



**UNICAPITAL SECURITIES, INC.**  
**ANNUAL AUDITED FINANCIAL REPORT**  
**TABLE OF CONTENTS**

**DECEMBER 31, 2023**

	<u>Page</u>
Cover Page	1
Statement of Management’s Responsibility for Financial Statements	2
Independent Auditors’ Report	3 - 5
Statements of Financial Position	6
Statements of Comprehensive Income	7 - 8
Statements of Changes in Equity	9
Statements of Cash Flows	10 - 11
Notes to Financial Statements	12 - 51
Report of Independent Auditors to Accompany Financial Statements for Filing with the Securities and Exchange Commission (SEC)	52
Report of Independent Auditors on Supplementary Schedules	53
Statement of Changes in Liabilities Subordinated to Claims of General Creditors (Schedule I)	54
Computation of Risk-Based Capital Adequacy Requirement Pursuant to SEC Memorandum Circular No. 16 (Schedule II)	55
Information Relating to the Possession or Control Requirements under Annex F of Securities Regulation Code (SRC) Rule 49.2 (Schedule III)	56
Computation for Determination of Reserve Requirements under Annex G of SRC Rule 49.2 (Schedule IV)	57
A Report Describing Any Material Inadequacies Found to Exist or Found to Have Existed since the Date of the Previous Audit (Schedule V)	58
Results of Yearend Securities Count Conducted Pursuant to SRC Rule 52.1-10, as Amended (Schedule VI)	69 - 68
Supplementary Schedule of Financial Soundness Indicators under the Revised SRC Rule 68 (Schedule VII)	69

**REPUBLIC OF THE PHILIPPINES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Metro Manila, Philippines**

**COVER PAGE**

Information Required of Brokers and Dealers Pursuant to Rule 52.1-5 of the SRC.

Report for the Year Beginning January 1, 2023 and Ended December 31, 2023.

<b>IDENTIFICATION OF BROKER OR DEALER</b>	
Name of Broker/Dealer:	Unicapital Securities, Inc.
Address of Principal Place of Business:	3 <sup>rd</sup> Floor, Majalco Building 104 Benavidez corner Trasierra Streets Legaspi Village, Makati City
Name and Phone Number of Person to Contact in Regard to this Report:	
Name: Jaime J. Martirez	Tel. No.: (02) 8-892-0991 Fax No.: (02) 8-818-2128

<b>IDENTIFICATION OF ACCOUNTANT</b>	
Name of Independent Auditor whose opinion is contained in this report:	
Name: Reyes Tacandong & Co. SEC Registration No. PP201007009	Tel. No.: (02) 8-982-9100 Fax No.: (02) 8-982-9111
Address: 26th Floor, BDO Towers Valero, 8741 Paseo de Roxas, Makati City 1226, Philippines	
BELINDA B. FERNANDO Partner CPA Certificate No. 81207 Tax Identification No. 102-086-538-000 BOA Accreditation No. 4782; Valid until April 13, 2024 BIR Accreditation No. 08-005144-004-2022 Valid until October 16, 2025 PTR No. 10072407 Issued January 2, 2024, Makati City	

## INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors  
Unicapital Securities, Inc.  
3<sup>rd</sup> Floor, Majalco Building  
104 Benavidez corner Trasierra Streets  
Legaspi Village, Makati City

### *Opinion*

We have audited the accompanying financial statements of Unicapital Securities, Inc. (a subsidiary of Unicapital, Inc.) (the Company), which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to financial statements, including a summary of material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the 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 Company 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 the audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

*Auditors' Responsibilities for the Audit of the Financial Statements*

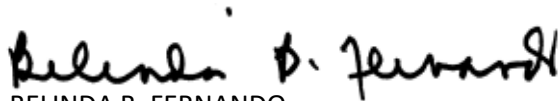
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

**REYES TACANDONG & Co.**



BELINDA B. FERNANDO

Partner

CPA Certificate No. 81207

Tax Identification No. 102-086-538-000

BOA Accreditation No. 4782; Valid until April 13, 2024

BIR Accreditation No. 08-005144-004-2022

Valid until October 16, 2025

PTR No. 10072407

Issued January 2, 2024, Makati City

March 25, 2024

Makati City, Metro Manila

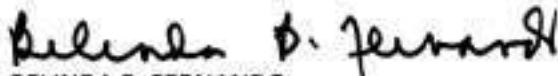
**REPORT OF INDEPENDENT AUDITORS  
TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING WITH THE  
BUREAU OF INTERNAL REVENUE**

The Stockholders and the Board of Directors  
Unicapital Securities, Inc.  
3<sup>rd</sup> Floor, Majalco Building  
104 Benavidez corner Trasierra Streets  
Legaspi Village, Makati City

We have audited the accompanying financial statements of Unicapital Securities, Inc. (a subsidiary of Unicapital, Inc.) (the Company) as at and for the years ended December 31, 2023 and 2022, on which we have rendered our report dated March 25, 2024.

In compliance with Revenue Regulations V-20, we are stating that no partner of our Firm is related by consanguinity or affinity to the president, manager or principal stockholders of the Company.

**REYES TACANDONG & CO.**



BELINDA B. FERNANDO

Partner

CPA Certificate No. 81207

Tax Identification No. 102-086-538-000

BOA Accreditation No. 4782; Valid until April 13, 2024

BIR Accreditation No. 08-005144-004-2022

Valid until October 16, 2025

PTR No. 10072407

Issued January 2, 2024, Makati City

March 25, 2024  
Makati City, Metro Manila

**UNICAPITAL SECURITIES, INC.**  
(A Subsidiary of Unicapital, Inc.)

**STATEMENTS OF FINANCIAL POSITION**

December 31							
2023							
Note	Money Balance	Security Valuation		Money Balance	Security Valuation		
		Long	Short		Long	Short	
<b>ASSETS</b>							
Cash and cash equivalents	7	P422,912,444			P417,744,374		
Financial assets at fair value through profit or loss (FVPL)	8	15,613,162	P4,574,654		13,675,792	P2,936,615	
Trade receivables	9	37,878,101	396,517,174		52,092,722	553,372,131	
Other receivables	10	1,706,824			1,581,164		
Property and equipment	11	1,873,033			1,807,592		
Intangible assets	12	9,067,684			9,692,549		
Net retirement benefit asset	19	1,113,666			2,346,200		
Net deferred tax assets	21	641,162			523,264		
Other assets	13	14,198,721			13,006,689		
		<b>P505,004,797</b>			<b>P512,470,346</b>		
<b>Securities in Vault, Transfer Offices, and Philippine Depository and Trust Corporation</b>			<b>P13,921,838,799</b>			<b>P11,003,806,341</b>	
<b>LIABILITIES AND EQUITY</b>							
<b>Liabilities</b>							
Trade payables	14	P418,016,062	13,520,746,971		P417,428,533	10,447,497,595	
Accrued expenses and other payables	15	25,312,775			17,233,695		
Total Liabilities		<b>443,328,837</b>			<b>434,662,228</b>		
<b>Equity</b>							
Capital stock	16	68,059,280			68,059,280		
Additional paid-in capital	16	32,552,272			32,552,272		
Deficit		(37,279,505)			(22,394,678)		
Cumulative remeasurement loss on net retirement benefit asset (net of deferred income tax)	19	(1,656,087)			(408,756)		
Total Equity		<b>61,675,960</b>			<b>77,808,118</b>		
		<b>P505,004,797</b>	<b>P13,921,838,799</b>	<b>P13,921,838,799</b>	<b>P512,470,346</b>	<b>P11,003,806,341</b>	<b>P11,003,806,341</b>

See accompanying Notes to Financial Statements.



**UNICAPITAL SECURITIES, INC.**  
(A Subsidiary of Unicapital, Inc.)

**STATEMENTS OF COMPREHENSIVE INCOME**

		<b>Years Ended December 31</b>	
	Note	<b>2023</b>	<b>2022</b>
<b>REVENUES</b>			
Commissions		<b>₱24,846,376</b>	₱30,665,438
Interests	7	<b>19,874,947</b>	8,202,275
Trading gains on financial assets at FVPL - net	8	<b>383,158</b>	899,606
Dividends	8	<b>213,829</b>	99,123
Gain on disposal of property and equipment	11	<b>11,607</b>	58,928
Reversal of impairment losses on trade receivables from customers	9	–	1,470,145
		<b>45,329,917</b>	41,395,515
<b>COST OF SERVICES</b>			
Salaries and other employee benefits	18	<b>14,100,441</b>	13,781,318
Communication		<b>12,762,610</b>	12,449,418
Commission		<b>4,913,574</b>	6,791,683
Stock exchange fees and dues		<b>3,594,643</b>	3,741,910
		<b>35,371,268</b>	36,764,329
<b>GROSS PROFIT</b>		<b>9,958,649</b>	4,631,186
<b>OPERATING EXPENSES</b>			
Professional fees		<b>4,532,475</b>	3,883,421
Salaries and other employee benefits	18	<b>3,525,110</b>	3,445,330
Depreciation and amortization	11	<b>2,212,889</b>	2,156,031
Advertising and promotions		<b>1,882,067</b>	2,272,423
Provision for impairment losses on receivables	9	<b>1,592,518</b>	–
Taxes and licenses		<b>1,588,389</b>	500,541
Transportation and travel		<b>1,443,846</b>	1,409,626
Rental	20	<b>1,361,166</b>	1,376,797
Office supplies		<b>503,203</b>	597,642
Representation		<b>196,538</b>	231,880
Repairs and maintenance		<b>184,528</b>	137,105
Provision for impairment losses on exchange trading right	12	–	1,000,000
Others		<b>2,018,548</b>	1,719,767
		<b>21,041,277</b>	18,730,563
<b>LOSS BEFORE INCOME TAX</b>		<b>(₱11,082,628)</b>	(₱14,099,377)

(Forward)

	Note	Years Ended December 31	
		2023	2022
<b>LOSS BEFORE INCOME TAX</b>		<b>(P11,082,628)</b>	<b>(P14,099,377)</b>
<b>INCOME TAX EXPENSE</b>	21		
Current		3,504,320	1,178,428
Deferred		297,879	7,973,348
		<b>3,802,199</b>	<b>9,151,776</b>
<b>NET LOSS</b>		<b>(14,884,827)</b>	<b>(23,251,153)</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>			
<i>Not to be reclassified to profit or loss in subsequent periods</i>			
Remeasurement gains (losses) on			
net retirement benefit asset	19	<b>(1,663,108)</b>	791,523
Deferred income tax benefit (expense)	19	<b>415,777</b>	(197,881)
		<b>(1,247,331)</b>	593,642
<b>TOTAL COMPREHENSIVE LOSS</b>		<b>(P16,132,158)</b>	<b>(P22,657,511)</b>

See accompanying Notes to Financial Statements.

**UNICAPITAL SECURITIES, INC.**

(A Subsidiary of Unicapital, Inc.)

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	Note	Capital Stock	Deposits for Future Stock Subscription	Additional Paid-in Capital	Deficit	Cumulative Remeasurement Loss on Net Retirement Benefit Asset (Net of Deferred Income Tax)	Total Equity
Balances at December 31, 2022		<b>₱68,059,280</b>	<b>₱–</b>	<b>₱32,552,272</b>	<b>(₱22,394,678)</b>	<b>(₱408,756)</b>	<b>₱77,808,118</b>
Net loss		–	–	–	<b>(14,884,827)</b>	–	<b>(14,884,827)</b>
Other comprehensive loss	19	–	–	–	–	<b>(1,247,331)</b>	<b>(1,247,331)</b>
Balances at December 31, 2023		<b>₱68,059,280</b>	<b>₱–</b>	<b>₱32,552,272</b>	<b>(₱37,279,505)</b>	<b>(₱1,656,087)</b>	<b>₱61,675,960</b>
<hr/>							
Balances at December 31, 2021		₱50,000,000	₱18,059,280	₱69,501,235	(₱35,911,895)	(₱1,002,398)	₱100,646,222
Issuance of capital stock	16	18,059,280	(18,059,280)	–	–	–	–
Impact of equity restructuring	16	–	–	(36,768,370)	36,768,370	–	–
Net loss		–	–	–	(23,251,153)	–	(23,251,153)
Other comprehensive income	19	–	–	–	–	593,642	593,642
Stock issuance costs	16	–	–	(180,593)	–	–	(180,593)
Balances at December 31, 2022		<b>₱68,059,280</b>	<b>₱–</b>	<b>₱32,552,272</b>	<b>(₱22,394,678)</b>	<b>(₱408,756)</b>	<b>₱77,808,118</b>

See accompanying Notes to Financial Statements.

**UNICAPITAL SECURITIES, INC.**  
(A Subsidiary of Unicapital, Inc.)

**STATEMENTS OF CASH FLOWS**

		<b>Years Ended December 31</b>	
	Note	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before income tax		<b>(P11,082,628)</b>	(P14,099,377)
Adjustments for:			
Interest income	7	<b>(19,874,947)</b>	(8,202,275)
Depreciation and amortization	11	<b>2,212,889</b>	2,156,031
Provision for (reversal of) allowance for impairment losses on trade receivables	9	<b>1,592,518</b>	(1,470,145)
Retirement benefit costs	19	<b>369,426</b>	590,143
Dividend income	8	<b>(213,829)</b>	(99,123)
Unrealized foreign exchange loss (gain)		<b>(181,541)</b>	1,039,420
Unrealized loss (gain) on fair value changes on financial assets at FVPL	8	<b>(52,470)</b>	57,005
Gain on disposal of property and equipment	11	<b>(11,607)</b>	(58,928)
Provision for impairment losses on exchange trading right	12	–	1,000,000
Operating loss before working capital changes		<b>(27,242,189)</b>	(19,087,249)
Decrease (increase) in:			
Financial assets at FVPL		<b>(1,884,900)</b>	(2,746,652)
Trade receivables		<b>12,622,103</b>	5,310,854
Other receivables		<b>7,442</b>	(30,835)
Other assets		<b>(29,952)</b>	(274,989)
Increase (decrease) in:			
Trade payables		<b>587,529</b>	(13,077,134)
Accrued expenses and other payables		<b>8,079,080</b>	34,060
Net cash used in operations		<b>(7,860,887)</b>	(29,871,945)
Interest received		<b>19,741,845</b>	7,731,683
Income taxes paid		<b>(4,666,400)</b>	(2,208,346)
Contribution to the retirement plan	19	<b>(800,000)</b>	(1,200,000)
Dividends received		<b>213,829</b>	99,123
Net cash provided by (used in) operating activities		<b>6,628,387</b>	(25,449,485)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisitions of:			
Property and equipment	11	<b>(860,205)</b>	(1,639,372)
Intangible assets	12	<b>(793,260)</b>	(66,964)
Proceeds from sale of property and equipment	11	<b>11,607</b>	58,928
Net cash used in investing activities		<b>(P1,641,858)</b>	(P1,647,408)

(Forward)

		<b>Years Ended December 31</b>	
	Note	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM A FINANCING ACTIVITY</b>			
Payment of stock issuance costs	16	<b>₱-</b>	<b>(₱180,593)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>4,986,529</b>	<b>(27,277,486)</b>
<b>EFFECTS OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS</b>		<b>181,541</b>	<b>(1,039,420)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>417,744,374</b>	<b>446,061,280</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>₱422,912,444</b>	<b>₱417,744,374</b>

*See accompanying Notes to Financial Statements.*

**UNICAPITAL SECURITIES, INC.**  
(A Subsidiary of Unicapital, Inc.)

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**NOTES TO FINANCIAL STATEMENTS**  
**AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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**1. Corporate Information**

Unicapital Securities, Inc. (the Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on April 4, 1997. The Company is 84.54%-owned by Unicapital, Inc. (the Parent Company), a domestic company also incorporated in the Philippines. The Company is a licensed broker/dealer of securities with the SEC, and is both a stockholder and holder of a trading right in the Philippine Stock Exchange (PSE).

The registered office address of the Company is 3<sup>rd</sup> Floor, Majalco Building, 104 Benavidez corner Trasierra Streets, Legaspi Village, Makati City.

The financial statements of the Company as at and for the years ended December 31, 2023 and 2022 were approved and authorized for issuance by the Board of Directors (BOD) on March 25, 2024.

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**2. Summary of Material Accounting Policy Information**

**Basis of Preparation and Statement of Compliance**

The financial statements of the Company have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS). This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretation from the International Financial Reporting Interpretations Committee (IFRIC) issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC, including SEC pronouncements.

The material accounting policy information used in the preparation of financial statements are consistently applied to all years presented, unless otherwise stated.

The statements of financial position contain some additional information in line with the requirements of Rule 52.1 of the Implementing Rules and Regulations of the Securities Regulation Code (SRC).

**Measurement Bases**

The financial statements are presented in Philippine Peso, the Company's functional currency. All values are stated in absolute amounts, unless otherwise indicated.

The financial statements of the Company have been prepared on a historical cost basis, except for the financial assets at fair value through profit or loss (FVPL).

Historical cost is generally based on the fair value of the consideration given in exchange for an asset and the fair value of the consideration received in exchange for incurring a liability. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company uses market observable data to the extent possible when measuring the fair value of an asset or a liability. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the following valuation techniques:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level of input that is significant to the fair value measurement is directly or indirectly observable; or
- Level 3 - Valuation techniques for which the lowest level of input that is significant to the fair value measurement is unobservable.

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level of input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information on the assumptions made in measuring fair values is disclosed in the following notes to financial statements:

- Note 6 - Fair Value Measurement
- Note 8 - Financial Assets at FVPL

#### **Adoption of Amendments to PFRS**

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amendments to PFRS effective January 1, 2023:

- Amendments to PAS 1, *Presentation of Financial Statements*, and PFRS Practice Statement 2, *Making Materiality Judgments - Disclosure Initiative - Accounting Policies* – The amendments require an entity to disclose its material accounting policies, instead of its significant accounting policies and provide guidance on how an entity applies the concept of materiality in making decisions about accounting policy disclosures. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and its nature. The amendments clarify (1) that accounting policy information may be material because of its nature, even if the related amounts are immaterial, (2) that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements, and (3) if an entity discloses immaterial accounting policy information, such information should not obscure material accounting policy information. In addition, PFRS Practice Statement 2 is amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information.

- Amendments to PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates* – The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies, and the correction of errors. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. An entity develops an accounting estimate if an accounting policy requires an item in the financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not a correction of an error, and that the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. A change in an accounting estimate may affect only the profit or loss in the current period, or the profit or loss of both the current and future periods.
- Amendments to PAS 12, *Income Taxes - Deferred Tax Related Assets and Liabilities from a Single Transaction* – The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.
- Amendments to PAS 1, *Classification of Liabilities as Current or Noncurrent* – The amendments clarify the requirements for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also specify and clarify the following: (i) an entity’s right to defer settlement must exist at the end of the reporting period, (ii) the classification is unaffected by management’s intentions or expectations about whether the entity will exercise its right to defer settlement, (iii) how lending conditions affect classification, and (iv) requirements for classifying liabilities where an entity will or may settle by issuing its own equity instruments.

The adoption of the amendments to PFRS did not materially affect the financial statements of the Company. Disclosures of the accounting policies were updated in accordance with the definition of “material information” in the Amendments to PAS 1 and PFRS Practice Statements 2.

#### **Amendments to PFRS Issued But Not Yet Effective or Adopted**

Under prevailing circumstances, there are no amendments to PFRS issued which are not yet effective as at December 31, 2023 that are expected to have material impact on the Company’s financial statements.

#### **Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity or a financial liability or equity instrument of another entity.

*Date of Recognition.* The Company recognizes a financial asset or a financial liability in the statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using trade date accounting.

#### **Financial Assets**

*Initial Recognition and Measurement.* Financial assets are initially recognized at fair value, which is the fair value of the consideration given. The initial measurement of financial assets, except for those designated at FVPL, includes transaction costs.



*Classification.* The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at amortized cost, (b) financial assets at fair value through other comprehensive income (FVOCI), and (c) financial assets at FVPL. The classification of a financial asset largely depends on the Company's business model for managing the asset and its contractual cash flow characteristics.

As at December 31, 2023 and 2022, the Company does not have financial assets at FVOCI.

*Financial Assets at Amortized Cost.* Financial assets are measured at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less any allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized or impaired, and through the amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As at December 31, 2023 and 2022, the Company's cash and cash equivalents, trade and other receivables and refundable deposits are classified under this category (see Notes 7, 9, 10 and 13).

*Financial Assets at FVPL.* Financial assets that do not meet the criteria for being measured at amortized cost or FVOCI are classified under this category. Specifically, financial assets at FVPL include financial assets that are (a) held for trading, (b) designated upon initial recognition at FVPL, or (c) mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

The Company may, at initial recognition, designate a debt instrument meeting the criteria to be classified at amortized cost or at FVOCI, as a financial asset at FVPL, if doing so eliminates or significantly reduces an accounting mismatch that would arise from measuring these assets.

This category also includes equity instruments which the Company had not irrevocably elected to classify at FVOCI at initial recognition.

Dividends from equity instruments held at FVPL are recognized in profit or loss when the right to receive payment is established unless the dividend clearly represents a recovery of part of the cost of the investment.

After initial recognition, financial assets at FVPL are subsequently measured at fair value. Gains or losses arising from the fair valuation of financial assets at FVPL are recognized in profit or loss.

As at December 31, 2023 and 2022, the Company's investments in a money market fund and quoted equity securities are classified under this category (see Note 8).

*Impairment of Financial Assets at Amortized Cost.* The Company recognizes an allowance for expected credit losses (ECL) for all debt instruments not held at FVPL. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Company has applied the simplified approach and has calculated ECL based on the lifetime ECL. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to its customers and the economic environment.

For other financial assets measured at amortized cost, the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECL that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. The Company also considers reasonable and supportable information, that is available without undue cost or effort, and that is indicative of significant increases in credit risk since initial recognition.

The Company considers a financial asset in default when contractual payments are more than 30 days past due, unless it is demonstrated that the non-payment was an administrative oversight rather than resulting from the financial difficulty of the borrower. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full, before taking into account any credit enhancements attached to the arrangement. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

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

When the Company has transferred its right to receive cash flows from a financial asset or has entered a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Company's continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Company could be required to repay.

### **Financial Liabilities at Amortized Cost**

*Initial Recognition and Measurement.* Financial liabilities are initially recognized at fair value, which is the fair value of the consideration received. In case of financial liabilities at amortized cost, the initial measurement is net of any directly attributable transaction costs.

Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue, and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized and through the amortization process.

As at December 31, 2023 and 2022, the Company's trade payables and accrued expenses and other payables (excluding statutory payables) are classified under this category (see Notes 14 and 15).

*Derecognition.* A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

### **Offsetting of Financial Assets and Liabilities**

Financial assets and financial liabilities are offset, and the net amount is reported in the statements of financial position only if there is a currently enforceable legal right to offset the recognized amounts, and there is intention to settle on a net basis or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statements of financial position.

### **Property and Equipment**

Property and equipment are stated at cost less accumulated depreciation, amortization and any impairment in value.

The initial cost of property and equipment comprises its purchase price, after deducting trade discounts and rebates, and any other costs directly attributable in bringing the asset to the working condition and location for its intended use.

Expenditures incurred after the property and equipment have been put into operation, such as repairs, maintenance, and overhaul costs, are normally recognized in profit or loss in the year the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment. The cost of replacing a component of an item of property and equipment is recognized if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized.

Depreciation and amortization are calculated on a straight-line basis over the following estimated useful lives of property and equipment:

	Number of Years
Transportation equipment	3 to 5
Furniture, fixtures, and computer equipment	3 to 5
Leasehold improvements	3 or lease term, whichever is shorter

The estimated useful lives, and depreciation and amortization method are reviewed periodically to ensure that these are consistent with the expected pattern of economic benefits from items of property and equipment.

Fully-depreciated office equipment are retained in the account until they are no longer in use and no further change for depreciation is made in respect of those office equipment.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation, amortization, and any impairment in value are removed from the accounts. Any resulting gain or loss is recognized in profit or loss.

#### **Intangible Assets**

Intangible assets pertain to exchange trading right and computer software.

*Exchange Trading Right.* Exchange trading right is measured on initial recognition at cost. Since it is an intangible asset with an indefinite useful life, the exchange trading right is not amortized and is subsequently measured at cost less any impairment losses. The exchange trading right is deemed to have an indefinite useful life as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Company. The assumption that the exchange trading right remains to be an intangible asset with an indefinite life is reviewed annually. If not, the carrying amount of the asset is amortized over its remaining useful life on a straight-line basis unless a more appropriate amortization method is warranted. The exchange trading right is tested for impairment annually and any impairment losses are recognized in profit or loss.

*Software.* Software is stated at cost, which includes purchase price and other direct costs, less accumulated amortization and any impairment in value. Intangible asset with a finite useful life is amortized over its useful life on a straight-line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The useful life of an intangible asset arising from contractual or other legal rights should not exceed the period of those rights but may be shorter depending on the period over which the intangible asset is expected to be used by the Company.

Amortization is calculated on a straight-line basis over five (5) years. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at each reporting date to ensure that these are consistent with the expected pattern of economic benefits for the intangible asset. Changes in the expected useful life or the expected pattern or consumption of future economic benefits embodied in the intangible assets with finite useful life are recognized in profit or loss.

### **Other Assets**

Other assets include excess tax credits and prepayments.

*Excess Tax Credits.* Excess tax credits pertain to taxes withheld and remitted to the Bureau of Internal Revenue (BIR) by customers and are deducted from income tax payable in the same year the related income was recognized. Excess tax credits are carried forward and can be utilized in succeeding taxable periods.

*Prepayments.* Prepayments are expenses paid in advance and recorded as assets before these are utilized. These are apportioned over the periods covered by the payments and included in profit or loss when incurred. Prepayments that are expected to be realized within 12 months after the financial reporting date are classified as current assets. Otherwise, these are classified as noncurrent assets.

### **Impairment of Nonfinancial Assets**

The carrying amounts of property and equipment, software and other nonfinancial assets, except for exchange trading right, are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable. If such indications exist and when the carrying amounts exceed the estimated recoverable amounts, the assets or cash-generating units (CGU) are written down to their recoverable amounts. The recoverable amount of the asset is the greater of the fair value less cost to sell or value-in-use. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's-length transaction. In assessing value-in-use, the estimated future cash flows are discounted to their present value using pre-tax discount rates that reflect the current market assessment of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In such instance, the carrying amount of the asset is increased to its recoverable amount. However, that increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such reversal, the depreciation and amortization charges are adjusted prospectively to allocate the asset's revised carrying amount on a systematic basis over its remaining useful life.

### **Value-Added Tax (VAT)**

VAT is a tax on consumption levied on the sale, barter, exchange, or lease of goods or properties and services, and on importation of goods in the Philippines. It is an indirect tax, which may be shifted or passed on to the buyer, transferee or lessee of goods, properties or services. Revenues, expenses and assets are generally recognized net of the amount of VAT. The net amount of VAT payable to the taxation authority is included as part of "Accrued expenses and other payables" account in the statements of financial position.

### **Equity**

Equity pertains to capital stock, additional paid-in capital, deficit, and other equity reserves.

*Capital Stock.* Capital stock is measured at par value for all shares issued and outstanding.

*Additional Paid-in Capital.* Additional paid-in capital pertains to the fair value of consideration received from the issuance of capital stock in excess of par value.

Incremental costs directly attributable to the issuance of new capital stock are recognized as a deduction from equity, net of any tax effects.

*Deficit.* Deficit represents the cumulative balance of the Company's profit or loss.

*Other Equity Reserves.* Other equity reserves consist of cumulative balances of items of income and expense that are not recognized in profit or loss in accordance with PFRS. Other equity reserves of the Company pertain to the cumulative net remeasurement gain or loss on net retirement benefit asset.

### **Revenue Recognition**

Revenue from contracts with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Company performs its obligations; (b) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The Company also assesses its revenue arrangement to determine if it is acting as a principal or as an agent. The Company has assessed that it acts as a principal in its revenue arrangements except for its stock brokering transactions.

The following are the specific recognition criteria for revenue from contracts with customers:

*Commissions.* Commissions are recorded on a trade date basis as trade transactions are executed.

*Other Income.* Income from other sources is recognized in profit or loss when earned.

The following are the specific recognition criteria for other revenues outside the scope of PFRS 15:

*Trading Gains or Losses on Financial Assets at FVPL.* Trading gains or losses on financial assets at FVPL include all gains and losses from changes in fair value and disposal of financial assets at FVPL. Unrealized gains or losses are recognized in profit or loss upon remeasurement of the financial assets at FVPL at each reporting date. Gains or losses from sale of financial assets at FVPL are recognized in profit or loss upon confirmation of trade deals.

*Interests.* Interest income is recognized as the interest accrues, using the effective interest method.

*Dividends.* Dividend income is recognized when the Company's right to receive the dividend is established.

### **Cost and Expense Recognition**

Costs and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

*Cost of Services.* Cost of services is recognized in profit or loss when the related services are rendered.

*Operating Expenses.* Operating expenses constitute costs of administering the business and costs incurred to sell and market the services. These are recognized in profit or loss as incurred.

### **Employee Benefits**

*Short-term Employee Benefits.* The Company recognizes short-term employee benefits based on contractual arrangements with employees. The unpaid portion of short-term employee benefits is measured on an undiscounted basis and included as part of "Accrued expenses and other payables" account in the statements of financial position.

*Retirement Benefits.* Retirement benefit costs are actuarially determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries. The calculation of retirement benefit asset is performed by a qualified actuary.

When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in the future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

The Company recognizes retirement benefit costs, comprising of current service costs and net interest income or expense in profit or loss.

The Company determines the net interest income or expense by applying the discount rate to the net retirement benefit asset at the beginning of the year, taking into account any changes in the net retirement benefit asset during the period as a result of contributions and benefit payments.

Remeasurements of the net retirement benefit asset, which consist of actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI and are not reclassified to profit or loss in subsequent periods.

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 profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The net retirement benefit asset recognized by the Company is the fair value of plan assets out of which the obligations are to be settled directly, reduced by the aggregate present value of the retirement benefit liability. The present value of the retirement benefit liability is determined by discounting the estimated future cash outflows using risk-free interest rates of government bonds that have terms to maturity approximating the terms of the related retirement benefit liability.

Plan assets are assets that are held in trust and managed by a trustee bank. Plan assets are not available to the creditors of the Company, nor can they be paid directly to the Company. The fair value of the plan assets is based on the market price information. When no market price is available, the fair value of plan assets is estimated by discounting the estimated future cash flows using discount rates that reflect both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the retirement benefit liability, the measurement of the resulting net retirement benefit is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

### **Leases**

The Company assesses whether the contract is, or contains a lease at the commencement date. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, it has both of the following:

- The right to obtain substantially all of the economic benefits from use of the identified asset; and
- The right to direct the use of the identified asset.

If the Company has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

The Company also assesses whether a contract contains a lease for each potential separate lease component.

*Company as a Lessee.* Since the Company's lease agreement for its office space is for 12 months, the Company elected to apply the recognition exemption for short-term leases. Accordingly, the lease payments are recognized in profit or loss on a straight-line basis throughout the lease term in 2023 and 2022.

### **Foreign Currency-Denominated Transactions**

Transactions denominated in foreign currencies are recorded using the exchange rate at the date of the transaction. Outstanding monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rate at the reporting date. Differences arising on settlement or translation of monetary assets and liabilities are recognized in profit or loss.

### **Income Taxes**

*Current Tax.* Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rate and tax laws used to compute the amount are those that have been enacted or substantively enacted at the reporting date.

*Deferred Tax.* Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities, and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and carryforward benefits of unused tax credits from the excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused tax credits and unused tax losses can be utilized.



The carrying amount of deferred tax assets is reviewed at each reporting date and reduced 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. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and 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, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognized in profit or loss except to the extent that it relates to a business combination, or items directly recognized to equity or in OCI.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### **Related Party Transactions**

Related party transactions are transfers of resources, services or obligations between the Company and its related parties.

Related party relationships exist when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprise and its key management personnel, directors, or its stockholders. Related parties may be individual or corporate entities.

### **Provisions and Contingencies**

*Provisions.* Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss, net of any reimbursement. If the effect of the time value of money is material, the estimated future cash flows are discounted using current pre-tax rates that reflect the current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

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

### **Events after the Reporting Date**

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

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### 3. Material Judgments, Accounting Estimates and Assumptions

The preparation of the Company's financial statements in compliance with the PFRS requires management to exercise judgments and make accounting estimates and assumptions that affect the amounts reported in the financial statements and related notes. The judgments, accounting estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances at the reporting date.

While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The judgments, accounting estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates and assumptions are recognized in the period in which the estimate is revised, and in any future periods affected.

The following are the material judgments, accounting estimates and assumptions made by the Company:

#### **Judgments**

*Classification and Measurement of Financial Assets.* Classification and measurement of financial assets depend on the results of the "solely for payment of principal and interest" and the business model tests. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated, the risks that affect the performance of the assets, and how these risks are managed.

At initial recognition, the Company classified its investment in money market fund and quoted securities as financial assets at FVPL (see Note 8).

Cash and cash equivalents, trade receivables, other receivables, and refundable deposits (included under "Other assets" account in the statements of financial position) were classified as financial asset at amortized cost because the Company's primary business model in relation to these assets is to hold the financial assets to collect contractual cash flows solely for principal and interest (see Notes 7, 9, 10 and 13).

*Determination of Fair Value Measurement of Financial Instruments.* The fair values of securities that are actively traded in organized financial markets are determined by reference to quoted market prices at the close of business on the reporting date.

In accordance with the amendments to PFRS 7, *Financial Instruments: Disclosures*, disclosures about the level in the fair value hierarchy are required in which the fair value measurements are categorized for assets and liabilities measured in the statements of financial position.

Assumptions and methods of determining the fair values of financial instruments are presented in Note 6 to the financial statements.

*Determination of Lease Commitment - Company as a Lessee.* The Company rents its office space under a noncancellable operating lease for a period of 12 months, renewable upon mutual agreement of the parties. The Company has determined that it does not retain all the significant risks and rewards of ownership of this property and elected to apply the recognition exemption for short-term leases.

Rental expense amounted to ₱ 1,361,166 and ₱ 1,376,797 in 2023 and 2022, respectively (see Note 20).

### **Estimates and Assumptions**

*Assessment for the ECL on Trade Receivables.* The Company, applying the simplified approach in the computation of ECL, initially uses a provision matrix based on historical default rates for trade receivables. The provision matrix specifies provision rates depending on the number of days that a trade receivable is past due. The Company also uses appropriate groupings if its historical credit loss experience shows significant different loss patterns for different counterparty segments. The Company then adjusts the historical credit loss experience with forward-looking information on the basis of current observable data to reflect the effects of current and forecasted economic conditions.

The determination of the relationship between historical default rates and forecasted economic conditions is a material accounting estimate. Accordingly, the ECL on trade receivables is sensitive to changes in assumptions about forecasted economic conditions.

The Company recognized provision for impairment losses amounting to ₱1,592,518 in 2023 and reversal of allowance for impairment losses amounting ₱1,470,145 in 2022. The carrying amount of trade receivables is ₱37,878,101 and ₱52,092,722 as at December 31, 2023 and 2022, respectively (see Note 9).

*Assessment for the ECL on Other Financial Assets at Amortized Cost.* The Company determines the allowance for ECL using general approach based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of other financial assets at amortized cost. ECL is provided for credit losses that result from possible default events within the next 12 months unless there has been a significant increase in credit risk since initial recognition in which case ECL is provided based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Company considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to the following factors:

- Actual or expected external and internal credit rating downgrade;
- Existing or forecasted adverse changes in business, financial or economic conditions; and
- Actual or expected significant adverse changes in the operating results of the counterparty.

The Company also considers financial assets that are more than 30 days past due to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent a significant increase in credit risk such as when non-payment was an administrative oversight rather than resulting from financial difficulty of the counterparty.

The Company has assessed that the ECL on other financial assets at amortized cost is not material because the transactions with respect to these financial assets were entered into by the Company only with reputable banks, and companies with good credit standing and relatively low risk of default. Accordingly, no provision for impairment loss on other financial assets at amortized cost was recognized in 2023 and 2022. The carrying amounts of other financial assets at amortized cost are as follows:

	Note	2023	2022
Cash in banks and cash equivalents	7	<b>₱422,902,444</b>	₱417,734,374
Other receivables	10	<b>1,706,824</b>	1,581,164
Refundable deposits	13	<b>3,385,170</b>	3,202,478

*Estimation of the Useful Lives of Property and Equipment and Software.* The Company estimates the useful lives of property and equipment and software based on the periods over which the assets are expected to be available for use. The Company reviews the estimated useful lives of property and equipment and software at each reporting date based on factors that include physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

There were no changes in the estimated useful lives of property and equipment and software in 2023 and 2022.

*Assessment for the Impairment of Exchange Trading Right.* Exchange trading right is carried at cost less any allowance for impairment loss. Exchange trading right is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying values may be impaired. The exchange trading right is deemed to have an indefinite useful life as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Company.

Provision for impairment losses on exchange trading right amounted to ₱1,000,000 in 2022. The carrying amount of the Company's exchange trading right amounted to ₱8,000,000 as at December 31, 2023 and 2022 (see Note 12).

*Assessment for the Impairment of Other Nonfinancial Assets.* The Company assesses impairment on its property and equipment, software, and other nonfinancial assets whenever events or changes in circumstances indicate that the carrying amounts of assets or group of assets may not be recoverable. The relevant factors that the Company considers in deciding whether to perform an asset impairment review include, among others, the following:

- Significant underperformance of a business in relation to expectation;
- Significant negative industry or economic trends; and
- Significant changes or planned changes in the use of the assets.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs.

The recoverable amount of the asset is the greater of the fair value less cost of disposal or value-in-use. The fair value less cost of disposal is the amount obtainable from the sale of an asset in an arm's-length transaction less cost of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using pre-tax discount rates that reflect current market assessment of the time value of money and the risks specific to the asset.

No impairment loss on property and equipment, software, and other nonfinancial assets was recognized in 2023 and 2022. The carrying amounts of nonfinancial assets are as follows:

	Note	2023	2022
Property and equipment	11	<b>₱1,873,033</b>	₱1,807,592
Software	12	<b>1,067,684</b>	1,692,549
Other assets*	13	<b>10,813,551</b>	9,804,211

\*Excluding financial assets pertaining to refundable deposits amounting to ₱ 3,385,170 and ₱ 3,202,478 as at December 31, 2023 and 2022, respectively.

*Estimation of the Retirement Benefits.* The determination of the net retirement benefit asset, costs, and actuarial gains and losses are dependent on the assumptions used by the actuary in calculating such amounts. These assumptions are described in Note 19 to the financial statements and include, among others, discount rates, salary increase rates and employee turnover rates. Actual results that differ from the Company's assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded liability in such future periods.

Net retirement benefit asset amounted to ₱1,113,666 and ₱2,346,200 as at December 31, 2023 and 2022, respectively. Remeasurement of the net retirement benefit asset resulted in cumulative loss (net of deferred tax) amounting to ₱1,656,087 and ₱408,756 as at December 31, 2023 and 2022, respectively (see Note 19).

*Realizability of Deferred Tax Assets.* The Company reviews the carrying amount of deferred tax assets at each reporting date and reduces the balance to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax assets recognized amounted to ₱1,150,926 and ₱1,282,659 as at December 31, 2023 and 2022, respectively (see Note 21).

The Company did not recognize deferred tax asset from NOLCO amounting to ₱12,769,110 and ₱5,645,933 in 2023 and 2022, respectively, because the management has assessed that it is not probable that sufficient future taxable profits will be available against which this can be utilized (see Note 21).

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#### 4. Financial Risk Management Objectives and Policies

The Company's financial instruments consist of cash and cash equivalents, financial assets at FVPL, trade receivables, other receivables, refundable deposits (included under "Other assets" account in the statements of financial position), trade payables and accrued expenses and other payables (excluding statutory payables).

The main risks arising from the Company's use of financial instruments include credit risk, liquidity risk and market risks. The Company's overall risk management process focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The BOD regularly reviews and approves the policies for managing these financial risks, as summarized below.

### **Credit Risk**

The Company's exposure to credit risk arises from the failure of its counterparty in fulfilling its financial commitments to the Company under the prevailing contractual terms. Financial instruments that potentially subject the Company to credit risk consist of trade receivables and other financial assets at amortized cost.

The carrying amounts of financial assets at amortized cost represent their maximum credit exposure.

#### *Trade Receivables*

The Company limits its exposure to credit risk on trade receivables by transacting mainly with recognized and creditworthy counterparties based on their profile (i.e. financial capacity, reputation, collateral). The Company also monitors receivable balances regularly. In accordance with the Risk-Based Capital Adequacy (RBCA) requirements, limits are imposed to avoid large exposure to a single client or counterparty and single equity relative to a particular issuer company or group of companies. Furthermore, credit exposures are minimized by collateral held in the form of securities purchased by customers. In addition, trade receivables balances are monitored on an ongoing basis in order to continuously maintain the Company's exposure to credit losses to an insignificant level. In monitoring customer credit risk, the Company classifies its receivables as: hybrid trading customers (includes customers who trade using the Company's online trading platform) and traditional trading customers.

The Company has no significant concentration of credit risk with any single counterparty or counterparties having similar characteristics.

The analysis of credit risk for the Company's trade receivables by type of counterparty is as follows:

	<b>2023</b>			
	<b>Neither Past Due nor Impaired</b>	<b>Past Due but not Impaired</b>	<b>Impaired</b>	<b>Total</b>
Receivables from customers:				
Hybrid trading customers	<b>₱8,717,246</b>	<b>₱1,891,182</b>	<b>₱98,324</b>	<b>₱10,706,752</b>
Traditional trading customers	<b>1,851,038</b>	<b>23,183,639</b>	<b>2,332,275</b>	<b>27,366,952</b>
Receivable from clearing house	<b>2,234,996</b>	-	-	<b>2,234,996</b>
	<b>₱12,803,280</b>	<b>₱25,074,821</b>	<b>₱2,430,599</b>	<b>₱40,308,700</b>

	<b>2022</b>			
	<b>Neither Past Due nor Impaired</b>	<b>Past Due but not Impaired</b>	<b>Impaired</b>	<b>Total</b>
Receivables from customers:				
Hybrid trading customers	₱6,682,531	₱11,477,144	₱119	₱18,159,794
Traditional trading customers	887,649	22,857,399	837,962	24,583,010
Receivable from clearing house	7,060,659	-	-	7,060,659
Receivable from other brokers	3,127,340	-	-	3,127,340
	₱17,758,179	₱34,334,543	₱838,081	₱52,930,803

The Company uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customer segments analyzed by customer type, credit terms, and offsetting arrangements. The Company adjusts historical default rates to forward-looking default rates by determining the closely related economic factor affecting each customer segment (i.e. PSE index). At each reporting date, the historical observable default rates are updated and changes in the forward-looking estimates are analyzed.

The aging analysis of the Company's trade receivables that are past due is as follows:

Days from Transaction Date of Counterparty	2023		
	Amount	Collateral (Net of Haircut)	Counterparty Exposure
3 - 12 days	₱3,952,765	₱22,636,465	₱79,055
13 - 30 days	87,723	51,301,208	8,844
Over 30 days	23,464,932	65,177,019	2,342,700
	<b>₱27,505,420</b>	<b>₱139,114,692</b>	<b>₱2,430,599</b>

Days from Transaction Date of Counterparty	2022		
	Amount	Collateral (Net of Haircut)	Counterparty Exposure
4 - 13 days	₱8,028,362	₱155,352,606	₱160,567
14 - 30 days	1,106,965	37,828,830	–
Over 31 days	26,037,297	70,395,857	2,302,848
	<b>₱35,172,624</b>	<b>₱263,577,293</b>	<b>₱2,463,415</b>

SRC requires broker/dealer to maintain a stock record for each cash and margin account of every customer regardless of the frequency of transactions. The stock record is a record of accountability reflecting all securities for which the Company has custodial responsibility or proprietary ownership. Transactions in the customer accounts cover both money balances and security positions, with the security transaction and related money generally recorded at the settlement date.

On a regular basis, collateral valuations of customers' accounts are analyzed to ensure that these are sufficient to cover the outstanding balances due to the Company.

As at December 31, 2023 and 2022, receivables from customers and other brokers amounting to ₱38,073,704 and ₱45,870,144, respectively, are secured by collateral comprising of equity securities of listed companies with a total market value of ₱396,517,174 and ₱553,372,131, respectively (see Note 9).

Receivables from clearing house are due and collectible after two (2) and 3 (three) business days from the transaction date in 2023 and 2022, respectively. Accordingly, no provision for credit losses was recognized in 2023 and 2022, respectively. Receivables from clearing house amounted to ₱2,234,996 and ₱7,060,659 as at December 31, 2023 and 2022, respectively, and were fully collected in January 2024 and 2023 (see Note 9).

#### *Other Financial Assets at Amortized Cost*

The Company's other financial assets at amortized cost include cash in banks and cash equivalents, other receivables, and refundable deposits. The Company limits its exposure to credit risk by investing its cash and short-term placements only with banks that have good credit standing and reputation in the local and international banking industry. These instruments are graded in the top category by an acceptable credit rating agency and, therefore, are low credit risk investments.

For other receivables and refundable deposits, credit risk is low since the Company only transacted with reputable companies that have good credit standing.

It is the Company's policy to measure ECL on the above 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. The Company considers the factors discussed in Note 3 to the financial statements in assessing ECL on other financial assets at amortized cost.

The following other financial assets at amortized cost are classified under 12-month ECL:

	2023	2022
Cash in banks and cash equivalents	<b>₱422,902,444</b>	₱417,734,374
Other receivables	<b>1,706,824</b>	1,581,164
Refundable deposits*	<b>3,385,170</b>	3,202,478
	<b>₱427,994,438</b>	₱422,518,016

\*Included under "Other assets" account in the statements of financial position.

### **Liquidity Risk**

Liquidity risk arises from the possibility that the Company may encounter difficulties in raising adequate funds to meet its financial commitments at the least possible cost. The Company's objectives in effectively managing its liquidity are: (a) to ensure that adequate funds are available to meet expiring obligations; (b) to meet the commitments as they arise without incurring unnecessary costs; and (c) to be able to access additional funding when needed at the least possible cost.

To manage this exposure and to ensure sufficient liquidity levels, the Company closely monitors its collections and expenditures by preparing cash position reports that present actual and projected cash flows for the subsequent month. The Company also maintains an adequate amount of internally generated funds, credit lines and support from stockholders. Further, special reserve requirements for the customers of the Company are maintained in the bank (see Note 7).

The table below summarizes the maturity profile of the Company's financial liabilities based on remaining contractual undiscounted cash flows:

	2023			Total
	Up to 1 Month	More than 1 Month to 3 Months	Beyond 1 Year	
Financial liabilities at amortized cost:				
Trade payables	₱418,016,062	₱-	₱-	₱418,016,062
Accrued expenses and other payables*	-	23,877,953	-	23,877,953
	<b>₱418,016,062</b>	<b>₱23,877,953</b>	<b>₱-</b>	<b>₱441,894,015</b>

\*Excluding statutory payables aggregating to ₱1,434,822 as at December 31, 2023

	2022			Total
	Up to 1 Month	More than 1 Month to 3 Months	Beyond 1 Year	
Financial liabilities at amortized cost:				
Trade payables	₱417,428,533	₱-	₱-	₱417,428,533
Accrued expenses and other payables*	-	16,470,850	-	16,470,850
	<b>₱417,428,533</b>	<b>₱16,470,850</b>	<b>₱-</b>	<b>₱433,899,383</b>

\*Excluding statutory payables aggregating to ₱762,845 as at December 31, 2022.

### **Market Risks**

The Company is exposed to market risks, primarily those related to foreign currency risk and equity price risk. Management actively monitors these exposures, as follows:

**Foreign Currency Risk.** Foreign currency risk arises from financial instruments that are denominated in United States (US) Dollar.



The Company periodically reviews the trend of the foreign exchange rates to address its exposure in foreign currency risk. The Company's policy is to maintain foreign currency exposure within acceptable limits and within the existing regulatory guidelines.

As at December 31, 2023 and 2022 the US Dollar-denominated cash in banks of the Company amounting to \$90,418 and \$740,923, are translated amounting to ₱4,942,248 and ₱41,310,138, respectively.

For purposes of restating the outstanding balances of the Company's US Dollar-denominated monetary financial assets as at December 31, 2023 and 2022, the exchange rates applied were ₱54.66 and ₱55.76 per US\$1, respectively.

The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar exchange rate, with all other variables held constant, of the Company's loss before tax in 2023 and 2022. There is no other impact on the Company's equity other than those already affecting profit or loss.

	Increase/Decrease in Exchange Rate	Loss before Tax
<b>December 31, 2023</b>	<b>+0.80</b>	<b>(₱72,334)</b>
	<b>-0.80</b>	<b>72,334</b>
December 31, 2022	+2.61	(₱1,933,808)
	-2.61	1,933,808

*Equity Price Risk.* Equity price risk is the risk that the Company will incur economic losses due to adverse changes in a particular stock or stock index. The equity price risk exposure of the Company arises mainly from financial assets at FVPL.

The Company's policy is to maintain the risk to an acceptable level. Movement in share price is monitored regularly to determine the impact on its financial position.

The table below sets forth the impact of assumed changes in PSE index (PSEi) in the Company's unrealized gain or loss on its financial assets at FVPL:

	2023		2022	
Changes in PSEi	14.07%	(14.07%)	20.55%	(20.55%)
Changes in trading income at equity portfolio under:				
Telecommunications	₱283,063	(₱283,063)	₱3,084	(₱3,084)
Banks	79,244	(79,244)	894	(894)
Electricity, energy, power and water	45,978	(45,978)	274,632	(274,632)
Holding firms	3,788	(3,788)	6,743	(6,743)
Food, beverage, and tobacco	795	(795)	1,346	(1,346)
Property	331	(331)	145,075	(145,075)
Others	1,235	(1,235)	1,509	(1,509)
	<b>₱414,434</b>	<b>(₱414,434)</b>	<b>₱433,283</b>	<b>(₱433,283)</b>

The sensitivity rates used for estimating the equity price risk represents management's assessment of the reasonably possible change in stock prices in the PSEi. The sensitivity analysis includes the Company's stock portfolio with amounts adjusted by their specific beta for valuation at the reporting date.

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## 5. Capital Management

The Company's objective in managing capital is to ensure that a stable capital base is maintained in accordance with industry regulations, while maintaining investor, creditor and market confidence to sustain the future development of the business.

The Company's BOD has the overall responsibility for monitoring capital proportion to risks. The Associated Person designated by the Company monitors compliance with minimum net capital requirements imposed by PSE and SEC.

The Company, being a broker/dealer in securities, is regulated by PSE and SEC, and is subject to the following capital requirements in accordance with the SRC:

### **Required Capitalization for Broker/Dealer**

In compliance with Rule 28 of the 2015 *Implementing Rules and Regulations of the SRC*, trading participants are required to have an unimpaired paid-up capital of ₱100,000,000 for those who will be participating in a registered clearing agency. However, other broker/dealer not meeting the ₱100,000,000 capitalization and not seeking authorization to engage in market making transaction shall maintain a ₱ 30,000,000 unimpaired paid-up capital and file surety bond not less than ₱10,000,000 for brokers and not less than ₱2,000,000 for dealers.

Unimpaired paid-up capital pertains to the Company's paid-up capital less any deficit. The unimpaired paid-up capital of the Company amounted to ₱63,332,047 and ₱78,216,874 as at December 31, 2023 and 2022, respectively. In 2023 and 2022, the Company paid premiums with equivalent surety bond coverage amounting to ₱10,000,000 for brokers and ₱2,000,000 for dealers.

As at December 31, 2023 and 2022, the Company is compliant with the capital requirements.

### **Reserve Fund**

The Company shall annually appropriate a certain minimum percentage of its audited net income and transfer the same to "Appropriated Retained Earnings". Minimum appropriation of 30%, 20% and 10% of net income after tax for broker/dealer with unimpaired paid-up capital of between ₱10,000,000 to ₱30,000,000, between ₱30,000,000 to ₱50,000,000, and more than ₱50,000,000, respectively, are prescribed by SRC Rule 49.1 (B).

In 2023 and 2022, the Company did not appropriate a reserve fund due to its net loss and deficit position.

**Net Liquid Capital (NLC)**

The Company is required, at all times, to have and maintain an NLC of at least ₱5,000,000 or 5% of its Aggregate Indebtedness (AI), whichever is higher.

In computing for NLC, all non-allowable assets/equities and collateralized liabilities will be deducted, and allowable liabilities and equities are added to equity per books. The equity eligible for NLC pertains to the sum of the following:

- Equity per books;
- Liabilities subordinated to the claims of creditors in conformity with SRC Rule 49.1 and in accordance with a prescribed schedule; and
- Deposits for future stock subscription for which an application for increase in capital stock or request for exemption for registration has been filed with SEC.

The equity eligible for NLC shall exclude deferred income tax, revaluation reserves, and minority interest and any outside investment in affiliates and associates.

In computing for NLC, the equity eligible for NLC is adjusted by the following:

- Adding unrealized gains (or deducting unrealized losses) in the accounts of the Company;
- Deducting fixed assets and assets which cannot be readily converted into cash (less any AI excluded in accordance with SRC Rule 49.1);
- Deducting general guarantees and indemnities for loans and indebtedness other than those incurred by the Company, unless otherwise permitted by SEC; and
- Deducting long and short securities differences.

AI shall mean the total money liabilities of a broker/dealer arising in connection with any transaction whatsoever and includes, among others, money borrowed, money payable against securities loaned and securities failed to receive, market value of securities borrowed to the extent to which no equivalent value is paid or credited (other than the market value of margin securities borrowed from customers and margin securities borrowed from non-customers), customers' and non-customers' free credit balances, and credit balances in customers' and non-customers' accounts having short positions in securities, but excluding the items set out in SRC Rule 49.1 (1) (D).

The Company's NLC met the minimum prescribed amounts as shown below:

	<b>2023</b>	<b>2022</b>
NLC:		
Equity eligible for NLC	<b>₱63,242,913</b>	₱77,693,610
Less ineligible assets	<b>26,253,104</b>	29,898,009
	<b>36,989,809</b>	47,795,601
Required NLC:		
Higher of:		
5% of AI	<b>22,166,442</b>	21,733,111
Minimum amount	<b>5,000,000</b>	5,000,000
	<b>22,166,442</b>	21,733,111
Net risk-based capital excess	<b>₱14,823,367</b>	₱26,062,490

**Ratio of AI to NLC**

The Company shall not permit its AI to all other persons to exceed 2,000% of its NLC.

The Company's ratio of AI to NLC is 1,199% and 909% as at December 31, 2023 and 2022, respectively.

### **RBCA Requirement/Ratio**

The RBCA requirement/ratio refers to the minimum levels of capital to be maintained by firms which are licensed or securing a broker/dealer license, taking into consideration the firm size, complexity and business risk. Such risks that are considered in determining the capital requirement include, among others, operational, position, counterparty, large exposure, underwriting, and margin financing risks. The RBCA ratio should be greater than or equal to 1:1. The RBCA ratio is the ratio linking the NLC of the Company to its Total Risk Capital Requirement (TRCR), calculated as the Company's NLC divided by its TRCR.

The TRCR Is the sum of:

- Operational Risk Requirement (ORR);
- Position or Market Risk Requirement; and
- Credit Risk Requirement which includes requirements for Counterparty Risk, Settlement Risk, Large Exposure Risk, and Margin Lending/Financing Risk.

	<b>2023</b>	2022
NLC	<b>₱36,989,809</b>	₱47,795,601
TRCR:		
ORR	<b>10,005,053</b>	9,054,295
Position risk	<b>1,639,181</b>	4,220,685
Counterparty risk	–	581,586
	<b>₱11,644,234</b>	₱13,856,566
RBCA ratio	<b>318%</b>	345%

As at December 31, 2023 and 2022, the Company is in compliance with the required RBCA ratio.

### **Ratio of Core Equity to ORR**

The Company's core equity shall be at all times greater than its ORR.

Core equity refers to the sum of paid-up common stock, common stock dividends distributable, additional paid-in capital, surplus reserves excluding revaluation reserves or appraisal capital, and opening retained earnings adjusted for all current year movements. Core equity shall exclude treasury shares and unbooked valuation reserves and other capital adjustments (such as unrealized gain in value of financial assets at FVOCI).

The Company's ratio of core equity to ORR is as follows:

	<b>2023</b>	2022
Capital stock	<b>₱68,059,280</b>	₱68,059,280
Additional paid-in capital	<b>32,552,272</b>	32,552,272
Beginning deficit	<b>(22,394,678)</b>	(35,911,895)
Core equity	<b>78,216,874</b>	64,699,657
ORR	<b>10,005,053</b>	9,054,295
<b>Ratio of Core Equity to ORR</b>	<b>782%</b>	715%

## 6. Fair Value Measurement

The following table presents the carrying amounts and fair values of the Company's asset measured at fair value (recurring measurements) and the corresponding fair value hierarchy:

	Note	Carrying Amount	Fair Value		
			Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>2023</b>					
Asset measured at fair value -					
Financial assets at FVPL	8	<b>₱15,613,162</b>	<b>₱15,613,162</b>	<b>₱-</b>	<b>₱-</b>
<b>2022</b>					
Asset measured at fair value -					
Financial assets at FVPL	8	<b>₱13,675,792</b>	<b>₱13,675,792</b>	<b>₱-</b>	<b>₱-</b>

The Company's financial assets at FVPL as at December 31, 2023 and 2022 are carried at fair values based on sources classified under the Level 1 category. The fair values of financial assets at FVPL are based on the closing prices of quoted securities from active markets at the reporting date.

There were no transfers between Level 1, Level 2, and Level 3 fair value measurements in 2023 and 2022.

The table below presents the Company's financial assets and liabilities whose carrying amounts approximate their fair values because of the short-term nature of transactions or their fair values cannot be reliably determined:

	2023	2022
Financial assets at amortized cost:		
Cash and cash equivalents	<b>₱422,912,444</b>	₱417,744,374
Trade receivables	<b>37,878,101</b>	52,092,722
Other receivables	<b>1,706,824</b>	1,581,164
Refundable deposits*	<b>3,385,170</b>	3,202,478
	<b>₱465,882,539</b>	₱474,620,738
Financial liabilities at amortized cost:		
Trade payables	<b>₱418,016,062</b>	₱417,428,533
Accrued expenses and other payables**	<b>23,877,953</b>	16,470,850
	<b>₱441,894,015</b>	₱433,899,383

\*Included under "Other assets" account in the statements of financial position.

\*\*Excluding statutory payables aggregating to ₱1,434,822 and ₱762,845 as at December 31, 2023 and 2022, respectively.

**Current Financial Assets and Liabilities.** The carrying amounts of cash and cash equivalents, trade receivables, other receivables, trade payables, and accrued expenses and other payables (excluding statutory payables) approximate their fair values due to their short-term nature.

**Refundable Deposits.** The carrying amounts of refundable deposits approximate their fair values. Management has assessed that the effect of discounting the future receipts from the financial instrument using the prevailing market rates is not significant.

## 7. Cash and Cash Equivalents

This account consists of:

	2023	2022
Cash on hand	<b>₱10,000</b>	₱10,000
Cash in banks	<b>97,642,364</b>	142,362,740
Short-term placements	<b>325,260,080</b>	275,371,634
	<b>₱422,912,444</b>	₱417,744,374

Cash in banks earn interest at the prevailing bank deposit rates and are immediately available for use in the current operations.

Short-term placements are made for varying periods of up to three (3) months depending on the immediate cash requirements of the Company and earn interest at annual rates ranging from 4.25% to 6.25% in 2023 and 1.25% to 4.00% in 2022.

In compliance with SRC Rule 49.2-1 covering customer protection and custody of securities, the Company maintains a special reserve bank account for the exclusive benefit of its customers amounting to ₱408,363,326 and ₱388,277,652 as at December 31, 2023 and 2022, respectively. The Company's reserve requirement is determined weekly based on the SEC's prescribed computation. As at December 31, 2023 and 2022, the Company's reserve accounts are adequate to cover its reserve requirements.

Interest income is recognized from the following:

	Note	2023	2022
Cash and cash equivalents		<b>₱17,582,989</b>	₱5,904,829
Trade receivables	9	<b>2,291,958</b>	2,297,446
		<b>₱19,874,947</b>	₱8,202,275

## 8. Financial Assets at FVPL

This account consists of investments in:

	2023	2022
Money market fund	<b>₱11,038,508</b>	₱10,739,177
Quoted equity securities	<b>4,574,654</b>	2,936,615
	<b>₱15,613,162</b>	₱13,675,792

Dividend income from financial assets at FVPL amounted to ₱213,829 and ₱99,123 in 2023 and 2022, respectively.

Trading gains (loss) on financial assets at FVPL are as follows:

	2023	2022
Realized gain on sale	<b>₱330,688</b>	₱956,611
Unrealized gain (loss) on fair value changes	<b>52,470</b>	(57,005)
	<b>₱383,158</b>	₱899,606

The Company's financial assets at FVPL as at December 31, 2023 and 2022 are carried at fair value based on sources classified under the Level 1 category. The fair values of financial assets at FVPL are based on quoted market prices or bidding dealer price quotations from active markets at the reporting date (see Note 6).

## 9. Trade Receivables

This account consists of:

	2023	2022
Trade receivables from:		
Customers	₱38,073,704	₱42,742,804
Clearing house	2,234,996	7,060,659
Other brokers	–	3,127,340
	<b>40,308,700</b>	52,930,803
Less allowance for impairment losses	<b>2,430,599</b>	838,081
	<b>₱37,878,101</b>	₱52,092,722

As at December 31, 2022, trade receivables are due within three (3) business days from the transaction date. However, on August 24, 2023, the migration to the shortened T+2 settlement cycle in accordance with the Securities Clearing Corporation of the Philippines (SCCP) Memo No. 01-0623 took effect. As at December 31, 2023, trade receivables are due within two (2) business days from the transaction date.

Receivables from customers and other brokers are as follows:

	2023		2022	
	Money Balances	Security Valuation - Long	Money Balances	Security Valuation - Long
Fully secured accounts:				
More than 250%	₱30,191,857	₱386,313,708	₱29,413,764	₱542,130,339
Between 200% and 250%	–	–	87,154	185,920
Between 150% and 200%	5,503,420	10,175,710	10,938,471	11,055,000
Between 100% and 150%	25,600	26,950	–	–
Partially secured accounts	50,771	806	50,795	872
Unsecured accounts	2,302,056	–	5,379,960	–
	<b>38,073,704</b>	<b>396,517,174</b>	45,870,144	553,372,131
Less allowance for impairment losses	<b>2,430,599</b>	–	838,081	–
	<b>₱35,643,105</b>	<b>₱396,517,174</b>	₱45,032,063	₱553,372,131

Collaterals related to receivables from customers and other brokers pertain to listed equity securities amounting to ₱396,517,174 and ₱553,372,131 as at December 31, 2023 and 2022, respectively. The fair value of these securities are based on prevailing quoted market prices, which are usually the closing prices from active markets at the reporting date.

Receivables from clearing house are due and collectible after two (2) and three (3) business days from the transaction date in 2023 and 2022, respectively. Accordingly, outstanding balances as at December 31, 2023 and 2022 were fully collected in January 2024 and 2023, respectively.

Provision for credit losses pertains to specific and general provisions on past due receivables from customers. Movements in the allowance for impairment losses are as follows:

	2023	2022
Balance at beginning of year	P838,081	P2,308,226
Provision for (reversal of) allowance for impairment losses	1,592,518	(1,470,145)
Balance at end of year	P2,430,599	P838,081

Interest income earned from customer's margin accounts amounted to P2,291,958 and P2,297,446 in 2023 and 2022, respectively (see Note 7).

## 10. Other Receivables

This account consists of:

	2023	2022
Accounts receivable	P1,050,381	P1,057,823
Interest receivable	656,443	523,341
	P1,706,824	P1,581,164

Other receivables are unsecured, noninterest-bearing and normally collected within a year.

## 11. Property and Equipment

The balances and movements of this account are as follows:

	2023			Total
	Transportation Equipment	Furniture, Fixtures, and Computer Equipment	Leasehold Improvements	
<b>Cost</b>				
Balances at beginning of year	P3,329,285	P8,110,779	P1,182,329	P12,622,393
Additions	69,553	790,652	-	860,205
Disposals	(62,409)	-	-	(62,409)
Balances at end of year	3,336,429	8,901,431	1,182,329	13,420,189
<b>Accumulated Depreciation and Amortization</b>				
Balances at beginning of year	2,162,392	7,470,080	1,182,329	10,814,801
Depreciation and amortization	248,994	545,770	-	794,764
Disposals	(62,409)	-	-	(62,409)
Balances at end of year	2,348,977	8,015,850	1,182,329	11,547,156
<b>Carrying Amounts</b>	P987,452	P885,581	P-	P1,873,033



	2022			
	Transportation Equipment	Furniture, Fixtures, and Computer Equipment	Leasehold Improvements	Total
<b>Cost</b>				
Balances at beginning of year	₱4,114,196	₱7,687,389	₱1,182,329	₱12,983,914
Additions	1,215,982	423,390	–	1,639,372
Disposals	(2,000,893)	–	–	(2,000,893)
Balances at end of year	3,329,285	8,110,779	1,182,329	12,622,393
<b>Accumulated Depreciation and Amortization</b>				
Balances at beginning of year	3,622,833	7,085,415	1,182,329	11,890,577
Depreciation and amortization	540,452	384,665	–	925,117
Disposals	(2,000,893)	–	–	(2,000,893)
Balances at end of year	2,162,392	7,470,080	1,182,329	10,814,801
<b>Carrying Amounts</b>	<b>₱1,166,893</b>	<b>₱640,699</b>	<b>₱–</b>	<b>₱1,807,592</b>

Depreciation and amortization in the statements of comprehensive income consist of the following:

	Note	2023	2022
Software	12	₱1,418,125	₱1,230,914
Property and equipment		794,764	925,117
		<b>₱2,212,889</b>	<b>₱2,156,031</b>

The Company disposed fully-depreciated transportation equipment with a cost of ₱62,409 and ₱2,000,893 in 2023 and 2022, respectively. Gain on disposal amounted to ₱11,607 and ₱58,928 in 2023 and 2022, respectively.

Fully-depreciated property and equipment still in use in operations amounted to ₱9,146,183 and ₱8,718,608 as at December 31, 2023 and 2022, respectively.

## 12. Intangible Assets

The balances and movements of this account are as follows:

	Note	2023		
		Exchange Trading Right	Software	Total
<b>Cost</b>				
Balances at beginning of year		₱24,222,000	₱6,902,452	₱31,124,452
Additions		–	793,260	793,260
Balances at end of year		24,222,000	7,695,712	31,917,712
<b>Accumulated Amortization and Impairment Losses</b>				
Balances at beginning of year		16,222,000	5,209,903	21,431,903
Amortization	11	–	1,418,125	1,418,125
Balances at end of year		16,222,000	6,628,028	22,850,028
<b>Carrying Amounts</b>		<b>₱8,000,000</b>	<b>₱1,067,684</b>	<b>₱9,067,684</b>

	Note	2022		
		Exchange Trading Right	Software	Total
<b>Cost</b>				
Balances at beginning of year		₱24,222,000	₱6,835,488	₱31,057,488
Additions		–	66,964	66,964
Balances at end of year		24,222,000	6,902,452	31,124,452
<b>Accumulated Amortization and Impairment Losses</b>				
Balances at beginning of year		15,222,000	3,978,989	19,200,989
Amortization	11	–	1,230,914	1,230,914
Provision for impairment losses		1,000,000	–	1,000,000
Balances at end of year		16,222,000	5,209,903	21,431,903
<b>Carrying Amounts</b>		<b>₱8,000,000</b>	<b>₱1,692,549</b>	<b>₱9,692,549</b>

### **Exchange Trading Right**

Exchange trading right pertains to the right to operate as a broker/dealer in securities in PSE with an indefinite useful life.

As at December 31, 2023 and 2022, the latest transacted price of the exchange trading right, as provided by the PSE, is ₱8,000,000.

### **13. Other Assets**

This account consists of:

	2023	2022
Excess tax credits	<b>₱9,977,141</b>	₱8,815,061
Refundable deposits	<b>3,385,170</b>	3,202,478
Prepayments	<b>836,410</b>	989,150
	<b>₱14,198,721</b>	₱13,006,689

Refundable deposits consist of:

	Note	2023	2022
Contributions to clearing fund		<b>₱3,101,193</b>	₱2,918,501
Office space rental	20	<b>157,499</b>	157,499
Others		<b>126,478</b>	126,478
		<b>₱3,385,170</b>	₱3,202,478

The Company, as a Clearing Member, is required to pay monthly contributions to the Clearing Trade and Guaranty Fund (CTGF) maintained by the SCCP for an amount of 1/500 of 1% applied to the Clearing Member's total monthly turnover value less block sales and cross transactions of the same flag.

Under the amended SCCP Rule 5.2, the contributions to the CTGF shall be refunded as trade-related assets to the Company upon cessation of business and/or termination of membership with the SCCP, provided that all liabilities owing to the SCCP at the time of termination, whether actual or contingent, shall have been satisfied or paid in full.

Prepayments include advance payments for insurance and taxes and licenses.

Current and noncurrent portions of other assets are as follows:

	2023	2022
Current	<b>₱10,971,050</b>	₱9,961,710
Noncurrent	<b>3,227,671</b>	3,044,979
	<b>₱14,198,721</b>	₱13,006,689

#### 14. Trade Payables

This account consists of:

	2023	2022
Trade payables to:		
Customers	<b>₱412,947,282</b>	₱409,427,158
Clearing house	<b>4,904,742</b>	8,001,375
Other brokers	<b>164,038</b>	-
	<b>₱418,016,062</b>	₱417,428,533

Payable to customers consists of:

	2023		2022	
	Money Balance	Security Valuation – Long	Money Balance	Security Valuation – Long
Payable to customers:				
With money balance	<b>₱412,947,282</b>	<b>₱5,696,146,180</b>	₱409,427,158	₱4,565,568,219
Without money balance	-	<b>7,824,600,791</b>	-	5,881,929,376
	<b>₱412,947,282</b>	<b>₱13,520,746,971</b>	₱409,427,158	₱10,447,497,595

Payable to customers and other brokers pertain to segregated bank balances received and held for customers and other brokers in the course of its regulated trading activities. These are noninterest-bearing and due within one (1) month from reporting date.

Payable to clearing house are due after two (2) and three (3) business days from the transaction date in 2023 and 2022, respectively. Accordingly, balances as at December 31, 2023 and 2022 were fully paid in January 2024 and 2023, respectively.

## 15. Accrued Expenses and Other Payables

This account consists of:

	2023	2022
Accounts payable	P19,150,959	P14,371,319
Accrued expenses	4,332,408	1,823,735
Statutory payables	1,434,822	762,845
Others	394,586	275,796
	<b>P25,312,775</b>	<b>P17,233,695</b>

Accounts payable pertain to cash dividends that are not yet claimed by the Company's customers.

Accrued expenses pertain to professional fees, license fees, advertising and promotions and utilities. Accrued expenses and other payables are noninterest-bearing and are generally settled within one (1) year from the reporting date.

Statutory payables include due to the BIR, Social Security System, Pag-IBIG, and PhilHealth. Due to the BIR comprises percentage tax, output tax, and withholding taxes and is generally settled the following month.

## 16. Equity

The details of the Company's capital stock at P10.0 par value are as follows:

	2023		2022	
	Number of Shares	Amount	Number of Shares	Amount
<b>Authorized Capital Stock</b>				
Balances at beginning of year	10,000,000	P100,000,000	5,000,000	P50,000,000
Increase in authorized capital stock	-	-	5,000,000	50,000,000
Balances at end of year	<b>10,000,000</b>	<b>P100,000,000</b>	10,000,000	P100,000,000
<b>Issued and Outstanding</b>				
Balances at beginning of year	6,805,928	P68,059,280	5,000,000	P50,000,000
Issuance of capital stock	-	-	1,805,928	18,059,280
Balances at end of year	<b>6,805,928</b>	<b>P68,059,280</b>	6,805,928	P68,059,280

On February 26, 2020, the BOD and stockholders approved the increase in the Company's authorized common stock (ACS) from P50,000,000, divided into 5,000,000 at P10.0 par value a share to P100,000,000, divided into 10,000,000 shares at P10.0 par value a share.

On July 22, 2021, the Company filed its application for increase in ACS with the SEC. Accordingly, deposits for future stock subscription aggregating P18,059,280 were presented as part of equity in the statement of financial position as at December 31, 2021.

On December 3, 2021, the Company submitted a request for approval of the equity restructuring plan to the SEC to reclassify P36,768,370 of additional paid-in capital to absorb its deficit.

On May 17, 2022, the Company's application for increase in ACS and equity restructuring plan was approved by the SEC. Consequently, the Company issued capital stock amounting to ₱18,059,280 through application of deposits for future stock subscription. This is considered as noncash financial information in the statements of cash flows. Further, the impact of the restructuring plan to the components of equity is presented below.

	Additional Paid-in Capital	Deficit
Balances at December 31, 2021	₱69,501,235	₱35,911,895
Application of additional paid-in capital against deficit	(36,768,370)	(36,768,370)
Stock issuance costs	(180,593)	-
Net loss	-	23,251,153
Balances at December 31, 2022	₱32,552,272	₱22,394,678

On March 25, 2024, the Company entered into a subscription agreement with the Parent Company for 2,000,000 shares at a subscription price of ₱10.0 per share. These are to be issued out of the unissued portion of the existing authorized capital stock of the Company. On the said date, the Company received the full amount of the subscription price in cash.

## 17. Related Party Transactions

The Company, in the normal course of business, has transactions with its related parties as follows:

Related Party	Nature of Transactions	Amount of Transactions		Outstanding Balance		Term and conditions
		2023	2022	2023	2022	
<b>Trade Receivables</b>						
						2-3-days; noninterest-bearing; secured; no guarantee; collectible in cash
Parent Company	Securities trading	₱407,546	₱34,930	₱326,081	₱-	
<b>Plan Assets (see Note 19)</b>						
Retirement benefit plan assets	Plan contribution	₱800,000	₱1,200,000	₱10,575,738	₱9,838,274	Available for payment or for funding of employee retirement benefits
<b>Rental Expense (see Note 20)</b>						
Stockholder	Lease of properties	₱1,361,166	₱1,376,797	₱-	₱-	Noninterest-bearing, unsecured, payable at the end of the month
<b>Salaries and Other Employee Benefits</b>						
Key management personnel	Short-term employee benefits	₱10,890,434	₱9,369,313	₱-	₱-	
	Retirement benefits	6,637,440	5,706,560	6,637,440	5,706,560	Noninterest-bearing, unsecured and payable upon retirement
				₱6,637,440	₱5,706,560	

### **Compliance with Revenue Regulations (RR) No. 34-2020**

In 2023, the Company did not meet the criteria prescribed in RR No. 34-2020 to submit Related Party Transaction Form or BIR Form 1709. Accordingly, the Company is not also required to prepare and submit a transfer pricing documentation as prescribed in the regulations.

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## 18. Salaries and Other Employee Benefits

This account consists of:

	Note	2023	2022
Salaries and wages		<b>₱13,874,483</b>	₱13,461,559
Retirement benefit costs	19	<b>369,426</b>	590,143
Other employee benefits		<b>3,381,642</b>	3,174,946
		<b>₱17,625,551</b>	₱17,226,648

Salaries and other employee benefits are distributed in the statements of comprehensive income as follows:

	2023	2022
Cost of services	<b>₱14,100,441</b>	₱13,781,318
Operating expenses	<b>3,525,110</b>	3,445,330
	<b>₱17,625,551</b>	₱17,226,648

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## 19. Retirement Benefits

The Company has a funded, non-contributory, multi-employer defined benefit retirement plan covering substantially all of its qualified regular employees. The retirement benefits are based on a certain percentage of the final monthly basic salary for every year of credited service of the employees.

The defined benefit obligation under the defined benefit retirement plan is determined using the projected unit credit method. The benefits to be received by the employees under the Company's defined benefit retirement plan meet the minimum mandated benefit under Republic Act No. 7641, *The Retirement Pay Law*. The latest actuarial valuation report of the Company was dated February 29, 2024.

The funding of the multi-employer plan is determined by the actuarial advisory by applying the projected unit credit method.

The components of retirement benefit costs included under "Salaries and other employee benefits" account in the statements of comprehensive income are as follows:

	2023	2022
Current service cost	<b>₱567,701</b>	₱668,619
Net interest income	<b>(198,275)</b>	(78,476)
	<b>₱369,426</b>	₱590,143

The movements in net retirement benefit asset recognized in the statements of financial position are as follows:

	2023	2022
Balance at beginning of year	P2,346,200	P944,820
Contribution to the retirement plan	800,000	1,200,000
Current service cost	(567,701)	(668,619)
Net interest income	198,275	78,476
Remeasurement gains (losses) recognized in OCI	(1,663,108)	791,523
Balance at end of year	<b>P1,113,666</b>	<b>P2,346,200</b>

The funded status of the plan assets are as follows:

	2023	2022
Fair value of plan assets	P10,575,738	P9,838,274
Present value of defined benefit obligation	9,372,478	6,975,964
	<b>1,203,260</b>	<b>2,862,310</b>
Unrecognized asset due to the effect of asset ceiling	(89,594)	(516,110)
Net retirement benefit asset	<b>P1,113,666</b>	<b>P2,346,200</b>

The changes in the fair value of the plan assets are as follows:

	2023	2022
Balances at beginning of year	P9,838,274	P8,511,089
Contribution to the retirement plan	800,000	1,200,000
Interest income	739,203	462,843
Remeasurement losses recognized in OCI	(801,739)	(335,658)
Balances at end of year	<b>P10,575,738</b>	<b>P9,838,274</b>
Actual return on plan assets	<b>(P62,536)</b>	<b>P127,185</b>

The changes in the present value of the defined benefit obligation are as follows:

	2023	2022
Balances at beginning of year	P6,975,964	P7,501,803
Current service cost	567,701	668,619
Interest cost	503,665	381,092
Remeasurement loss (gains) recognized in OCI:		
Change in financial assumptions	759,060	(1,730,083)
Experience adjustments	558,594	95,837
Change in demographic assumptions	7,494	58,696
Balances at end of year	<b>P9,372,478</b>	<b>P6,975,964</b>

The balances and movements in the cumulative remeasurement loss on net retirement benefit asset presented in the statements of financial position are as follows:

	<b>2023</b>		
	<b>Cumulative Remeasurement Loss</b>	<b>Deferred Tax Asset (see Note 21)</b>	<b>Net</b>
Balances at beginning of year	<b>₱545,007</b>	<b>(₱136,251)</b>	<b>₱408,756</b>
Remeasurement loss	<b>1,663,108</b>	<b>(415,777)</b>	<b>1,247,331</b>
Balances at end of year	<b>₱2,208,115</b>	<b>(₱552,028)</b>	<b>₱1,656,087</b>

	<b>2022</b>		
	<b>Cumulative Remeasurement Loss</b>	<b>Deferred Tax Asset (see Note 21)</b>	<b>Net</b>
Balances at beginning of year	<b>₱1,336,530</b>	<b>(₱334,132)</b>	<b>₱1,002,398</b>
Remeasurement gain	<b>(791,523)</b>	<b>197,881</b>	<b>(593,642)</b>
Balances at end of year	<b>₱545,007</b>	<b>(₱136,251)</b>	<b>₱408,756</b>

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	<b>2023</b>	2022
Equity instruments	<b>41.89%</b>	42.37%
Cash in banks	<b>32.52%</b>	29.10%
Loans	<b>25.59%</b>	28.53%
	<b>100.00%</b>	100.00%

The principal assumptions used in determining retirement benefit liability are as follows:

	<b>2023</b>	2022
Discount rate	<b>6.12%</b>	7.22%
Salary increase rate	<b>5.00%</b>	5.00%

Sensitivity analysis on retirement benefit liability are as follows:

	Change in Assumption	Effect on Retirement Benefit Liability	
		<b>2023</b>	2022
Discount rate	+1.00%	<b>(₱694,271)</b>	(₱632,612)
	-1.00%	<b>789,589</b>	735,744
Salary increase rate	+1.00%	<b>790,542</b>	744,897
	-1.00%	<b>(707,543)</b>	(650,761)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on the retirement benefit liability as a result of reasonable changes in key assumptions occurring at the reporting date.



The maturity analysis of the undiscounted benefit payments as at December 31, 2023 is as follows:

Within one (1) year	₱837,491
More than one (1) year to five (5) years	2,095,264
More than five years (5) to 10 years	10,746,831
	₱13,679,586

As at December 31, 2023, the average duration of the retirement benefit liability at the end of the reporting period is 7.9 years.

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## 20. Lease Commitments

The Company, as a lessee, has a lease agreement for its office space for a period of 12 months, renewable for another 12 months upon mutual agreement of the parties.

The Company elected to apply the recognition exemption for short-term leases. Hence, no right-of-use asset and lease liability were recognized. Rental expense amounted to ₱1,361,166 and ₱1,376,797 in 2023 and 2022, respectively (see Note 17).

Refundable deposit related to rental of the Company's office space amounted to ₱157,499 as at December 31, 2023 and 2022 (see Note 13).

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## 21. Income Taxes

The components of income taxes as reported in the statements of comprehensive income are as follows:

	Note	2023	2022
<b>Reported in Profit or Loss</b>			
Current tax expense - Final tax		<b>₱3,504,320</b>	₱1,178,428
Deferred tax expense		<b>297,879</b>	7,973,348
		<b>₱3,802,199</b>	₱9,151,776
<b>Reported in OCI</b>			
Deferred income tax expense (benefit) on remeasurement gains (losses) on net retirement benefit asset	19	<b>(₱415,777)</b>	₱197,881

The Company has no current tax expense pertaining to RCIT and MCIT due to its net taxable loss position.

The components of the Company's net deferred tax assets are as follows:

	2023	2022
Deferred tax assets:		
Allowance for impairment losses on trade receivables	<b>₱607,650</b>	₱209,520
Excess of contribution over normal service cost	<b>312,181</b>	402,799
Excess of MCIT over RCIT	<b>231,095</b>	410,485
Unrealized foreign exchange loss	–	259,855
	<b>1,150,926</b>	1,282,659
Deferred tax liabilities:		
Net retirement benefit asset	<b>278,417</b>	586,550
Excess of fair value over cost of financial assets at FVPL	<b>185,962</b>	172,845
Unrealized foreign exchange gain	<b>45,385</b>	–
	<b>509,764</b>	759,395
<b>Net deferred tax assets</b>	<b>₱641,162</b>	<b>₱523,264</b>

As at December 31, 2023 and 2022, the Company did not recognize the deferred tax asset on unused NOLCO amounting to ₱12,769,110 and ₱5,645,933, respectively, because management has assessed that it is not probable that sufficient future taxable profits will be available against which this can be utilized.

The carryforward benefits of NOLCO as at December 31, 2023 which can be claimed against future taxable income are as follows:

Year Incurred	Amount	Applied/Expired	Balance	Expiry Year
2023	₱28,492,709	₱–	₱28,492,709	2026
2022	20,029,331	–	20,029,331	2025
2020	2,554,401	–	2,554,401	2025
	<b>₱51,076,441</b>	<b>₱–</b>	<b>₱51,076,441</b>	

In accordance with RR No. 25-2020 which implements RA No. 11494, "Bayanihan to Recover as One Act", net operating losses for taxable year 2020 is allowed to be carried over for the next five (5) consecutive taxable years immediately following the year of such loss.

The carryforward benefits of the excess of MCIT over RCIT as at December 31, 2023 which can be claimed against income tax due are as follows:

Year Incurred	Amount	Expired	Balance	Expiry Year
2021	₱231,095	₱–	₱231,095	2024
2020	179,390	179,390	–	2023
	<b>₱410,485</b>	<b>₱179,390</b>	<b>₱231,095</b>	

The reconciliation between the income tax benefit based on statutory income tax rate and effective income tax rate on loss before income tax is as follows:

	<b>2023</b>	2022
Income tax benefit at statutory tax rate	<b>(₱2,770,657)</b>	(₱3,524,844)
Change in unrecognized deferred tax asset	<b>7,123,177</b>	5,645,933
Tax effects of:		
Interest income already subjected to final tax	<b>(891,428)</b>	(297,779)
Nondeductible expenses	<b>215,174</b>	250,000
Expired MCIT over RCIT	<b>179,390</b>	–
Dividend income exempt from tax	<b>(53,457)</b>	(24,781)
Expired NOLCO	–	7,103,247
Income tax at effective tax rate	<b>₱3,802,199</b>	₱9,151,776

**22. Supplementary Information Required under Revenue Regulations No. 15-2010 of the Bureau of Internal Revenue**

The information for 2023 required by the above regulations is presented below.

**Output VAT**

Output VAT declared by the Company for the year ended December 31, 2023 and the revenues upon which the same was based consist of:

	Gross Amount of Revenues	Output VAT
Subject to 12% VAT:		
Commission	₱24,846,376	₱2,981,565
Interest income on margin accounts	2,291,958	275,035
Trading gains on financial asset at FVPL	346,540	41,585
Gain on disposal of transportation equipment	11,607	1,393
	<u>₱27,496,481</u>	<u>₱3,299,578</u>

Based on Sec. 4.108-3 (g) of RR 16-2005, *Consolidated VAT Regulations of 2005*, a dealer in securities is subject to VAT on sale of shares of stocks based on the selling price less cost of the securities sold.

The gross revenues shown above are based on gross receipts of the Company for VAT purposes while gross revenues in the statements of comprehensive income are in accordance with the PFRS.

**Input VAT**

The movements in input VAT claimed by the Company for the year ended December 31, 2023 are as follows:

Beginning balance	₱-
Add current year's domestic purchase/payments for:	
Domestic purchases of services	808,922
Domestic purchases of goods other than capital goods	528,203
<u>Allowable input VAT</u>	<u>₱1,337,125</u>

**Net Output VAT**

The movements in net output VAT of the Company as at December 31, 2023 are as follows:

Output VAT, beginning	₱109,325
Add: Output VAT during the year	3,299,578
<u>Total output VAT payable</u>	<u>3,408,903</u>
Less: Allowable input VAT	₱1,337,125
Payments during the year	1,927,842
<u>Net output VAT</u>	<u>₱143,936</u>

The net output VAT is presented under "Accrued expenses and other payables" in the statements of financial position.

**All Other Local and National Taxes**

The Company's local and national taxes for the year ended December 31, 2023 consist of:

Deficiency taxes	₱1,294,313
Registration fees	184,494
License and permit fees	109,582
	<hr/>
	₱1,588,389
	<hr/>

The above local and national taxes are classified under "Taxes and licenses" account in the statements of comprehensive income.

**Withholding Taxes**

Withholding taxes paid by the Company for the year ended December 31, 2023 consist of:

Withholding tax on compensation and benefits	₱1,161,687
Expanded withholding taxes	1,068,467
	<hr/>
	₱2,230,154
	<hr/>

**Tax Assessments**

The Company has no pending tax assessment from the BIR as at December 31, 2023.

**Tax Cases**

The Company has no pending tax case in courts or other regulatory bodies outside of the BIR as at December 31, 2023.

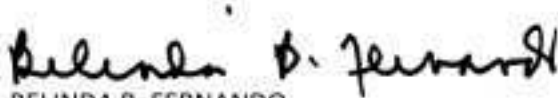
**REPORT OF INDEPENDENT AUDITORS  
TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING WITH THE  
SECURITIES AND EXCHANGE COMMISSION**

The Stockholders and the Board of Directors  
Unicapital Securities, Inc.  
3<sup>rd</sup> Floor, Majalco Building  
104 Benavidez corner Trasierra Streets  
Legaspi Village, Makati City

We have audited the accompanying financial statements of Unicapital Securities, Inc. (a subsidiary of Unicapital, Inc.) (the Company) as at and for the years ended December 31, 2023 and 2022, on which we have rendered our report dated March 25, 2024.

In compliance with the Revised Securities Regulations Code Rule 68, we are stating that the Company has eight (8) stockholders owning 100 or more shares each.

**REYES TACANDONG & Co.**



BELINDA B. FERNANDO

Partner

CPA Certificate No. 81207

Tax Identification No. 102-086-538-000

BOA Accreditation No. 4782; Valid until April 13, 2024

BIR Accreditation No. 08-005144-004-2022

Valid until October 16, 2025

PTR No. 10072407

Issued January 2, 2024, Makati City

March 25, 2024  
Makati City, Metro Manila

## REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY SCHEDULES

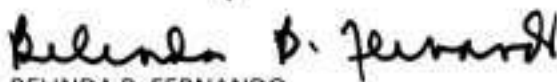
The Stockholders and the Board of Directors  
Unicapital Securities, Inc.  
3<sup>rd</sup> Floor, Majalco Building  
104 Benavidez corner Trasierra Streets  
Legaspi Village, Makati City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Unicapital Securities, Inc. (a subsidiary of Unicapital, Inc.) (the Company) as at and for the years ended December 31, 2023 and 2022 and have issued our opinion thereon dated March 25, 2024. Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary schedules are the responsibility of the Company's management. These supplementary schedules as at December 31, 2023 include the following:

- Statement of Changes in Liabilities Subordinated to Claims of General Creditors;
- Computation of Risk-Based Capital Adequacy Requirement Pursuant to SEC Memorandum Circular No. 16;
- Information Relating to the Possession or Control Requirements under Annex F of SRC Rule 49.2
- Computation for Determination of Reserve Requirements under Annex G of SRC Rule 49.2
- A Report Describing Any Material Inadequacies Found to Exist or Found to Have Existed Since the Date of the Previous Audit; and
- Results of Monthly Securities Count Conducted Pursuant to SRC Rule 52.1-10, as Amended.

The supplementary schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic financial statements. The supplementary schedules have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

### REYES TACANDONG & Co.



BELINDA B. FERNANDO

Partner

CPA Certificate No. 81207

Tax Identification No. 102-086-538-000

BOA Accreditation No. 4782; Valid until April 13, 2024

BIR Accreditation No. 08-005144-004-2022

Valid until October 16, 2025

PTR No. 10072407

Issued January 2, 2024, Makati City

March 25, 2024  
Makati City, Metro Manila

**SCHEDULE I**

**UNICAPITAL SECURITIES, INC.  
STATEMENT OF CHANGES IN LIABILITIES  
SUBORDINATED TO CLAIMS OF GENERAL CREDITORS  
DECEMBER 31, 2023**

The Company has no outstanding subordinated liability.



**SCHEDULE II**

**UNICAPITAL SECURITIES, INC.  
COMPUTATION OF RISK-BASED CAPITAL ADEQUACY REQUIREMENT PURSUANT TO  
SEC MEMORANDUM CIRCULAR NO. 16**

**DECEMBER 31, 2023**

Assets	₱505,004,797
Liabilities	443,328,837
Equity per books	61,675,960
Adjustments to Equity per books	
Add (Deduct):	
Allowance for Market Decline	-
Subordinated Liability	-
Unrealized Gain / (Loss) in Proprietary Accounts	-
Deferred Income Tax	(641,162)
Revaluation Reserves	2,208,115
Deposit for Future Stock Subscription (No application with SEC)	-
Minority Interest	-
Total Adjustments to Equity per books	1,566,953
Equity Eligible For Net Liquid Capital	63,242,913
Contingencies and Guarantees	-
Deduct: <u>Contingent Liability</u>	-
<u>Guarantees or Indemnities</u>	-
Ineligible Assets	
a. Trading Right and all Other Intangible Assets (net)	9,067,684
b. Intercompany Receivables	
c. Fixed Assets (net of accumulated and excluding those used as collateral)	1,873,033
d. All Other Current Assets	10,971,050
e. Securities Not Readily Marketable	-
f. Negative Exposure (SCCP)	-
g. Notes Receivable (non-trade related)	-
h. Interest and Dividends Receivables outstanding for more than 30 days	-
i. Ineligible Insurance Claims	-
j. Ineligible Deposits	-
k. Short Security Differences	-
l. Long Security Differences not Resolved prior to Sale	-
m. Other Assets including Equity Investment in PSE	4,341,337
Total Ineligible Assets	26,253,104
Net Liquid Capital (NLC)	36,989,809
Less:	
Operating Risk Requirement	10,005,053
Position Risk Requirement	1,639,181
Counterparty Risk	-
Large Exposure Risk	
LERR to a Single Client	-
LERR to a Single Debt	-
LERR to a Single Issuer and Group of Companies	-
Total Risk Capital Requirement (TRCR)	11,644,234
Net RBCA Margin (NLC-TRCR)	25,345,575
Liabilities	443,328,837
Add: Deposit for Future Stock Subscription (No application with SEC)	-
Less: Exclusions from Aggregate Indebtedness	
Subordinated Liability	-
Loans and Secured Securities	-
Loans Secured by Fixed Assets	-
Others (Deposit for future stock subscription)	-
Total Adjustments to AI	-
Aggregate Indebtedness	443,328,837
5% of Aggregate Indebtedness	22,166,442
Required Net Liquid Capital (> of 5% of AI or ₱5M)	22,166,442
Net Risk-Based Capital Excess / (Deficiency)	₱14,823,367
Ratio of AI to Net Liquid Capital	1,199%
RBCA Ratio (NLC/TRCR)	318%

**SCHEDULE III**

**UNICAPITAL SECURITIES, INC.  
INFORMATION RELATING TO THE POSSESSION OR  
CONTROL REQUIREMENTS UNDER ANNEX F OF SRC RULE 49.2**

**DECEMBER 31, 2023**

Customers' fully-paid securities and excess margin securities not in the broker's or dealer's possession or control as at the report date (for which instructions to reduce to possession or control had been issued as at the report date but for which the required action was not taken by respondent within the time frame specified under SRC Rule 49.2):

Market valuation	<u>NIL</u>
Number of items	<u>NIL</u>

Customers' fully-paid securities and excess margin securities for which instructions to reduce to possession or control had not been issued as at the report date, excluding items arising from "temporary lags which result from normal business operations" as permitted under SRC Rule 49.2:

Market valuation	<u>NIL</u>
Number of items	<u>NIL</u>

**SCHEDULE IV**

**UNICAPITAL SECURITIES, INC.  
COMPUTATION FOR DETERMINATION OF  
RESERVE REQUIREMENTS UNDER ANNEX G OF SRC RULE 49.2  
DECEMBER 31, 2023**

Particulars	Credits	Debits
1. Free credit balance and other credit balance in customers' security accounts.	₱418,930,894	
2. Monies borrowed collateralized by securities carried for the account of customers.	-	
3. Monies payable against customers' securities loaned.	-	
4. Customers' securities failed to receive.	4,904,742	
5. Credit balances in firm accounts which are attributable to principal sales to customer.	-	
6. Market value of stock dividends stock splits and similar distributions receivable outstanding of 30 calendar days old.	-	
7. Market value of the short security count differences over 30 calendar days old.	-	
8. Market value of short securities and credits (not to be offset by long or by debits) in all suspense accounts over 30 calendar days.	-	
9. Market value of securities which are in transfer in excess of 40 calendar days and have not been confirmed to be in transfer by the transfer agent or the issuer during the 40 days.	-	
10. Debit balances in customers' cash or margin accounts excluding unsecured accounts and accounts doubtful of collection.		₱18,373,052
11. Securities borrowed to effectuate short sales by customer and securities borrowed to make delivery on customers' securities failed to delivery.		-
12. Failed to deliver customers' securities not older than 30 calendar days.		2,234,996
13. Others due from clearing house		
<b>Total</b>	<b>₱423,835,636</b>	<b>₱20,608,048</b>
<b>Net Credit (Debit)</b>	<b>₱403,227,588</b>	
<b>Required Reserve (100% of net credit if making a weekly computation and 105% if monthly)</b>	<b>₱403,227,588</b>	

**SCHEDULE V**

**UNICAPITAL SECURITIES, INC.  
A REPORT DESCRIBING ANY MATERIAL INADEQUACIES FOUND TO EXIST OR FOUND TO HAVE  
EXISTED SINCE THE DATE OF THE PREVIOUS AUDIT**

**DECEMBER 31, 2023**

No matters involving the Company's internal structure and its operations were considered to be material weaknesses.

**SCHEDULE VI**

**UNICAPITAL SECURITIES, INC.  
RESULTS OF MONTHLY SECURITIES COUNT  
CONDUCTED PURSUANT TO SRC RULE 52.1-10, AS AMENDED  
DECEMBER 31, 2023**

There is no discrepancy in the results of the securities count conducted. Refer to page 61-69 for the results of securities count conducted for the year ended December 31, 2023.

UNICAPITAL SECURITIES, INC.

RESULTS OF MONTHLY SECURITIES COUNT  
CONDUCTED PURSUANT TO SEC RULE 52.1-10, AS AMENDED  
DECEMBER 31, 2023

CODE	NAME	Per Records		Per Count		Unlocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
2GO	2GO GROUP, INC.	1,200	₱16,200	1,200	₱16,200	-	₱-
8990B	8990 HOLDINGS, INC SERIES B PREF SHARES	410,000	38,950,000	410,000	38,950,000	-	-
AAA	ASIA AMALGAMATED HOLDGS CORP A	55,800	89,838	55,800	89,838	-	-
AB	ATOK BIG WEDGE CO., INC.'A'	57,250	304,570	57,250	304,570	-	-
ABA	ABACORE CAPITAL HOLDINGS, INC.	4,357,000	3,703,450	4,357,000	3,703,450	-	-
ABG	ASIABEST GROUP	122,200	367,822	122,200	367,822	-	-
ABS	ABS-CBN CORPORATION	2,345,105	10,834,385	2,345,105	10,834,385	-	-
ABSP	ABS-CBN H.C. DEPOSIT RECEIPTS	1,858,580	8,549,468	1,858,580	8,549,468	-	-
AC	AYALA CORPORATION	233,344	158,907,264	233,344	158,907,264	-	-
ACE	ACESITE (PHILS.) HOTEL CORP.	4,000	6,880	4,000	6,880	-	-
ACEN	ACEN CORPORATION	23,755,221	104,047,868	23,755,221	104,047,868	-	-
ACENA	ACEN CORPORATION SERIES A PREF SHARES	6,385	6,704,250	6,385	6,704,250	-	-
ACENB	ACEN CORPORATION SERIES B PREF SHARES	148,400	160,272,000	148,400	160,272,000	-	-
ACPAR	AYALA CORPORATION PREFERRED CLASS A	10,075	25,268,100	10,075	25,268,100	-	-
ACR	ALSONS CONS. RESOURCES, INC.	30,110,000	16,259,400	30,110,000	16,259,400	-	-
AEV	ABOITIZ EQUITY VENTURES INC.	568,580	25,358,668	568,580	25,358,668	-	-
AGI	ALLIANCE GLOBAL GROUP, INC.	1,083,361	12,220,312	1,083,361	12,220,312	-	-
ALCO	ARTHALAND CORPORATION	3,412,000	1,415,980	3,412,000	1,415,980	-	-
ALCPC	ARTHALAND CORPORATION PREFERRED SHARES SERIES C	197,820	18,792,900	197,820	18,792,900	-	-
ALCPD	ARTHALAND CORPORATION PREFERRED SERIES D	22,010	11,005,000	22,010	11,005,000	-	-
ALHI	ANCHOR LAND HOLDINGS, INC.	810	3,248	810	3,248	-	-
ALI	AYALA LAND INC.	9,670,782	333,158,440	9,670,782	333,158,440	-	-
ALLDY	ALLDAY MARTS, INC.	38,892,500	6,106,123	38,892,500	6,106,123	-	-
ALLHC	AYALALAND LOGISTICS HOLDINGS CORP.	16,600,914	29,383,618	16,600,914	29,383,618	-	-
ALTER	ALTERNERGY HOLDINGS CORPORATION	643,365,833	495,391,691	643,365,833	495,391,691	-	-
ANI	AGRINURTURE, INC.	4,331,720	3,248,790	4,331,720	3,248,790	-	-
ANS	A. SORIANO CORPORATION "A"	574,393	6,697,422	574,393	6,697,422	-	-
AP	ABOITIZ POWER CORPORATION	2,015,545	76,187,601	2,015,545	76,187,601	-	-
APB2R	AYALA CORPORATION PREFERRED B SERIES 2R	7,900	3,833,080	7,900	3,833,080	-	-
APC	APC GROUP, INC.	3,075,000	722,625	3,075,000	722,625	-	-
APL	APOLLO GLOBAL CAPITAL, INC.	479,860,300	6,238,184	479,860,300	6,238,184	-	-
APO	ANGLO-PHIL. HOLDINGS CORP.	3,691,532	1,661,189	3,691,532	1,661,189	-	-
APVI	ALTUS PROPERTY VENTURES, INC.	47,884	444,842	47,884	444,842	-	-
APX	APEX MINING CO., INC. "A"	36,327,187	108,981,561	36,327,187	108,981,561	-	-

CODE	NAME	Per Records		Per Count		Unlocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
AR	ABRA MINING & INDUSTRIAL CORP.	2,406,218,022	₱11,068,603	2,406,218,022	₱11,068,603	-	₱-
ARA	ARANETA PROPERTIES INC.	348,260	341,295	348,260	341,295	-	-
AREIT	AREIT, INC.	3,308,130	110,491,542	3,308,130	110,491,542	-	-
ASLAG	RASLAG CORPORATION	3,028,000	3,906,120	3,028,000	3,906,120	-	-
AT	ATLAS CONS. MNG & DEV CORP "A"	1,427,219	5,038,083	1,427,219	5,038,083	-	-
ATI	ASIAN TERMINAL, INC.	67,865	1,017,975	67,865	1,017,975	-	-
ATN	ATN HOLDINGS, INC. "A"	19,609,032	7,451,432	19,609,032	7,451,432	-	-
ATNB	ATN HOLDINGS INC. "B"	10,101,000	3,838,380	10,101,000	3,838,380	-	-
AUB	ASIA UNITED BANK CORPORATION	485,055	15,861,299	485,055	15,861,299	-	-
AXLM	AXELUM RESOURCES CORPORATION	2,973,500	7,136,400	2,973,500	7,136,400	-	-
BALAI	BALAI NI FRUITAS, INC.	550,000	214,500	550,000	214,500	-	-
BC	BENGUET CORPORATION "A"	28,470	138,649	28,470	138,649	-	-
BCB	BENGUET CORPORATION "B"	24,772	121,383	24,772	121,383	-	-
BCOR	BERJAYA PHILIPPINES, INC.	16,400	123,164	16,400	123,164	-	-
BDO	BDO UNIBANK, INC.	1,702,635	222,193,868	1,702,635	222,193,868	-	-
BEL	BELLE CORPORATION	2,123,780	2,484,823	2,123,780	2,484,823	-	-
BHI	BOULEVARD HOLDINGS, INC.	39,820,100	2,429,026	39,820,100	2,429,026	-	-
BKR	BRIGHT KINDLE RESOURCES & INVTS. INC.	5,149,000	7,208,600	5,149,000	7,208,600	-	-
BLOOM	BLOOMBERRY RESORTS CORPORATION	10,411,690	102,451,030	10,411,690	102,451,030	-	-
BMM	BOGO MEDELLIN MILLING CO	170	8,840	170	8,840	-	-
BNCOM	BANK OF COMMERCE	616,100	4,479,047	616,100	4,479,047	-	-
BPI	BANK OF PHIL. ISLANDS	1,550,645	160,956,951	1,550,645	160,956,951	-	-
BRN	A. BROWN COMPANY, INC.	1,045,433	679,531	1,045,433	679,531	-	-
BRNP	A BROWN COMPANY, INC. SERIES A PREF SHARES	1,010	97,465	1,010	97,465	-	-
BSC	BASIC ENERGY CORPORATION	10,667,346,931	1,888,120,407	10,667,346,931	1,888,120,407	-	-
C	CHELSEA LOGISTICS AND INFRA. HOLDINGS CORP.	4,103,900	6,155,850	4,103,900	6,155,850	-	-
CA	CONCRETE AGGREGATES CORP. "A"	1,010	39,441	1,010	39,441	-	-
CAB	CONCRETE AGGREGATES CORP. "B"	20	1,349	20	1,349	-	-
CAT	CENTRAL AZUCARERA DE TARLAC, INC.	60,199,460	692,293,790	60,199,460	692,293,790	-	-
CBC	COSMOS BOTTLING CORPORATION	12,800	-	12,800	-	-	-
CDC	CITYLAND DEVELOPMENT CORP.	2,681,812	1,850,450	2,681,812	1,850,450	-	-
CEB	CEBU AIR, INC.	1,471,835	47,834,638	1,471,835	47,834,638	-	-
CEBCP	CEBU AIRC, INC CONVERTIBLE PREF SHARES	83,027	2,694,226	83,027	2,694,226	-	-
CEI	CROWN EQUITIES, INC.	10,151,000	680,117	10,151,000	680,117	-	-
CEU	CENTRO ESCOLAR UNIVERSITY	800	6,800	800	6,800	-	-
CHI	CEBU HOLDINGS, INC.	372,698	2,280,912	372,698	2,280,912	-	-
CHIB	CHINA BANKING CORP.	1,151,641	35,528,125	1,151,641	35,528,125	-	-
CHP	CEMEX HOLDINGS PHILS., INC.	11,467,363	10,779,321	11,467,363	10,779,321	-	-
CIC	CONCEPCION INDUSTRIAL CORPORATION	60,014	870,203	60,014	870,203	-	-
CIP	CHEMICAL INDUSTRIES OF THE PHI	20	2,400	20	2,400	-	-

CODE	NAME	Per Records		Per Count		Unlocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
CLI	CEBU LANDMASTERS, INC.	4,234,823	₱10,460,013	4,234,823	₱10,460,013	-	₱-
CNPF	CENTURY PACIFIC FOOD, INC.	593,955	18,382,907	593,955	18,382,907	-	-
CNVRG	CONVERGE INFO. AND COMM. TECH SOLUTIONS, INC.	7,422,437	62,200,022	7,422,437	62,200,022	-	-
COAL	COAL ASIA HOLDING, INC.	1,765,055	195,921	1,765,055	195,921	-	-
COL	COL FINANCIAL GROUP, INC.	10,000	26,600	10,000	26,600	-	-
COSCO	COSCO CAPITAL, INC.	1,172,470	5,416,811	1,172,470	5,416,811	-	-
CPG	CENTURY PROPERTIES GROUP, INC.	11,814,870	3,308,164	11,814,870	3,308,164	-	-
CPM	CENTURY PEAK HOLDINGS CORPORATION	70,000	243,600	70,000	243,600	-	-
CREIT	CITICORE ENERGY REIT CORP.	65,261,204	167,068,682	65,261,204	167,068,682	-	-
CROWN	CROWN ASIA CHEMICAL CORPORATION	757,000	1,180,920	757,000	1,180,920	-	-
CSB	CITYSTATE SAVINGS BANK, INC.	400	3,244	400	3,244	-	-
CTS	CTS GLOBAL EQUITY GROUP, INC.	2,791,000	2,093,250	2,791,000	2,093,250	-	-
CYBR	CYBER BAY CORPORATION	9,513,000	3,139,290	9,513,000	3,139,290	-	-
DD	DOUBLEDRAGON PROPERTIES CORP.	153,862,010	1,169,351,276	153,862,010	1,169,351,276	-	-
DDMPR	DDMP REIT, INC.	665,262,916	804,968,128	665,262,916	804,968,128	-	-
DDPR	DOUBLEDRAGON PROPERTIES PREFERRED	2,073,990	192,881,070	2,073,990	192,881,070	-	-
DELM	DEL MONTE PACIFIC LIMITED	1,038,171	6,737,730	1,038,171	6,737,730	-	-
DFNN	DFNN, INC.	624,300	1,929,087	624,300	1,929,087	-	-
DHI	DOMINION HOLDINGS, INC.	441,127	1,393,961	441,127	1,393,961	-	-
DITO	DITO CME HOLDINGS, CORP.	16,306,071	38,319,267	16,306,071	38,319,267	-	-
DIZ	DIZON COPPER SILVER MINES, INC	633,251	1,412,150	633,251	1,412,150	-	-
DMC	DMCI HOLDINGS, INC.	6,960,499	68,004,075	6,960,499	68,004,075	-	-
DMW	D.M. WENCESLAO & ASSOCIATES, INC.	393,000	2,027,880	393,000	2,027,880	-	-
DNA	PHILAB HOLDINGS CORP.	225,680	645,445	225,680	645,445	-	-
DNL	D&L INDUSTRIES, INC.	9,917,469	62,579,229	9,917,469	62,579,229	-	-
DWC	DISCOVERY WORLD CORPORATION	877,000	1,236,570	877,000	1,236,570	-	-
EAGLE	EAGLE CEMENT CORPORATION	9,300	158,100	9,300	158,100	-	-
ECP	EASYCALL COM PHILS - COMMON	108,070	244,238	108,070	244,238	-	-
ECVC	EAST COAST VULCAN CORPORATION	2,238,449	1,343,069	2,238,449	1,343,069	-	-
EEL	EEL CORPORATION	624,820	3,730,175	624,820	3,730,175	-	-
EEIPA	EEL CORPORATION SERIES A PREFERRED SHARES	1,620	140,778	1,620	140,778	-	-
EEIPB	EEL CORPORATION SERIES B PREFERRED SHARES	187,960	18,213,324	187,960	18,213,324	-	-
EG	IP E-GAME VENTURES, INC.	41,400,000	389,160	41,400,000	389,160	-	-
EIBA	EXPORT & INDUSTRY BANK, INC.	5,077,353	-	5,077,353	-	-	-
EIBB	EXPORT & INDUSTRY BANK-B	520,000	-	520,000	-	-	-
ELI	EMPIRE EAST LAND HOLDINGS, INC	3,435,970	432,932	3,435,970	432,932	-	-
EMI	EMPERADOR, INC.	359,843	7,502,727	359,843	7,502,727	-	-
ENEX	ENEX ENERGY CORP	585,041	2,866,701	585,041	2,866,701	-	-



CODE	NAME	Per Records		Per Count		Unlocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
EURO	EURO-MED LABORATORIES PHIL.INC	71,085	₱50,470	71,085	₱50,470	-	₱-
EVER	EVER-GOTESCO HOLDINGS, INC.	2,374,000	688,460	2,374,000	688,460	-	-
EW	EAST WEST BANKING CORPORATION	7,414,706	63,173,295	7,414,706	63,173,295	-	-
FAF	FIRST ABACUS FINANCIAL HLDGS.	32,000	19,200	32,000	19,200	-	-
FB	SAN MIGUEL FOOD AND BEVERAGE, INC.	326,745	16,663,995	326,745	16,663,995	-	-
FCG	FIGARO COFFEE GROUP, INC.	7,916,800	4,750,080	7,916,800	4,750,080	-	-
FDC	FILINVEST DEVELOPMENT CORP.	331,451	1,773,263	331,451	1,773,263	-	-
FERRO	FERRONOUX HOLDINGS, INC.	76,500	221,850	76,500	221,850	-	-
FEU	FAR EASTERN UNIVERSITY	10	5,665	10	5,665	-	-
FFI	FILIPINO FUND, INC.	3,893	14,015	3,893	14,015	-	-
FGEN	FIRST GEN CORPORATION	704,195	12,252,993	704,195	12,252,993	-	-
FILRT	FILINVEST REIT CORP.	5,388,200	13,901,556	5,388,200	13,901,556	-	-
FJP	F & J PRINCE HOLDINGS CORP.	21,522	35,511	21,522	35,511	-	-
FJPB	F & J PRINCE HOLDINGS CORPORATION "B"	300	405	300	405	-	-
FLI	FILINVEST LAND, INC.	10,309,707	6,082,727	10,309,707	6,082,727	-	-
FMETF	FIRST METRO PHIL EQUITY EXC TRD FUND, INC.	412,817	42,396,306	412,817	42,396,306	-	-
FNI	GLOBAL FERRONICKEL HOLDINGS, INC.	12,720,621	26,204,479	12,720,621	26,204,479	-	-
FOOD	ALLIANCE SELECT FOODS INTERNATIONAL, INC.	2,534,890	1,166,049	2,534,890	1,166,049	-	-
FPH	FIRST PHIL HOLDINGS CORP	500,573	31,285,813	500,573	31,285,813	-	-
FPI	FORUM PACIFIC, INC.	24,950	4,990	24,950	4,990	-	-
FRUIT	FRUITAS HOLDINGS, INC.	4,825,926	4,632,889	4,825,926	4,632,889	-	-
GEO	GEOGRACE RESOURCES PHILS.,INC.	12,108,895	326,940	12,108,895	326,940	-	-
GERI	GLOBAL ESTATE RESORTS, INC.	6,570,938	6,242,391	6,570,938	6,242,391	-	-
GLO	GLOBE TELECOM INC "A"	82,326	141,600,720	82,326	141,600,720	-	-
GMA7	GMA NETWORK, INC.	21,259,543	178,580,161	21,259,543	178,580,161	-	-
GMAP	GMA HOLDINGS, INC.	6,468,535	53,688,841	6,468,535	53,688,841	-	-
GO	GOTESCO LAND, INC. "A"	23,833	-	23,833	-	-	-
GREEN	GREENERGY HOLDINGS INCORPORATED	8,445,875	1,934,105	8,445,875	1,934,105	-	-
GSMI	GINEBRA SAN MIGUEL, INC.	31,222	5,267,151	31,222	5,267,151	-	-
GTCAP	GT CAPITAL HOLDINGS, INC.	145,084	85,599,560	145,084	85,599,560	-	-
GTPPB	GT CAPITAL PERPETUAL PREFERRED "B"	62,205	58,503,803	62,205	58,503,803	-	-
HI	HOUSE OF INVESTMENT	12,000	38,880	12,000	38,880	-	-
HLCM	HOLCIM PHILIPPINES, INC.	8,053	31,165	8,053	31,165	-	-
HOME	ALLHOME CORPORATION	3,600,304	4,032,340	3,600,304	4,032,340	-	-
HOUSE	8990 HOLDINGS, INC.	416,255	3,842,034	416,255	3,842,034	-	-
HTI	HAUS TALK, INC.	1,210,000	1,149,500	1,210,000	1,149,500	-	-
HVN	GOLDEN MV HOLDINGS, INC.	4,640	3,918,480	4,640	3,918,480	-	-
I	I-REMIT, INC.	371,470	143,016	371,470	143,016	-	-
ICT	INT'L CONTAINER TERMINAL SERVI	1,837,482	453,490,558	1,837,482	453,490,558	-	-
IDC	ITALPINAS DEVELOPMENT CORPORATION	4,170,423	2,877,592	4,170,423	2,877,592	-	-
IMI	INTEGRATED MICRO-ELECTRONICS, INC.	1,685,143	5,325,052	1,685,143	5,325,052	-	-

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IMP	IMPERIAL RESOURCES CORP INC.A	222,500	₱115,700	222,500	₱115,700	-	₱-
INFRA	PHILIPPINE INFRADEV HOLDINGS, INC.	8,446,800	4,645,740	8,446,800	4,645,740	-	-
ION	IONICS, INC.	27,679,000	27,955,790	27,679,000	27,955,790	-	-
IPM	IPM HOLDINGS, INC.	71,300	240,994	71,300	240,994	-	-
IPO	IPEOPLE, INC. " A "	149,124	1,096,061	149,124	1,096,061	-	-
IS	ISLAND INFORMATION & TECH.INC.	45,726,990	6,584,687	45,726,990	6,584,687	-	-
JFC	JOLLIBEE FOOD CORPORATION	551,344	138,607,882	551,344	138,607,882	-	-
JFCPB	JOLLIBEE FOODS CORP SERIES B PREFERRED SHARES	22,400	21,100,800	22,400	21,100,800	-	-
JGS	JG SUMMIT HOLDINGS, INC.	8,611,073	328,512,435	8,611,073	328,512,435	-	-
JOH	JOLLIVILLE HOLDINGS CORP.	6,992,022	62,648,517	6,992,022	62,648,517	-	-
KEEPR	THE KEEPERS HOLDINGS, INC.	11,833,007	17,512,850	11,833,007	17,512,850	-	-
KEP	KEPPEL PHILS PROPERTIES, INC.	196,145	963,072	196,145	963,072	-	-
KPH	KEPPEL PHIL HOLDINGS, INC "A"	5,756	28,780	5,756	28,780	-	-
KPPI	KEPWEALTH PROPERTY PHILS., INC.	103,600	158,508	103,600	158,508	-	-
LAND	CITY & LAND DEVELOPERS, INC.	404,061	307,086	404,061	307,086	-	-
LBC	LBC EXPRESS HOLDINGS, INC.	600	10,944	600	10,944	-	-
LC	LEPANTO CONS. MINING CO. "A"	50,823,995	4,065,920	50,823,995	4,065,920	-	-
LCB	LEPANTO CONS. MINING CO. "B"	12,764,507	995,632	12,764,507	995,632	-	-
LFM	LIBERTY FLOUR MILLS	2,883,374	34,888,825	2,883,374	34,888,825	-	-
LMG	LMG CHEMICALS CORP.	92,300	308,282	92,300	308,282	-	-
LODE	LODESTAR INVESTMENT HOLDINGS CORP	927,000	431,055	927,000	431,055	-	-
LOTO	PACIFIC ONLINE SYSTEM CORP.	7,300	36,135	7,300	36,135	-	-
LPC	LFM PROPERTIES CORPORATION	198,794,106	11,927,646	198,794,106	11,927,646	-	-
LPZ	LOPEZ HOLDINGS CORPORATION	609,808	2,597,782	609,808	2,597,782	-	-
LRW	LEISURE & RESORTS WORLD CORPORATION WARRANT	25,050	-	25,050	-	-	-
LSC	LORENZO SHIPPING CORPORATION	155,250	85,388	155,250	85,388	-	-
LTG	LT GROUP INC.	8,108,768	72,816,737	8,108,768	72,816,737	-	-
MA	MANILA MINING CORPORATION "A"	313,737,148	1,443,191	313,737,148	1,443,191	-	-
MAB	MANILA MINING CORPORATION "B"	287,558,432	1,236,501	287,558,432	1,236,501	-	-
MAC	MACROASIA CORPORATION	2,387,096	9,906,448	2,387,096	9,906,448	-	-
MACAY	MACAY HOLDINGS, INC.	6,000	34,200	6,000	34,200	-	-
MAH	METRO ALLIANCE HOLDINGS & EQUI	472,778	215,114	472,778	215,114	-	-
MAHB	METRO ALLIANCE HOLDINGS & EQUI	19	10	19	10	-	-
MARC	MARCVENTURES HOLDINGS, INC	4,721,850	5,099,598	4,721,850	5,099,598	-	-
MAXS	MAX'S GROUP, INC.	1,535,460	5,020,954	1,535,460	5,020,954	-	-
MB	MANILA BULLETIN PUB. INC.	455,264	105,166	455,264	105,166	-	-
MBC	MANILA BROADCASTING COMPANY	376	3,008	376	3,008	-	-
MBT	METROPOLITAN BANK & TRUST CO	1,808,632	92,782,822	1,808,632	92,782,822	-	-
MED	MEDCO HOLDINGS, INC.	811,000	69,746	811,000	69,746	-	-

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MEDIC	MEDILINES DISTRIBUTORS INCORPORATED	4,570,000	₱1,508,100	4,570,000	₱1,508,100	-	₱-
MEG	MEGAWORLD CORPORATION	21,436,087	42,229,091	21,436,087	42,229,091	-	-
MEGW1	MEGAWORLD CORPORATION WARRANTS	20,000	-	20,000	-	-	-
MER	MANILA ELECTRIC COMPANY "A"	349,857	139,592,943	349,857	139,592,943	-	-
MFC	MANULIFE FINANCIAL CORPORATION	540	610,200	540	610,200	-	-
MFIN	MAKATI FINANCE CORPORATION	2,749	5,223	2,749	5,223	-	-
MG	MILLENNIUM GLOBAL HOLDINGS, INC.	10,245,000	1,034,745	10,245,000	1,034,745	-	-
MGH	METRO GLOBAL HOLDINGS CORP.	95,000	95,000	95,000	95,000	-	-
MHC	MABUHAY HOLDINGS CORPORATION	2,752,000	308,224	2,752,000	308,224	-	-
MJC	MANILA JOCKEY CLUB, INC.	783,605	995,178	783,605	995,178	-	-
MJIC	MJC INVESTMENTS CORPORATION	575,300	575,300	575,300	575,300	-	-
MM	MERRYMART CONSUMER CORP	320,142,200	329,746,466	320,142,200	329,746,466	-	-
MMC	MARCOPPER MINING CORP.	25,602	-	25,602	-	-	-
MON	MONDRAGON INT'L. PHILS., INC.	213,546	-	213,546	-	-	-
MONDE	MONDE NISSIN CORPORATION	11,603,822	97,240,028	11,603,822	97,240,028	-	-
MPI	METRO PACIFIC INVESTMENT CORP.	189,314	980,647	189,314	980,647	-	-
MRC	MRC ALLIED, INC.	3,569,210	4,639,973	3,569,210	4,639,973	-	-
MREIT	MREIT, INC.	6,243,600	76,796,280	6,243,600	76,796,280	-	-
MRSGI	METRO RETAIL STORES GROUP, INC.	2,537,300	3,222,371	2,537,300	3,222,371	-	-
MVC	MABUHAY VINYL CORPORATION	6,763	39,631	6,763	39,631	-	-
MWC	MANILA WATER COMPANY, INC.	1,312,391	24,410,473	1,312,391	24,410,473	-	-
MWIDE	MEGAWIDE CONSTRUCTION CORPORATION	2,917,894	8,987,114	2,917,894	8,987,114	-	-
MWP2B	MEGAWIDE CONSTRUCTION CORP SERIES 2B	16,400	1,480,100	16,400	1,480,100	-	-
MWP4	MEGAWIDE CONSTRUCTION CORP SERIES 4 PEF	39,380	3,471,347	39,380	3,471,347	-	-
NI	NIHAO MINERAL RES. INT'L INC.	1,180,700	649,385	1,180,700	649,385	-	-
NIKL	NICKEL ASIA CORPORATION	21,927,682	120,163,697	21,927,682	120,163,697	-	-
NOW	NOW CORPORATION	69,446,267	79,863,207	69,446,267	79,863,207	-	-
NRCP	NATIONAL REINSURANCE CORP.	1,637,000	589,320	1,637,000	589,320	-	-
NXGEN	NEXTGENESIS CORPORATION	169,350	1,185,450	169,350	1,185,450	-	-
OM	OMICO CORPORATION	1,251,000	344,025	1,251,000	344,025	-	-
OPM	ORIENTAL PET & MIN CORP. "A"	197,781,090	1,582,249	197,781,090	1,582,249	-	-
OPMB	ORIENTAL PET & MIN CORP. "B"	10,334,449	83,709	10,334,449	83,709	-	-
ORE	ORIENTAL PENINSULA RES.GROUP	2,969,000	1,870,470	2,969,000	1,870,470	-	-
OV	THE PHILODRILL CORP.	284,908,643	2,307,760	284,908,643	2,307,760	-	-
PA	PACIFICA HOLDINGS, INC.	249,355	344,110	249,355	344,110	-	-
PAL	PAL HOLDINGS, INC.	106,793	541,441	106,793	541,441	-	-

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PAX	PAXYS, INC.	89,820	₱92,515	89,820	₱92,515	-	₱-
PBB	PHILIPPINE BUSINESS BANK	25,864,449	225,020,706	25,864,449	225,020,706	-	-
PBC	PHIL BANK OF COMMUNICATION	2,625,039	37,065,551	2,625,039	37,065,551	-	-
PCOR	PETRON CORPORATION	7,800,549	27,691,949	7,800,549	27,691,949	-	-
PCP	PICOP RESOURCES, INC. "A"	7,131,080	1,461,871	7,131,080	1,461,871	-	-
PERC	PETROENERGY RESOURCES CORP.	623,816	3,087,889	623,816	3,087,889	-	-
PGOLD	PUREGOLD PRICE CLUB, INC.	1,261,553	33,935,776	1,261,553	33,935,776	-	-
PHA	PREMIERE HORIZON ALLIANCE CORPORATION	18,182,000	2,945,484	18,182,000	2,945,484	-	-
PHC	PHILCOMSAT HOLDINGS, INC.	6,000	8,400	6,000	8,400	-	-
PHES	PHILIPPINE ESTATES CORP.	635,020	200,031	635,020	200,031	-	-
PHN	PHINMA CORPORATION	104,306	2,127,842	104,306	2,127,842	-	-
PHR	PH RESORTS GROUP HOLDINGS, INC.	228,970,306	199,204,166	228,970,306	199,204,166	-	-
PIP	PEPSI-COLA PRODUCTS PHILS.,INC	7,000	-	7,000	-	-	-
PIZZA	SHAKEYS PIZZA ASIA VENTURES, INC.	481,115	4,714,927	481,115	4,714,927	-	-
PLC	PREMIUM LEISURE CORP.	14,594,000	9,194,220	14,594,000	9,194,220	-	-
PLUS	DIGIPLUS INTERACTIVE CORP.	556,413	4,451,304	556,413	4,451,304	-	-
PMPC	PANASONIC MFG. PHILS. CORP.	3,700	21,460	3,700	21,460	-	-
PNB	PHILIPPINE NATIONAL BANK	856,061	15,837,129	856,061	15,837,129	-	-
PNC	PHIL. NATIONAL CONST. CORP.	22,500	110,250	22,500	110,250	-	-
PNX	PHOENIX PETROLEUM PHILS. INC.	141,240	692,076	141,240	692,076	-	-
PNX3B	PHOENIX PET. PHILS. INC. SERIES 3B PREFERRED	4,640	108,808	4,640	108,808	-	-
PNX4	PHOENIX PETROLEUM PHILIPPINES, INC.	1,690	393,432	1,690	393,432	-	-
PPC	PRYCE CORPORATION	2,900	15,399	2,900	15,399	-	-
PPI	PHILTOWN PROPERTIES, INC.	88,138	-	88,138	-	-	-
PRC	PHILIPPINE RACING CLUB, INC.	7,428,884	47,544,858	7,428,884	47,544,858	-	-
PREIT	PREMIERE ISLAND POWER REIT CORP	927,000	1,427,580	927,000	1,427,580	-	-
PRF3A	PETRON CORPORATION PREFERRED SERIES 3A	23,700	22,989,000	23,700	22,989,000	-	-
PRF3B	PETRON CORPORATION PREFERRED SERIES 3B	35,030	34,329,400	35,030	34,329,400	-	-
PRF4A	PETRON CORP SERIES 4A PEF SHARES	2,500	2,212,500	2,500	2,212,500	-	-
PRF4B	PETRON CORP SERIES 4B PEF SHARES	1,000	950,000	1,000	950,000	-	-
PRF4C	PETRON CORP SERIES 4C PEF SHARES	5,040	4,903,920	5,040	4,903,920	-	-
PRIM	PRIME MEDIA HOLDINGS, INC.	1,205,843	3,460,769	1,205,843	3,460,769	-	-
PRMX	PRIMEX CORPORATION	364,900	894,005	364,900	894,005	-	-
PSB	PHIL. SAVINGS BANK	142,726	7,564,478	142,726	7,564,478	-	-
PSE	PHILIPPINE STOCK EXCHANGE	9,990	1,698,300	9,990	1,698,300	-	-
PTC	PHILIPPINE TRUST COMPANY	20,010	2,401,200	20,010	2,401,200	-	-
PTT	PHIL. TELEGRAPH & TEL CORP.	60,329	19,909	60,329	19,909	-	-
PX	PHILEX MINING CORPORATION	16,889,580	54,215,552	16,889,580	54,215,552	-	-

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PXP	PXP ENERGY CORPORATION	2,136,675	₱8,439,866	2,136,675	₱8,439,866	-	₱-
RCB	RIZAL COMM BANKING CORP	232,609	5,350,007	232,609	5,350,007	-	-
RCI	ROXAS AND COMPANY, INC.	750,388	360,186	750,388	360,186	-	-
RCR	RL COMMERCIAL REIT, INC.	13,619,242	66,598,093	13,619,242	66,598,093	-	-
REDC	REPOWER ENERGY DEVELOPMENT CORP	541,000	3,787,000	541,000	3,787,000	-	-
REG	REPUBLIC GLASS CORP	134,917	404,751	134,917	404,751	-	-
RFM	RFM CORPORATION	225,102	675,306	225,102	675,306	-	-
RLC	ROBINSON'S LAND CORPORATION	2,722,602	43,398,276	2,722,602	43,398,276	-	-
RLT	PHIL REALTY & HLDGS CORP	1,998,237	263,767	1,998,237	263,767	-	-
ROCK	ROCKWELL LAND CORPORATION	1,636,598	2,307,603	1,636,598	2,307,603	-	-
ROX	ROXAS HOLDINGS, INC.	233,509	179,802	233,509	179,802	-	-
RPC	REYNOLDS PHILIPPINE CORP.	10,851	-	10,851	-	-	-
RRHI	ROBINSONS RETAIL HOLDINGS, INC.	355,770	14,106,281	355,770	14,106,281	-	-
SBS	SBS PHILIPPINES CORP.	198,465	962,555	198,465	962,555	-	-
SCC	SEMIRARA MINING AND POWER CORP.	1,862,865	56,351,666	1,862,865	56,351,666	-	-
SECB	SECURITY BANK CORPORATION	1,336,995	95,595,143	1,336,995	95,595,143	-	-
SEVN	PHIL. SEVEN CORPORATION	32,927	2,509,037	32,927	2,509,037	-	-
SFI	SWIFT FOODS, INC.	4,495,122	242,737	4,495,122	242,737	-	-
SFIP	SWIFT FOODS, INC CONVERTIBLE PREFERRED	11,178	21,015	11,178	21,015	-	-
SGI	SOLID GROUP, INC.	164,000	145,960	164,000	145,960	-	-
SGP	SYNERGY GRID & DEVELOPMENT PHILS., INC.	3,804,582	24,920,012	3,804,582	24,920,012	-	-
SHLPH	PILIPINAS SHELL PETROLEUM CORP.	1,184,265	12,955,859	1,184,265	12,955,859	-	-
SHNG	SHANG PROPERTIES, INC	1,566,903	5,750,534	1,566,903	5,750,534	-	-
SLF	SUN LIFE FINANCIAL, INC.	1,253	3,408,160	1,253	3,408,160	-	-
SLI	STA. LUCIA LAND, INC.	244,000	829,600	244,000	829,600	-	-
SM	SM INVESTMENTS CORPORATION	75,726	66,033,072	75,726	66,033,072	-	-
SMC	SAN MIGUEL CORPORATION "A"	818,180	83,536,178	818,180	83,536,178	-	-
SMC2F	SMC PREFERRED SUBSERIES 2-F	1,581,090	114,629,025	1,581,090	114,629,025	-	-
SMC2I	SMC PREFERRED SUBSERIES 2-I	1,513,040	106,669,320	1,513,040	106,669,320	-	-
SMC2J	SMC PREFERRED SHARES SERIES 2J	466,000	31,664,700	466,000	31,664,700	-	-
SMC2K	SAN MIGUEL CORP PREFERRED SHARES SERIES 2K	777,570	52,874,760	777,570	52,874,760	-	-
SMC2L	SAN MIGUEL CORP SERIES 2-L PREFERRED SHARES	163,100	12,558,700	163,100	12,558,700	-	-
SMC2N	SAN MIGUEL CORP SERIES 2-N PREFERRED	94,400	7,268,800	94,400	7,268,800	-	-
SMC2O	SAN MIGUEL CORP SERIES 2-O PREFERRED	120,100	67,087,800	120,100	67,087,800	-	-
SMPH	SM PRIME HOLDINGS INC.	15,419,697	507,364,192	15,419,697	507,364,192	-	-
SOC	SOUTH CHINA RESOURCES, INC.	134,400	48,384	134,400	48,384	-	-
SPC	SPC POWER CORPORATION	448,000	3,136,000	448,000	3,136,000	-	-

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SPM	SEAFRONT RESOURCES CORP.	37,466	₱52,827	37,466	₱52,827	-	₱-
SPNEC	SP NEW ENERGY CORPORATION	32,536,997	42,948,836	32,536,997	42,948,836	-	-
SSI	SSI GROUP, INC.	1,873,400	4,252,618	1,873,400	4,252,618	-	-
SSP	SFA SEMICON PHIL CORP	2,928,900	6,472,869	2,928,900	6,472,869	-	-
STI	STI EDUCATION SYSTEMS, INC.	19,969,874	9,685,389	19,969,874	9,685,389	-	-
STN	STENIEL MANUFACTURING CORP.	89,433	23,251	89,433	23,251	-	-
STR	VISTAMALLS, INC.	329,400	793,854	329,400	793,854	-	-
SUN	SUNTRUST HOME DEVELOPERS, INC.	2,912,710	2,475,804	2,912,710	2,475,804	-	-
SWM	SANITARY WARES MFG. CORP.	200	-	200	-	-	-
T	TKC METALS CORPORATION	1,085,000	450,275	1,085,000	450,275	-	-
TBGI	TRANSPACIFIC BROADBAND GROUP	11,263,642	1,531,855	11,263,642	1,531,855	-	-
TCB2C	CIRTEK HOLDINGS PHIL CORP 2C SERIES B-2	10,000	347,000	10,000	347,000	-	-
TCB2D	CIRTEK HOLDINGS PHIL CORP 2D SERIES B-2	125,590	6,034,600	125,590	6,034,600	-	-
TECH	CIRTEK HOLDINGS PHILIPPINES CORPORATION	4,791,509	7,618,499	4,791,509	7,618,499	-	-
TECHW	CIRTEK HOLDINGS PHIL-WARRANTS	6,079,219	1,610,993	6,079,219	1,610,993	-	-
TEL	PLDT INC.	238,441	304,966,039	238,441	304,966,039	-	-
TFC	PTFC REDEVELOPMENT CORPORATION	5,684,201	278,525,849	5,684,201	278,525,849	-	-
TFHI	TOP FRONTIER INVT. HLDGS.,INC.	40,682	4,145,496	40,682	4,145,496	-	-
TUGS	HARBOR STAR SHIPPING SERVICERS, INC.	205,410,100	156,111,676	205,410,100	156,111,676	-	-
UBP	UNION BANK OF THE PHILIPPINES	969,136	49,001,224	969,136	49,001,224	-	-
UNI	UNIOIL RES & HOLDINGS CO.,INC.	2,096,000	515,616	2,096,000	515,616	-	-
UP	UNIVERSAL RIGHTFIELD PROP HLDN	3,223,000	-	3,223,000	-	-	-
UPM	UNITED PARAGON MINING CORP	32,528,950	130,116	32,528,950	130,116	-	-
UPSON	UPSON INTERNATIONAL CORP.	75,000	123,000	75,000	123,000	-	-
URC	UNIVERSAL ROBINA CORPORATION	730,931	86,396,044	730,931	86,396,044	-	-
V	VANTAGE EQUITIES, INC.	5,253,996	4,045,577	5,253,996	4,045,577	-	-
VITA	VITARICH CORPORATION	4,713,000	2,450,760	4,713,000	2,450,760	-	-
VLL	VISTA LAND & LIFESCAPE, INC.	2,239,100	3,761,688	2,239,100	3,761,688	-	-
VMC	VICTORIA'S MILLING CO., INC.	132,802	399,734	132,802	399,734	-	-
VREIT	VISTAREIT, INC.	894,050	1,493,064	894,050	1,493,064	-	-
VVT	VIVANT CORPORATION	2,250	32,173	2,250	32,173	-	-
WEB	PHILWEB CORPORATION	2,438,290	4,218,242	2,438,290	4,218,242	-	-
WHI	WISE HOLDINGS, INC. "A"	430,841	-	430,841	-	-	-
WIN	WELLEX INDUSTRIES, INC.	5,832,950	1,341,579	5,832,950	1,341,579	-	-
WLCON	WILCON DEPOT, INC.	2,536,050	53,003,445	2,536,050	53,003,445	-	-
WPI	WATERFRONT PHILS., INC.	1,572,900	589,838	1,572,900	589,838	-	-
X	XURPAS INC.	13,668,971	2,610,773	13,668,971	2,610,773	-	-
ZHI	ZEUS HOLDINGS, INC.	655,350	46,530	655,350	46,530	-	-
		<b>₱13,921,838,799</b>		<b>₱13,921,838,799</b>		<b>₱-</b>	

**SCHEDULE VII**

**UNICAPITAL SECURITIES, INC.  
SUPPLEMENTARY SCHEDULE OF  
FINANCIAL SOUNDNESS INDICATORS UNDER THE REVISED SRC RULE 68**

**DECEMBER 31, 2023 AND 2022**

	2023	2022
<b>Current/liquidity ratio</b>	<b>1.10</b>	1.14
Current assets	<b>₱489,081,581</b>	₱495,055,762
Current liabilities	<b>443,328,837</b>	434,662,228
<b>Acid test ratio</b>	<b>1.08</b>	1.12
Quick assets	<b>₱478,110,531</b>	₱485,094,052
Current liabilities	<b>443,328,837</b>	434,662,228
<b>Solvency ratio</b>	<b>(0.03)</b>	(0.05)
After-tax loss before depreciation	<b>(₱12,671,938)</b>	(₱21,095,122)
Total liabilities	<b>443,328,837</b>	434,662,228
<b>Debt-to-equity ratio</b>	<b>7.19</b>	5.59
Total liabilities	<b>₱443,328,837</b>	₱434,662,228
Total equity	<b>61,675,960</b>	77,808,118
<b>Asset-to-equity ratio</b>	<b>8.19</b>	6.59
Total assets	<b>₱505,004,797</b>	₱512,470,346
Total equity	<b>61,675,960</b>	77,808,118
<b>Interest rate coverage ratio</b>	-	-
Loss before interest and taxes	<b>(₱11,082,628)</b>	(₱14,099,377)
Interest expense	-	-
<b>Return on equity</b>	<b>(0.21)</b>	(0.26)
Net loss	<b>(₱14,884,827)</b>	(₱23,251,153)
Average total equity	<b>69,742,039</b>	89,227,170
<b>Return on assets</b>	<b>(0.03)</b>	(0.04)
Net loss	<b>(₱14,884,827)</b>	(₱23,251,153)
Average total assets	<b>508,737,572</b>	530,410,935
<b>Net profit margin</b>	<b>(0.33)</b>	(0.56)
Net loss	<b>(₱14,884,827)</b>	(₱23,251,153)
Revenue	<b>45,329,917</b>	41,395,515

## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **Unicapital Securities, Inc.** (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, as at and for the years ended December 31, 2023 and 2022, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

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

Reyes Tacandong & Co., the independent auditor appointed by the Board of Directors, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.



**Avelino J. Cruz, Jr.**  
Chairman



**Ben Thomas P. Pañares**  
President



**Marje M. Hing**  
Assistant Treasurer

Signed this 25 day of March 2024







Rogerick Leabres &lt;rleabres@gmail.com&gt;

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Fri, Apr 19, 2024 at 11:14 AM

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Hi UNICAPITAL SECURITIES, INC.,

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- EAFS005294264TCRTY122023-01.pdf
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Transaction Code: **AFS-0-CHGEFK9503RXZVPXNQNWYWQNT0NVMX2VT2**Submission Date/Time: **Apr 19, 2024 11:14 AM**Company TIN: **005-294-264**

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- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
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## UNICAPITAL SECURITIES, INC. - AFS 2023 52AR

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ICTD Submission <ictdsubmission+canned.response@sec.gov.ph>  
To: jsb@unicapital-inc.com

Tue, Apr 23, 2024 at 11:17 AM

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Your submission is subject for Verification and Review of the Quality of the Attached Document only for Secondary Reports. The Official Copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 7 working days via order through the SEC Express at <https://secexpress.ph/>. For further clarifications, please call (02) 8737-8888.

----- NOTICE TO  
COMPANIES -----

Please be informed of the reports that shall be filed only through [ictdsubmission@sec.gov.ph](mailto:ictdsubmission@sec.gov.ph).

Pursuant to SEC MC Circular No. 3 s 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (pdf) through email at [ictdsubmission@sec.gov.ph](mailto:ictdsubmission@sec.gov.ph) such as the following SECONDARY REPORTS:

1. 17-A 6. ICA-QR 11. IHAR 16. 39-AR 21. Monthly Reports
2. 17-C 7. 23-A 12. AMLA-CF 17. 36-AR 22. Quarterly Reports
3. 17-L 8. 23-B 13. NPM 18. PNFS 23. Letters
4. 17-Q 9. GIS-G 14. NPAM 19. MCG 24. OPC (Alternate Nominee)
5. ICASR 10. 52-AR 15. BP-FCLC 20. S10/SEC-NTCE-EXEMPT

Further, effective 01 July 2023, the following reports shall be submitted through <https://efast.sec.gov.ph/user/login>.

1. FORM MC 18 7. Completion Report
2. FORM 1 - MC 19 8. Certificate-SEC Form MCG- 2009
3. FORM 2- MC 19 9. Certificate-SEC Form MCG- 2002, 2020 ETC.
4. ACGR 10. Certification of Attendance in Corporate Governance
5. I-ACGR 11. Secretary's Certificate Meeting of Board Directors (Appointment)
6. MRPT

Please be informed that the submission of the abovementioned eleven (11) reports through the [ictdsubmission@sec.gov.ph](mailto:ictdsubmission@sec.gov.ph) shall no longer be accepted. For further information, please access this link Notice for guidance on the filing of reports:

Likewise, the following reports shall be filed through the Electronic Filing and Submission Tool (eFAST) at <https://efast.sec.gov.ph/user/login> :

1. AFS 7. IHFS 13. SSF
2. GIS 8. LCFS 14. AFS with Affidavit of No Operation
3. BDFS 9. LCIF 15. AFS with NSPO Form 1,2, and 3
4. FCFS 10. OPC\_AO 16. AFS with NSPO Form 1,2,3 and 4,5,6
5. FCIF 11. PHFS 17. FS - Parent
6. GFFS 12. SFFS 18. FS – Consolidated

For the submission and processing of compliance in the filing of Memorandum Circular No. 28 Series of 2020, please visit this link – <https://apps010.sec.gov.ph/>

For your information and guidance.

Thank you.