116,620	-	-	(1,060)	-	(1,060)
904	Grasparil, James Andrew	832	-	(4,603)	-	(3,771)	-	(3,771)
905	HERNANDEZ, PAMELA	(3,750)	-	-	-	(3,750)	-	(3,750)
906	Inciong, Cherry Wyne	14,000	51,875	(25,125)	-	40,750	-	40,750
907	JINTALAN, JOSEPH	-	4,100	(4,100)	-	-	-	-
908	JONSON, KISSARNE ALLYSA L	152,688	14,457	(25,707)	-	141,438	-	141,438
909	Junio, Nenitha	(23,531)	-	-	-	(23,531)	-	(23,531)
910	KILAKIGA, EDWARD	2,000,000	100,000	(2,100,001)	-	(1)	-	(1)
911	Lacaden, Raffy	(28,000)	28,000	-	-	-	-	-
912	LAMSEN, JUDY ANN G	(9,347)	9,347	-	-	-	-	-
913	Landicho, Jerrold	(65,678)	(62,922)	32,576	-	(96,024)	-	(96,024)
914	LARANANG, ARIANE	31,000	3,474	(34,474)	-	-	-	-
915	Las Pinas, Mary Grace	(145,767)	207,024	(61,257)	-	-	-	-
916	Laza, Benilda	34,281	6,000	-	-	40,281	-	40,281
917	Lim, Richmond	40,065	-	(906)	-	39,159	-	39,159
918	LIPATA, URIEL PATRICK	2,922	-	-	-	2,922	-	2,922
919	Liwanag, Marichu	(10,194)	26,400	(12,000)	-	4,206	-	4,206
920	Lopez, Martin Z.	305,704	5,365	(135,365)	-	175,704	-	175,704
921	LUNA, GINA	-	94,200	(62,800)	-	31,400	-	31,400
922	Madriaga, Joventina	11,287	-	(2,900)	-	8,387	-	8,387
923	MAMAAT, JOSE EDWARDO	23,585	-	-	-	23,585	-	23,585
924	MANUEL, MA. ROWENA	16,200	-	-	-	16,200	-	16,200
925	MARANAN, ARNOLD	943	(14,385)	33,385	-	19,943	-	19,943
926	Martillo, Pocholo	1	-	-	-	1	-	1
927	MASANGKAY,FREDERICK R	79,939	42,306	(42,306)	-	79,939	-	79,939
928	MATAMMU, LULETTE	-	10,000	-	-	10,000	-	10,000
929	Mendoza. Sophia	-	4,000	-	-	4,000	-	4,000
930	MILANEZ, GIOVANNI	47,402	48,879	(39,769)	-	56,512	-	56,512
931	Mintu, Cynthia	(780)	-	-	-	(780)	-	(780)
932	Molina, Mark Oliver	(506,313)	560,312	(426,149)	-	(372,150)	-	(372,150)
933	Montinola, Antonio	86,840	-	-	-	86,840	-	86,840
934	Montinola, Juan Miguel R.	(33,439)	33,439	-	-	-	-	-
935	Narval, Antonio G.	5,282	-	(5,282)	-	-	-	-
936	NATIVIDAD, REUBEN RAMIRO	0	-	-	-	0	-	0
937	Neo, Helen Azor	3,262	-	-	-	3,262	-	3,262
938	NERIDA, CLARISSE MAE T	9,141	15,968	(25,109)	-	(0)	-	(0)
939	Nisperos, Dulce Marie	(1,250)	1,250	-	-	-	-	-
940	OCTA, KENNEDY P	3,559	13,953	(14,652)	-	2,860	-	2,860
941	Olivo, Shirley	6,765	-	(869)	-	5,896	-	5,896
942	ORDIZ, LADY MAY P	400	-	(400)	-	-	-	-
943	ORMITA, LUZELLE ANNE	54,325	183,592	(229,292)	-	8,625	-	8,625
944	Pajuyo, Driselle	48,695	-	-	-	48,695	-	48,695
945	PAMITTAN JR., GENEROSO	(30,531)	30,531	-	-	-	-	-
946	Pascua, Jennifer	-	25,000	(25,000)	-	-	-	-
947	PASION, ELLINE ISABELLE	-	12,000	(12,000)	-	-	-	-
948	Pedregosa, Jeremy Floyd	11,873	-	(7,626)	-	4,248	-	4,248
949	Peren, Anelyn	(0)	-	-	-	(0)	-	(0)
950	Polido, Jelyca	(1)	-	-	-	(1)	-	(1)
951	Quinto, Myrna	81,998	-	-	-	81,998	-	81,998
952	Ramos, Rosemarie	(21)	21	-	-	0	-	0
953	Relente, Miguelito	(6,837)	-	-	-	(6,837)	-	(6,837)
954	REMIENDO, NORA LIZA	-	81,720	(81,720)	-	-	-	-
955	Requidan, Jerome	(56,000)	-	(56,000)	-	(112,000)	-	(112,000)
956	RIVERA, MA. THERESA M	15,336	-	-	-	15,336	-	15,336
957	Rosal, Josefina	47,500	-	(47,500)	-	-	-	-
958	Saguinsin, James Owen	500	-	-	-	500	-	500
959	Sagut, Jeysie S.	1,384	-	-	-	1,384	-	1,384
960	Salcedo, Rosanna	11,782	-	-	-	11,782	-	11,782
961	Saldivar, Adelaida	(20)	-	-	-	(20)	-	(20)
962	Santos, Marie Lenore	3,536	-	-	-	3,536	-	3,536
963	SANTOS, MELANNIE C	140	-	-	-	140	-	140
964	SELDA, KAREN LAINE (June2019)	12,400	-	-	-	12,400	-	12,400
965	Sido, Ma. Victoria	58,156	-	(79,226)	-	(21,070)	-	(21,070)
966	Sombilon, Imelda	-	11,400	(11,400)	-	-	-	-
967	SORIA, EULEGIO	79	-	-	-	79	-	79
968	Sta. Maria, Melencio	(109,432)	109,432	-	-	0	-	0
969	TABUENA, RICHARD	16,086	-	-	-	16,086	-	16,086
970	Tabuzo, Victor	(11,751)	10,000	-	-	(1,751)	-	(1,751)
971	Talampas, Maria Cristina	340,000	-	(340,000)	-	-	-	-
972	Talusan, Danilo B.	9,962	-	-	-	9,962	-	9,962
973	TCHUENTE, PATRICK KAMDEM	-	35,000	-	-	35,000	-	35,000
974	Tem, Joselito	10,118	-	-	-	10,118	-	10,118
975	TENORIO, MARY JANE	(210)	-	-	-	(210)	-	(210)
976	Tinio, Maria Teresa	(36,998)	36,998	-	-	-	-	-
977	TUASON, JOHN LESTER	52,890	37,750	(65,640)	-	25,000	-	25,000
978	Valdez Jr., Marcos	117	-	-	-	117	-	117
979	Valencia, Jean Pauline	29,737	14,878	(79,719)	-	(35,104)	-	(35,104)
980	VICTORIA, MICHAEL	-	52,590	(52,590)	-	-	-	-
981	VILLAROSA, DEAN T	(65)	-	-	-	(65)	-	(65)
982	Visda, Eric John	(1)	-	-	-	(1)	-	(1)
983	Yago, Rowena	-	27,998	(27,998)	-	-	-	-
984	Yap, Avelina	(30,385)	9,405	-	-	(20,980)	-	(20,980)
985	YAP, SANDRA	85,958	-	-	-	85,958	-	85,958
986	YSLA, MARK SALVADOR	(148)	-	-	-	(148)	-	(148)
987	Zamudio, Rowena B.	5,823	1,977	(7,800)	-	-	-	-
	Others	3,209,447	-	(2,642,553)	-	566,894	-	566,894
	Total for Parent Company	**P 13,892,913**	**P 12,349,974**	**(P 16,297,418)**	-	**P 9,945,470**	-	**P 9,945,470**
	Advances to officers and employees - subsidiaries							**P 7,232,658**
	TOTAL							**P 17,178,128**

Note:
The total amount is reported as Advances to Officers and Employees under the Trade and Other Receivables account in the 2021 consolidated statement of financial position .

THE FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule C - Amounts Receivable from Related Parties Which are Eliminated During the Consolidation of Financial Statements
MAY 31, 2021

Name and Designation of Debtor	*Balance at Beginning of Period*	*Additions*	*Deductions*		*Current*	*Non-Current*	*Balance at End of Period*
			Amounts Collected	*Amounts Written-Off*			
FEU						P 706,271,422	
Reimbursement of expenses	P 100,005,265	P 10,874,994	-	-	P 110,880,259	-	P 110,880,259
Noninterest-bearing advances	235,564,735	-	-	-	235,564,735	-	235,564,735
Rental receivable	41,612,940	74,834,967	(88,517,512)	-	27,930,395	-	27,930,395
Dividend receivables	39,998,000	119,999,382	(159,997,382)	-	-	-	-
	P 417,180,940	**P 205,709,343**	**(P 248,514,894)**	**-**	**P 374,375,389**	**-**	**P 374,375,389**
FRC							
Rental receivable	**P 30,160,971**	**P 134,808,470**	**(P 151,419,599)**	**-**	**P 13,549,842**	**-**	**P 13,549,842**
FECSI							
Reimbursement of expenses	**P 268,528**	**P 80,867**	**-**	**-**	**P 349,395**	**-**	**P 349,395**
EACCI							
Interest-bearing loans to FEU Alabang, inclusive of interest	P 207,000,000	P 10,086,323	-	-	-	P 217,086,323	P 217,086,323
Interest-bearing loans to FEU, inclusive of interest	10,044,611	-	(10,044,611)	-	-	-	-
	P 217,044,611	**P 10,086,323**	**(P 10,044,611)**	**-**	**-**	**P 217,086,323**	**P 217,086,323**
FEU High School, Inc.							
Interest-bearing loans to FEU, inclusive of interest	**P 162,889,831**	**P 382,400,000**	**(P 444,379,358)**	**-**	**P 100,910,473**	**-**	**P 100,910,473**

THE FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule D - Intangible Assets / Other Assets
MAY 31, 2021

Description	*Balance at Beginning of Period*	*Additions (Disposals or Deductions) at Cost*	*Deductions*		*Other Changes*	*Balance at End of Period*
			Charged to Cost and Expenses	*Charged to Other Accounts*	*Additions (Deductions)*	
Intangible Asset						
Goodwill	**P 186,487,019**	**-**	**-**	**-**	**-**	**P 186,487,019**
Other Current Assets						
Prepaid expenses	P 58,324,013	-	(P 1,303,097)	-	-	P 57,020,916
Short-term investments	64,562,591	(32,351,249)	-	-	-	32,211,342
Input value-added tax (VAT) - net	30,981,305	(3,532,631)	(23,830,689)	-	-	3,617,985
Others	20,095,438	14,351,568	-	-	-	34,447,006
	P 173,963,347	**(P 21,532,313)**	**(P 25,133,786)**	**-**	**-**	**P 127,297,249**
Other Non-current Assets						
Advances to developers and suppliers	P 162,215,170	P 7,628,389	-	-	-	P 169,843,559
Refundable deposits	16,235,991	6,583,827	-	-	-	22,819,818
Investment in time deposits	11,280,724	3,120,239	(3,694,963)	-	-	10,706,000
Others	1,183,289	(1,183,289)	-	-	-	-
	P 190,915,174	**P 16,149,166**	**(P 3,694,963)**	**-**	**-**	**P 203,369,377**

THE FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule E - Long Term Debt
MAY 31, 2021

Title of Issue and Type of Obligation	*Amount Authorized by Indenture*		*Amount Shown Under Caption "Current Portion of Long Term Debt" in Related Balance Sheet*		*Amount Shown Under Caption "Long Term Debt" in Related Balance Sheet*	
PN 800050130433 (Interest-bearing loan)	P	680,000,000	P	129,523,810	P	32,380,952
PN 800050201994 (Interest-bearing loan)		542,857,143		-		542,857,143
PN 800050203813 (Interest-bearing loan)		500,000,000				500,000,000
PN 800050196305 (Interest-bearing loan)		425,000,000		-		425,000,000
PN 800050196532 (Interest-bearing loan)		300,000,000		-		300,000,000
PN 800050181161 (Interest-bearing loan)		200,000,000		38,095,238		9,523,810
PN 800050197641 (Interest-bearing loan)		150,000,000		-		150,000,000
PN 800050199879 (Interest-bearing loan)		120,000,000		-		120,000,000
PN 800050182326 (Interest-bearing loan)		100,000,000		20,000,000		5,000,000
PN 800050197816 (Interest-bearing loan)		100,000,000		-		100,000,000
PN 800050203487 (Interest-bearing loan)		50,000,000		-		50,000,000
PN 800050203756 (Interest-bearing loan)		50,000,000		-		50,000,000
TOTAL			**P**	**187,619,048**	**P**	**2,284,761,905**

THE FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule F - Indebtedness to Related Parties
MAY 31, 2021

Name of Related Party	***Balance at Beginning of Year***	***Balance at End of Year***

-- Nothing to report --

THE FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule H - Capital Stock
MAY 31, 2021

Title of Issue	***Number of Shares Authorized***	***Number of Shares Issued and Outstanding as Shown Under Related Balance Sheet Caption***	***Number of Shares Reserved for Options, Warrants, Conversion and Other Rights***	***Number of Shares Held by Related Parties***	***Directors, Officers and Employees***	***Others***
Common shares - P100 par value	50,000,000	24,055,763	-	14,445,198	1,594,829	-

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Report of Independent Auditors to Accompany Supplementary Information Required by the Securities and Exchange Commission Filed Separately from the Basic Financial Statements

The Board of Trustees and the Stockholders
Far Eastern University, Incorporated
Nicanor Reyes, Sr. Street
Sampaloc, Manila

We have audited, in accordance with Philippine Standards on Auditing, the financial statements of Far Eastern University, Incorporated for the year ended May 31, 2021, on which we have rendered our report dated August 17, 2021. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The following applicable supplementary information are presented for purposes of additional analysis in compliance with the requirements under the Revised Securities Regulation Code Rule 68, and are not required part of the basic financial statements prepared in accordance with Philippine Financial Reporting Standards.

a. Reconciliation of Retained Earnings Available for Dividend Declaration; and,

b. Map showing the Relationship Between and among the University and its Related Parties.

Such supplementary information are the responsibility of management. The supplementary information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PUNONGBAYAN & ARAULLO

By: Mailene Sigue-Bisnar
Partner

CPA Reg. No. 0090230
TIN 120-319-128
PTR No. 8533222, January 4, 2021, Makati City
SEC Group A Accreditation
Partner - No. 0396-AR-3 (until Oct. 1, 2021)
Firm - No. 0002 (until Dec. 31, 2024)
BIR AN 08-002511-020-2020 (until Dec. 21, 2023)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

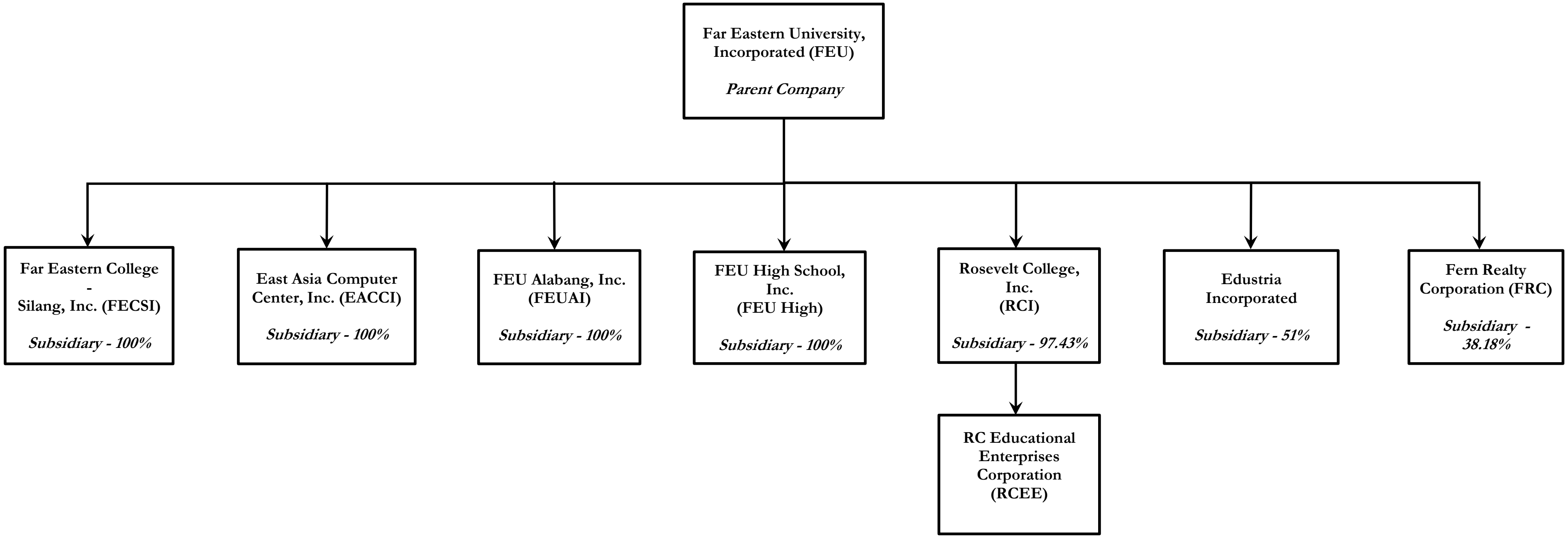
August 17, 2021

THE FAR EASTERN UNIVERSITY, INCORPORATED
Nicanor Reyes Street, Sampaloc, Manila

Reconciliation of Retained Earnings Available for Dividend Declaration
For the Year Ended May 31, 2021

Unappropriated Retained Earnings at Beginning of Year		
As previously reported		P 1,210,901,742
Prior Years' Outstanding Reconciling Items, net of tax		
Deferred tax income		(6,329,100)
Unappropriated Retained Earnings Available for Dividend Declaration at Beginning of Year, as Adjusted		1,204,572,642
Net Profit Realized during the Year		
Net profit per audited financial statements		456,910,828
Non-actual/unrealized income, net of tax –		
Unrealized foreign exchange loss	24,185,074	
Deferred tax income	1,272,473	25,457,547
		482,368,375
Other Transactions During the Year		
Reversal of appropriations during the year	1,065,500,000	
Dividends declared	(192,446,104)	873,053,896
Unappropriated Retained Earnings Available for Dividend Declaration at End of Year		**P 2,559,994,913**

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Map Showing the Relationships Between and Among the University and Its Related Parties
May 31, 2021



Note:

Percentages indicated pertain to FEU's effective ownership over the respective related parties, which are also disclosed in the consolidated financial statements.

Report of Independent Auditors on Components of Financial Soundness Indicators

Punongbayan & Araullo
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The Board of Trustees and the Stockholders
Far Eastern University, Incorporated
Nicanor Reyes Street,
Sampaloc, Manila

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Far Eastern University, Incorporated and subsidiaries (the Group) for the years ended May 31, 2021, 2020 and 2019, on which we have rendered our report dated August 17, 2021. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at May 31, 2021, 2020 and 2019 and for each of the three years in the period ended May 31, 2021 and no material exceptions were noted.

PUNONGBAYAN & ARAULLO

By: Mailene Sigue-Bisnar
Partner

CPA Reg. No. 0090230
TIN 120-319-128
PTR No. 8533222, January 4, 2021, Makati City
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BIR AN 08-002511-020-2020 (until Dec. 21, 2023)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

August 17, 2021

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Supplemental Schedule of Financial Soundness Indicators
May 31, 2021, 2020 and 2019

Indicators	Formula	Ratios / Percentages/ Amounts 2021	2020	2019
Current ratio	Total Current Assets / Total Current Liabilities	**2.35**	**1.56**	1.21
Acid test ratio	Cash and cash equivalents + Trade and other receivables - net + Investments / Total Current Liabilities	**2.23**	**1.48**	1.13
Debt-to-asset ratio	Total Liabilities / Total Assets	**0.27**	**0.31**	0.30
Equity-to-asset ratio	Total Equity / Total Assets	**0.73**	**0.69**	0.70
Debt-to-equity ratio	Total Liabilities / Total Equity	**0.37**	**0.46**	0.43
Assets-to-equity ratio	Total Assets / Total Equity	**1.37**	**1.46**	1.43
Interest rate coverage ratio	Earnings before Interest and Taxes / Interest Expense	**17.23**	**7.94**	10.83
Return on equity	Net Profit / Total Equity	**9%**	**7%**	9%
Return on assets	Net Profit / Total Assets	**6%**	**5%**	6%
Earnings per share	Net Profit / Average outstanding shares	**P 40.28**	**P 25.92**	P 31.41

FAR EASTERN UNIVERSITY

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Sampaloc, Manila
P.O. Box 609 Philippines 1015
(+632) 87777-FEU (338)
(+632) 8849-4000

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Far Eastern University, Incorporated (the University)** is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended May 31, 2021, 2020 and 2019 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Trustees is responsible for overseeing the University's financial reporting process.

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

Punongbayan & Araullo, the independent auditors appointed by the stockholders, has audited the financial statements of **Far Eastern University, Incorporated** in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

AURELIO R. MONTINOLA III
Chairman of the Board and
Chief Executive Officer

MICHAEL M. ALBA
President and Chief Operating Officer

JUAN MIGUEL R. MONTINOLA
Chief Finance Officer and Chief Risk Officer

Signed this ________ day of SEP 08 2021 2021.

SUBSCRIBED AND SWORN to before me this ______ day of SEP 08 2021, 2021, affiants exhibiting their Tax Identification Numbers (TIN) as follows:

Name	TIN	Place Issued
Aurelio R. Montinola III	135-558-086	Philippines
Michael M. Alba	157-483-273	Philippines
Juan Miguel R. Montinola	115-203-243	Philippines

ATTY. ANTONIO G. MALONZO
NOTARY PUBLIC
887 P. Paredes Street, Sampaloc, Manila
Telephone No. 8735-45-26
Roll No. 28170 April 20, 1978
IBP No. 9788229 Mla. dated 9-29-20 for 2021
TIN No. 106-137-050
PTR No. 9788229 1-4-2021 Mla.
Commission No. 2021-021 3-2-2021
Until December 31, 2022
MCLE VI-0011185 Ermita, Manila
March 17-20-April 21-28, 2018

NOTARY PUBLIC

Doc. No. 364
Page No. 35
Book No. 35
Series of 2021.

P&A Grant Thornton

FOR SEC FILING

Financial Statements and Independent Auditors' Report

Far Eastern University, Incorporated

May 31, 2021, 2020 and 2019

Punongbayan & Araullo
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6766 Ayala Avenue
1200 Makati City
Philippines

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Report of Independent Auditors

The Board of Trustees and the Stockholders
Far Eastern University, Incorporated
Nicanor Reyes, Sr. Street
Sampaloc, Manila

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Far Eastern University, Incorporated (the University), which comprise the statements of financial position as at May 31, 2021, 2020 and 2019 and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and the notes to financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the University as at May 31, 2021, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the University in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements in the Philippines that are relevant to our audits of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 1 to the financial statements, which describes management's assessment of the continuing impact on the University's financial statements of the business disruption brought by the COVID-19 pandemic. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA 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 PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the University to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended May 31, 2021 required by the Bureau of Internal Revenue as disclosed in Note 29 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with PFRS. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The engagement partner on the audits resulting in this independent auditors' report is Mailene Sigue-Bisnar.

PUNONGBAYAN & ARAULLO

By: Mailene Sigue-Bisnar
Partner

CPA Reg. No. 0090230
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August 17, 2021

Supplemental Statement of Independent Auditors

Punongbayan & Araullo
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The Board of Trustees and the Stockholders
Far Eastern University, Incorporated
Nicanor Reyes, Sr. Street
Sampaloc, Manila

We have audited the financial statements of Far Eastern University, Incorporated (the University) for the year ended May 31, 2021, on which we have rendered the attached report dated August 17, 2021.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the University has 1,509 stockholders owning one or more shares of the University's capital stock as of May 31, 2021, as disclosed in Note 24 to the financial statements.

PUNONGBAYAN & ARAULLO

By: **Mailene Sigue-Bisnar**
Partner

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August 17, 2021

FAR EASTERN UNIVERSITY, INCORPORATED
STATEMENTS OF FINANCIAL POSITION
MAY 31, 2021, 2020 AND 2019
(Amounts in Philippine Pesos)

	Notes	2021	2020	2019
A S S E T S				
CURRENT ASSETS				
Cash and cash equivalents	7	**P 334,351,829**	P 193,452,523	P 177,278,502
Receivables - net	8	**644,993,647**	949,536,315	626,892,849
Financial assets at fair value through profit or loss	9	**1,091,390,925**	839,573,467	807,352,045
Financial assets at fair value through other comprehensive income	9	**140,736,884**	182,283,531	184,742,421
Investment securities at amortized cost	9	**80,128,511**	227,576,146	263,808,437
Prepayments and other current assets - net	10	**75,878,145**	70,331,751	90,774,487
Total Current Assets		**2,367,479,941**	2,462,753,733	2,150,848,741
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income	9	**428,881,340**	279,905,371	280,583,659
Investment securities at amortized cost	9	**177,140,164**	275,559,164	497,963,134
Investments in subsidiaries	11	**2,307,942,440**	2,292,942,440	2,037,942,443
Investment properties - net	12	**1,316,026,036**	1,337,455,877	1,358,701,703
Property and equipment - net	13	**3,385,254,344**	3,652,159,278	2,368,874,694
Other non-current assets	5	**3,273,477**	4,794,962	4,796,804
Deferred tax assets - net	22	**19,440,985**	20,713,457	14,384,357
Total Non-current Assets		**7,637,958,786**	7,863,530,549	6,563,246,794
TOTAL ASSETS		**P 10,005,438,727**	P 10,326,284,282	P 8,714,095,535
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Trade and other payables	15	**P 853,192,458**	P 1,118,992,227	P 931,080,307
Interest-bearing loans	16	**187,619,048**	868,571,429	1,143,571,429
Loans from related parties	23	**100,000,000**	165,800,000	115,800,000
Unearned tuition fees	17	**11,219,880**	36,255,164	105,960,946
Derivative liability	9	**-**	-	36,720,866
Subscription payable	11, 23	**76,499,997**	76,499,997	-
Total Current Liabilities		**1,228,531,383**	2,266,118,817	2,333,133,548
NON-CURRENT LIABILITIES				
Interest-bearing loans	16	**1,784,761,905**	1,336,666,667	965,000,000
Lease liabilities	14	**1,195,736,992**	1,186,839,429	-
Total Non-current Liabilities		**2,980,498,897**	2,523,506,096	965,000,000
Total Liabilities		**4,209,030,280**	4,789,624,913	3,298,133,548
EQUITY				
Capital stock	24	**2,409,309,400**	1,651,435,400	1,651,435,400
Stock dividends distributable	24	**-**	757,941,400	-
Treasury stock - at cost	24	**(3,733,100)**	(3,733,100)	(3,733,100)
Revaluation reserves	9	**5,665,181**	10,380,827	(7,438,560)
Retained earnings	24			
Appropriated		**844,233,100**	1,909,733,100	2,170,733,100
Unappropriated		**2,540,933,866**	1,210,901,742	1,604,965,147
Total Equity		**5,796,408,447**	5,536,659,369	5,415,961,987
TOTAL LIABILITIES AND EQUITY		**P 10,005,438,727**	P 10,326,284,282	P 8,714,095,535

See Notes to Financial Statements.

FAR EASTERN UNIVERSITY, INCORPORATED
STATEMENTS OF PROFIT OR LOSS
FOR THE YEARS ENDED MAY 31, 2021, 2020 AND 2019
(Amounts in Philippine Pesos)

	Notes	2021	2020	2019
EDUCATIONAL REVENUES	17			
Tuition fees - net		**P 1,867,781,228**	P 1,858,315,744	P 1,631,334,106
Other school fees		**36,764,608**	56,495,777	49,677,928
		1,904,545,836	1,914,811,521	1,681,012,034
IMPAIRMENT LOSSES ON RECEIVABLES	8	**(173,141,025)**	(56,345,366)	(5,660,750)
OPERATING EXPENSES	18	**(1,447,504,659)**	(1,642,016,181)	(1,689,181,978)
OTHER OPERATING INCOME	12, 23	**75,189,694**	88,211,113	75,370,981
OPERATING INCOME		**359,089,846**	304,661,087	61,540,287
FINANCE INCOME	19	**279,216,598**	328,592,810	153,085,276
FINANCE COSTS	19	**(206,727,037)**	(241,097,766)	(100,474,005)
OTHER INCOME - Net	20	**39,364,299**	61,379,999	160,217,724
INCOME BEFORE TAX		**470,943,706**	453,536,130	274,369,282
TAX EXPENSE	22	**(14,032,878)**	(21,117,675)	(27,264,562)
NET INCOME		**P 456,910,828**	P 432,418,455	P 247,104,720
Earnings Per Share				
Basic and Diluted	25	**P 18.99**	P 17.98	P 10.27

See Notes to Financial Statements.

FAR EASTERN UNIVERSITY, INCORPORATED
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED MAY 31, 2021, 2020 AND 2019
(Amounts in Philippine Pesos)

	Note	2021	2020	2019
NET INCOME		**P 456,910,828**	P 432,418,455	P 247,104,720
OTHER COMPREHENSIVE INCOME (LOSSES)				
Items that will be reclassified subsequently to profit or loss				
Net fair value losses reclassified to profit or loss on debt securities classified as fair value through other comprehensive income (FVOCI)	9	**(6,359,803)**	(6,893,548)	(21,852,529)
Net fair value gains (losses) during the year		**(4,711,096)**	28,479,739	(630,266)
Tax income (expense)		**110,709**	(2,158,619)	2,248,280
		(10,960,190)	19,427,572	(20,234,515)
Items that will not be reclassified subsequently to profit or loss				
Net fair value gains (losses) on equity securities classified as financial assets at FVOCI	9	**6,307,619**	(1,786,872)	14,833,997
Tax income (expense)		**(63,076)**	178,687	(1,483,400)
		6,244,543	(1,608,185)	13,350,597
Other Comprehensive Income (Losses) - net of tax		**(4,715,646)**	17,819,387	(6,883,918)
TOTAL COMPREHENSIVE INCOME		**P 452,195,182**	P 450,237,842	P 240,220,802

See Notes to Financial Statements.

FAR EASTERN UNIVERSITY, INCORPORATED
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED MAY 31, 2021, 2020 AND 2019
(Amounts in Philippine Pesos)

	Capital Stock (See Note 24)	**Stock Dividends Distributable** (See Note 24)	**Treasury Stock – at Cost** (See Note 24)	**Revaluation Reserves** (See Note 9)	**Retained Earnings** (See Note 24)			**Total Equity**
					Appropriated	**Unappropriated**	**Total**	
Balance at June 1, 2020	P 1,651,435,400	P 757,941,400	(P 3,733,100)	P 10,380,827	P 1,909,733,100	P 1,210,901,742	P 3,120,634,842	P 5,536,659,369
Transaction with owners:								
Issuance of capital stock	757,874,000	(757,941,400)	-	-	-	67,400	67,400	-
Cash dividends	-	-	-	-	-	(192,446,104)	(192,446,104)	(192,446,104)
	757,874,000	(757,941,400)	-	-	-	(192,378,704)	(192,378,704)	(192,446,104)
Appropriations of retained earnings:								
Appropriations during the year	-	-	-	-	90,000,000	(90,000,000)	-	-
Reversal of appropriations during the year	-	-	-	-	(1,155,500,000)	1,155,500,000	-	-
	-	-	-	-	(1,065,500,000)	1,065,500,000	-	-
Total comprehensive income:								
Net income for the year	-	-	-	-	-	456,910,828	456,910,828	456,910,828
Other comprehensive losses - net	-	-	-	(4,715,646)	-	-	-	(4,715,646)
	-	-	-	(4,715,646)	-	456,910,828	456,910,828	452,195,182
Balance at May 31, 2021	**P 2,409,309,400**	**P -**	**(P 3,733,100)**	**P 5,665,181**	**P 844,233,100**	**P 2,540,933,866**	**P 3,385,166,966**	**P 5,796,408,447**
Balance at June 1, 2019	P 1,651,435,400	P -	(P 3,733,100)	(P 7,438,560)	P 2,170,733,100	P 1,604,965,147	P 3,775,698,247	P 5,415,961,987
Transaction with owners:								
Stock dividends distributable	-	757,941,400	-	-	-	(757,941,400)	(757,941,400)	-
Cash dividends	-	-	-	-	-	(329,540,460)	(329,540,460)	(329,540,460)
	-	757,941,400	-	-	-	(1,087,481,860)	(1,087,481,860)	(329,540,460)
Appropriations of retained earnings:								
Appropriations during the year	-	-	-	-	75,000,000	(75,000,000)	-	-
Reversal of appropriations during the year	-	-	-	-	(336,000,000)	336,000,000	-	-
	-	-	-	-	(261,000,000)	261,000,000	-	-
Total comprehensive income:								
Net income for the year	-	-	-	-	-	432,418,455	432,418,455	432,418,455
Other comprehensive income - net	-	-	-	17,819,387	-	-	-	17,819,387
	-	-	-	17,819,387	-	432,418,455	432,418,455	450,237,842
Balance at May 31, 2020	P 1,651,435,400	P 757,941,400	(P 3,733,100)	P 10,380,827	P 1,909,733,100	P 1,210,901,742	P 3,120,634,842	P 5,536,659,369

	Capital Stock (See Note 24)	Stock Dividends Distributable (See Note 24)	Treasury Stock – at Cost (See Note 24)	Revaluation Reserves (See Note 9)	Retained Earnings (See Note 24) Appropriated	Retained Earnings (See Note 24) Unappropriated	Retained Earnings (See Note 24) Total	Total Equity
Balance at June 1, 2018	P 1,651,435,400	P -	(P 3,733,100)	(P 554,642)	P 2,843,733,100	P 948,492,795	P 3,792,225,895	P 5,439,373,553
Transaction with owners –								
Cash dividends	-	-	-	-	-	(263,632,368)	(263,632,368)	(263,632,368)
Appropriations of retained earnings –								
Reversal of appropriations during the year	-	-	-	-	(673,000,000)	673,000,000	-	-
Total comprehensive income:								
Net income for the year	-	-	-	-	-	247,104,720	247,104,720	247,104,720
Other comprehensive losses - net	-	-	-	(6,883,918)	-	-	-	(6,883,918)
	-	-	-	(6,883,918)	-	247,104,720	247,104,720	240,220,802
Balance at May 31, 2019	P 1,651,435,400	-	(P 3,733,100)	(P 7,438,560)	P 2,170,733,100	P 1,604,965,147	P 3,775,698,247	P 5,415,961,987

See Notes to Financial Statements.

FAR EASTERN UNIVERSITY, INCORPORATED
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MAY 31, 2021, 2020 AND 2019
(Amounts in Philippine Pesos)

	Notes	**2021**	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before tax		**P 470,943,706**	P 453,536,130	P 274,369,282
Adjustments for:				
Depreciation and amortization	12, 13, 18	**303,802,286**	276,787,127	202,739,289
Impairment loss	8, 18	**200,666,677**	56,345,366	5,660,750
Interest expense	19	**174,468,480**	216,374,289	91,678,350
Other investment losses (income) from financial assets at fair value through profit or loss (FVPTL) and fair value through other comprehensive income (FVOCI) - net	19	**(121,975,229)**	78,910,166	(14,378,187)
Dividend income	19	**(119,999,382)**	(347,496,485)	(60,844,367)
Interest income	19	**(36,765,814)**	(54,945,725)	(74,766,386)
Unrealized foreign exchange losses - net	19	**24,185,074**	16,881,723	6,654,774
Impairment loss (reversal) on investments	9	**(476,173)**	-	21,717
Fair value gain on derivative liability	19	**-**	(5,060,766)	(3,096,336)
Gain on sale of investment in an associate	20	**-**	-	(139,121,880)
Operating income before working capital changes		**894,849,625**	691,331,825	288,917,006
Decrease (increase) in receivables		**91,403,644**	(338,983,081)	(42,065,797)
Decrease (increase) in prepayments and other assets		**(6,856,967)**	6,127,381	11,908,362
Increase (decrease) in trade and other payables		**(137,260,051)**	191,390,294	39,019,342
Increase (decrease) in unearned tuition fees		**(25,035,284)**	(69,705,782)	22,222,982
Cash generated from operations		**817,100,967**	480,160,637	320,001,895
Interest received		**606,350**	1,162,142	4,292,133
Income taxes paid		**(37,454,001)**	(13,129,578)	(29,387,346)
Net Cash From Operating Activities		**780,253,316**	468,193,201	294,906,682
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from maturities of investment securities at amortized cost	9	**241,731,328**	255,426,068	94,483,206
Net disposals (acquisitions) of financial assets at FVTPL	9	**(189,088,431)**	(113,539,266)	203,267,311
Dividends received	23	**159,997,382**	307,498,485	60,416,703
Acquisitions of property and equipment	13	**(99,584,798)**	(417,460,399)	(399,697,248)
Net disposals (acquisitions) of financial assets at FVOCI	9	**(52,387,206)**	35,807,514	181,305,795
Interest received	9	**16,184,421**	36,914,430	69,642,096
Additions to investment in subsidiary	11	**(15,000,000)**	-	-
Payment of subscription payable	11	**-**	(178,500,000)	(500,000)
Acquisitions of investment securities at amortized cost	9	**-**	(39,769,449)	(109,369,204)
Acquisitions of investment properties	12	**-**	(178,080)	-
Proceeds from sale of investment in an associate	11, 20, 23	**-**	-	147,000,000
Net Cash From (Used in) Investing Activities		**61,852,696**	(113,800,697)	246,548,659
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of interest-bearing loans	16, 28	**(1,275,714,286)**	(896,333,333)	(428,571,429)
Proceeds from additional interest-bearing loan	16, 28	**1,042,857,143**	993,000,000	170,000,000
Repayment of loans from related parties	23, 28	**(573,200,000)**	(180,000,000)	(60,000,000)
Additional loans obtained from a related parties	23, 28	**507,400,000**	230,000,000	90,000,000
Dividends paid	24, 28	**(247,441,904)**	(318,718,930)	(246,431,807)
Payment of lease liability	14, 28	**(99,146,712)**	(68,180,005)	-
Interest paid	16, 28	**(55,850,837)**	(96,842,165)	(126,867,306)
Net Cash Used in Financing Activities		**(701,096,596)**	(337,074,433)	(601,870,542)
Effect of Exchange Rate Changes on Cash and Cash Equivalents		**(110,110)**	(1,144,050)	(180,852)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**140,899,306**	16,174,021	(60,596,053)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**193,452,523**	177,278,502	237,874,555
CASH AND CASH EQUIVALENTS AT END OF YEAR		**P 334,351,829**	P 193,452,523	P 177,278,502

Supplemental Information on Non-cash Investing and Financing Activities:

1) The University declared cash dividends totaling P192.4 million in 2021, P329.5 million in 2020, and P263.6 million in 2019, of which P55.0 million, P10.8 million, and P17.2 million, respectively, were outstanding in the year of declaration (see Notes 15 and 24).

2) During the years ended May 31, 2021, 2020, and 2019, certain subsidiaries of the University declared dividends totaling to P120.0 million, P347.5 million and P60.8 million, respectively. Related receivable for 2020 (nil in 2019 and 2021) amounting to P40.0 million is recognized as part of Receivables from related parties under Receivables account (see Notes 8 and 23).

3) In 2020, the University subscribed to the shares of a new subsdiary amounting to P331.5 million. Subscription payable as of May 31, 2021 and 2020 (nil in 2019) amounted to P76.5 million (see Note 11).

4) In 2019, the University capitalized borrowing costs amounting to P33.7 million as part of Property, Plant, and Equipment (see Notes 13 and 18).

5) As of June 1, 2019, in relation to the adoption of PFRS 16, *Leases*, the University recognized right-of-use assets and lease liabilities amounting to P1,121.2 million and P1,204.0 million, respectively. (see Note 14)

See Notes to Financial Statements.

FAR EASTERN UNIVERSITY, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2021, 2020 AND 2019
(Amounts in Philippine Pesos)

1. GENERAL INFORMATION

1.1 Organization and Operations

The Far Eastern University, Incorporated (the University or FEU) is a 93-year-old Philippine-based proprietary educational institution founded in June 1928 and registered with the Securities and Exchange Commission (SEC) on October 27, 1933. FEU became a publicly-listed corporation with the Philippine Stock Exchange (PSE) on July 11, 1986.

The University is a nonsectarian institution of learning, embracing equal opportunity, inclusivity and diversity. FEU is comprised of seven institutes as follows, under each, handling distinct courses and programs of study:

- Institute of Arts and Sciences;
- Institute of Accounts, Business and Finance;
- Institute of Education;
- Institute of Architecture and Fine Arts;
- Institute of Nursing;
- Institute of Tourism and Hotel Management; and,
- Institute of Law

FEU has been designated the Autonomous Status by the Commission on Higher Education (CHED) on July 25, 2012, with extended validity until May 31, 2023. Among the University's flagship programs are the Teacher Education and Business Administration which are recognized by the CHED as Center of Excellence and Center of Development, respectively.

On top of existing highly accredited programs of local accreditors, eight additional programs received the highest accreditation by the Philippine Association of Colleges and Universities Commission on Accreditation in 2021. Parallel International certifications by the ASEAN University Network – Quality Assurance were also granted similarly for eight programs namely Accountancy, Business Administration, Biology, Medical Technology, Psychology, Communication, Elementary and Secondary Education. While the Nursing program is accredited by the Philippine Accrediting Association of Schools, Colleges and Universities.

Further in the 2021 World's Universities with Real Impact (WURI) Ranking, FEU placed 79th in the Global Top 100 Innovative Universities. The University ascended the international rankings from last year's 91st position. Compared to other educational ranking systems, which evaluate quantitative metrics such as the number of journal publications and employment rate of graduates, WURI evaluates universities' flexible and innovative efforts to cultivate contributions to a workforce that meets the demands from industry and society at large.

The registered office address and principal place of business of the University is located at Nicanor Reyes Street, Sampaloc, Manila. The University also has a campus in Makati, which offers programs mainly in Law, Accountancy and Business Administration.

1.2 Impact of COVID-19 Pandemic on the University's Operations

During fiscal years 2019 and 2020, improved results of operations were expected as these years marked the first two years of returning of freshmen enrollees in the tertiary schools as part of the K-12 transition. However, the alarming pandemic level of coronavirus disease (COVID-19) on both a national and global scale brought about the 1st national level-mandated lockdown. Starting mid-March 2020, traditional face-to-face classes were suspended and transition to full remote learning modality became the norm. Accordingly, the anticipated growth trajectory in the student population, after K-12, in student population came to an abrupt halt.

Throughout the fiscal year 2021, the country remained under various quarantine restriction levels to curb the spread of COVID-19. The resulting economic hardship on top of health concerns impacted students and their families greatly. The University delivered academic instruction on an online basis for the entire year.

On the health front, the University invested in making the work and future study places as safe as possible. Information campaigns on safety protocols, health tracking systems and procedures, retro arranging spaces and investments in disinfection and ventilation equipment were all undertaken. Moderna vaccine supplies were also purchased for the entire workforce of the University. Vaccination with owned vaccines has commenced and this effort together with the local government unit's superb vaccination drive, will help reach the goal of top vaccination rate within the shortest possible time.

On the operational front, face-to-face classes remained suspended throughout the year. The University faced challenges including a decline in enrollment, reduced revenue from discounted assessed tuition fees, more relaxed financial accommodation to students intending to continue their education, higher receivable default rates on student who did not re-enroll for the past two semesters and certain additional costs related to health and safety of personnel.

The University recognized additional impairment losses, a three-fold increase or P173.1 million increase from last fiscal year's P56.3 million (see Note 8).

Despite the decrease of 5.9% in the University's total student population in the fiscal year 2021, last year's tuition rebates (see Note 17.3) have somehow narrowed down the decrease in educational revenues to only 1% – as core revenues were recorded at P1,904.5 million.

During the fiscal year 2021, the University did not implement any increase in tuition fees and, instead, given special credit considerations to assist students in continuing their studies to ease the effect of prevailing economic burden directly experienced by some students' household. The University approved an unprecedented volume of student promissory note availment for the school year 2020-2021.

Fortunately, the University invested heavily on this online learning platforms since 2017, as part of its strategic plans, even before the onset of the pandemic – showing the University's commitment to continuous innovation and improvement of its content and delivery of instructions to students. Despite such challenges, the University's strict cost management measures, coupled with better than prior years' returns from investments in financial assets, timing of lower interest rates on bank loans, and tax savings due to lowered income tax rates, have produced optimistic results for the current fiscal year.

Management projects that the University will continue to report positive results of operations in the future and would remain liquid to meet current obligation as they fall due. Accordingly, management has not determined material uncertainty that may cast significant doubt on the University's ability to continue as a going concern.

1.3 Approval of the Financial Statements

The financial statements of the University as of and for the year ended May 31, 2021 (including the comparative financial statements as of and for the years ended May 31, 2020 and 2019) were authorized for issue by the University's Board of Trustees (BOT) on August 17, 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The financial statements of the University have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS are adopted by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the International Accounting Standards Board, and approved by the Philippine Board of Accountancy.

The financial statements have been prepared using the measurement bases specified by PFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) Presentation of Financial Statements

The financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The University presents the statement of comprehensive income separate from the statement of profit or loss.

The University presents two comparative periods for the statement of financial position regardless whether the University has or does not have retrospective restatement of items in its financial statements, or reclassifies items in the financial statements.

(c) Functional and Presentation Currency

These financial statements are presented in Philippine pesos, the University's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the financial statements of the University are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the University operates.

2.2 Adoption of New and Amended PFRS

(a) Effective in Fiscal Year 2021 that are Relevant to the University

The University adopted for the first time the following amendments to PFRS, which are mandatorily effective for the annual periods beginning on or after January 1, 2020:

Conceptual Framework	:	Revised Conceptual Framework for Financial Reporting
PAS 1 and PAS 8 (Amendments)	:	Presentation of Financial Statements and Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material
PFRS 3 (Amendments)	:	Business Combinations – Definition of A Business
PFRS 7 and PFRS 9 (Amendments)	:	Financial Instruments: Disclosures and Financial Instruments – Interest Rate Benchmark Reform
PFRS 16 (Amendments)	:	Leases – COVID-19-Related Rent Concessions

Discussed as follows are relevant information about these pronouncements, unless otherwise noted, the application of these changes had no significant impact to the University's financial statements:

(i) *Revised Conceptual Framework for Financial Reporting.* The revised conceptual framework will be used in standard-setting decisions with immediate effect. Key changes include (a) increasing the prominence of stewardship in the objective of financial reporting, (b) reinstating prudence as a component of neutrality, (c) defining a reporting entity, which may be a legal entity, or a portion of an entity, (d) revising the definitions of an asset and a liability, (e) removing the probability threshold for recognition and adding guidance on derecognition, (f) adding guidance on different measurement basis, and, (g) stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

(ii) PAS 1 (Amendments), *Presentation of Financial Statements*, and PAS 8 (Amendments), *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material.* The amendments provide a clearer definition of 'material' in PAS 1 by including the concept of 'obscuring' material information with immaterial information as part of the new definition, and clarifying the assessment threshold (i.e., misstatement of information is material if it could reasonably be expected to influence decisions made by primary users, which consider the characteristic of those users as well as the entity's own circumstances). The definition of material in PAS 8 has been accordingly replaced by reference to the new definition in PAS 1. In addition, amendment has also been made in other standards that contain definition of material or refer to the term 'material' to ensure consistency.

(iii) PFRS 3 (Amendments), *Business Combinations – Definition of a Business.* The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. Also, the amendments will likely result in more acquisitions being accounted for as asset acquisitions.

(iv) PFRS 7 (Amendments), *Financial Instruments: Disclosures*, and PFRS 9 (Amendments), *Financial Instruments – Interest Rate Benchmark Reform.* The amendments clarify that an entity would continue to apply certain hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform.

(v) PFRS 16 (Amendments), *Leases – COVID-19-Related Rent Concessions.* The amendments permit lessees, as a practical expedient, not to assess whether particular rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications. By applying the practical expedient, the University is no longer required to remeasure the lease liabilities to reflect the revised consideration using a revised discount rate. Instead, the effect of the changes in the lease liabilities is reflected in profit or loss in the period on which the event or condition that triggers the rent concession occurs. The amount of reduction in lease liabilities that was recognized in profit or loss amounted to P9.5 million and is presented part of Reversal of liabilities under the Other Income – Net account in the 2021 statement of profit or loss (see Note 20).

(b) Effective Subsequent to Fiscal Year 2021 but not Adopted Early

There are amendments to existing standards effective for annual periods subsequent to fiscal year 2021, which are adopted by the FRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, unless otherwise stated, none of these are expected to have significant impact on the University's financial statements.

(i) PFRS 16 (Amendments), *Leases – COVID-19-Related Rent Concessions beyond 30 June 2021* (effective from April 1, 2021). The amendment extends for one year the use of practical expedient, not to assess whether rent concessions reducing payments up until June 30, 2022 occurring as a direct consequence of the COVID-19 pandemic are lease modification and instead to account for those rent concessions as if they are not lease modifications.

(ii) PFRS 3 (Amendments), *Business Combination – Reference to the Conceptual Framework* (effective from January 1, 2022). The amendments update an outdated reference to the Conceptual Framework in PFRS 3 without significantly changing the requirements in the standard.

(iii) PAS 16 (Amendments), *Property, Plant and Equipment – Proceeds Before Intended Use* (effective from January 1, 2022). The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

(iv) PAS 37 (Amendments), *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract* (effective from January 1, 2022). The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor or materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

(v) Annual Improvements to PFRS 2018-2020 Cycle. Among the improvements, the following amendments, which are effective from January 1, 2022, are relevant to the University:

a. PFRS 9 (Amendments), *Financial Instruments – Fees in the '10 per cent' Test for Derecognition of Liabilities.* The improvements clarify the fees that a company includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

b. Illustrative Examples Accompanying PFRS 16, *Leases – Lease Incentives.* The improvement merely removes potential for confusion regarding lease incentives.

(vi) PAS 1 (Amendments), *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current* (effective from January 1, 2023). The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

(vii) PFRS 10 (Amendments), *Consolidated Financial Statements*, and PAS 28 (Amendments), *Investments in Associates and Joint Ventures – Sale or Contribution of Assets Between an Investor and its Associates or Joint Venture* (effective date deferred indefinitely). The amendments to PFRS 10 require full recognition in the investor's financial statements of gains or losses arising on the sale or contribution of assets that constitute a business as defined in PFRS 3 between an investor and its associate or joint venture. Accordingly, the partial recognition of gains or losses (i.e., to the extent of the unrelated investor's interests in an associate or joint venture) only applies to those sale of contribution of assets that do not constitute a business. Corresponding amendments have been made to PAS 28 to reflect these changes. In addition, PAS 28 has been amended to clarify that when determining whether assets that are sold or contributed constitute a business, an entity shall consider whether the sale or contribution of those assets is part of multiple arrangements that should be accounted for as a single transaction.

2.3 Separate Financial Statements and Investments in Subsidiaries

These financial statements are prepared as the University's separate financial statements. The University also prepares consolidated financial statements as required under PFRS and is available for public use.

Subsidiaries are entities over which the University has control. The University controls an entity when (i) it has power over the entity, (ii) it is exposed, or has rights to, variable returns from its involvement with the entity, and, (iii) it has the ability to affect those returns through its power over the entity.

The University reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of controls indicated above.

The University's investments in subsidiaries are accounted for in these separate financial statements at cost, less any impairment loss (see Note 2.12).

2.4 Financial Instruments

(a) Financial Assets

Financial assets are recognized when the University becomes a party to the contractual terms of the financial instrument. For purposes of classifying financial assets, an instrument is considered as an equity instrument if it is non-derivative and meets the definition of equity for the issuer in accordance with the criteria of PAS 32, *Financial Instruments: Presentation.* All other non-derivative financial instruments are treated as debt instruments.

(i) Classification, Measurement and Reclassification of Financial Assets

The classification and measurement of financial assets is driven by the University's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The classification, measurement and reclassification of financial assets are as follows.

Financial Assets at Amortized Cost

Financial assets are measured at amortized cost if both of the following conditions are met:

- the asset is held within the University's business model with the objective to hold financial assets to collect contractual cash flows ("held to collect"); and,

- the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely for payment of principal and interest (SPPI) on the principal amount outstanding.

Except for receivables that do not contain a significant financing component and are measured at the transaction price in accordance with PFRS 15, *Revenue on Contracts with Customers*, all financial assets meeting these criteria are measured initially at fair value plus transaction costs. These are subsequently measured at amortized cost using the effective interest method, less allowance for expected credit loss (ECL).

Where the business model is to hold assets to collect contractual cash flows, the University assesses whether the financial instruments' cash flows represent SPPI. In making this assessment, the University considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e., interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement [see Note 3.1(e)]. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss (FVTPL).

The University's financial assets at amortized cost are presented in the statement of financial position as Cash and Cash Equivalents, Receivables (excluding advances to employees), Short-term investments (under Prepayments and Other Current Assets), Other Non-Current Assets, and Investment Securities at Amortized Cost.

Financial assets measured at amortized cost are included in current assets, except for those with maturities greater than 12 months after the end of reporting period, which are classified as non-current assets.

In the presentation of cash flows, cash and cash equivalents comprise accounts with original maturities of three months or less, including cash. These generally include cash on hand, cash in bank, and short-term deposits.

Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)

The University accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective is to hold to collect the associated cash flows and sell; and,

- the contractual terms of the financial assets give rise to cash flows that are SPPI on the principal amount outstanding.

At initial recognition, the University can make an irrevocable election (on an instrument-by-instrument basis) to designate equity investments as at FVOCI; however, such designation is not permitted if the equity investment is held by the University for trading or as mandatorily required to be classified as FVTPL. The University has designated certain equity instruments as at FVOCI on initial recognition.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value, with no deduction for any disposal costs. Gains and losses arising from changes in fair value, including the foreign exchange component for nonmonetary items, are recognized in other comprehensive income, net of any effects arising from income taxes, and are reported as part of Revaluation Reserves account in equity. When the asset is disposed of, the cumulative gain or loss previously recognized in the Revaluation Reserves account is not reclassified to profit or loss but is reclassified directly to Retained Earnings, except for those debt securities classified as at FVOCI wherein fair value changes are recycled back to profit or loss.

Any dividends earned on holding these equity instruments are recognized in profit or loss as part of other investment income under Finance Income account, when the University's right to receive dividends is established, it is probable that the economic benefits associated with the dividend will flow to the University, and the amount of the dividend can be measured reliably, unless the dividends clearly represent recovery of a part of the cost of the investment.

Financial Assets at FVTPL

Financial assets that are held within a different business model other than "hold to collect" or "hold to collect and sell" are categorized at FVTPL. Further, irrespective of business model, financial assets whose contractual cash flows are not SPPI are accounted for at FVTPL. Also, equity securities are classified as financial assets at FVTPL, unless the University at initial recognition designates an equity investment that is not held for trading as at FVOCI. The University's financial assets at FVTPL include equity securities and investments in Unit Investment Trust Funds (UITF) which are held for trading purposes or are designated as at FVTPL.

Financial assets at FVTPL are measured at fair value with gains or losses recognized in profit or loss as part of other investment income under Finance Income account in the statement of profit or loss. Related transaction costs are recognized directly as expense in profit or loss. The fair values of these financial assets are determined by reference to active market transactions or using valuation technique when no active market exists.

Dividend income is reported as part of other investment income under Finance Income account in the statement of profit or loss.

Interest income on debt financial assets measured at amortized cost and FVOCI is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The University calculates interest income by applying the effective interest rate to the gross carrying amount of the financial assets, except for those that are purchased or originated credit-impaired financial assets (POCI assets) or those subsequently identified as credit-impaired.

For financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the net carrying amount of the financial assets (after deduction of the loss allowance). If the asset is no longer credit-impaired, the calculation of interest income reverts to gross basis. For POCI assets, interest income is calculated by applying a credit-adjusted effective interest rate to the amortized cost of the asset. The calculation of interest income does not revert to a gross basis even if the credit risk of the POCI asset subsequently improves.

Interest income earned is recognized in the statement of profit or loss as part of Finance Income.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

The University can only reclassify financial assets if the objective of its business model for managing those financial assets changes. Accordingly, the University is required to reclassify financial assets: (i) from amortized cost to FVTPL, if the objective of the business model changes so that the amortized cost criteria are no longer met; and, (ii) from FVTPL to amortized cost, if the objective of the business model changes so that the amortized cost criteria start to be met and the characteristic of the instrument's contractual cash flows meet the amortized cost criteria.

A change in the objective of the University's business model will take effect only at the beginning of the next reporting period following the change in the business model.

(ii) Impairment of Financial Assets

The University assesses its ECL on a forward-looking basis associated with its receivables and investment securities carried at amortized cost and debt instruments at FVOCI. No impairment loss is recognized on equity investments. Recognition of credit losses or impairment is no longer dependent on the University's identification of a credit loss event. Instead, the University considers a broader range of information in assessing credit risk and measuring the ECL, including past events, current conditions, reasonable and supportable forecasts that affect collectability of the future cash flows of the financial assets.

The University applies the simplified approach in measuring ECL, which uses a lifetime expected loss allowance for all tuition and other school fee receivables. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets.

To calculate the ECL, the University uses its historical experience, external indicators, and forward-looking information (FLI) to calculate the ECL using a provision matrix. The University also assesses impairment of tuition and other school fee receivables on a collective basis as they possess shared credit risk characteristics and have been grouped based on the number of semesters past due [see Note 4.2(b)].

For debt instruments measured at FVOCI and at amortized cost, the allowance for credit losses is based on the ECL associated with the probability of default of a financial instrument in the next 12 months, unless there has been a significant increase in credit risk since the origination of the financial asset, in such case, a lifetime ECL for a POCI asset, the allowance for credit losses is based on the change in the ECL over the life of the asset. The University has recognized a loss allowance for such losses at each reporting date.

The University's definition of credit risk and information on how credit risk is mitigated by the University are disclosed in Note 4.2.

The key elements used in the calculation of ECL are as follows:

- *Probability of Default (PD)* – it is an estimate of likelihood of a borrower defaulting on its financial obligation over a given time horizon, either over the next 12 months (12-month PD) or over the remaining lifetime (lifetime PD) of the obligation.

- *Loss Given Default* (LGD) – it is an estimate of loss arising in case where a default occurs at a given time (either over the next 12 months or 12-month LGD), or over the remaining lifetime (lifetime LGD). It is based on the difference between the contractual cash flows of a financial instrument due from a counterparty and those that the University would expect to receive, including the realization of any collateral, if any. It is presented as a percentage loss per unit of exposure at the time of default.

- *Exposure at Default (EAD)* – it represents the gross carrying amount of the financial instruments subject to impairment calculation; hence, this is the amount that the University expects to be owed at the time of default over the next 12 months (12-month EAD) or over the remaining lifetime (lifetime EAD). In case of a loan commitment, the University shall include the undrawn balance (up to the current contractual limit) at the time of default should it occur.

The measurement of the ECL reflects: (i) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; (ii) the time value of money; and, (iii) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

(iii) Derecognition of Financial Assets

The financial assets (or where applicable, a part of a financial asset or part of a group of financial assets) are derecognized when the contractual rights to receive cash flows from the financial instruments expire, or when the financial assets and all substantial risks and rewards of ownership have been transferred to another party. If the University neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the University recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the University retains substantially all the risks and rewards of ownership of a transferred financial asset, the University continues to recognize the financial asset and also recognizes an associated liability for the proceeds received.

(b) Financial Liabilities

Financial liabilities, which include interest-bearing loans, trade and other payables [except tax-related liabilities and National Service Training Program (NSTP) trust fund], noncurrent lease liabilities, advances from a related party, derivative liability and subscription payable, are recognized when the University becomes a party to the contractual terms of the instrument.

Interest-bearing loans are availed for capital expenditures and to provide general corporate funding requirements. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are charged to profit or loss on an accrual basis using the effective interest method and are added to the carrying amount of the instrument to the extent that these are not settled in the period in which they arise.

Trade and other payables account includes deposits payable which represents funds collected from students or entities and are held by the University. The University has no control over its use and disburses the funds only upon instruction of the student or entity that made the deposit. This account also includes Trust funds which represent restricted funds of the University that are intended for student's NSTP and other specific educational purposes [see Note 2.9(a)]. The University administers the use of these funds based on the specific purpose such funds are identified with.

Financial liabilities are recognized initially at their fair values and subsequently measured at amortized cost, except derivative liability, which is consistently measured at fair value, using the effective interest method for those with maturities beyond one year, less settlement payments. The University is no longer a party to foreign cross-currency swaps since 2020.

Dividend distributions to shareholders are recognized as financial liabilities upon declaration by the University.

Financial liabilities are classified as current liabilities if payment is due to be settled within one year or less after the end of the reporting period, or the University does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Otherwise, these are presented as noncurrent liabilities.

Financial liabilities are derecognized from the statement of financial position only when the obligations are extinguished either through discharge, cancellation, or expiration. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable is recognized in profit or loss.

(c) *Offsetting Financial Instruments*

Financial assets and financial liabilities are offset and the resulting net amount, considered as a single financial asset or financial liability, is reported in the statement of financial position when there is a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. The right of set-off must be available at the end of the reporting period, that is, it is not contingent on future event. It must also be enforceable in the normal course of business, in the event of default, and in the event of insolvency or bankruptcy; and, must be legally enforceable for both entity and all counterparties to the financial instruments.

2.5 Prepayments and Other Assets

Prepayments and other current assets pertain to other resources controlled by the University as a result of past events. They are recognized in the financial statements when it is probable that the future economic benefits will flow to the University and the asset has a cost or value that can be measured reliably.

Other recognized assets of similar nature, where future economic benefits are expected to flow to the University beyond one year after the end of the reporting period or in the normal operating cycle of the business, if longer, are classified as noncurrent assets.

Prepayment and other current assets of the University include inventoriable such as books and merchandise. These are valued at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method. The cost of these saleable inventories includes all costs directly attributable to acquisition, such as the purchase price, import duties, if any, and other taxes that are not subsequently recoverable from taxing authorities.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

2.6 Property and Equipment

Except for land which is stated at cost less any impairment in value, property and equipment are stated at cost less accumulated depreciation, amortization, and impairment in value, if any.

The cost of an asset comprises its purchase price and directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, major improvements and renewals are capitalized; expenditures for repairs and maintenance are charged to expense as incurred.

Depreciation and amortization are computed on a straight-line basis over the estimated useful lives of the assets as follows:

Building and improvements	20 years
Furniture and equipment	3 - 6 years
Miscellaneous equipment	5 years

Leasehold improvements are amortized over the estimated useful lives of 20 years or the remaining term of the lease, whichever is shorter.

Construction in progress represents properties under construction and is stated at cost. This includes cost of construction, borrowing costs, if any (see Note 2.14), and other direct costs. The account is not depreciated until such time that the assets are completed and available for use.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see Note 2.12).

The residual values estimated useful lives and method of depreciation and amortization of property and equipment are reviewed and adjusted, if appropriate, at the end of each reporting period.

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

An item of property and equipment, including the related accumulated depreciation, amortization, and impairment losses, if any, is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the year the item is derecognized.

2.7 Investment Properties

Investment properties are measured initially at acquisition cost. Subsequently, investment properties, except land, are carried at cost less accumulated depreciation and impairment in value, if any. Depreciation of investment properties, which consist of building and improvements, is computed using the straight-line method over its estimated useful life of 20 years. Land is carried at cost less impairment in value, if any.

When investment properties include construction in progress representing properties under construction such is stated at cost. Cost includes cost of construction, applicable borrowing costs (see Note 2.14) and other direct costs of construction. The account is not depreciated until such time that the assets are completed and available for use.

Transfers are made to and from investment property when, and only when, there is a change in use, evidenced by the end or commencement of owner-managed, commencement of an operating lease to another party, by the end of construction or development, or commencement of development with a view to sell.

For the transfer from investment property to owner-occupied property, the cost of property for subsequent accounting is the carrying value at the date of change in use.

If an owner-occupied property becomes an investment property, the University accounts for such property in accordance with the policy stated under Property and Equipment up to the date of change in use (see Note 2.6).

Investment property is derecognized upon disposal or when permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in profit or loss in the year of retirement or disposal.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see Note 2.12).

2.8 Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources, and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including the risks and uncertainties associated with the present obligation. Where there are several similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. When time value of money is material, long-term provisions are discounted to their present values using a pretax rate that reflects market assessments and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In those cases, where the possible outflow of economic resource because of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements. Similarly, possible inflows of economic benefits to the University that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements. On the other hand, any reimbursement that the University can be certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

2.9 Revenue and Expense Recognition

Revenue arises mainly from: (i) educational and related activities such as tuition and other school fees, income from sale of books and other merchandise, rental income from school buildings and food stalls; and (ii) investment-related transactions such as, investment income, dividend income from subsidiaries, interest income and others.

The management determined that the revenues arising from educational and other related activities are within the scope of PFRS 15, while rental income is covered by PFRS 16 (see Note 2.10). Investment-related revenues are subject to the provisions of PFRS 9 (see Note 2.4).

The University follows a five-step process, in revenue recognition:

1. Identifying the contract with a customer;
2. Identifying the performance obligation;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and,
5. Recognizing revenue when/as performance obligations are satisfied.

The University determines whether a contract with customer exists by evaluating whether the following gating criteria are present:

(a) the parties to the contract have approved the contract either in writing, orally or in accordance with other customary business practices;
(b) each party's rights regarding the goods to be transferred or performed can be identified;
(c) the payment terms for the goods to be transferred or performed can be identified;
(d) the contract has commercial substance (i.e., the risk, timing or amount of the future cash flows is expected to change as a result of the contract); and,
(e) collection of the consideration in exchange of the goods and services is probable.

Revenue is recognized only when (or as) the University satisfies a performance obligation by transferring control of the promised goods or services to a customer. The transfer of control can occur over time or at a point in time.

A performance obligation is satisfied at a point in time unless it meets one of the following criteria, in which case it is satisfied over time:

(a) the customer simultaneously receives and consumes the benefits provided by the University's performance as the University performs;
(b) the University's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; and,
(c) the University's performance does not create an asset with an alternative use to the University and the entity has an enforceable right to payment for performance completed to date.

The University enters into transactions involving tuition fees and other school fees, and other school-related activities such as sale of books and other merchandise. There are no significant judgments used in determining the transaction price and the amount allocated to the performance obligations. Developing the knowledge and enhancing the abilities of the students represent promises to transfer a series of distinct goods that are substantially the same and that have the same pattern of transfer to the customer; therefore, the services rendered represent one performance obligation that is satisfied over time. The transaction price of the single performance obligation is recognized as revenue as the performance obligation is satisfied, which is usually throughout the school year or the semestral period, whichever is applicable. With respect to the sale of books and other merchandise, the obligation is satisfied when the goods, are delivered to the customers. Hence, revenue is recognized at a point in time.

In addition, the following specific recognition criteria must also be met before revenue is recognized [significant judgments in determining the timing of satisfaction of the following performance obligations are disclosed in Note 3.1(c)]:

(a) *Educational revenues* – Revenue is recognized in profit or loss over the corresponding school term. Tuition fee received in advance and applicable to a school term after the reporting period is not recognized in profit or loss until the next reporting period and is presented as part of Unearned Tuition Fees account in the statement of financial position. Payment for tuition fees is due upon enrollment, which is before the school term starts, and can be made either in full payment or installment.

NSTP trust fund are recognized as revenue upon fulfillment of conditions attached to the fund and/or extent that the related expenses have been incurred. Restricted funds for which restrictions and conditions have not yet been met are classified as part of Other funds in the Trade and Other Payables account in the statement of financial position [see Note 2.4(b)].

(b) *Sale of books and other educational-related merchandise* – Revenue is recognized at a point in time when the control of the goods has been transferred to the buyer. This is generally when the customer has acknowledged delivery of goods. Payment for the transaction price is due immediately at the point the customer purchases the goods.

(c) *Other fees* – This pertains to but is not limited to student or alumni request for transcript, diploma, identification cards and certifications which fees are collected in cash and accordingly issued an official receipt and shortly thereafter the requested services are fulfilled. Revenue is recognized at the point the transaction has occurred.

Cost and expenses are recognized in profit or loss upon utilization of goods or services or at the date such cost and expenses are incurred. All finance costs are reported in profit or loss on an accrual basis, except capitalized borrowing costs which are included as part of the cost of the related qualifying asset (see Note 2.14).

2.10 Leases

The University accounts for its leases as follows:

(a) *University as Lessee*

For any new contracts entered into, the University considers whether a contract is, or contains, a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. To apply this definition, the University assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the University;

- the University has the right to obtain substantially all the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and,

- the University has the right to direct the use of the identified asset throughout the period of use. The University assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At lease commencement date, the University recognizes a right-of-use asset (ROUA) and a lease liability. The ROUA is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the University, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). Subsequently, the University depreciates the ROUA on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the ROUA or the end of the lease term. The University also assesses the ROUA for impairment when such indicators exist (see Note 2.12).

On the other hand, the University measures the lease liability at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily available or the University's incremental borrowing rate. Lease payments include fixed payments (including in-substance fixed) less lease incentives receivable, if any, variable lease payments based on an index or rate, amounts expected to be payable under a residual value guarantee, and payments arising from options (either renewal or termination) reasonably certain to be exercised. After initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the ROUA, or profit and loss if the ROUA is already reduced to zero.

The University has elected to account for leases of low-value assets using the practical expedients. Instead of recognizing a ROUA and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

In the statement of financial position, ROUA and current portion of lease liabilities is presented as part of Property and Equipment and Trade and Other Payables, respectively. Conversely, the noncurrent portion of lease liabilities is separately presented in the statement of financial position.

(b) University as Lessor

The University classifies the sublease by reference to the ROUA arising from the principal lease. The University classifies the sublease as an operating lease and retains the lease liability and ROUA relating to the principal lease in the statement of financial position. The University recognizes a depreciation charge for the ROUA and interest on the lease liability and recognizes lease income from the sublease.

Leases which do not transfer to the lessee substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income from operating leases is recognized in profit or loss on a straight-line basis over the lease term and is presented as part of Other Operating Income in the statement of profit or loss.

The University determines whether an arrangement is, or contains, a lease based on the substance of the arrangement. It assesses whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

2.11 Foreign Currency Transactions and Translation

The accounting records of the University are maintained in Philippine pesos. Foreign currency transactions during the year are translated into the functional currency at exchange rates which approximate those prevailing on transaction dates.

Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Changes in the fair value of monetary financial assets denominated in foreign currency classified as Financial Assets at FVOCI are analyzed between translation differences resulting from changes in the amortized cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortized cost are recognized in profit or loss, and other changes in the carrying amount are recognized in other comprehensive income.

2.12 Impairment of Non-financial Assets

The University's investments in subsidiaries, property and equipment (including ROUA), investment properties and other nonfinancial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment, and some are tested at cash-generating unit level. An impairment loss is recognized for the amount by which the assets or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value reflecting market conditions less costs to sell, and value in use, based on an internal evaluation of discounted cash flows. In determining value in use, management estimates the expected future cash flows from each cash-generating unit and determines the suitable interest rate to calculate the present value of those cash flows.

The data used for impairment testing procedures are directly linked to the University's latest approved budget, adjusted as necessary to exclude the effects of asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risk factors. Impairment loss is charged pro-rata to the other assets in the cash-generating unit.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment loss is reversed if the assets or cash generating unit's recoverable amount exceeds its carrying amount.

2.13 Employee Benefits

The University provides post-employment benefits to employees through a defined contribution plan subject to a minimum guarantee required by Republic Act (RA) 7641, *The Retirement Pay Law*, which is accounted for as a defined benefit plan. Such application of the minimum guarantee prescribed by RA 7641 is based on the interpretations issued by the Philippine Interpretations Committee (PIC) in its Question and Answer on PAS 19 – *Accounting for Employee Benefits Under a Defined Benefit Contribution Plan Subject to the Requirements of RA 7641*.

(a) Post-employment Benefits

The University maintains a defined contribution plan that covers all regular full-time employees. Under the plan, the monthly employer-share-contribution is based on a fixed percentage of employees' monthly basic pay. FEU's retirement contribution is generally higher than the RA 7641 defined benefit minimum guarantee (i.e., 75% of the monthly salary of an employee for every credited year of service) at normal retirement age.

For defined benefit minimum guarantee, the liability is determined based on the present value of the excess of the projected defined benefit obligation over the projected defined contribution obligation at the end of the reporting period. The defined benefit obligation is annually calculated by a qualified independent actuary using the projected unit credit method. The University determines the net interest expense (income) on the defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period.

The defined contribution is measured at the fair value of the defined contribution assets upon which the defined contribution benefits depend, with an adjustment for margin on asset returns.

Accordingly, the University recognizes its post-employment benefit obligation based on the higher of the defined benefit obligation relating to the minimum guarantee as required by RA 7641 and the obligation arising from the defined contribution plan.

(b) *Termination Benefits*

Termination benefits are payable when employment is terminated by the University before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The University recognizes termination benefits when it is demonstrably committed to either: (a) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or, (b) providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the reporting period are discounted to their present value.

(c) *Bonuses*

The University recognizes a liability and an expense for bonuses. The University recognizes a provision where it is contractually obliged to pay the benefits, or where there is a past practice that has created a constructive obligation.

(d) *Compensated Absences*

Compensated absences are recognized for the number of paid leave days (including holiday entitlement) remaining at the end of the reporting period. These are included in the Trade and Other Payables account in the statement of financial position at the undiscounted amount that the University expects to pay because of the unused entitlement.

2.14 Borrowing Costs

Borrowing costs are recognized as expenses in the period in which they are incurred, except to the extent that they are capitalized. Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset (i.e., an asset that takes a substantial period to get ready for its intended use or sale) are capitalized as part of cost of such asset. The capitalization of borrowing costs begins when expenditures for the asset are being incurred (including borrowing cost) and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalization ceases when major activities on the qualifying assets are substantially completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

2.15 Income Taxes

Tax expense recognized in profit or loss comprises the sum of current tax and deferred tax not recognized in other comprehensive income or directly in equity, if any.

Current tax assets or current tax liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the end of the reporting period. They are calculated using the tax rates and tax laws applicable to the periods to which they relate, based on the taxable profit for the year.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, provided such tax rates have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is accounted for using the liability method on temporary differences at the end of the reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Under the liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carryforward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the temporary differences can be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will be available to allow such deferred tax assets to be recovered.

Deferred tax assets and deferred tax liabilities are offset if the University has a legally enforceable right to set-off current tax assets against current tax liabilities and the deferred taxes relate to the same fiscal authority.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

2.16 Related Party Transactions and Relationships

Related party transactions are transfers of resources, services or obligations between the University and its related parties, regardless of whether price is charged.

Parties are related if one party has the ability to control the other party or exercise significant influence in making financial and operating decisions. These parties include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the University; (b) associates; (c) individuals owning, directly or indirectly, an interest in the voting power of the University that gives them significant influence over the University and close members of the family of any such individual; and, (d) certain funded retirement plans administered through a Retirement Board.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form. The University established policies and procedures on related party transactions in accordance with the regulations of the SEC. All material related party transactions, which exceed the established materiality thresholds, must undergo prior internal review from Audit Committee before endorsing for approval of the BOT. However, the Chief Executive Officer, President, or any member of the Audit Committee may request that a related party transaction, regardless of amount, be reviewed by the Audit Committee if such related party transaction meet any of the qualitative factors affecting materiality.

All individual material related party transactions shall be approved by at least two-thirds (2/3) vote of the BOT, with at least a majority of the independent trustees voting to approve such transactions. In case that a majority of the independent trustees' vote is not secured, the material related party transaction may be ratified by the vote of the stockholders representing at least two thirds (2/3) of the outstanding capital stock. For aggregate related party transactions within a twelve (12) month period that breaches the materiality threshold, the same board approval would be required for the transaction/s that meets and exceeds the materiality threshold covering the same related party.

2.17 Equity

Capital stock represents the nominal value of common shares that have been issued.

Stock dividends distributable account is a stockholders' equity (paid-in capital) account carried at par or stated value of the total shares distributable until the stock is issued to shareholders.

Treasury stocks are stated at the cost of reacquiring such shares and are deducted from equity attributable to the University's equity holders until the shares are cancelled, reissued, retired or disposed of.

Revaluation reserves comprise accumulated gains or losses arising from the revaluation of Financial Assets at FVOCI.

Retained earnings represent all current and prior period results of operations as reported in the statement of profit or loss, reduced by the amount of dividend declared. The appropriated portion represents the amount which is not available for distribution.

2.18 Earnings Per Share

Basic earnings per share is determined by dividing net income by the weighted average number of shares subscribed and issued during the year after giving retroactive effect to stock dividend declared, stock split and reverse stock split during the current year, if any.

Diluted earnings per share is computed by adjusting the weighted average number of ordinary shares outstanding to assume conversion of potential dilutive shares. The University does not have potential dilutive shares outstanding that would require disclosure of diluted earnings per share in the statement of profit or loss.

2.19 Events After the End of the Reporting Period

Any post-year-end event that provides additional information about the University's financial position at the end of the reporting period (adjusting event) is reflected in the financial statements. Post year-end events that are not adjusting events are disclosed when material to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the University's financial statements in accordance with PFRS requires management to make judgments and estimates that affect amounts reported in the financial statements and related notes. 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. Actual results may ultimately vary from these estimates.

3.1 Critical Management Judgments in Applying Accounting Policies

In the process of applying the University's accounting policies, management has made judgments, apart from those involving estimation. The following judgments have the most significant effect on the amounts recognized in the financial statements:

(a) Determination of Lease Term of Contracts with Renewal and Termination Options (2021 and 2020)

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option. Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated.

For leases of university buildings, the factors that are normally the most relevant are (a) if there are significant penalties should the University preterminate the contract, and (b) if any leasehold improvements are expected to have a significant remaining value, the University is reasonably certain to extend and not to terminate the lease contract. Otherwise, the University considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The University availed the extension option for leases of university buildings; thus, the renewal period was included as part of the lease term for such leases.

The lease term is reassessed if an option is exercised or not exercised, or the University becomes obliged to exercise or not exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the University.

(b) Distinction between Operating and Finance Lease (2019)

The University has entered into various lease agreements as either a lessor or a lessee. Critical judgment was exercised by management to distinguish each lease agreement as either an operating or finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities. All the University's 2019 lease agreements are determined to be operating leases.

(c) Determination of Timing of Satisfaction of Performance Obligations

The management determines that its revenue from tuition fees shall be recognized over time of instruction delivery. In making its judgment, the University considers the timing of receipt and consumption of benefits provided by the University to the students. This demonstrates that the students simultaneously receive and consume the benefits as the University performs its obligation.

With respect to its revenues from sale of books, other merchandise, and various other school-related fees, the management deems that revenues shall be recognized at a point in time as control over the goods, particularly the books, merchandise, and requested document, is transferred to the customers upon delivery.

(d) Determination of ECL on Tuition and Other Fee Receivables

The University uses a provision matrix to calculate ECL for assessed tuition fee receivables. The loss rates are based on actual write-off of student accounts or those which are outstanding for two semesters and have not enrolled for the succeeding term [see Note 4.2(b)].

The University's management intends to recalibrate on an annual basis the matrix to consider the historical credit loss experience with forward-looking information. Details about the ECL on the University's tuition fees and other receivables are disclosed in Notes 4.2 and 8.

(e) Application of ECL to Investment Securities at Amortized Cost and at FVOCI

The University uses a general approach to calculate ECL for all debt instruments at FVOCI and amortized cost. The allowance for credit loss is based on the ECLs associated with the probability of default of a financial instrument in the next 12 months, unless there has been a significant increase in credit risk since origination of the financial instrument, in such case, a lifetime ECL for the instrument is recognized.

The University has established a policy to perform an assessment, at the end of each reporting period, whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

(f) *Evaluation of Business Model Applied in Managing Financial Instruments*

The University manages its financial assets based on business models that maintain adequate level of financial assets to match its expected cash outflows.

Upon adoption of PFRS 9, the University developed business models which reflect how it manages its portfolio of financial instruments. The University's business models need not be assessed at entity level but shall be applied at the level of a portfolio of financial instruments and not on an instrument-by-instrument basis (i.e., not based on intention or specific characteristics of individual financial instrument).

In determining the classification of a financial instrument under PFRS 9, the University evaluates in which business model a financial instrument, or a portfolio of financial instruments belong taking into consideration the objectives of each business model established by the University as those relate to the University's investment or trading strategies.

(g) *Testing the Cash Flow Characteristics of Financial Assets and Continuing Evaluation of the Business Model*

In determining the classification of financial assets under PFRS 9, the University assesses whether the contractual terms of the financial assets give rise on specified dates to cash flows that are SPPI on the principal outstanding, with interest representing time value of money and credit risk associated with the principal amount outstanding. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual term that changes the timing or amount of cash flows (unless it is a variable interest rate that represents time value of money and credit risk) does not meet the amortized cost criteria.

In cases where the relationship between the passage of time and the interest rate of the financial instrument may be imperfect, known as modified time value of money, the University assesses the modified time value of money feature to determine whether the financial instrument still meets the SPPI criterion. The objective of the assessment is to determine how different the undiscounted contractual cash flows could be from the undiscounted cash flows that would arise if the time value of money element was not modified (the benchmark cash flows). If the resulting difference is significant, the SPPI criterion is not met. In view of this, the University considers the effect of the modified time value of money element in each reporting period and cumulatively over the life of the financial instrument.

In addition, PFRS 9 emphasizes that if more than an infrequent sale is made from a portfolio of financial assets carried at amortized cost, an entity should assess whether and how such sales are consistent with the objective of collecting contractual cash flows. In making this judgment, the University considers certain circumstances documented in its business model policy to assess that an increase in the frequency or value of sales of financial instruments in a particular period is not necessarily inconsistent with a held-to-collect business model if the University can explain the reasons for those sales and why those sales do not reflect a change in the University's objective for the business model.

(h) Distinction between Investment Properties and Owner-managed Properties

The University determines whether a property qualifies as investment property. In making its judgment, the University considers whether the property generates cash flows largely independent of the other assets held by an entity.

Owner-managed properties generate cash flows that are attributable not only to the property but also to other assets used in the process of providing educational services. Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for use in the supply of services or for administrative purposes. If a portion can be sold separately (or leased out separately), the University accounts for such portion separately. If the portion cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the supply of services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The University considers each property separately in making its judgment.

(i) Determination of Control of Entities in which the University Holds Less than 50%

Management considers that the University has de facto control of FRC even though it holds less than 50% of the ordinary shares and voting rights in the latter. Although the University holds less than 50% of the voting shares of stock of FRC, it has control over FRC because it is exposed or has right to variable returns from its involvement with FRC and it has the ability to affect those returns through its power over FRC. It is able to do this primarily because the University has the power to cast the majority of votes at meetings of the BOD and elect officers of FRC. Accordingly, FRC is recognized as a subsidiary of the University (see Note 11).

(j) Recognition of Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. Accounting policies on recognition and disclosure of provisions and contingencies are discussed in Note 2.8 and relevant disclosures are presented in Note 26.

3.2 Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

(a) Determination of Appropriate Discount Rate in Measuring Lease Liabilities (2021 and 2020)

The University measures its lease liabilities at present value of the unpaid lease payments at the start date of the lease contract. The lease payments were discounted using a reasonable rate deemed by management equal to the University's incremental borrowing rate. In determining a reasonable discount rate, management considers the term of the leases, the underlying asset, and the economic environment. Actual results, however, may vary due to changes in estimates brought about by changes in such factors.

(b) *Estimating Allowance for Impairment of Financial Instruments*

The measurement of the allowance for ECL on financial assets at FVOCI and investment securities at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of counterparty defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 4.2.

The University uses a provision matrix to calculate ECL for its trade receivables which are based on the University's historical observed default rates. The University's management recalibrate on an annual basis to consider the changes in historical credit loss experience with forward-looking information.

(c) *Determining Fair Value Measurement of Financial Assets*

The University carries certain financial assets at fair value, which is subject to an annual assessment. In cases where active market quotes are not available, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net base of the instrument. The changes in fair value would differ if the University utilized different valuation methods and assumptions. Any change in fair value of these financial assets would affect profit or loss and equity.

The carrying values of the University's Financial Assets at FVTPL and at FVOCI and the amounts of fair value changes recognized during the years on those assets are disclosed in Note 9 while fair value gains or losses on cross-currency swap agreements are presented as Fair value gain or loss on derivative liability under Finance Income or Finance Costs in the statement of profit or loss (see Note 19).

(d) *Estimating Useful Lives of Investment Properties and Property and Equipment*

The University estimates the useful lives of investment properties and property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of these assets 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 assets. The carrying amounts of investment properties and property and equipment (including ROUA) are presented in Notes 12 and 13, respectively. Based on management's assessment as at May 31, 2021, 2020 and 2019, there is no change in the estimated useful lives of the assets during those periods. Actual results, however, may vary due to changes in factors mentioned above.

(e) *Determining Fair Value of Investment Properties*

Investment property is measured using the cost model. The fair value disclosed in Note 12 is determined by the University based on the appraisal report prepared by independent appraisers using the relevant valuation methodology as discussed in Note 6.4.

For investment properties with appraisal conducted prior to the end of the current reporting period, management determines whether there are significant circumstances during the intervening period that may require adjustments or changes in the disclosure of fair value of those properties.

A significant change in these elements may affect the prices and the value of the assets. As of May 31, 2021, 2020 and 2019, the University determined that there were no significant circumstances that may affect the fair value determination of investment properties.

(f) Estimating Impairment of Non-financial Assets

The University's policy on estimating the impairment of nonfinancial assets is discussed in detail in Note 2.12. Though management believes that the assumptions used in the estimation of recoverable amounts are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations. Based on management assessment, except for certain prepayments and other current assets, no impairment loss is required to be recognized on the University's investment properties, property and equipment, and investments in subsidiaries as of May 31, 2021, 2020 and 2019.

(g) Determining Recoverable Amount of Deferred Tax Assets

The University reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Management assessed that the deferred tax assets recognized as at May 31, 2021, 2020 and 2019 are fully recoverable because those will be fully utilized in the next 12 months. The carrying value of deferred tax assets as of those dates is disclosed in Note 22.

(h) Valuation of Post-employment Defined Benefit Obligation

The determination of the University had been obligation and cost of post-employment defined benefit (had it been not under a defined contribution plan) is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates, expected rate of return on plan assets, salary rate increase, and employee turnover rate. A significant change in any of these actuarial assumptions may generally affect the recognized expense, other comprehensive income, or losses and the carrying amount of the post-employment benefit obligation in the next reporting period.

The amounts of post-employment benefit obligation and expense and an analysis of the movements in the estimated present value of post-employment benefit, as well as the significant assumptions used in estimating such obligation are presented in Note 21.2.

4. RISK MANAGEMENT OBJECTIVES AND POLICIES

The University is exposed to certain financial risks in relation to financial instruments. Its main purpose for its dealings in financial instruments is to fund operational and capital expenditures. The BOT has overall responsibility for the establishment and oversight of the University's risk management framework. It has a risk management committee headed by an independent trustee that is responsible for developing and monitoring the University's policies, which address risk management areas.

Management is responsible for monitoring compliance with the University's risk management policies and procedures and for reviewing the adequacy of these policies in relation to the risks faced by the University.

The University does not engage in trading of financial assets for speculative purposes, nor does it write options. The most significant financial risks to which the University is exposed to are described in the succeeding page.

4.1 Market Risk

(a) Foreign Currency Risk

Most of the University's transactions are carried out in Philippine pesos, its functional currency. Exposures to currency exchange risk arise from certain cash and cash equivalents, financial assets at FVOCI and investment securities at amortized cost that are primarily denominated in United States (US) dollars.

To mitigate the University's exposure to foreign currency risk, the University generally keeps the amount of its US dollar deposit at a minimum level.

Financial assets denominated in US dollar, translated into Philippine pesos at the closing rate, as of May 31 are presented below.

	2021	2020	2019
Short-term exposure – Financial assets	**P 530,903,592**	P 429,329,131	P 555,813,599
Long-term exposure – Financial assets	**P 72,094,555**	P 89,914,249	P 126,324,751

The next table illustrates the sensitivity of the University's profit or loss before tax with respect to changes in Philippine peso against US dollar exchange rates. The percentage changes in rates have been determined based on the average market volatility in exchange rates, using standard deviation, in the previous periods (for the periods ended May 31, 2021, 2020 and 2019) at a 95% confidence level.

	May 31, 2021			May 31, 2020			May 31, 2019		
	Reasonably possible change in rate	**Effect in profit before tax**	**Effect in equity**	Reasonably possible change in rate	Effect in profit before tax	Effect in equity	Reasonably possible change in rate	Effect in loss before tax	Effect in equity
PhP - USD	**4.67%**	**P 28,160,013**	**P 27,667,213**	4.38%	P 22,742,860	P 20,468,574	3.83%	P 26,125,899	P 23,513,309

Exposures to US dollar exchange risk vary during the year depending on the volume of foreign currency denominated transactions. Nonetheless, the analysis above is representative of the University's currency risk.

(b) Interest Rate Risk

The University is exposed to changes in market interest rates through its cash and cash equivalents, debt securities investments, and interest-bearing loans as of end of each reporting period, which are subject to variable interest rates, as shown below. All other financial assets and financial liabilities have fixed interest rates.

	Notes	**2021**	2020	2019
Cash and cash equivalents	7	**P 334,351,829**	P 193,452,523	P 177,278,502
Financial assets at FVOCI	9.2	**443,784,315**	328,345,250	330,316,652
Investment securities at amortized cost	9.3	**257,268,675**	503,135,310	761,771,571
Short-term investments	10	**1,857,714**	4,481,523	11,489,009
Interest-bearing loans	16	**(1,972,380,952)**	(1,705,238,095)	(1,333,571,429)
		(P 935,118,419)	(P 675,823,489)	(P 52,715,695)

The following table illustrates the sensitivity of profit or loss before tax regarding the University's interest-bearing financial instruments. These percentages have been determined based on the average market volatility rates, using standard deviation, in the years ended May 31, 2021, 2020 and 2019, estimated at 95% level of confidence. The sensitivity analysis is based on the University's financial instruments held at May 31, 2021, 2020 and 2019.

	May 31, 2021		May 31, 2020		May 31, 2019	
	Reasonably possible change in rate	**Effect on profit before tax**	Reasonably possible change in rate	Effect on profit before tax	Reasonably possible change in rate	Effect on loss before tax
Cash and cash equivalents	**+/-0.73%**	**P 2,440,768**	+/-0.45%	P 870,536	+/-0.75%	P 1,329,589
Financial assets at FVOCI	**+/-0.69%**	**3,062,112**	+/-2.81%	9,226,502	+/-4.26%	14,071,489
Investment securities at amortized cost	**+/-0.69%**	**1,775,154**	+/-2.81%	14,138,102	+/-4.26%	32,451,469
Short-term investments	**+/-1.03%**	**19,134**	+/-2.45%	109,797	+/-2.73%	313,650
Interest-bearing loans	**+/-0.69%**	**(13,609,429)**	+/-0.75%	(12,789,286)	+/-2.73%	(36,406,500)
		(P 6,312,261)		P 11,555,651		P 11,759,697

(c) Other Price Risk

The University's exposure to price risk arises from its investments in equity securities, which are classified as part of the Financial Assets at FVOCI and Financial Assets at FVTPL accounts in the statement of financial position. These consist of publicly listed equity securities which are carried at fair value.

Management monitors its equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis.

For equity securities listed in the Philippines, an average volatility has been observed for the years ended May 31, 2021, 2020 and 2019 which is shown on the next table.

	Change in Total Comprehensive Income					
	+/-%	**2021**	+/-%	2020	+/-%	2019
Financial assets at FVTPL	**21.79%**	**P 113,988,364**	32.79%	P 136,889,458	13.26%	P 57,288,923
Financial assets at FVOCI	**17.77%**	**22,363,446**	19.27%	25,786,424	15.58%	21,029,362

No sensitivity analysis was provided for government and corporate bonds, and investments in UITF classified as Financial Assets at FVTPL as management deemed that the risk at the end of the period is not representative of a risk inherent in the University's financial instruments.

Certain investments are considered medium to long-term strategic investments. In accordance with the University's policies, no specific hedging activities are undertaken in relation to these investments. The investments are continuously monitored to ensure that returns of these equity instruments are timely utilized or reinvested in the University's favor.

4.2 Credit Risk

Credit risk represents the loss that the University would incur if the counterparty failed to perform its contractual obligations.

The University is exposed to credit risk relating to its receivables from related parties and assessed tuition fees receivables primarily anchored on the students' possible inability to fully settle outstanding balances of receivables which are owed to the University based on installment payment schemes.

The University also restricts release or issuance of academic records and clearance of students with unpaid balances, thus ensuring that collectability may reasonably be assured. The University's exposure to credit risk on its other receivables from debtors and related parties is managed through close account monitoring and setting limits. The University has established controls and procedures to minimize risks of noncollection. Students by default are not allowed to enroll in the following semester unless the unpaid balance in the previous semester has been paid.

Other than the foregoing, the University is not exposed to significant credit risk and has no significant exposure to any individual customer or counterparty nor it has any other concentration of credit risk arising from counterparties in similar business activities, geographic region, or economic parties.

With respect to credit risk arising from debt instruments, the University's maximum exposure is equal to the carrying amount, before any allowances for impairment, of these instruments.

The maximum exposure to credit risk at the end of the reporting period is as follows:

	Notes	**2021**	2020	2019
Cash and cash equivalents	7	**P 334,351,829**	P 193,452,523	P 177,278,502
Receivables	8	**738,782,587**	978,205,118	649,840,987
Financial assets at FVOCI	9.2	**443,784,315**	328,345,250	330,316,652
Investment securities at amortized cost	9.3	**257,268,675**	503,611,483	762,247,744
Short-term investments	10	**1,857,714**	4,481,523	11,489,009
Other non-current assets		**3,273,477**	4,794,962	4,796,804
		P 1,779,318,597	P 2,012,890,859	P 1,935,969,698

a. *Cash and Cash Equivalents and Short-term Placements*

The credit risk for cash and cash equivalents and short-term placements held by reputable financial institutions is considered negligible or the probability of default is remote since there has been no history of default from these counterparties and because of their high quality external credit ratings.

Cash in banks are insured by the Philippine Deposit Insurance Corporation (PDIC) up to a maximum coverage of P0.5 million per depositor per banking institution, as provided for under RA No. 9576, *Amendment to Charter of PDIC.*

For cash and cash equivalents and financial assets of similar nature, the University applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the University's policy to measure ECL on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

As of May 31, 2021, 2020 and 2019, management assessed that the allowance for ECL on these financial instruments is not material.

b. *Receivables*

The University's receivables include assessed tuition fees receivables, receivables from related parties and others miscellaneous receivables.

The University writes off its receivables from students who have not enrolled for two semesters and are not expected by management to re-enroll in the next 12 months.

The University applies the simplified approach in measuring ECL, which uses a lifetime expected loss allowance for assessed tuition fees and other receivables. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. To calculate the ECL, the University uses its historical experience, external indicators, and forward-looking information to calculate the ECL using a provision matrix. The loss rates are based on actual credit-impaired student accounts or those which are outstanding for two semesters and have not enrolled for the succeeding term. In practice and considering the nature of its business, particularly with respect to its educational activities, the University writes off such balances as collection becomes unlikely as the concerned students did not return for enrollment. The University also assesses impairment of tuition fees and other receivables on a collective basis as they possess shared credit risk characteristics.

The expected loss rates on these receivables are determined based on the history of credit-impaired student accounts. The University analyses assessed tuition receivables based on the number of semesters the receivables have been outstanding. Student receivables that are outstanding for at least two semesters are assessed for credit impairment.

The historical loss rates, which are expressed as the relationship between the credit-impaired accounts and the related recognized tuition fees, are adjusted to reflect current and FLI on macroeconomic factors affecting the ability of the students to settle the receivables. The University assessed that the expected loss rates for tuition fees and other receivables are a reasonable approximation of the loss rates for these financial assets. As at May 31, 2021, 2020 and 2019, weighted average loss rates, adjusted with FLI, used in the measurement of ECL is at 6.4%, 4.2% and 4.1%, respectively.

The University incorporates FLI into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL. The most relevant macroeconomic variable used in the measurement of ECL is consumer spending as at May 31, 2021, 2020 and 2019, based on the correlation of historical loss rates and FLI.

With respect to advances to related parties, the University determines possible impairment based on the counterparties' ability to repay the receivables upon demand at the reporting date taking into consideration the historical defaults from the counterparties. Accordingly, the University recognized allowance for impairment loss amounting to P17.6 million and P0.6 million as at May 31, 2021 and 2020, respectively (see Note 8).

For the years ended May 31, 2021, 2020 and 2019, the University recognized allowance for impairment loss on all its receivables amounting to P103.7 million, P42.6 million and P30.3 million, respectively. A reconciliation of the allowance for ECL as at May 31, 2021, 2020 and 2019 to the opening loss allowance is presented in Note 8.

c. *Debt Instruments Classified as Financial Assets at FVOCI and at Amortized Cost*

Debt securities measured at amortized cost and at FVOCI are considered to have low credit risk, and therefore, the loss allowance during the period is determined to be equivalent to 12 months ECL. Management considers "low credit risk" for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default, and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

The loss allowance provided are as follows:

Company Internal Credit Rating	External Credit Rating	ECL Rate	Estimated Gross Carrying Amount at Default	Allowance
2021				
Investment Securities at Amortized Cost				
Performing	A - AAA	0.00% - 0.05%	P 188,548,343	P -
Underperforming	BB - BBB+	0.23% - 0.45%	69,055,667	-
Financial Assets at FVOCI				
Performing	AAA	0.0%	86,600,000	-
Underperforming	BBB+	0.00% - 0.09%	350,067,199	300,860
			P 694,271,209	**P 300,860**
2020				
Investment Securities at Amortized Cost				
Performing	A - AAA	0.00% - 0.06%	P 286,378,955	P 52,195
Underperforming	BB - BBB+	0.10% - 0.52%	217,546,529	423,978
Financial Assets at FVOCI				
Performing	AAA	0.0%	106,600,000	-
Underperforming	BBB+	0.00% - 0.11%	203,359,312	186,942
			P 813,884,796	P 663,115

Company Internal Credit Rating	External Credit Rating	ECL Rate	Estimated Gross Carrying Amount at Default	Allowance
2019				
Investment Securities at Amortized Cost				
Performing	A - AAA	0.00% - 0.06%	P 504,281,405	P 52,195
Underperforming	BB - BBB+	0.10% - 0.52%	257,934,691	423,978
Financial Assets at FVOCI				
Performing	AAA	0.0%	156,600,000	-
Underperforming	BBB+	0.00% - 0.11%	178,385,345	186,942
			P 1,097,201,441	P 663,115

In 2021, the University has recognized a reversal of ECL for debt securities at amortized cost, while no addition or reversal of ECL has been recognized for debt securities at FVOCI.

d. Other non-current assets

Management has assessed that these financial assets have low probability of default since these mainly relate to continuing lease contracts and any outstanding deposit balance can be applied against future monthly rentals. Also, these are no longer discounted since management believes that the effect of discounting is not material to the financial statements. With respect to certain long-term marketable securities, the University determines that there is a possible impairment. Accordingly, the University recognized allowance amounting to P3.7 million in 2021 (see Note 18).

4.3 Liquidity Risk

The University manages liquidity risk by maintaining a balance between continuity of funding and flexibility. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely monitors the University's future and contingent obligations and ensures that future cash collections are sufficient to meet them in accordance with internal policies. The University invests in cash placements when excess cash is obtained from operations. As at May 31, 2021, 2020 and 2019, the University's financial liabilities (except Lease liabilities – see Note 14.1) have contractual maturities (or are expected to be settled within these periods) which are presented as follows:

	Current		**Non-current**
	Within 6 Months	**6 to 12 Months**	**1 to 5 Years**
2021			
Trade and other payables	P 785,636,827	P -	P -
Interest-bearing loans	108,919,597	113,152,530	1,894,157,667
Loans from related parties	100,000,000	-	-
Subscription payable	-	76,499,997	-
	P 994,556,424	**P 189,652,527**	**P 1,894,157,667**

	Current		Non-current
	Within 6 Months	6 to 12 Months	1 to 5 Years
2020			
Trade and other payables	P 1,057,060,899	P -	P -
Interest-bearing loans	761,269,133	261,903,478	1,387,566,785
Loans from related parties	165,800,000	-	-
Subscription payable	-	76,499,997	-
	P 1,984,130,032	P 338,403,475	P 1,387,566,785
2019			
Trade and other payables	P 853,657,992	P -	P -
Interest-bearing loans	1,001,157,584	220,090,570	1,057,178,460
Loans from related parties	115,800,000	-	-
Derivative liability	36,720,866	-	-
	P 2,007,336,442	P 220,090,570	P 1,057,178,460

The contractual maturities presented above reflect the gross cash flows, which may differ from the carrying values of the liabilities at the end of the reporting period.

5. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

5.1 Carrying Amounts and Fair Values by Category

The carrying amounts and fair value of financial assets and financial liabilities measured at fair value and amortized cost, and an investment carried at amortized cost but whose fair value is required to be disclosed are shown below.

		2021		2020		2019	
	Notes	**Carrying Values**	**Fair Values**	Carrying Values	Fair Values	Carrying Values	Fair Values
Financial Assets:							
At FVOCI:	9.2						
Debt securities		**P 443,784,315**	**P 443,784,315**	P 328,345,250	P 328,345,250	P 330,316,652	P 330,316,652
Equity securities		**125,833,909**	**125,833,909**	133,843,652	133,843,652	135,009,428	135,009,428
		569,618,224	**569,618,224**	462,188,902	462,188,902	465,326,080	465,326,080
At FVTPL:	9.1						
Equity securities		**523,060,608**	**523,060,608**	417,473,189	417,473,189	432,043,160	432,043,160
UITF		**568,330,317**	**568,330,317**	422,100,278	422,100,278	375,308,885	375,308,885
		1,091,390,925	**1,091,390,925**	839,573,467	839,573,467	807,352,045	807,352,045
At amortized cost –							
Debt securities	9.3	**257,268,675**	**263,208,349**	503,135,310	507,984,400	761,771,571	761,760,745
Other non-current assets		**3,273,477**	**3,273,477**	4,794,962	4,794,962	4,796,804	4,796,804
Receivables	8	**635,048,177**	**635,048,177**	935,643,402	935,643,402	619,584,265	619,584,265
		895,590,329	**901,530,003**	1,443,573,674	1,448,422,764	1,386,152,640	1,386,141,814
		P 2,556,599,478	**P 2,562,539,152**	P 2,745,336,043	P 2,750,185,133	P 2,658,830,765	P 2,658,819,939
Financial Liabilities:							
At amortized cost –							
Interest-bearing loans	16	**P 1,972,380,953**	**P 1,799,852,978**	P 2,205,238,096	P 2,155,915,182	P 2,108,571,429	P 2,064,520,387
Lease liabilities	14.1	**1,229,635,921**	**1,229,635,921**	1,225,936,012	1,225,936,012	-	-
At fair value –							
Derivative liability	9.3	**-**	**-**	-	-	36,720,866	36,720,866
		P 3,202,016,874	**P 3,029,488,899**	P 3,431,174,108	P 3,381,851,194	P 2,145,292,295	P 2,101,241,253

Except for the financial assets and financial liabilities presented above, the University has financial assets and/or financial liabilities that are not carried at fair value but are required to be disclosed at fair value as of May 31, 2021, 2020 and 2019 (see Note 6.3). Management determined that the carrying amounts of the other financial assets and financial liabilities that are carried at amortized costs are equal to or approximate their fair values.

See Note 2.4 for a description of the accounting policies for each category of financial instruments. A description of the University's risk management objectives and policies for financial instruments is provided in Note 4.

5.2 Offsetting of Financial Assets and Financial Liabilities

The amounts of University's cash in bank, which is presented as part of the Cash and Cash Equivalents account, and portion of Short-term investments under the Prepayments and Other Current Assets account in the statements of financial position (see Notes 7 and 10) are subject to offsetting, enforceable master netting arrangements and similar agreements as at May 31, 2021, 2020 and 2019, as presented below.

	Gross amounts recognized in the statements of financial position		Net amount presented in the statements of financial position	Related amounts that can potentially be set-off in the statements of financial position		
	Financial assets	Financial liabilities set-off		Financial instruments	Cash collateral received	Net amount
2021	**P 214,987,792**	**P -**	**P 214,987,792**	**(P1,972,380,953)**	**P -**	**(P 1,757,393,161)**
2020	P 164,244,979	P -	P 164,244,979	(P2,205,238,096)	P -	(P 2,040,993,117)
2019	P 114,087,575	P -	P 114,087,575	(P2,108,571,429)	P -	(P 1,994,483,854)

For financial assets and financial liabilities subject to enforceable master netting agreements or similar arrangements above, each agreement between the University and its counterparties (i.e., depository bank) allows for net settlement of the relevant financial assets and financial liabilities (i.e., interest-bearing loans) when both elect to settle on a net basis.

All other financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (i.e., related parties) will have the option to settle all such amounts on a net basis through the approval by both parties' BOT. As such, the University's outstanding receivables from and payables to the same related parties can potentially be offset to the extent of their corresponding outstanding balances.

6. FAIR VALUE MEASUREMENT AND DISCLOSURES

6.1 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement,* the fair value of financial assets and financial liabilities and nonfinancial assets which are measured at fair value on a recurring or nonrecurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value. The levels of the fair value hierarchy are as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurable date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For investments which do not have quoted market price, the fair value is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market of another instrument which is substantially the same after taking into account the related credit risk of counterparties or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When the University uses valuation technique, it maximizes the use of observable market data where it is available and relies as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

6.2 Financial Instruments Measurement at Fair Value

The tables presented below show the fair value hierarchy of the University's classes of financial assets and financial liabilities measured at fair value in the statements of financial position on a recurring basis as of the years ended May 31, 2021, 2020 and 2019.

	Level 1	Level 2	Level 3	Total
May 31, 2021				
Financial assets at FVOCI:				
Debt securities:				
Government	P 366,193,893	P -	P -	P 366,193,893
Corporate	77,590,422	-	-	77,590,422
Equity securities	125,833,909	-	-	125,833,909
Financial assets at FVTPL – Equity securities	523,060,609	568,330,316	-	1,091,390,925
Investment securities at amortized cost	263,208,349	-	-	263,208,349
	P 1,355,887,182	**P 568,330,316**	**P -**	**P 1,924,217,498**
May 31, 2020				
Financial assets at FVOCI:				
Debt securities:				
Government	P 202,462,446	P -	P -	P 202,462,446
Corporate	125,882,804	-	-	125,882,804
Equity securities	133,843,652	-	-	133,843,652
Financial assets at FVTPL – Equity securities	417,473,189	422,100,278	-	839,573,467
Investment securities at amortized cost	507,984,400	-	-	507,984,400
	P 1,387,646,491	P 422,100,278	P -	P 1,809,746,769

	Level 1	Level 2	Level 3	Total
May 31, 2019				
Financial assets at FVOCI:				
Debt securities:				
Government	P 161,338,064	P -	P -	P 161,338,064
Corporate	168,978,588	-	-	168,978,588
Equity securities	135,009,428	-	-	135,009,428
Financial assets at FVTPL –				
Equity securities	432,043,160	375,308,885	-	807,352,045
Investment securities at				
amortized cost	761,760,745	-	-	761,760,745
	P 1,659,129,985	P 375,308,885	P -	P 2,034,438,870
Derivative liability –				
Cross-currency swaps	P -	(P 36,720,866)	P -	(P 36,720,866)

There were neither transfers between levels nor changes in levels of classification of instruments in all years presented.

Following are the information about how the fair values of the University's classes of financial assets and financial liabilities are determined:

a) Equity securities

As of May 31, 2021, 2020 and 2019, instruments included in Level 1 comprise of listed common and preferred shares which are classified as and designated at financial assets at FVTPL and FVOCI, respectively. The corporate shares were valued based on their market prices quoted in the PSE at the end of each reporting period. On the other hand, the fair value of investments in UITF are classified as Level 2, since fair values are generally measured based on the net asset value of the University's investment, computed and determined at the end of each reporting period based on the closing market and trade prices of the securities comprising the fund's portfolio. This valuation approach takes into the account the period end performance of the funds including all trades made within the funds and the related income and expenses arising therefrom.

b) Debt securities

The fair value of the University's debt securities which consist of government and corporate bonds is estimated by reference to quoted bid price in active market at the end of the reporting period and is categorized within Level 1.

(i) Fair values of government debt securities issued by the Philippine government, are determined based on the reference price per Bloomberg Valuation (BVAL). These BVAL reference rates are computed based on the weighted price derived using an approach based on a combined sequence of proprietary BVAL algorithms of direct observations or observed comparables.

(ii) For corporate and other quoted debt securities, fair value is determined to be the current mid-price, which is computed as the average of ask and bid prices as appearing on the Corporate Securities Board Summary.

c) Derivatives

Derivatives classified as financial liability at FVTPL are included in Level 2 as their prices are not derived from market considered as active due to lack of trading activities among market participants at the end or close to the end of the reporting period. The fair value of derivative financial instruments that are not quoted in an active market is determined through valuation techniques normally using the discounted cash flow.

Valuation techniques are used to determine fair values, which are validated and periodically reviewed. To the extent practicable, models use observable data, however, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions and correlations could affect reported fair value of financial instruments.

6.3 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

As of May 31, 2021, 2020 and 2019 the fair value of debt securities categorized as investment securities at amortized cost amounts to P263.2 million, P508.0 million and P761.8 million, respectively, which is Level 1 in the hierarchy of fair values (see Note 5.1).

Due to the short-term duration of the other University's financial assets and financial liabilities measured at amortized cost, as described in Note 2.4, their fair values as at May 31, 2021, 2020 and 2019 equal or approximate their carrying amounts. Accordingly, the University did not anymore present a comparison of their fair values with their carrying amounts and, correspondingly, their level in the hierarchy. Nevertheless, if presented in the hierarchy, only Cash and Cash Equivalents, Short-term investments (presented under Prepayments and Other Current Assets) and Other Non-current Assets would fall under Level 1 and the rest would be under Level 3.

6.4 Fair Value Measurement for Non-financial Assets

The table below shows the fair value of non-financial assets (i.e., investment properties) measured at cost but fair value is determined on a recurring basis (which is at Level 3) as of May 31, 2021, 2020 and 2019 (see Note 12).

	2021	2020	2019
Land	**P 3,054,560,000**	P 3,054,560,000	P 2,712,151,000
Building and improvements	**355,970,000**	355,970,000	382,545,000
	P 3,410,530,000	P 3,410,530,000	P 3,094,696,000

The fair values of the University's investment properties are determined on the basis of the latest appraisals performed by an independent appraiser in July 2020 covering the years ended May 31, 2021 and 2020, and in 2019, with appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. To some extent, the valuation process was conducted by the appraiser in discussion with the University's management with respect to the determination of the inputs such as the size, age, and condition of the land and buildings, and the comparable prices in the corresponding property location with an average of 5% to 10% adjustment.

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components as of:

	2021	2020	2019
Cash on hand and in banks	**P 334,351,829**	P 192,444,507	P 177,278,502
Short-term placements	**-**	1,008,016	-
	P 334,351,829	P 193,452,523	P 177,278,502

Cash in banks generally earn interest based on daily bank deposit rates. Short-term placements are made for varying periods of up to three months depending on the immediate cash requirements of the University.

Effective annual interest earned from these short-term placements is at 2.4% in 2020 (nil in 2021 and 2019).

Interest income earned from cash and cash equivalents is presented as part of Finance Income in the statements of profit or loss (see Note 19.1). The related interest receivable from short-term placements as of May 31, 2020 is presented as part of Accrued interest under the Receivables account in the statements of financial position (see Note 8).

8. RECEIVABLES - Net

This account is composed of the following:

	Notes	2021	2020	2019
Receivables from related parties	23	**P 400,992,977**	P 456,857,444	P 341,878,705
Tuition and other school fees receivables		**313,879,117**	514,138,004	300,078,677
Advances to employees		**9,945,470**	13,892,913	7,308,584
Accrued interest	7, 9, 10	**3,656,820**	5,981,939	6,161,861
Others		**20,253,673**	1,227,731	1,721,744
		748,728,057	992,098,031	657,149,571
Allowance for impairment		**(103,734,410)**	(42,561,716)	(30,256,722)
		P 644,993,647	P 949,536,315	P 626,892,849

Advances to employees comprise of unsecured and noninterest-bearing advances given to officers and employees in the normal course of operations subject to liquidation within 15 days from the earlier between the release of the advances and the event to which the advances are utilized.

Others include receivables from brokers, dividends receivables and various other receivables from third party debtors.

A reconciliation of the allowance for impairment on receivables at the beginning and end of May 31, 2021, 2020 and 2019 is presented below.

	2021	2020	2019
Balance at beginning of year	**P 42,561,716**	P 30,256,722	P 26,503,166
Impairment losses during the year	**173,141,025**	56,345,366	5,660,750
Receivables written-off during the year - net of recoveries	**(111,968,331)**	(44,040,372)	(1,907,194)
Balance at end of year	**P 103,734,410**	P 42,561,716	P 30,256,722

All of the University's receivables had been assessed for impairment. The University applies the PFRS 9 simplified approach in measuring ECL taking into consideration the expected loss rates determined through the assessment of credit impairment, which was observed for student receivables that are outstanding for at least two semesters and are unenrolled in the previous terms [see Note 4.2(b)].

An allowance for impairment amounting to P17.0 million and P0.6 million as at May 31, 2021 and 2020 (nil in 2019) was provided on receivables from related parties, while P1.6 million and P0.7 million as at May 31, 2021 and 2020 (nil in 2019) was provided on other receivables. Total impairment loss on receivables from related parties and other receivables amounting to P18.5 million for the year ended May 31, 2021 and P1.3 million for the year ended May 31, 2020 (nil for the year ended May 31, 2019), is presented as part of Impairment Loss on Receivables in the statements of profit or loss.

9. FINANCIAL ASSETS

9.1 Financial Assets at FVTPL

The types of investments classified under Financial Assets at FVTPL as of May 31 are shown below.

	2021	2020	2019
Equity securities	**P 523,060,608**	P 417,473,189	P 432,043,160
UITF	**568,330,317**	422,100,278	375,308,885
	P 1,091,390,925	P 839,573,467	P 807,352,045

The breakdown of Financial Assets at FVTPL as to currency denomination is as follows:

	2021	2020	2019
Local	**P 569,760,625**	P 450,823,714	P 422,943,294
Foreign	**521,630,300**	388,749,753	384,408,751
	P 1,091,390,925	P 839,573,467	P 807,352,045

An analysis of the movements in the carrying amounts of the University's investments is presented below.

	2021	2020	2019
Balance at beginning of year	**P 839,573,467**	P 807,352,045	P 1,020,523,050
Additions	**1,560,901,270**	1,179,133,965	1,679,559,036
Disposals	**(1,371,812,839)**	(1,065,594,699)	(1,882,826,347)
Foreign currencies loss – net	**(17,786,400)**	(7,670,098)	(2,373,943)
Fair value gains (losses) – net	**80,515,427**	(73,647,746)	(7,529,751)
	P 1,091,390,925	P 839,573,467	P 807,352,045

In 2019, the University reclassified certain financial assets at FVOCI amounting to P1,020.5 million as part of Financial Assets at FVTPL as a result of adoption of PFRS 9.

Investment income (losses) received from financial assets at FVTPL, which includes dividend income and gain or loss on disposal, has been reinvested as part of additions to financial assets at FVTPL. In 2021 and 2019, total investment income, including changes in fair values amounted to P108.5 million and P6.8 million, respectively. In 2020, total investment loss, including changes in fair value amounted to P91.0 million. These are presented as Other investment income (loss) from financial assets at FVTPL under Finance Income in the statements of profit or loss (see Note 19.1).

9.2 Financial Assets at FVOCI

As of May 31, the University's financial assets at FVOCI are classified in the statements of financial position as follows:

	2021	2020	2019
Current	**P 140,736,884**	P 182,283,531	P 184,742,421
Non-current	**428,881,340**	279,905,371	280,583,659
	P 569,618,224	P 462,188,902	P 465,326,080

The types of investments classified under Financial Assets at FVOCI as of May 31 are shown below.

	2021	2020	2019
Debt securities:			
Government	**P 366,193,893**	P 202,462,446	P 161,338,064
Corporate	**77,590,422**	125,882,804	168,978,588
	443,784,315	328,345,250	330,316,652
Equity securities – Corporate shares	**125,833,909**	133,843,652	135,009,428
	P 569,618,224	P 462,188,902	P 465,326,080

Government securities bear annual interest rates ranging from 2.38% to 12.13% in 2021, 2.90% to 12.13% in 2020, and 3.38% to 12.13% in 2019. Corporate bonds bear interest ranging from 4.04% to 5.50% in 2021, 3.20% to 5.50% in 2020, and 3.27% to 7.02% in 2019. The fair values of the equity securities and debt securities have been determined based on quoted prices in active markets (see Note 6.2).

The breakdown of quoted Financial Assets at FVOCI as to currency denomination is as follows:

	2021	2020	2019
Local	**P 569,618,224**	P 437,192,160	P 465,326,080
Foreign	**-**	24,966,742	-
	P 569,618,224	P 462,188,902	P 465,326,080

An analysis of the movements in the carrying amounts of the University's investments is presented below.

	2021	2020	2019
Balance at beginning of year	**P 462,188,902**	P 465,326,080	P 648,900,622
Disposals	**(160,702,491)**	(150,690,479)	(2,788,478,082)
Additions	**275,579,927**	126,358,875	2,620,522,884
Fair value gains (losses) – net	**(5,024,279)**	21,446,446	(16,391,446)
Foreign currency losses – net	**(662,598)**	(429,930)	(121,392)
Amortization of discount (premium) – net	**(1,761,237)**	177,910	893,494
Balance at end of year	**P 569,618,224**	P 462,188,902	P 465,326,080

In 2019, the University reclassified certain financial assets at FVOCI amounting to P1,470.6 million as part of Investment securities at Amortized Cost and Financial Assets at FVTPL as a result of adoption of PFRS 9.

Investment income from financial assets at FVOCI pertaining to interests and gain or loss on disposal has been reinvested as part of additions to financial assets at FVOCI. Total investment income from financial assets at FVOCI, including dividend income, totaling P32.9 million, P31.2 million and P26.2 million for the years ended May 31, 2021, 2020 and 2019, respectively, is presented separately as Interest income from financial assets at FVOCI and as Other investment income (losses) from financial assets at FVOCI under Finance Income in the statements of profit or loss (see Note 19.1). The related outstanding interest is presented as part of Accrued interest under the Receivables account in the statements of financial position (see Note 8).

The total fair value losses amounted to P6.4 million, P6.9 million and P21.9 million for the years ended May 31, 2021, 2021 and 2019, respectively, are presented as an item that will be reclassified subsequently to profit or loss, in the statements of comprehensive income. The total fair value gains amounting to P6.3 million and P14.8 million for the years ended May 31, 2021 and 2019, respectively, and total fair value losses amounting to P1.8 million for the year ended May 31, 2020, are presented as an item that will not be reclassified to profit or loss in the statements of comprehensive income.

In 2019, the University has recognized a reversal of ECL allowance of P0.2 million, respectively, for its debt securities at FVOCI, which is included in the unrealized fair value gains under other comprehensive income during the year.

9.3 Investment Securities at Amortized Cost

As of May 31, the University's investment securities at amortized cost are classified in the statements of financial position as follows:

	2021	2020	2019
Current	**P 80,128,511**	P 227,576,146	P 263,808,437
Non-current	**177,140,164**	275,559,164	497,963,134
	P 257,268,675	P 503,135,310	P 761,771,571

These investments are composed of government securities and corporate bonds denominated in Philippine pesos and US dollars which bear fixed interest rates ranging from 2.5% to 7.8% per annum both in 2021 and 2020 and from 3.2% to 7.4% per annum in both 2019 and have maturities ranging from one to six years.

The breakdown of investment securities at amortized cost as to currency denomination is as follows:

	2021	2020	2019
Local	**P 185,174,120**	P 398,459,475	P 465,288,447
Foreign	**72,094,555**	105,152,008	296,959,297
	257,268,675	503,611,483	762,247,744
Expected credit losses	**-**	(476,173)	(476,173)
	P 257,268,675	P 503,135,310	P 761,771,571

Portion of the investments were foreign currency denominated bonds which all matured in 2020 but prior to maturity were previously subject to cross-currency swap agreement. As of May 31, 2019, these investments had carrying and fair values of P185.6 million and P182.8 million, respectively. The underlying derivative of these cross-currency swaps had fair value amounting to P36.7 million and is presented as Derivative Liability in the statements of financial position.

An analysis of the movements in the carrying amount of the University's investment securities at amortized cost for the years ended May 31, 2021, 2020 and 2019, is presented below.

	2021	2020	2019
Balance at beginning of year	**P 503,611,483**	P 762,247,744	P 753,111,128
Additions	**-**	39,769,449	109,369,204
Maturities	**(241,295,439)**	(287,086,168)	(94,483,206)
Amortization of discount (premium) – net	**578,597**	(3,328,497)	(3,313,681)
Foreign currency losses – net	**(5,625,966)**	(7,991,045)	(2,435,701)
	257,268,675	503,611,483	762,247,744
Expected credit losses	**-**	(476,173)	(476,173)
Balance at end of year	**P 257,268,675**	P 503,135,310	P 761,771,571

In 2019, the University reclassified certain Held-to-maturity (HTM) financial assets with total fair value of P455.8 million as of date reclassification to amortized cost as a result of adoption of PFRS 9.

A reconciliation of the allowance for impairment loss on investment securities at amortized cost at the beginning and end of May 31, 2021, 2021 and 2019 is presented below:

	2021	2020	2019
Balance at beginning of year	**P 476,173**	P 476,173	P 454,456
Impairment losses (reversal) during the year	**(476,173)**	-	21,717
Balance at end of year	**P -**	P 476,173	P 476,173

As of May 31, 2021, 2020 and 2019, the unamortized discount relating to financial assets at amortized cost amounts to P0.1 million, P0.3 million and P3.6 million, respectively. Net amortization of discount (premium) during the years ended May 31, 2021, 2020 and 2019 is netted against Interest income from investment securities at amortized cost (see Note 19.1).

10. PREPAYMENTS AND OTHER CURRENT ASSETS

The breakdown of this account is as follows:

	2021	2020	2019
Input value-added tax (VAT)	**P 34,864,866**	P 34,358,831	P 31,184,368
Creditable withholding tax	**28,360,006**	3,666,411	17,983,608
Prepaid expenses	**23,609,959**	29,162,120	15,396,038
Inventories	**18,320,841**	6,414,098	20,964,663
Supplies	**3,729,625**	3,282,945	4,790,978
Short-term investments	**1,857,714**	4,481,523	11,489,009
	110,743,011	81,365,928	101,808,664
Allowance for impairment of input VAT	**(34,864,866)**	(11,034,177)	(11,034,177)
	P 75,878,145	P 70,331,751	P 90,774,487

Prepaid expenses mainly consist of rentals and license and subscriptions.

Short-term investments, which consist of special savings deposits and investment in special deposit accounts, earn interest ranging from 0.37% to 0.5%, 0.88% to 2.38%, and from 0.75% to 1.75% for the years ended May 31, 2021, 2020 and 2019, respectively. These investments are maturing beyond three months but within one year from the end of each of the reporting period. Related accrued interest is presented as part of the Receivables account in the statements of financial position (see Note 8).

Inventories consist of merchandise inventory items relating to the University's book store. Inventories of the University are subject to impairment and are valued at the lower of cost and net realizable value. As of May 31, 2021, 2020 and 2019, all inventories are valued at cost.

In 2021, certain long-outstanding claims amounting to P27.5 million were impaired by the University and is recognized as part of Impairment of other assets which is presented under Operating Expenses account in the 2021 statement of profit or loss (see Note 18). No similar transaction in 2020 and 2019.

11. INVESTMENTS IN SUBSIDIARIES

This account consists of investments of the following subsidiaries as of May 31:

	% Interest Held	2021	2020	2019
Roosevelt College, Inc. (RCI)	97.43%	**P 1,012,418,769**	P 1,012,418,769	P 1,012,418,769
FEU Alabang, Inc. (FEUAI)	100%	**749,999,875**	749,999,875	749,999,875
Edustria, Inc. (Edustria)	51%	**254,999,997**	254,999,997	-
East Asia Computer Center, Inc. (EACCI)	100%	**150,104,999**	150,104,999	150,104,999
Fern Realty Corporation (FRC)	38.18%	**64,419,300**	-	-
	37.59%	**-**	64,419,300	64,419,300
Far Eastern College – Silang, Inc. (FECSI)	100%	**51,000,000**	51,000,000	51,000,000
FEU High School, Inc. (FEU High)	100%	**24,999,500**	9,999,500	9,999,500
		P 2,307,942,440	P 2,292,942,440	P 2,037,942,443

** FEU's interest held in FRC changed effective 2020 as a result of a reverse stock split made by FRC.*

All subsidiaries, except FRC are educational institutions. FRC, on the other hand, operates as a real estate company leasing most of its investment properties to the University and other related parties.

As of May 31, 2021, the University subscribed to an additional 150,000 shares of FEU High equivalent to P15.0 million, which was fully paid during the same year. The University's outstanding subscription is payable to Edustria amounting to P76.5 million as of May 31, 2021 and 2020 and presented in the statements of financial position.

Edustria was incorporated and became a subsidiary of the University in August 2019 and became fully operational when high school classes started in 2020.

The subsidiaries' place of incorporation and site of operations are the same as stated below.

RCI	-	J.P. Rizal Street, Lamuan, Marikina City
FEUAI	-	Lot 1, Corporate Woods cor. South Corporate Avenues, Woods District, Filinvest City, Alabang, Muntinlupa City
Edustria	-	Blocks R &T Lima Technology Center Barangay Bugtong na Pulo Lipa City, Batangas
EACCI	-	P. Paredes Street, Sampaloc, Manila
FECSI	-	Metrogate Silang Estates, Silang, Cavite
FEU High/FRC	-	Nicanor Reyes Street, Sampaloc, Manila

The shares of stocks of the subsidiaries are not listed in the PSE; hence, the book value based on the latest audited financial statements is the prima facie fair market value of the shares. Management believes that the carrying amounts of the investments as of May 31, 2021, 2020 and 2019 are fully recoverable.

Dividends earned by the University from its subsidiaries were as follows (see Notes 19.1 and 23.1):

	2021	2020	2019
EACCI	**P 119,999,382**	P 99,999,485	P 25,839,867
FEU High	**-**	239,988,000	29,998,500
FRC	**-**	7,509,000	5,006,000
	P 119,999,382	P 347,496,485	P 60,844,367

12. INVESTMENT PROPERTIES

This account consists of the building and improvements leased to FECSI, and a parcel of land leased to FEUAI where its building, gym, chapel and campus is situated.

The gross carrying amounts and accumulated depreciation of investment properties at the beginning and end of the years ended May 31, 2021, 2020 and 2019 are shown below.

	Land	**Building and Improvements**	**Total**
May 31, 2021			
Cost	P 1,076,829,849	P 428,614,821	P 1,505,444,670
Accumulated depreciation	-	(189,418,634)	(189,418,634)
Net carrying amount	**P 1,076,829,849**	**P 239,196,187**	**P 1,316,026,036**
May 31, 2020			
Cost	P 1,076,829,849	P 428,614,821	P 1,505,444,670
Accumulated depreciation	-	(167,988,793)	(167,988,793)
Net carrying amount	P 1,076,829,849	P 260,626,028	P 1,337,455,877
May 31, 2019			
Cost	P 1,076,829,849	P 428,436,741	P 1,505,266,590
Accumulated depreciation	-	(146,564,887)	(146,564,887)
Net carrying amount	P 1,076,829,849	P 281,871,854	P 1,358,701,703

A reconciliation of the carrying amounts of investment properties at the beginning and end of the years ended May 31, 2021, 2020 and 2019 is shown below.

	Land	Building and Improvements	Total
Balance at June 1, 2020, net of accumulated depreciation	P 1,076,829,849	P 260,626,028	P 1,337,455,877
Depreciation charges for the year	-	(21,429,841)	(21,429,841)
Balance at May 31, 2021, net of accumulated depreciation	**P 1,076,829,849**	**P 239,196,187**	**P 1,316,026,036**
Balance at June 1, 2019, net of accumulated depreciation	P 1,076,829,849	P 281,871,854	P 1,358,701,703
Additions	-	178,080	178,080
Depreciation charges for the year	-	(21,423,906)	(21,423,906)
Balance at May 31, 2020, net of accumulated depreciation	P 1,076,829,849	P 260,626,028	P 1,337,455,877
Balance at June 1, 2018, net of accumulated depreciation	P 1,076,829,849	P 303,292,791	P 1,380,122,640
Depreciation charges for the year	-	(21,420,937)	(21,420,937)
Balance at May 31, 2019, net of accumulated depreciation	P 1,076,829,849	P 281,871,854	P 1,358,701,703

The total rental income earned from investment properties is presented as Other Operating Income in the statements of profit or loss (see Notes 23.4, 23.5, 23.7, 23.8 and 23.10). The direct operating expenses, which include depreciation and amortization, insurance, and taxes and licenses incurred by the University relating to the investment properties, totaling P21.9 million, P22.0 million and P22.4 million for the year ended May 31, 2021, 2020 and 2019, respectively, are presented as part of Depreciation and amortization, Insurance, and Taxes and licenses, respectively, under Operating Expenses in the statements of profit or loss (see Note 18).

Based on the latest appraisal report obtained as of July 2020 from an independent appraiser, management determined that the total fair value of investment properties amounts to P3,410.5 million. There were no known events that may have devalued the property from its most recent appraisal. Information about the fair value measurement and disclosures related to investment properties are presented in Note 6.4.

As at May 31, 2021, none of the University's Investment Properties are used as collateral for any of the University's interest-bearing loans and borrowings.

13. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization at the beginning and end of years ended May 31, 2021, 2020 and 2019 are shown below.

	Land	Building and Improvements	Furniture and Equipment	Leasehold Improvements	Miscellaneous Equipment	Construction in Progress	Right-of-use Assets	Total
May 31, 2021								
Cost	P 389,229,440	P 2,303,450,824	P 617,037,997	P 895,492,761	P 203,612,802	P 8,694,023	P 1,121,187,406	P 5,538,705,253
Accumulated depreciation and amortization	-	(971,989,346)	(551,256,450)	(313,401,806)	(179,872,131)	-	(136,931,176)	(2,153,450,909)
Net carrying amount	**P 389,229,440**	**P 1,331,461,478**	**P 65,781,547**	**P 582,090,955**	**P 23,740,671**	**P 8,694,023**	**P 984,256,230**	**P 3,385,254,344**
May 31, 2020								
Cost	P 389,229,440	P 1,665,648,698	P 617,654,252	P 894,078,489	P 223,924,350	P 611,515,107	P 1,121,187,406	P 5,523,237,742
Accumulated depreciation and amortization	-	(850,739,046)	(511,884,331)	(269,822,808)	(170,166,691)	-	(68,465,588)	(1,871,078,464)
Net carrying amount	P 389,229,440	P 814,909,652	P 105,769,921	P 624,255,681	P 53,757,659	P 611,515,107	P 1,052,721,818	P 3,652,159,278
May 31, 2019								
Cost	P 389,229,440	P 1,608,401,168	P 560,182,007	P 888,683,959	P 187,594,083	P 350,499,280	P -	P 3,984,589,937
Accumulated depreciation and amortization	-	(770,571,469)	(461,844,857)	(226,351,773)	(156,947,144)	-	-	(1,615,715,243)
Net carrying amount	P 389,229,440	P 837,829,699	P 98,337,150	P 662,332,186	P 30,646,939	P 350,499,280	P -	P 2,368,874,694

A reconciliation of the carrying amounts of property and equipment at the beginning and end of periods ended May 31, 2021, 2020 and 2019 is shown below and in the succeeding page.

	Land	Building and Improvements	Furniture and Equipment	Leasehold Improvements	Miscellaneous Equipment	Construction in Progress	Right-of-use Assets	Total
Balance at June 1, 2020, net of accumulated depreciation and amortization	P 389,229,440	P 814,909,652	P 105,769,921	P 624,255,681	P 53,757,659	P 611,515,107	P 1,052,721,818	P 3,652,159,278
Additions	-	19,875,329	22,940,850	1,414,272	4,053,882	51,300,465	-	99,584,798
Reclassifications	-	617,926,797	(23,557,105)	-	(24,365,430)	(654,121,549)	-	(84,117,287)
Depreciation and amortization charges for the year	-	(121,250,300)	(39,372,119)	(43,578,998)	(9,705,440)	-	(68,465,588)	(282,372,445)
Balance at May 31, 2021, net of accumulated depreciation and amortization	**P 389,229,440**	**P 1,331,461,478**	**P 65,781,547**	**P 582,090,955**	**P 23,740,671**	**P 8,694,023**	**P 984,256,230**	**P 3,385,254,344**
Balance at June 1, 2019, net of accumulated depreciation and amortization	P 389,229,440	P 837,829,699	P 98,337,150	P 662,332,186	P 30,646,939	P 350,499,280	P 1,121,187,406	P 3,490,062,100
Additions	-	57,247,530	57,472,245	5,394,530	36,330,267	261,015,827	-	417,460,399
Depreciation and amortization charges for the year	-	(80,167,577)	(50,039,474)	(43,471,035)	(13,219,547)	-	(68,465,588)	(255,363,221)
Balance at May 31, 2020, net of accumulated depreciation and amortization	P 389,229,440	P 814,909,652	P 105,769,921	P 624,255,681	P 53,757,659	P 611,515,107	P 1,052,721,818	P 3,652,159,278

	Land	Building and Improvements	Furniture and Equipment	Leasehold Improvements	Miscellaneous Equipment	Construction in Progress	Right-of-use Assets	Total
Balance at June 1, 2018, net of accumulated depreciation and amortization	P 389,229,440	P 895,800,570	P 92,846,927	P 670,349,392	P 29,879,472	P 38,735,488	P -	P 2,116,841,289
Additions	-	20,050,641	56,471,295	34,385,064	10,680,965	311,763,792	-	433,351,757
Depreciation and amortization charges for the year	-	(78,021,512)	(50,981,072)	(42,402,270)	(9,913,498)	-	-	(181,318,352)
Balance at May 31, 2019, net of accumulated depreciation and amortization	P 389,229,440	P 837,829,699	P 98,337,150	P 662,332,186	P 30,646,939	P 350,499,280	P -	P 2,368,874,694

In 2019, the University capitalized borrowing costs amounting to P33.7 million from the actual borrowing costs incurred on the loan obtained by the University to fund the construction of its new building located in Lerma St., Sampaloc, Manila. No similar transaction occurred in 2021 and 2020 (see Notes 16 and 19.2).

As of May 31, 2021, 2020 and 2019, certain fully depreciated and amortized assets with acquisition cost of P1,011.6 million, P932.2 million, and P547.6 million, respectively, are still being used in the University's operations.

The table below describes the nature of the University's leasing activities by type of ROUA recognized in the statements of financial position.

	Number of right-of-use assets leased	Range of remaining term	Average remaining lease term	Number of leases with extension options	Number of leases with termination options
University buildings	5	2 – 21 years	10 years	5	5

As at May 31, 2021, none of the University's Property and Equipment are used as collateral for any of the University's interest-bearing loans and borrowings.

Total rental income earned from the sublease of one of the University buildings amounted to P36.1 million, P43.9 million, and P41.8 million, for the years ended May 31, 2021, 2020 and 2019, respectively, and is part of Other Operating Income in the statements of profit or loss. The amount of depreciation is presented as part of Depreciation and amortization which is presented under Operating Expenses account (see Note 18).

14. LEASES

The University has leases for certain university buildings, transportation equipment, and event venues. With the exception of leases of low-value underlying assets pertaining to transportation equipment and event venues, each lease is reflected on the 2021 and 2020 statements of financial position as ROUA under Property and Equipment (see Note 13) and as Lease Liabilities (current portion under Trade and Other Payables) [see Note 15].

Each lease generally imposes a restriction that, unless there is a contractual right for the University to sublet the asset to another party, the ROUA can only be used by the University. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an extension of the lease for a further term. The University is prohibited from selling or pledging the underlying leased assets as security. For leases of university buildings, the University must keep those properties in a good state of repair and return the properties in good condition at the end of the lease. Further, the University must insure the leased assets and incur maintenance fees on such items in accordance with the lease contracts.

14.1 Lease Liabilities

The University has no commitment to any unstarted lease contracts. The current portion of lease liabilities are presented in the statements of financial position as part of Trade and Other Payables (see Note 15). The non-current portion is separately reported in the statements of financial position as at May 31, 2021 and 2020, respectively.

The availability of option to extend, terminate or renegotiate gives the University flexibility in the event it has identified more suitable premises in terms of cost and/or location or determined that it is advantageous to remain in a location beyond the original lease term. An option is exercised consistent to the University's markets strategy and the economic benefits of exercising the option exceeds the expected overall cost. As at May 31, 2020, the University exercised the extension option on its university buildings for an additional term of 14 years.

The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities at May 31, 2021 and May 31, 2020 are as follows:

	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total
2021							
Lease payments	P 36,539,849	P 213,683,999	P 122,827,172	P 123,616,949	P 116,759,865	P 2,246,505,429	P 2,859,933,263
Finance charges	(2,640,920)	(224,475,173)	(113,868,576)	(113,582,612)	(113,268,186)	(1,062,461,875)	(1,630,297,342)
Net present values	**P 33,898,929**	**(P 10,791,174)**	**P 8,958,596**	**P 10,034,337**	**P 3,491,679**	**P 1,184,043,554**	**P 1,229,635,921**
2020							
Lease payments	P 42,607,482	P 198,654,455	P 117,625,370	P 122,827,172	P 123,616,949	P 2,363,265,294	P 2,968,596,722
Finance charges	(3,510,899)	(222,212,953)	(113,755,609)	(113,868,576)	(113,582,612)	(1,175,730,061)	(1,742,660,710)
Net present values	P 39,096,583	(P 23,558,498)	P 3,869,761	P 8,958,596	P 10,034,337	P 1,187,535,233	P 1,225,936,012

14.2 Lease Payments Not Recognized as Liabilities

The University has elected not to recognize a lease liability for rented low-value assets. Payments made under such leases are expensed on a straight-line basis. The lease expense relating to low-value assets, amounting to P0.6 million in 2021 and P1.2 million in 2020, is presented as Rental under Operating Expenses in the 2021 and 2020 statements of profit or loss (see Note 18).

As of May 31, 2021, the total future cash outflows for low-value assets leases amounted to P0.2 million.

14.3 Additional Profit or Loss and Cash Flow Information

The total cash outflow in respect of leases amounted to P99.1 million in 2021 and P68.2 million in 2020. Interest expense in relation to lease liabilities amounted to P112.4 million and P101.4 million and is presented as part of Interest expense under Finance Costs in the 2021 and 2020 statements of profit or loss, respectively (see Note 19.2).

15. TRADE AND OTHER PAYABLES

As of May 31, this account consists of:

	Notes	**2021**	2020	2019
Deposits payable		**P 208,550,533**	P 164,235,379	P 77,331,331
Accounts payable		**177,667,560**	291,662,485	243,445,487
Dividends payable	24.2(b)	**168,030,831**	223,026,631	212,205,101
Accrued expenses	16, 23.3, 23.11	**72,694,521**	203,489,988	117,563,840
Amounts due to students		**54,540,348**	58,764,059	33,174,522
Accrued salaries and employee benefits		**45,922,252**	43,465,799	95,138,108
Lease liabilities	14	**33,898,929**	39,096,583	-
Retention payable		**22,907,011**	42,233,834	42,233,834
Other funds		**18,895,203**	7,128,911	61,147,635
Withholding and other taxes payable		**14,761,499**	15,705,834	16,274,680
Others		**35,323,771**	30,182,724	32,565,769
		P 853,192,458	P 1,118,992,227	P 931,080,307

Deposits payable are monies held by the University on behalf of students and third parties for various specific purpose relating to an activity or event. Long-outstanding deposits payable are routinely assessed for status of utilization and ascertained whether no future obligations will be called against it. As of May 31, 2020, after reconciliation was determined, certain deposit payables amounting to P57.3 million were reversed and is presented part of Reversal of liabilities under the Other Income – Net account in the 2020 statement of profit or loss (see Note 20). No similar transactions occurred during the year ended May 31, 2021 and 2019.

Accounts payable mainly pertains to unpaid amounts for various expenses which is already billed by the University's service providers and suppliers.

Accrued expenses pertain to the University's incurred expenses estimated where billings unreceived as of reporting date. These are generally consisting of accruals for utilities, professional fees, outside services, supplies and materials, and interest, among others. As of May 31, 2021, certain accruals amounting to P17.1 million were reversed and is presented as part of Reversal of liabilities under the Other Income - Net account in the statement of profit or loss (see Note 20). No similar transactions occurred during the year ended May 31, 2020 and 2019.

Amounts due to students represent excess payment of tuition and miscellaneous fees that are refundable to them.

Retention payable pertains to a portion of the consideration for the acquisition of RCI in 2016 that is retained by the University to ensure compliance by the selling shareholders of RCI to certain terms of the SPA. During the year ended May 31, 2021 and 2019, the University paid P19.3 million and P137.3 million, respectively, of the retention payable in compliance with the agreement. The balance of P22.9 million as of May 31, 2021 and P42.2 million as of May 31, 2020 and 2019 pertain to amounts still retained by the University to cover for certain unsettled liabilities of RCI which may be claimed against the proceeds still payable to the selling shareholders.

The NSTP fees charged to students amounted to P19.5 million, P27.1 million, and P28.3 million for the years ended May 31, 2021, 2020 and 2019, respectively. The outstanding balance of the NSTP trust fund, reported as part of Other funds amounted to P0.9 million and P19.0 million as of May 31, 2021 and 2019, respectively, and nil as of May 31, 2020.

16. INTEREST-BEARING LOANS

The University's interest-bearing loans as of May 31, 2021, 2020 and 2019 are as follows:

Original Principal Amount	Outstanding Principal Balance (in Million Pesos)			Interest Charges (in Million Pesos)			Accrued Interest (in Million Pesos)			Current Interest Rate*	Security	Maturity Date	Principal Repayment
	2021	2020	2019	**2021**	2020	2019	**2021**	2020	2019				
P 542.9	**P 542.9**	P -	P -	**P 8.7**	P -	P -	**P 1.3**	P -	P -	2.15%	Unsecured	July 2027	Quarterly
500.0	**500.0**	-	-	**2.1**	-	-	**1.2**	-	-	2.15%	Unsecured	July 2027	Quarterly
425.0	**425.0**	425.0	-	**10.0**	16.3	-	**1.1**	6.4	-	2.15%	Unsecured	July 2027	Quarterly
680.0	**161.9**	291.4	421.0	**5.6**	17.2	26.0	**0.7**	2.7	5.6	1.93%	Unsecured	June 2022	Quarterly
150.0	**150.0**	150.0	-	**3.5**	4.2	-	**0.4**	2.3	-	2.15%	Unsecured	July 2027	Quarterly
120.0	**120.0**	120.0	-	**2.8**	1.5	-	**0.3**	1.5	-	2.15%	Unsecured	July 2027	Quarterly
200.0	**47.6**	85.7	123.8	**1.7**	5.0	7.6	**0.2**	0.8	1.8	1.93%	Unsecured	June 2022	Quarterly
100.0	**25.0**	45.0	65.0	**0.9**	2.6	4.0	**0.1**	0.4	1.0	1.93%	Unsecured	June 2022	Quarterly
800.0	**-**	495.2	609.5	**3.7**	27.4	38.0	**-**	6.2	2.0	4.16%	Unsecured	August 2020	End of Term
100.0	**-**	100.0	100.0	**3.6**	5.6	5.9	**-**	-	0.3	4.50%	Unsecured	February 2021	End of Term
100.0	**-**	100.0	100.0	**3.6**	5.6	1.6	**-**	0.3	0.5	4.50%	Unsecured	February 2021	End of Term
100.0	**-**	100.0	-	**3.7**	0.2	-	**-**	0.1	-	4.50%	Unsecured	February 2021	End of Term
150.0	**-**	92.9	114.3	**0.7**	5.1	7.0	**-**	1.2	0.3	4.16%	Unsecured	August 2020	Quarterly
80.0	**-**	80.0	80.0	**2.9**	4.5	4.5	**-**	-	0.2	4.50%	Unsecured	February 2021	End of Term
70.0	**-**	70.0	70.0	**2.5**	4.0	1.1	**-**	0.2	0.3	4.50 %	Unsecured	February 2021	End of Term
50.0	**-**	50.0	-	**1.7**	2.9	-	**-**	0.2	-	4.50%	Unsecured	February 2021	End of Term
200.0	**-**	-	200.0	**-**	1.8	11.2	**-**	-	0.3	6.50%	Unsecured	July 2019	End of Term
175.0	**-**	-	175.0	**-**	1.5	9.8	**-**	-	0.1	6.50%	Unsecured	July 2019	End of Term
50.0	**-**	-	50.0	**-**	0.4	2.8	**-**	-	0.1	6.50%	Unsecured	July 2019	End of Term
500.0	**-**	-	-	**2.1**	-	-	**-**	-	-	4.25%	Unsecured	March 2021	End of Term
148.0	**-**	-	-	**-**	1.4	-	**-**	-	-	5.75%	Unsecured	February 2020	End of Term
60.0	**-**	-	-	**-**	-	2.0	**-**	-	-	6.55%	Unsecured	January 2019	End of Term
	P 1,972.4	P 2,205.2	P 2,108.6	**P 59.8**	P 107.2	P 121.5	**P 5.3**	P 22.7	P 12.5				

* For certain loans, interest rates are determined based on Philippine Dealing System Treasury Reference three-month bid yields for Philippine government securities plus 0.75% or prevailing rate on special deposit accounts.

All of the University's interest-bearing loans and borrowings are clean loans; no assets used and/or required as collaterals as of May 31, 2021, 2020 and 2019.

The total interest incurred by the University on all these loans, which are already exclusive of the capitalized borrowing costs on the property and equipment of the University, are presented as part of Interest expense under Finance Costs in the statements of profit or loss (see Notes 13 and 19.2), while any outstanding interest payable is recognized as part of Accrued expenses under the Trade and Other Payables account in the statements of financial position (see Note 15).

Loans obtained with a local commercial bank are subject to loan covenants effective for the years ended May 31, 2021, 2020 and 2019, which require the University to maintain a debt service coverage ratio of at least 1.2x and debt-to-equity ratio of not more than 2:1. As of May 31, 2021, 2020 and 2019, the University has complied with its loan covenants.

17. EDUCATIONAL REVENUES

Details of net tuition and other school fees presented in the statements of profit or loss are as follows:

	2021	2020	2019
Tuition fees	**P 2,005,577,201**	P 2,100,525,346	P 1,726,270,508
Less:			
Rebates	**-**	115,899,515	-
Discounts:			
Scholarships	**124,711,539**	106,136,182	83,762,151
Cash	**9,989,936**	17,357,961	8,283,410
Family	**3,094,498**	2,815,944	2,890,841
	137,795,973	242,209,602	94,936,402
Tuition fees – net	**1,867,781,228**	1,858,315,744	1,631,334,106
Other school fees:			
Entrance fees	**10,097,501**	12,919,539	12,077,547
Identification cards	**5,878,248**	7,130,243	6,279,102
Diplomas	**5,653,574**	9,066,625	5,080,284
Transcript fees	**5,501,234**	8,148,959	10,422,008
International student fees	**3,827,864**	6,941,959	4,869,581
Graduation and commencement fees	**2,358,268**	5,273,384	4,006,402
Certification fee	**1,889,286**	3,236,512	4,309,613
Miscellaneous	**1,558,633**	3,778,556	2,633,391
	36,764,608	56,495,777	49,677,928
	P 1,904,545,836	P 1,914,811,521	P 1,681,012,034

17.1 Core Revenue Stream

The University derives revenues from transactions involving tuition fees, other school fees and other school-related activities such as sale of school merchandise and books. Revenues from tuition fees are recognized over time of instruction. On the other hand, all other revenue sources, such as other incidental fees and sale of school merchandise and books (presented as part of Other Income), are recognized at a point in time.

17.2 Unearned Tuition Fees

For the years ended May 31, 2021, 2020 and 2019, the University has collected advance tuition fee payments amounting to P11.2 million, P36.3 million, and P106.0 million, respectively, from students which are applicable for the succeeding midyear term or first semester of the following school year. These collections are presented as Unearned Tuition Fees in the statements of financial position. These will be recognized as revenue once the performance obligation of the University has been rendered.

17.3 Tuition Fee Rebates

The implementation of the government measures in response to COVID-19 caused the temporary shutdown of University operations in March 2020 and succeeding months, together with the adoption of a skeleton workforce for designated essential employees.

The remaining second semester of school year 2019-2020 were continued via full online learning platform, the strategic implementation of Canvas since three school years ago, made the University's quick transition to full online mode easier, however, with the shift of the learning platform, the University found it necessary to return unutilized miscellaneous fees through a rebate to the students totaling P115.9 million as of May 31, 2020. No similar transaction in 2021 and 2019.

In school year 2020-2021, the University continued the adoption of online learning activities and online classes for its students in compliance with the government-mandated quarantine restrictions as the pandemic ensues and until significant vaccine coverage is achieved to protect students and employees from the outbreak. No rebates to students were made during the year, however, tuition and other school fees were discounted, and no tuition fee increase was implemented.

18. OPERATING EXPENSES

Costs and operating expenses consist of:

	Notes	**2021**	2020	2019
Salaries and allowances	21.1	**P 603,094,030**	P 641,178,112	P 602,006,169
Depreciation and amortization	12, 13	**303,802,286**	276,787,127	202,739,289
Employee benefits	21.1	**200,657,863**	260,964,966	222,998,565
Professional fees		**64,040,271**	82,744,858	60,469,777
Repairs and maintenance		**47,462,333**	25,061,275	19,145,426
License and subscription		**41,908,614**	41,890,001	27,958,943
Taxes and licenses	12	**34,374,632**	28,506,734	7,877,990
Impairment of other asset	10	**27,525,652**	-	-
Outside services		**27,017,850**	69,689,918	61,944,697
Utilities and communication		**25,337,879**	59,668,492	68,240,762
Supplies and materials		**17,555,692**	63,787,714	61,339,076
Directors' bonus		**13,500,000**	13,506,928	12,625,000
Balance forwarded		**P 1,406,277,102**	P 1,563,786,125	P 1,347,345,694

	Notes	2021	2020	2019
Balance carried forward		**P 1,406,277,102**	P 1,563,786,125	P 1,347,345,694
Transportation and travel		**7,633,897**	15,765,575	8,956,611
Insurance	12	**6,362,830**	6,561,082	5,577,683
Advertising and promotions		**5,314,645**	5,182,876	5,708,951
Training and seminars		**4,624,531**	15,175,637	14,449,328
Research		**3,839,191**	2,933,002	3,376,856
Rental	14.2, 23.3, 23.9	**612,109**	1,223,715	110,015,083
Deficiency taxes		**-**	22,211,282	189,945,948
Others		**12,840,354**	9,176,887	3,805,824
		P 1,447,504,659	P 1,642,016,181	P 1,689,181,978

In 2020 and 2019, the University recognized and paid basic local taxes in arrears amounting to P22.2 million and P189.9 million, respectively, which collectively covers taxable calendar years 2009 through 2018, as assessed by the local government of City of Manila. The University has been discharged from all deficiency tax assessments and liabilities until the taxable year 2018 (see Note 26.3). The tax due for calendar year 2019 and 2020 was paid in January 2020 and 2021, respectively.

19. FINANCE INCOME AND FINANCE COSTS

19.1 Finance Income

This consists of the following:

	Notes	2021	2020	2019
Dividend income	11, 23.1	**P 119,999,382**	P 347,496,485	P 60,844,367
Interest income from:				
Financial assets at FVOCI	9.2	**19,365,582**	19,141,331	18,700,445
Investment securities at amortized cost	9.3	**16,793,882**	34,642,252	47,690,430
Cash and cash equivalents	7	**461,677**	683,367	591,216
Short-term investments	10	**144,673**	478,775	5,124,524
Financial assets at FVTPL	9.1	**-**	-	2,659,771
Reversal of impairment loss on financial assets at amortized cost	9.3	**476,173**	-	-
Fair value gain on derivative liability	9.3	**-**	5,060,766	3,096,336
Balance forwarded		**P 157,241,369**	P 407,502,976	P 138,707,089

	Notes	2021	2020	2019
Balance carried forward		**P 157,241,369**	P 407,502,976	P 138,707,089
Other investment income (losses) from:				
Financial assets at FVTPL	9.1	**108,456,494**	(90,964,966)	6,776,334
Financial assets at FVOCI	9.2	**13,518,735**	12,054,800	7,495,946
Reversal of impairment loss on financial assets at FVOCI	9.2	-	-	105,907
		P 279,216,598	P 328,592,810	P 153,085,276

Other investment income (loss) from financial assets at FVOCI and FVTPL comprised collectively of dividend income, gain or loss on disposal, and realized fair value gains or losses of securities held by trustee banks, as well as net amortization of discount and premium on investments at amortized cost.

19.2 Finance Costs

This is broken down into the following:

	Notes	2021	2020	2019
Interest expense on:				
Lease liabilities	14, 28	**P 112,363,368**	P 101,381,719	P -
Interest-bearing loans	16 23.11, 28	**62,105,112**	114,992,570	91,678,350
Foreign exchange loss - net	9	**24,185,074**	16,881,723	6,654,774
Bank charges		**8,073,483**	7,841,754	2,119,164
Impairment losses on investment securities at amortized cost	9.3	**-**	-	21,717
		P 206,727,037	P 241,097,766	P 100,474,005

In 2019, interest charges amounting to P33.7 million had been capitalized as part of construction in progress under Property and Equipment account, which arose solely from specific borrowings (see Note 13 and 16). No borrowing costs had been capitalized for the years ended May 31, 2021 and 2020.

20. OTHER INCOME – Net

This consists of the following:

	Notes	**2021**	2020	2019
Reversal of liabilities	2, 15	**P 26,624,783**	P 57,267,684	P -
Income (loss) from sale of books and other merchandise - net		**1,060,686**	(183,031)	16,880,100
Gain on sale of investment in JMCI		**-**	-	139,121,880
Others		**11,678,830**	4,295,346	4,215,744
		P 39,364,299	P 61,379,999	P 160,217,724

In 2019, the University divested from its interest in JMCI in favor of a certain third party for a total consideration of P147.0 million, which resulted in a gain amounting to P139.1 million.

Others include revenues from processing fees for various document requests of students, reimbursement of vaccine costs and clinic services of employees.

21. EMPLOYEES' HEALTH, WELFARE AND RETIREMENT FUND

21.1 Salaries and Employee Benefits Expense

Details of salaries and employee benefits are presented below (see Note 18).

	2021	2020	2019
Short-term employee benefits	**P 757,995,318**	P 827,195,774	P 750,687,750
Post-employment defined benefits	**45,756,575**	74,947,304	74,316,984
	P 803,751,893	P 902,143,078	P 825,004,734

Subsequent to May 31, 2020 and in response to avert any significant impact of the COVID-19 pandemic to the University's operations, as part of contingency measures, the University's management has provided notice of furlough to a number of employees, whose main functions are not viable during the implementation of full online mode of instruction. Furthermore, the University has also identified other across the board contraction methods to minimize salary cover effective September 1, 2020 to December 31, 2020.

On December 16, 2020, the University offered a voluntary retirement program, the Special Separation and Retirement Program, which may be availed by those employees placed under furlough and those affected by the modified work arrangements that was implemented earlier during the year. Several employees availed of the program, which is tax free and provides for a certain premium above their current monthly base pay in the computation of their retirement package.

21.2 Post-employment Defined Benefit

(a) Characteristics of the Defined Benefit Plan

The University maintains a tax-qualified, funded and contributory retirement plan, which is a defined contribution type of retirement plan since 1967, covering regular teaching and nonteaching personnel members.

The retirement fund is under the administration of an organization, the FEU Health, Welfare and Retirement Fund Plan (the Fund), through its Retirement Board.

Contributions to this fund are in accordance with the defined contribution established by the Retirement Board, which is the sum of the employees' and the University's contributions. Employees' contribution is 5% of basic salary while the University's contribution is equivalent to 20% of the employees' basic salary. Retirement expense presented as part of Employee benefits under Operating Expenses in the statements of profit or loss amounted to P45.8 million, P74.9 million, and P74.3 million for the periods ended May 31, 2021, 2020 and 2019, respectively (see Note 18).

As a policy of FEU, any contributions made by the University in the past years that were subsequently forfeited resulting from resignations of covered employees prior to vesting of their retirement pay can be applied to reduce employer contributions in the succeeding years.

(b) Explanation of Amounts Disclosed in the Financial Statements

Actuarial valuation is obtained to determine the higher of the defined benefit obligation relating to the minimum guarantee and the obligation arising from the defined contribution plan. All amounts presented in this section are based on the actuarial valuation reports obtained from an independent actuary in 2021, 2020 and 2019.

In determining the amounts of post-employment obligation as of May 31 in accordance with PAS 19 (Revised), the following significant actuarial assumptions were used:

	2021	2020	2019
Discount rates	**4.46%**	3.47%	5.63%
Salary growth rates	**3.00%**	3.00%	3.50%

Assumptions regarding future mortality experience are based on published statistics and mortality tables. The average remaining working lives of an individual retiring at the age of 60 is 14 for both males and females. These assumptions were developed by management with the assistance of an independent actuary. Discount factor is determined close to the end of the reporting period by reference to the interest rates of zero coupon government bonds with terms to maturity approximating to the terms of the post-employment obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

As discussed in Note 2.13, the University's defined contribution plan is accounted for as a defined benefit plan with minimum guarantee starting in 2014 upon the University's adoption of the PIC Interpretation on PAS 19 (Revised). However, considering that the present value of the obligation as determined by an independent actuary is fully covered by the fair value of the plan assets, management opted not to recognize further the over funding of the obligation in consideration of the University's constructive obligation to pay a fixed amount of contribution to the fund.

An analysis of the University's defined benefit obligation as of May 31 following PIC Interpretation with respect to the defined benefit minimum guarantee under RA 7641 is presented below.

	2021	2020	2019
Fair value of plan assets	**P 784,764,346**	P 767,475,645	P 709,195,312
Present value of obligation	**(761,066,149)**	(707,992,983)	(700,562,596)
Over funding	**P 23,698,197**	P 59,482,662	P 8,632,716

The movements in the fair value of plan assets are presented below.

	2021	2020	2019
Balance at beginning of year	**P 767,475,645**	P 709,195,312	P 709,842,413
Actual contributions	**74,088,974**	77,628,653	74,669,720
Benefits paid	**(67,006,855)**	(60,829,449)	(47,980,553)
Interest income (expense)	**10,206,582**	41,481,129	(27,336,268)
Balance at end of year	**P 784,764,346**	P 767,475,645	P 709,195,312

The movements in the present value of the retirement benefit obligation recognized in the books are as follows:

	2021	2020	2019
Balance at beginning of year	**P 707,992,983**	P 700,562,596	P 697,738,212
Benefits paid	**(67,006,855)**	(60,829,449)	(47,980,553)
Actuarial loss (gain)	**63,186,050**	381,632	(14,051,533)
Current service cost	**32,546,655**	28,436,530	25,573,809
Interest expense	**24,347,316**	39,441,674	39,282,661
Balance at end of year	**P 761,066,149**	P 707,992,983	P 700,562,596

(c) Risks Associated with the Retirement Plan

The plan exposes the University to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

(i) Investment and Interest Rate Risks

The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of reference government bonds will increase the plan obligation. However, this will be partially offset by an increase in the return on the plan's investments in debt securities and if the return on plan asset falls below this rate, it will create a deficit in the plan. Currently, the plan has relatively balanced investment in cash and cash equivalents, equity securities and debt securities. Due to the long-term nature of the plan obligation, a level of continuing equity investments is an appropriate element of the University's long-term strategy to manage the plan efficiently.

(ii) Longevity and Salary Risks

The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the plan participants both during and after their employment, and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

(d) Other Information

The information on the sensitivity analysis for certain significant actuarial assumptions, the University's asset-liability matching strategy, and the timing and uncertainty of future cash flows related to the retirement plan are described below.

(i) Sensitivity Analysis

The following table summarizes the effects of changes in the significant actuarial assumptions used in the determination of the defined benefit obligation as of:

	Impact on Post-employment Benefit Obligation		
	Change in Assumption	Increase/ (Decrease) in Assumption	Increase/ (Decrease) in Assumption
May 31, 2021			
Discount rate	**+/- 0.5%**	**(P 263,694)**	**P 359,029**
Salary growth rate	**+/- 1.0%**	**804,328**	**(481,181)**
May 31, 2020			
Discount rate	+/- 0.5%	(P 402,278)	P 566,798
Salary growth rate	+/- 1.0%	1,382,434	(730,879)
May 31, 2019			
Discount rate	+/- 0.5%	(P 486,352)	P 646,334
Salary growth rate	+/- 1.0%	1,322,191	(861,361)

The sensitivity analysis above is based on a change in an assumption while holding all other assumptions constant. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the sensitivity analysis above, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognized in the statements of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

(ii) Asset-liability Matching Strategies

To efficiently manage the retirement plan, the University through its Retirement Board, ensures that the investment positions are managed in accordance with its asset-liability matching strategy to achieve that long-term investments are in line with the obligations under the retirement scheme. This strategy aims to match the plan assets to the retirement obligations by investing in long-term fixed interest securities (i.e., government or corporate bonds) with maturities that match the benefit payments as they fall due and in the appropriate currency. The University actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the retirement obligations. In view of this, investments are made in reasonably diversified portfolio, such that the failure of any single investment would not have a material impact on the overall level of assets.

A large portion of the Fund's assets as of May 31, 2021, 2020 and 2019 consists of equities and debt securities, although the Fund also invests in cash equivalents. The majority of equity and debt instruments are in a diversified portfolio of local blue-chip entities but none are invested in the University's listed shares with the PSE.

There has been no change in the University's strategies to manage its risks from previous periods.

(iii) Funding Arrangements and Expected Contributions

While there is no minimum funding requirement in the country, the size of the fund is also sufficient to cover the vested benefits when a significant number of employees are expected to retire in 14 years' time.

The University expects to make contribution of P74.8 million to the plan during the next reporting period.

The Fund's, which comprised of both employer and employee share contributions, audited statements of financial position show the following as of December 31:

	2021	2020	2019
Assets			
Cash and cash equivalents	**P 74,152,930**	P 43,951,699	P 64,746,279
Receivables - net	**67,520,237**	58,835,006	50,056,975
Investment in debt securities:			
Government securities	**320,422,304**	235,406,954	201,987,635
Corporate bonds and other debt instruments	**182,648,568**	269,374,573	297,941,782
Investment in equity securities:			
Corporate shares	**365,563,048**	335,101,670	267,831,112
UITF	**91,653,602**	76,280,200	55,709,024
Others	**106,932**	160,961	173,746
	1,102,067,621	1,019,111,063	938,446,553
Liabilities	**(37,223,416)**	(29,687,421)	(24,577,883)
Net Assets Available for Plan Benefits	**P 1,064,844,205**	P 989,423,642	P 913,868,670

Plan assets do not comprise any of the University's or its related parties' own financial instruments or any of its assets occupied and/or used in its operations.

Below is the breakdown of the employer's share in the Fund's net plan assets as to type of investments as of May 31.

	2021	2020	2019
Cash and cash equivalents	**P 93,325,628**	P 39,300,689	P 37,546,004
Domestic listed shares	**272,326,305**	200,610,035	283,751,057
Corporate bonds	**94,395,345**	138,953,332	128,563,323
Other securities and debt instruments	**10,843,378**	22,887,356	84,173,329
UITF	**48,295,735**	59,556,414	10,692,764
Government bonds	**214,627,262**	241,846,837	136,093,180
Fixed income loans	**-**	-	4,669,573
Others	**50,950,693**	64,320,982	23,706,082
	P 784,764,346	P 767,475,645	P 709,195,312

The Fund's financial assets are maintained in trust funds with credible trustee banks under control by the Fund through its Retirement Board.

The breakdown of the Fund's net plan assets is presented to show the composition of the plan assets used by the actuary in determining the net retirement obligation based on the minimum guarantee under RA 7641 as of May 31, 2021, 2020 and 2019 (see Note 23.14).

22. INCOME TAXES

Under the Philippine laws, the taxable income from operations related to school activities and passive investment income of private and proprietary (stock) educational institutions is subject to a tax of 10%. However, if 50% or more of the institution's total gross income is from unrelated business activities, the regular corporate income tax of 25% will apply to the entire taxable income instead of the 10% preferential rate. The University qualifies to avail of the 10% preferential rate given its revenue profile. In addition, the University is also not covered by the minimum corporate income tax provision of the new tax code.

In March 2021, RA No. 11534 or the Corporate Recovery and Tax Incentives for Enterprises Act (CREATE) has been passed into law which provides for a reduced tax rate of proprietary schools to 1% from the previous 10%, effective July 2021 until June 2023. On April 2021, however, the Bureau of Internal Revenue (BIR) issued Revenue Regulation (RR) No. 5 - 2021 excluding the private schools, which includes the University, from availing of the preferential tax and effectively increasing the tax rate to the 25% regular corporate income tax.

In July 2021, the BIR issued the RR No. 14-2021 suspending certain provisions of RR No. 5-2021 including the 25% tax rate on private schools. Subsequently, House Bill No. 9913, a bill that seek to amend the National Internal Revenue Code (NIRC) to define the tax rates of proprietary schools to continue to allow them to avail of the preferential tax rate of 10%, and eventually the tax rate of 1% as provided by the CREATE law, has been filed and approved by the House of Representatives. Accordingly, the University used the preferential tax rates of 10% and 1% for the computation of its income tax for the fiscal year ended May 31, 2021.

The major components of tax expense reported in the statements of profit or loss are as shown below.

	2021	2020	2019
Current tax expense:			
Final tax at 20% and 15% (2020 and 2019)	**P 7,353,163**	P 10,851,477	P 15,287,346
Special rate at 1% (July 2020 to May 2021)	**2,832,365**	-	-
Special rate at 10% (June 2020)	**2,574,877**	16,595,298	3,131,596
Capital gains tax at 15%	**-**	-	14,100,000
	12,760,405	27,446,775	32,518,942
Deferred tax expense (income) relating to origination and reversal of temporary differences	**1,272,473**	(6,329,100)	(5,254,380)
	P 14,032,878	P 21,117,675	P 27,264,562

A reconciliation of tax on pretax profit computed at the applicable statutory rates to tax expense reported in profit or loss is presented below.

	2021	2020	2019
Tax on pretax profit at 10% (June 2020) and 1% (July 2020 to May 2021)	**P 8,241,515**	P 45,353,613	P 27,436,928
Adjustments for income subjected to higher tax rates	**6,709,761**	5,425,739	22,174,096
Tax effects of:			
Non-taxable income	**(3,375,650)**	(36,596,928)	(22,346,462)
Non-deductible expenses	**2,457,252**	6,935,251	-
	P 14,032,878	P 21,117,675	P 27,264,562

The net deferred tax assets relate to the following:

	Statements of Financial Position			Statement of Profit or Loss		
	2021	2020	2019	**2021**	2020	2019
Deferred tax assets:						
DTA resulting from temporary decrease in tax rates	**P 18,642,111**	P -	P -	**P -**	P -	P -
Allowance for impairment on tuition and other school fees receivables	**861,778**	4,256,172	3,025,674	**(436,161)**	(1,230,499)	100,511
Unrealized fair value losses (gains) financial assets at FVTPL	**(805,154)**	7,364,776	-	**1,541,632**	(7,364,776)	-
Accrued expense	**726,945**	10,668,700	8,284,622	**339,925**	(2,384,078)	(1,425,730)
Unrealized foreign currency losses (gains)	**241,851**	1,264,961	430,884	**(115,355)**	(834,077)	(3,601,192)
Allowance for impairment on investments	**-**	47,616	47,616	**4,762**	-	(47,616)
Unrealized fair value losses - net	**(-)**	-	4,135,165	**-**	4,135,165	(309,634)
	19,667,531	23,602,225	15,923,961	**1,334,803**	(7,678,265)	(5,283,661)
Deferred tax liabilities – Prepaid expenses	**(226,546)**	(2,888,768)	(1,539,604)	**(62,331)**	1,349,165	29,281
Deferred tax assets – net	**P 19,440,985**	P 20,713,457	P 14,384,357			
Deferred tax expense (income) – net				**P 1,272,473**	(P 6,329,100)	(P 5,254,380)

The University claimed itemized deductions for income tax purposes in all of the years presented.

23. RELATED PARTY TRANSACTIONS

The University's related parties include its subsidiaries, the University's key management and others as described in Note 2.16. A summary of the University's transactions with its related parties is presented below (in thousands).

	Notes	**May 31, 2021** Amount of Transaction	**May 31, 2021** Outstanding Receivable (Payable)	May 31, 2020 Amount of Transaction	May 31, 2020 Outstanding Receivable (Payable)	May 31, 2019 Amount of Transaction	May 31, 2019 Outstanding Receivable (Payable)
Subsidiaries:							
Noninterest-bearing advances	23.2	**P -**	**P 235,565**	P -	P 235,565	P 35,000	P 235,565
Interest-bearing loans	23.11	**65,800**	**(100,000)**	50,000	(165,800)	10,000	(95,800)
Interest expense	23.11	**(2,273)**	**(910)**	(7,780)	(7,143)	(3,864)	(1,770)
Lease liabilities	23.3	**9,492**	**(1,221,359)**	21,351	(1,211,867)	-	-
ROUA	23.3	**(65,669)**	**976,332**	(65,669)	1,042,001	-	-
Interest on lease liabilities	15.2, 20.2	**(111,884)**	**-**	(100,830)	-	-	-
Rental expense	23.3, 23.9	**-**	**-**	-	-	(105,959)	(82,846)
Reimbursement of expenses	23.6	**10,589**	**110,596**	34,234	100,005	16,960	65,771
Dividend income	23.1	**119,999**	**-**	347,496	39,998	60,844	-
Rental income	23.4, 23.5, 23.7, 23.8 23.10	**74,835**	**27,930**	80,722	41,613	69,429	6,565
Investment subscription (payments) - net	12	**-**	**(76,500)**	255,000	(76,500)	(500)	-
Stock dividends	23.16	**30,000**	**-**	19,999	-	163,295	-
Share in tuition fees		**285**	**285**	-	-	-	-
Related parties under common management:							
Reimbursement of expenses	23.6	**(12,197)**	**21,779**	4,593	33,976	7,089	29,383
Lease liabilities	23.3	**5,792**	**(8,277)**	(552)	(14,069)	-	-
ROUA	23.3	**(2,797)**	**7,924**	(2,797)	10,721	-	-
Interest on lease liabilities	15.2, 20.2	**(480)**	**-**	(552)	-	-	-
Rental expense	23.3	**-**	**-**	-	-	3,136	(13,067)
Rental income	23.8	**2,921**	**-**	-	2,921	-	2,921
Noninterest-bearing advances	23.2	**2,058**	**4,839**	1,106	2,779	488	1,673
Interest-bearing loans	23.11	**-**	**-**	(20,151)	20,151	20,151	(20,151)
Key management personnel compensation	23.13	**78,633**	**-**	82,223	-	71,754	-
Retirement fund –	23.14						
Retirement plan assets		**-**	**784,764**	-	767,476	-	709,195

Details of the foregoing summary of transactions are discussed below and in the succeeding pages.

23.1 Dividend Income

For the years ended May 31, 2021, 2020 and 2019, the University recognized dividend income from cash dividend declarations made by FEU High, EACCI and FRC (see Note 11), which is presented as Dividend income under Finance Income in the statements of profit or loss (see Note 19.1). Dividend receivable amounting to P40.0 million as of May 31, 2020 (nil in 2021 and 2019), respectively, is presented as part of Receivables from related parties under the Receivables account in statements of financial position (see Note 8).

23.2 Noninterest-bearing Advances

The University grants unsecured and noninterest-bearing advances to certain related parties for working capital purposes which are currently due on demand.

Summarized below are the outstanding receivables, shown as part of Receivables from related parties under the Receivables account in the statements of financial position, arising from these transactions (see Note 8).

	Beginning	Advances	Repayments	Ending
2021				
RCI	P 235,564,735	P -	P -	P 235,564,735
FEU Public Policy Foundation, Inc.	2,779,304	2,059,199	-	4,838,503
	P 238,344,039	**P 2,059,199**	**P -**	**P 240,403,238**
2020				
RCI	P 235,564,735	P -	P -	P 235,564,735
FEU Public Policy Foundation, Inc.	1,673,060	1,106,244	-	2,779,304
	P 237,237,795	P 1,106,244	P -	P 238,344,039
2019				
RCI	P 200,564,735	P 35,000,000	P -	P 235,564,735
FEU Public Policy Foundation, Inc.	1,185,000	488,060	-	1,673,060
	P 201,749,735	P 35,488,060	P -	P 237,237,795

23.3 Lease of Land, Various Buildings and Facilities

The University had several lease agreements with FRC and NREF for its lease of land, various buildings and facilities. The lease agreements are long-term and renewable, and provides for yearly rental rates with yearly escalation rates.

Upon adoption of PFRS 16, the University, as a lessee, recognized ROUA and lease liabilities as at June 1, 2019, which is presented as ROUA and Lease Liabilities in the 2020 and 2021 statements of financial position (see Note 14). Amortization of the ROUA arising from these transactions is presented as part of Depreciation and amortization under Operating Expenses of the 2021 and 2020 statements of profit or loss. Total interest expense on lease liabilities is presented as part of Interest expense on lease liabilities under Finance Costs in the 2021 and 2020 statements of profit or loss. The outstanding balances arising from these transactions as at May 31, 2021 and 2020, are presented as part of ROUA under Property and Equipment, and Lease Liabilities (current portion under Trade and Other Payable) in the 2021and 2020 statements of financial position.

			Right-of-use asset		Lease Liabilities	
Lessor	Property	Lease term	Outstanding balance	Amortization expense	Outstanding balance	Interest expense
2021:						
FRC	Manila campus premises – land and buildings	20 years	P827,164,432	P 45,953,580	P 1,012,547,740	P 94,611,449
FRC	Makati campus premises – land	30 years	106,236,302	5,311,815	153,376,028	14,241,020
FRC	Building – gymnasium	10 years	38,596,688	10,068,701	50,023,296	2,630,758
FRC	Facilities – athlete's quarters	3 years	4,334,774	4,334,774	5,412,056	400,595
NREF	Facilities – Diliman sports facilities	10 years	7,924,034	2,796,718	8,276,801	479,547
			P984,256,230	**P 68,465,588**	**P1,229,635,921**	**P 112,363,369**
2020:						
FRC	Manila campus premises – land and buildings	20 years	P 873,118,011	P 45,953,580	P 997,751,290	P 84,790,256
FRC	Makati campus premises – land	30 years	111,548,118	5,311,815	147,901,022	12,723,819
FRC	Building – gymnasium	10 years	48,665,389	10,068,701	57,026,785	2,765,250
FRC	Facilities – athlete's quarters	3 years	8,669,548	4,334,774	9,187,669	550,619
NREF	Facilities – Diliman sports facilities	10 years	10,720,752	2,796,718	14,069,246	551,775
			P1,052,721,818	**P 68,465,588**	**P1,225,936,012**	**P 101,381,719**

Under PAS 17, total rental expense arising from these leases charged to operations amounting to P106.0 million, for the periods ended May 31, 2019, is presented as part of Rental under Operating Expenses (see Note 18). Accrued rental amounting to P82.8 million as at May 31, 2019 is presented as part of Accrued expenses under the Trade and Other Payables account in the statements of financial position (see Note 15).

23.4 Lease of Certain Building Floor to FRC

The University leases to FRC the mezzanine floor of one of the University's buildings. The lease agreement is renewed annually for one-year period. Rental income from FRC amounted to P0.5 million, P1.0 million, and P1.5 million for the periods ended May 31, 2021, 2020 and 2019, respectively, and is shown as part of Other Operating Income in the statements of profit or loss. There are no outstanding receivables as of the end of each period related to this lease agreement.

23.5 Lease of Campus Premises to FECSI

For a period of ten years from August 1, 2012 to July 31, 2022, the University entered into a lease of its two school buildings (see Note 12) to FECSI. The lease period is renewable subject to conditions mutually agreed upon by the parties. The annual rent is set at P1.3 million or 10% of FECSI's annual gross revenue net of some adjustments, whichever is higher. The rental fee is equally allocated between the University and FRC.

Total rental income earned from this transaction amounted to P2.3 million, P5.2 million, and P1.7 million for the years ended May 31, 2021, 2020 and 2019, respectively, and is presented as part of Other Operating Income in the statements of profit or loss (see Note 12). Related outstanding receivable arising from this transaction amounted to P3.8 million and P2.0 million for the year ended May 31, 2021 and 2020 (nil in 2019), respectively, which is presented as part of Receivables from related parties under the Receivables account in the statements of financial position (see Note 8). No impairment loss is recognized by the University on this receivable.

23.6 Reimbursement of Expenses

During the year ended May 31, 2021, 2020 and 2019, the University billed its subsidiaries and other related entities for the reimbursement of amounts it initially advanced to third party suppliers and service providers for certain expenses, and other various allocated expenses, at cost. These expenses pertain to those incurred in the normal course of operations of University and its related entities, which include utilities, license and subscriptions, legal fees, various supplies, janitorial and security services, use of facilities, and salaries and benefits of seconded employees, among others.

Also, during the year ended May 31, 2021, particularly during the months where strict quarantine restrictions were imposed, the University initially advanced the amount of approved employee emergency loans obtained from FEUHWRFP, which will subsequently be reimbursed at cost. The outstanding receivable as of May 31 is presented as part of Receivables from related parties under the Receivables account in the statements of financial position (see Note 8).

	2021	2020	2019
RCI	**P 37,573,640**	P 24,689,599	P 13,031,826
EACCI	**23,199,497**	20,275,836	7,188,798
FEU High	**18,252,983**	16,546,809	12,639,000
FECSI	**16,786,888**	12,569,519	9,110,667
FEUAI	**14,718,344**	25,892,648	23,710,895
FEU Public Policy Center Foundation, Inc.	**12,190,775**	9,613,117	5,615,114
FEUHWRFP	**5,062,058**	1,466,088	-
NREF	**4,526,254**	18,004,707	18,875,375
FRC	**38,192**	4,720	90,449
Edustria	**26,134**	26,134	-
EAEFI	**-**	4,892,015	4,892,015
	P 132,374,765	P 133,981,192	P 95,154,139

23.7 Sub-lease of Buildings to FEU High

Starting June 2016, the University initially subleased Nursing Building to FEU High thereafter in 2018 the Accounts, Business and Finance Buildings were also sublet (these two buildings are leased by the University from FRC), these subleased arrangements have been extended until May 31, 2022. Total rental income from this transaction amounted to P39.1 million, P43.9 million, and P41.8 million for the years ended May 31, 2021, 2020 and 2019, respectively, and is presented as part of Other Operating Income in the statements of profit or loss for the year ended May 31, 2021, 2020 and 2019, respectively. Outstanding receivable arising from this transaction amounting to P5.5 million, P23.2 million, and P6.6 million as of May 31, 2021, 2020 and 2019, respectively, is presented as part of Receivables from related parties under the Receivables account in the statements of financial position (see Note 8).

23.8 Lease of Certain Buildings to EAEF and EACCI

The University leases out certain buildings to EAEF for a period of one to five years until March 31, 2015. However, upon expiration of the term of the contract, the University and EAEF had mutually agreed not to renew such lease agreement. Instead, as of May 31, 2016, only certain floors of the buildings were leased out to EAEF. Related receivables arising from this transaction as of May 31, 2020 and 2019 amounting to P2.9 million (nil in 2021), is presented as part of Receivables from related parties under the Receivables account in the statements of financial position (see Note 8).

Starting July 2016, upon take-over of EACCI of the EAEF's operations, the lease of the buildings was transferred to the custody of EACCI. A new lease contract for a period of ten years until June 30, 2026 was entered into by the University and EACCI. Monthly rental of P2.1 million (exclusive of VAT) from July 2016 to February 2017 and P2.0 million (inclusive of VAT) for March 2017 onwards, was billed to EACCI.

Total rental income from EACCI, presented as part of Other Operating Income in the statements of profit or loss, amounted to P23.1 million for the year ended May 31, 2021, and P24.5 million for the years ended May 31, 2020 and 2019. Outstanding receivables arising from this transaction amounting to P18.5 million and P10.3 million as of May 31, 2021 and 2020 (nil in 2019), respectively, is presented as part of Receivables from related parties under the Receivables account in the statement of financial position (see Note 8).

23.9 Lease of Facilities from EACCI

The University conducts certain Physical Education classes using EACCI's swimming facilities. Total rental expense charged to operations amounted to P0.6 million for the year ended May 31, 2019 (nil in 2021 and 2020), respectively, and is presented as part of Rental under Operating Expenses (see Note 18). There was no outstanding balance from this transaction as of May 31, 2021, 2020 and 2019.

23.10 Lease of Campus Premises to FEUAI

In 2019, the University started to lease to FEUAI the land where the building occupied by the FEU Alabang Campus is located. The lease agreement covers a period of 15 years from January 1, 2019 to December 31, 2034, and which the parties also agreed that there shall be no rental fees for the first year of the lease. In subsequent years, the terms and conditions of the lease is to be determined annually, subject to conditions mutually agreed upon by both parties. For the period January 1 to June 30, 2020, the rate agreed is P1.2 million per month, subject to review and renewal on every year thereafter until the end of lease term.

Total rental income from FEUAI which is presented as part of Other Operating Income in the 2021 and 2020 statements of profit or loss, amounted to P12.8 million and P6.1 million, respectively (see Note 12). Outstanding balance as of May 31, 2020, amounting to P6.1 million (nil in 2021), is presented as part of Receivables from related parties under the Receivables account in the 2020 statement of financial position (see Note 8).

23.11 Interest-bearing Loan from FEU High, FEU HWFRP and EACCI

Interest-bearing loans obtained by the University from its related parties are disclosed as Loans from Related Parties in the statements of financial position as of May 31, 2021, 2020 and 2019.

Interest-bearing loan from FEU High

On various dates, the University obtained interest-bearing loans from FEU High. The loans were unsecured and bears interest based on a 91-day time deposit rate plus 0.10%. The term of the loans was initially set at 90 days, with the option for extension as agreed between the parties. The agreements also provide for a 3% late payment interest on any unpaid principal and interest, computed per annum from date of maturity until full payment, in the event that of non-extension of the term.

Details of the University's interest-bearing loans from FEU High are as follows.

Original Principal Amount	Outstanding Balance 2021	2020	2019	Interest Rate	Maturity Date
P 50,000,000	**P -**	P 50,000,000	P -	2.5%	August 2020
40,000,000	**-**	40,000,000	-	2.5%	July 2020
30,000,000	**-**	25,800,000	-	2.5%	August 2020
20,000,000	**-**	20,000,000	-	2.5%	August 2020
20,000,000	**-**	20,000,000	-	2.5%	August 2020
75,800,000	**-**	-	15,800,000	5.8%	August 2002
30,000,000	**-**	-	30,000,000	6.0%	August 2020
15,000,000	**-**	-	15,000,000	6.0%	August 2020
20,000,000	**-**	-	20,000,000	6.0%	July 2019
35,000,000	**-**	-	35,000,000	5.0%	January 2019
135,800,000	**-**	-	-	2.0%	April 2021
110,800,000	**100,000,000**	-	-	0.9%	June 2021
	P 100,000,000	P 155,800,000	P 115,800,000		

Related interest amounting to P1.9 million, P7.1 million and P3.7 million in May 31, 2021, 2020 and 2019, respectively, was recognized in profit or loss as part of Interest expense on interest-bearing loans under Finance Costs in the statements of profit or loss (see Note 19.2). Interest payable amounting to P0.9 million, P7.1 million and P1.6 million as of May 31, 2021, 2020 and 2019, respectively, are presented as part of Accrued expenses under the Trade and Other Payables account in the statements of financial position (see Note 15).

Interest-bearing loan from FEUHWRFP

In April 2019, the University obtained a loan from FEUHWRFP amounting to P20.0 million. The loan bears interest rates of 5% per annum with a term of 30-60 days. The loan was paid in full in August 2019. Related interest amounting to P0.2 million was recognized as part of Interest expense on interest-bearing loans under Finance Costs in the 2020 and 2019 statements of profit or loss (see Note 19.2). Accrued interest payable amounting to P0.2 million as of May 31, 2019 is presented as part of Accrued expenses under the Trade and Other Payables account in the statement of financial position (see Note 15).

In October 2019, the University obtained additional loans from FEUHWRFP amounting to P10.0 million. The loan bears interest rates of 2.35% per annum and was paid in full in January 2020.

Related interest amounting to P0.3 million and P0.1 million were recognized in profit or loss as part of Finance Costs in the 2020 and 2019 statements of profit or loss, respectively (see Note 19.2). The University did not obtain any loan from FEUHWRFP during the year ended May 31, 2021.

Interest-bearing loan from EACCI

In November 2019, the University obtained a loan from EACCI amounting to P50.0 million. The loan bears interest rates of 4% per annum. The loan is unsecured and has a term of 60 days. The loan was fully paid in May 2020.

In March 2020, the University obtained another loan from EACCI amounting to P10.0 million. The loan bears interest rates of 2.75% per annum. The loan was fully paid in June 2020.

In July and December 2020, the University obtained separate loans amounting to P25.0 million and P100.0 million, respectively, with interest rates of 1.13% and 1.95%, respectively. The P25.0 million and P100.0 million loan were fully paid in August 2020 and in January 2021, respectively.

Related interest amounting to P0.3 million and P0.4 million was recognized as part of Interest expense on interest-bearing loans under Finance Costs in the 2021 and 2020 statements of profit or loss (see Note 19.2). Interest payable amounting to P0.04 million as of May 31, 2020 (nil in 2021) is presented as part of Accrued expenses under the Trade and Other Payables account in the 2020 statement of financial position (see Note 15).

23.12 Financial Guaranty for Subsidiaries' Loans

In March 2017 and January 2018, the BOT approved that for and in consideration of the loan or credit facilities obtained by any subsidiary of the University, in which the University owns at least 75% of the outstanding voting capital stock of such subsidiary, from a certain local commercial bank, the University gives its full consent and authority to act as surety up to P500 million for the subsidiary's obligations arising from any loan or availment from any credit facilities granted by the said local bank in favor of the subsidiary, as well as any renewals, increases, extensions of existing obligations obtained by or which may hereafter be obtained by the subsidiary from the local bank, whether direct or indirect, principal or secondary. As of May 31, 2021, 2020 and 2019, RCI's outstanding loans payable from the said local bank amounted to P500.0 million, P400.0 million and P150.0 million, respectively.

23.13 Key Management Personnel Compensation

Total remuneration of the University's key management personnel presented as part of Salaries and allowances and Employee benefits under Operating Expenses (see Note 18) is as follows:

	2021	2020	2019
Salaries and short-term benefits	**P 67,791,995**	P 70,729,477	P 61,702,042
Post-employment benefits	**10,841,132**	11,494,067	10,051,651
	P 78,633,127	P 82,223,544	P 71,753,693

23.14 Retirement Fund

The University's retirement fund is in the form of trustee-bank managed accounts. The fair value of the University's retirement plan assets amounted to P784.8 million, P767.5 million and P709.2 million as of May 31, 2021, 2020 and 2019, respectively. Details of the retirement plan are presented in Note 21.2(d)(iii).

None of the retirement plan assets are invested in or provided to the University and/or its related parties, except for loans granted to the University.

The retirement fund neither provides any guarantee nor surety for any obligation of the University.

23.15 Sale of Investment

In the fiscal year 2019, the University sold its investment in an associate to a third party amounting to P147.0 million. The net book value of the investment in associate amounted to P7.8 million at the date of disposal (see Note 20).

23.16 Receipt of Stock Dividends

During the year ended May 31, 2020, FEU High declared a 50% stock dividend and issued them in June 2020. Accordingly, the University received additional 199,990 additional shares of FEU High.

24. EQUITY

24.1 Capital Stock

The University's capital stock solely consists of common shares with details below.

	2021	2020	2019
Authorized number of shares – P100 par value per share	**50,000,000**	50,000,000	20,000,000
Issued and outstanding shares:			
Total shares issued	**24,093,094**	16,514,354	16,514,354
Treasury shares	**(37,331)**	(37,331)	(37,331)
	24,055,763	16,477,023	16,477,023

The BOT approved the increase of the University's authorized capital stock on September 10, 2019. Concurrently, a 46% stock dividend was declared and later ratified by at least two-thirds of the stockholders in their Annual Stockholders' Meeting on October 19, 2019.

The SEC approval on the increase of authorized capital stock was obtained on March 19, 2020. Subsequent approval for the issuance of stock dividends was granted by the SEC on June 2, 2020, with distribution date on June 18, 2020 (see Note 24.2).

As of May 31, 2020, the undistributed but declared stock dividends was presented as Stock Dividends Distributable in the 2020 statements of financial position.

Below is the ownership structure of the University's outstanding shares as of May 31, 2021, 2020 and 2019.

	2021	2020	2019
Number of shares held by related parties	**16,040,027**	10,857,840	10,839,387
Number of shares held by the public	**8,015,736**	5,619,183	5,637,636
	24,055,763	16,477,023	16,477,023

As of May 31, 2021, 2020 and 2019, the public owns 33.32%, 34.10% and 34.22%, respectively, of the University's listed shares.

As of May 31, 2021, there are 1,509 holders of the listed common shares owning at least one board lot.

The closing price of the University's listed shares was P570, P830 and P890 per share as of May 31, 2021, 2020 and 2019, respectively.

24.2 Retained Earnings

Significant transactions affecting Retained Earnings are as follows:

(a) Appropriation of Retained Earnings

As of May 31, 2021, 2020 and 2019, the University's Appropriated Retained Earnings consists of appropriations for:

	2021	2020	2019
Property and investment acquisition	**P 493,500,000**	P 1,448,000,000	P 1,631,000,000
Purchase of equipment and improvements	**257,000,000**	167,000,000	92,000,000
Contingencies	**90,000,000**	180,000,000	190,000,000
Treasury stock	**3,733,100**	3,733,100	3,733,100
Expansion of facilities	**-**	111,000,000	164,000,000
General retirement	**-**	-	90,000,000
	P 844,233,100	P 1,909,733,100	P 2,170,733,100

The changes in Appropriated Retained Earnings are shown below.

	2021	2020	2019
Balance at beginning of year	**P 1,909,733,100**	P 2,170,733,100	P 2,843,733,100
Reversal of appropriations	**(1,155,500,000)**	(336,000,000)	(670,000,000)
Appropriations	**90,000,000**	75,000,000	-
Balance at end of year	**P 844,233,100**	P 1,909,733,100	P 2,170,733,100

(b) Dividend Declaration

The BOT approved the following dividend declarations during the periods ended:

	Date of Declaration	Date of Record	Date of Payment/Issuance	Amount
May 31, 2021				
Cash dividend of P3 per share	November 17, 2020	December 3, 2020	December 16, 2020	P 72,167,289
Cash dividend of P5 per share	February 16, 2021	March 3, 2021	March 15, 2021	120,278,815
				P 192,446,104
May 31, 2020				
Cash dividend of P10 per share	September 10, 2019	September 24, 2019	October 9, 2019	P 164,770,230
Cash dividend of P10 per share	February 19, 2020	March 4, 2020	March 18, 2020	164,770,230
Stock dividend of 46%	September 10, 2019	October 19, 2019	June 18, 2020	757,941,400
				P 1,087,481,860
May 31, 2019				
Cash dividend of P8 per share	September 18, 2018	October 2, 2018	October 18, 2018	P 131,816,184
Cash dividend of P8 per share	February 19, 2019	March 6, 2019	March 20, 2019	131,816,184
				P 263,632,368

Unclaimed checks related to dividends declared as of May 31, 2021, 2020 and 2019 are presented as Dividends payable under the Trade and Other Payables account in the statements of financial position (see Note 15).

25. EARNINGS PER SHARE

EPS were computed as follows:

	2021	2020	2019
Net income	**P 456,910,828**	P 432,418,455	P 247,104,720
Divided by number of outstanding shares, net of treasury stock of 37,331 shares	**24,055,763**	24,055,763	24,055,763*
Basic and diluted earnings per share	**P 18.99**	P 17.98	P 10.27

**Restated after giving retrospective effect on the stock dividend declared on September 10, 2019.*

The weighted average number of shares outstanding as of May 31, 2020 and 2019 is computed as follows:

	Number of Shares	Months Outstanding	Weighted Number of Shares
Balance at beginning of year	16,477,023	12	197,724,276
Stock dividends distributable	7,578,740	12	90,944,880
Balance at end of year	24,055,763		288,669,156
Divided by total months in 2020		12	
Weighted average number of shares outstanding			**24,055,763**

As of May 31, 2021, the weighted average and actual number of outstanding shares is the same.

The University has no potential dilutive common shares as of May 31, 2021, 2020 and 2019; accordingly, the diluted earnings per share is the same as the basic earnings per share in all the years presented.

26. COMMITMENTS AND CONTINGENCIES

The following are the significant commitments and contingencies involving the University:

26.1 Operating Lease Commitments – University as Lessee

(a) Lease Agreement with FRC

The University is a lessee under operating leases covering certain buildings for a period of ten years from July 1, 2015 to June 30, 2025, subject to annual escalation rate of 5%.

The University also entered into other contracts of lease for the land where the building occupied by FEU Makati is located for a period of 30 years and for the lease of various sports facilities covering a gymnasium, football field and classrooms for a period of ten years, as discussed in Note 23.3.

The future minimum rentals payable under these noncancellable operating leases as of May 31, 2019 is as follows:

Within one year	P 98,191,664
After one year but not more than five years	548,535,457
More than five years	474,468,401
	P 1,121,195,522

26.2 Operating Lease Commitments – University as Lessor

The University leases out certain buildings to EAEF, EACCI, FEU High and FECSI and the mezzanine floor to FRC for a period of one to ten years (see Notes 12, 23.4, 23.5, 23.7, 23.8 and 23.10).

Future minimum rental receivables as of May 31, excluding contingent rental, under these operating leases are as follows:

		2021		2020		2019
Within one year	**P**	**41,449,796**	P	87,051,458	P	76,908,599
After one year but not more than five years		**3,836,000**		3,626,771		3,974,034
	P	**45,285,796**	P	90,678,229	P	80,882,633

The University is also a lessor in various lease contracts with third party lessees. The terms of the lease vary but does not exceed one year. Total rentals earned from these operating leases amounted to P2.7 million and P1.4 million (nil in 2021) for the years ended May 31, 2020 and 2019, respectively, which is presented as part of Other Operating Income in the statements of profit or loss.

26.3 Others

As of May 31, 2021, the University has no record of any litigation not being contested or any that the University has accepted any liability in relation to labor cases and other civil cases.

Further, the previous tax case and its attendant omnibus motion filed by the University with the Court of Tax Appeals was withdrawn on March 15, 2021 to fully satisfy the requirements of the tax amnesty availed by the University in December 2019 (see Note 18).

There are other contingencies that arise in the normal course of business that are not recognized in the University's financial statements. Management believes that losses, if any, arising from these commitments and contingencies will not materially affect its financial statements, however, the University opted to appropriate portion of its retained earnings to cover for such contingencies (see Note 24.2).

27. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The University aims to provide returns on equity to shareholders while managing operational and strategic objectives. The University manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust capital structure, the University may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The University defines capital as paid-in capital stock and retained earnings, both appropriated and unappropriated. Other components of equity such as treasury stock and revaluation reserves are excluded from capital for purposes of capital management. The BOT has overall responsibility for monitoring of capital in proportion to risks. Profiles for capital ratios are set in the light of changes in the University's external environment and the risks underlying the University's business, operation and industry.

The University monitors capital on the basis of debt-to-equity ratio, which is calculated as total liabilities (net of unearned tuition fees) divided by total adjusted equity (comprised of capital stock and retained earnings). Capital for the reporting periods May 31, 2021, 2020 and 2019 and is summarized below.

	2021	2020	2019
Total adjusted liabilities	**P 4,197,810,400**	P 4,753,369,749	P 3,192,172,602
Total adjusted equity	**5,794,408,966**	5,530,011,642	5,427,133,647
Debt-to-equity ratio	**0.72 : 1.00**	0.86 : 1.00	0.59 : 1.00

The University's goal in capital management is to maintain a lower adjusted liability compared with its adjusted equity or debt-to-equity structure ratio of not more than 1.00:1.00. This is in line with the University's bank covenants related to its interest-bearing loans to a certain bank which requires the University to maintain a debt-to-equity structure ratio of not more than 2.00:1.00 and debt service coverage ratio of at least 1.2x (see Note 16).

The University has complied with its covenant obligations, including maintaining the required debt-to-equity ratios and debt service credit reserve which are both based on the University's consolidated financial statements for all years presented.

There was no significant change in the University's approach to capital management during the year.

28. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Presented below is the reconciliation of liabilities arising various financing activities.

	Interest-bearing Loans (see Note 16)	**Advances from a Related Party** (see Note 23)	**Dividends Payable** (see Note 15)	**Accrued Interest**	**Lease Liabilities** (see Note 14)	**Total**
Balance at June 1, 2020	P 2,205,238,096	P 165,800,000	P 223,026,631	P 29,449,730	P 1,225,936,012	P 3,849,450,469
Cash flows from financing activities:						
Proceeds from additional loans	1,042,857,143	507,400,000	-	-	-	1,550,257,143
Repayment of loans	(1,275,714,286)	(573,200,000)	-	-	-	(1,848,914,286)
Repayment of lease liabilities	-	-	-	-	(99,146,712)	(99,146,712)
Dividends paid	-	-	(247,441,904)	-	-	(247,441,904)
Interest paid including capitalized borrowing cost	-	-	-	(55,850,837)	-	(55,850,837)
Non-cash financing activities:						
Dividend declaration	-	-	192,446,104	-	-	192,446,104
Interest on lease liabilities	-	-	-	-	112,363,368	112,363,368
Amortization of lease liabilities	-	-	-	-	(9,516,747)	(9,516,747)
Accrual of interest on loans	-	-	-	32,655,382	-	32,655,382
Balance at May 31, 2021	**P 1,972,380,953**	**P 100,000,000**	**P 168,030,831**	**P 6,254,275**	**P 1,229,635,921**	**P 3,476,301,980**
Balance at June 1, 2019	P 2,108,571,429	P 115,800,000	P 212,205,101	P 9,842,067	P -	P 2,446,418,597
Effect of adoption of PFRS 16	-	-	-	-	1,204,033,623	1,204,033,623
Cash flows from financing activities:						
Proceeds from additional loans	993,000,000	230,000,000	-	-	-	1,223,000,000
Repayment of loans	(896,333,333)	(180,000,000)	-	-	-	(1,076,333,333)
Repayment of lease liabilities	-	-	-	-	(68,180,005)	(68,180,005)
Dividends paid	-	-	(318,718,930)	-	-	(318,718,930)
Interest paid including capitalized borrowing cost	-	-	-	(96,842,165)	-	(96,842,325)
Non-cash financing activities:						
Dividend declaration	-	-	329,540,460		-	329,540,460
Interest on lease liabilities	-	-	-	-	101,381,719	101,381,719
Amortization of lease liabilities	-	-	-	-	(11,299,325)	(11,299,325)
Accrual of interest on loans	-	-	-	116,449,828	-	114,992,570
Balance at May 31, 2020	P 2,205,238,096	P 165,800,000	P 223,026,631	P 29,449,730	P 1,225,936,012	P 3,849,450,469

	Interest-bearing Loans (see Note 16)	Advances from a Related Party (see Note 23)	Dividends Payable (see Note 15)	Accrued Interest	Lease Liabilities (see Note 14)	Total
Balance at June 1, 2018	P 2,367,142,858	P 85,800,000	P 195,004,540	P 11,376,514	P -	P 2,659,323,912
Cash flows from financing activities:						
Proceeds from additional loans	170,000,000	90,000,000	-	-	-	260,000,000
Repayment of loans	(428,571,429)	(60,000,000)	-	-		(488,571,429)
Dividends paid	-	-	(246,431,807)	-	-	(246,431,807)
Interest paid including capitalized borrowing cost	-	-	-	(126,867,306)	-	(126,867,306)
Non-cash financing activities:						
Dividend declaration	-	-	263,632,368		-	263,632,368
Accrual of interest on loans	-	-	-	91,678,350	-	91,678,350
Balance at May 31, 2019	P 2,108,571,429	P 115,800,000	P 212,205,101	P 9,842,067	P -	P 2,446,418,597

Accrued interest on loans payable as of May 31, 2021, 2020 and 2019 is recognized as part of Accrued Expenses under Trade and Other Payables in the statements of financial position (see Notes 15 and 16).

29. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE

The following supplementary information on taxes, duties and license fees paid or accrued during the taxable year required by the BIR under RR No. 15-2010 to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS.

(a) Output VAT

In fiscal year 2020, the University declared output VAT as follows:

	Tax Base	Output VAT
Rental	P 66,545,315	P 7,985,438
Sale of merchandise	31,655	3,799
Other gains and losses	68,018	8,162
	P 66,644,988	**P 7,997,399**

There is no outstanding output VAT payable as of May 31, 2021. Pursuant to Section 109, *VAT-Exempt Transactions*, of the NIRC 1997, the University's receipts from tuition and other fees related to educational services amounting to P1,744,792,567 are VAT-exempt.

The tax base for rendering of services is based on the University's gross receipts for the year, hence, may not be the same with the amounts reported in the 2021 statement of profit or loss which is based on PFRS.

(b) Input VAT

Pursuant to Section 109, the University is not allowed any tax credit of input VAT on its purchases related to educational services.

The movements in input VAT are summarized below:

Balance at beginning of year	P	34,358,831
Services lodged under cost of services		3,872,564
Applied against output VAT	(	3,366,529)
Balance at end of year	**P**	**34,864,866**

(c) Taxes on Importation

The University did not have any importations in fiscal year 2021.

(d) Excise Tax

The University did not have any transactions in fiscal year 2021, which are subject to excise tax.

(e) Documentary Stamp Tax

In fiscal year 2021, the University paid and accrued documentary stamp tax (DST) for the following:

Loans agreements and various contracts and documents	P	11,840,135
Issuance of shares of stock		7,711,089
	P	**19,551,224**

(f) Taxes and Licenses

Details of taxes and licenses in fiscal year 2021 are as follows.

DST	P	19,551,224
Municipal licenses and permits		14,394,048
Community tax		10,500
Annual registration fee		3,500
Miscellaneous		415,360
	P	**34,374,632**

(g) Withholding Taxes

Details of total withholding taxes for the fiscal year ended May 31, 2021 are shown below.

Compensation	P	98,373,195
Expanded		17,794,431
Final		5,729,390
	P	**121,897,016**

(h) Deficiency Tax Assessments and Tax Cases

As of May 31, 2021, the University does not have any final deficiency tax assessments from the BIR and any tax cases outstanding or pending in courts or bodies outside of BIR in any of the open taxable years.