



SECURITIES AND EXCHANGE COMMISSION

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The following document has been received:

Receiving: ICTD ERMD

Receipt Date and Time: April 30, 2025 12:38:47 PM

Company Information

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Company Name: ASIA PACIFIC CAPITAL EQUITIES & SECURITIES CORPORATION

Industry Classification: None

Company Type: Stock Corporation

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Period Covered: December 31, 2024

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Acceptance of this document is subject to review of forms and contents



asia pacific capital <asiapacific065@gmail.com>

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Hi ASIA PACIFIC CAPITAL EQUITIES AND SECURITIES CORP,

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Transaction Code: **AFS-0-8EJ5FJAB0TXZVMXVMZNN1VMR0BHLD8F**
Submission Date/Time: **Apr 30, 2025 11:49 AM**
Company TIN: **002-011-914**

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COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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Company Name

A	S	I	A		P	A	C	I	F	I	C		C	A	P	I	T	A	L		E	Q	U	I	T	I	E	S
A	N	D			S	E	C	U	R	I	T	I	E	S		C	O	R	P	O	R	A	T	I	O	N		

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

2	4	T	H		F	L	O	O	R		G	A	L	L	E	R	I	A		C	O	R	P	O	R	A	T	E
C	E	N	T	E	R		E	D	S	A		C	O	R		O	R	T	I	G	A	S		A	V	E	Q	C

Form Type

A	F	S	
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Department requiring the report

C	R	M	D
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Secondary License Type, If Applicable

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COMPANY INFORMATION

<p>Company's Email Address</p> <div style="border: 1px solid black; padding: 2px;">asiapacific065@gmail.com</div>	<p>Company's Telephone Number/s</p> <div style="border: 1px solid black; padding: 2px;">8634-5622</div>	<p>Mobile Number</p> <div style="border: 1px solid black; padding: 2px;">0922-859-3198</div>
<p>No. of Stockholders</p> <div style="border: 1px solid black; padding: 2px; text-align: center;">10</div>	<p>Annual Meeting Month/Day</p> <div style="border: 1px solid black; padding: 2px; text-align: center;">2nd Tuesday of January</div>	<p>Fiscal Year Month/Day</p> <div style="border: 1px solid black; padding: 2px; text-align: center;">December/31</div>

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

<p>Name of Contact Person</p> <div style="border: 1px solid black; padding: 2px;">David O. Chua</div>	<p>Email Address</p> <div style="border: 1px solid black; padding: 2px;">asiapacificcapital@gmail.com</div>	<p>Telephone Number/s</p> <div style="border: 1px solid black; padding: 2px;">8634-5622</div>	<p>Mobile Number</p> <div style="border: 1px solid black; padding: 2px;">0922-859-3198</div>
<p>Contact Person's Address</p> <div style="border: 1px solid black; padding: 5px; text-align: center;">24Th Floor Galleria Corporate Center Edsa Cor Ortigas Ave. Quezon City</div>			

Note 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2: All boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.



ASIA PACIFIC CAPITAL
EQUITIES AND SECURITIES CORPORATION
(MEMBER: PHILIPPINE STOCK EXCHANGE)

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


The management of **Asia Pacific Capital Equities and Securities Corporation** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, as of and for the years ended December 31, 2024, 2023 and 2022, in accordance with Philippine Financial Reporting Standards (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.

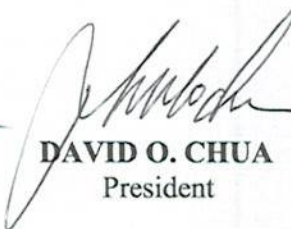
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or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


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

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

Berces-Ocampo, Mendoza and Associates, the independent auditor appointed by the Board of Directors, has audited the financial statements of **Asia Pacific Capital Equities and Securities Corporation** in accordance with Philippine Standards on Auditing and, in its report to the shareholders, has expressed its opinion on the fairness of presentation upon completion of such audit.


PACITA O. CHUA
Chairman of the Board


DAVID O. CHUA
President


PATERNO H. ONG
Treasurer

Signed this 16th day of February 2025

Subscribed and sworn to before me this APR 10 2025 QUEZON CITY, affiants exhibiting to me their Competent Evidences of Identity as follows:

Name	Taxpayer Identification Number
Pacita O. Chua	219-357-118
David O. Chua	109-525-038
Paterno H. Ong	135-195-054

Notary Public



JENSEN A. SANHI

NOTARY PUBLIC - Quezon City

NP-139 (2024-2025), Com. Until 31 December 2025
25th Floor Galleria Corporate Ctr., EDSA, Quezon City
PTR No. 6665425, 02 Jan. 2025, Quezon City
IBP No. 511536, 26 Dec. 2024 (2025)
Roll No. 40518
MCLE Comp. No. VIII-0018674, 26 December 2024

Doc. No. 456 ;
Page No. 93 ;
Book No. I ;
Series of 2025

PRC/BOA Registered Practitioner No. 9534 up to August 8, 2025
BIR Accreditation No. 07-000022-005-2023 for the Firm up to February 10, 2026
BIR Accreditation No. 07-000030-004-2023 for the Signing Partner up to February 14, 2026
SEC Accreditation No. 9534-SEC, Group A, for the Firm to engage in the audit of SEC-covered institutions up to 2026
SEC Accreditation No. 71098-SEC, Group A, for the Signing Partner to engage in the audit of SEC-covered institutions up to 2026
CDA Accreditation No. CEA 158-AF for the Firm up to March 7, 2026

REPORT OF INDEPENDENT AUDITORS

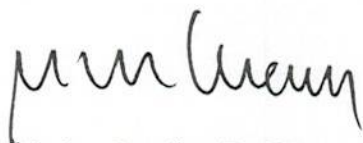
The Board of Directors and the Shareholders
Asia Pacific Capital Equities and Securities Corporation
24/F Galleria Corporate Center
Edsa Corner Ortigas Avenue
Quezon City, Metro Manila

We have audited the financial statements of **Asia Pacific Capital Equities and Securities Corporation** as of and for the years ended December 31, 2024 and 2023 on which we have rendered the attached report dated February 16, 2025.

In compliance with SRC Rule 68 and based on certification from the Company's Corporate Secretary, **Asia Pacific Capital Equities and Securities Corporation** has eight (8) shareholders each owning one hundred (100) or more shares.

BERCES-OCAMPO, MENDOZA AND ASSOCIATES

By:



Maria Cristina Josefina B. Ocampo
Partner
CPA Registration No. 71098
TIN 123-047-213
PTR No. 6990982 D
Issued January 6, 2025 at Quezon City

ANNEX D

Asia Pacific Capital Equities and Securities Corporation

24/F Galleria Corporate Center, Edsa Corner Ortigas Avenue
Quezon City, Metro Manila

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

As of December 31, 2024

*(Figure based on audited
financial statements as of
and for the year ended
December 31, 2024)*

	Amount
Unappropriated retained earnings, <i>as adjusted to available for dividend declaration, beginning</i>	11,162,033
Net income during the year	4,708,805
Appropriation of retained earnings in 2024	(941,761)
RETAINED EARNINGS, END	
AVAILABLE FOR DIVIDEND DECLARATION	14,929,077



BERCES-OCAMPO, MENDOZA AND ASSOCIATES

PRC/BOA Registered Practitioner No. 9534 up to August 8, 2025
BIR Accreditation No. 07-000022-005-2023 for the Firm up to February 10, 2026
BIR Accreditation No. 07-000030-004-2023 for the Signing Partner up to February 14, 2026
SEC Accreditation No. 9534-SEC, Group A, for the Firm to engage in the audit of SEC-covered institutions up to 2026
SEC Accreditation No. 71098-SEC, Group A, for the Signing Partner to engage in the audit of SEC-covered institutions up to 2026
CDA Accreditation No. CEA 158-AF for the Firm up to March 7, 2026

REPORT OF INDEPENDENT AUDITORS

The Board of Directors and the Shareholders
Asia Pacific Capital Equities and Securities Corporation
24/F Galleria Corporate Center
Edsa Corner Ortigas Avenue
Quezon City, Metro Manila

We have audited the financial statements of **Asia Pacific Capital Equities and Securities Corporation** as of and for the years ended December 31, 2024 and 2023 on which we have rendered the attached report dated February 16, 2025.

The information shown in Annex D (Reconciliation of Retained Earnings Available for Dividend Declaration) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

In our opinion, the information on said Annex D is in accordance with SRC Rule 68, as revised.

BERCES-OCAMPO, MENDOZA AND ASSOCIATES

By:

Maria Cristina Josefina B. Ocampo
Partner
CPA Registration No. 71098
TIN 123-047-213
PTR No. 6990982 D
Issued January 6, 2025 at Quezon City

ASIA PACIFIC CAPITAL EQUITIES AND SECURITIES CORPORATION

STATEMENTS OF FINANCIAL POSITION

As of December 31

(In Philippine Pesos)

	Note(s)	2024	2023	2022
ASSETS				
Current Assets				
Cash	4	57,766,646	51,444,244	47,685,975
Trade and other receivables, net	5	382,752	109,831	4,366,247
Other current assets	6	1,347,282	1,288,914	1,159,288
Total Current Assets		59,496,680	52,842,989	53,211,510
Non-current Assets				
Long-term investment	7	39,119,185	40,799,150	37,919,210
Property and equipment, net	8	1	1	5,797
Intangible asset	9	8,500,000	8,500,000	8,500,000
Other non-current asset	10	43,052	43,052	43,052
Total Non-current Assets		47,662,238	49,342,203	46,468,059
TOTAL ASSETS		107,158,918	102,185,192	99,679,569
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current Liabilities				
Trade and other payables	11	8,882,573	7,111,926	9,259,073
Dividends payable	12	2,176,192	1,604,803	1,432,262
Other current liabilities	13	52,617	28,596	72,739
Total Current Liabilities		11,111,382	8,745,325	10,764,074
Non-current Liabilities				
Refundable deposit	14	1,314,657	1,314,657	1,314,657
Deferred tax liability, net	22	290,047	618,124	1,023,759
Total Non-current Liabilities		1,604,704	1,932,781	2,338,416
Total Liabilities		12,716,086	10,678,106	13,102,490
Shareholders' Equity				
Share capital	15	30,625,000	30,625,000	30,625,000
Retained earnings	17	22,556,564	17,847,759	15,697,081
Unrealized gain on long-term investment	7	36,420,068	38,193,127	35,413,798
Revaluation surplus	16	4,841,200	4,841,200	4,841,200
Total Shareholders' Equity		94,442,832	91,507,086	86,577,079
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		107,158,918	102,185,192	99,679,569

See accompanying Notes to Financial Statements.

ASIA PACIFIC CAPITAL EQUITIES AND SECURITIES CORPORATION

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the Years Ended December 31

(In Philippine Pesos)

	Note(s)	2024	2023	2022
Share Capital				
Authorized capital - 50,000 shares at PhP1,000 par value per share				
Subscribed and paid up - 34,000 shares net of subscription receivable of 3,375,000	15	30,625,000	30,625,000	30,625,000
Retained Earnings				
Beginning balance		17,847,759	15,697,081	14,402,344
Net income for the year	18	4,708,805	2,150,678	1,294,737
Ending Balance		22,556,564	17,847,759	15,697,081
Appropriated retained earnings	17	7,627,487	6,685,726	6,040,523
Unappropriated retained earnings	17	14,929,077	11,162,033	9,656,558
Unrealized Gain on Long-term Investment				
Beginning balance		38,193,127	35,413,798	48,982,732
Transition adjustment	7	(93,094)	(100,611)	110,781
Unrealized gain/(loss) on financial asset at FVOCI	7	(1,679,965)	2,879,940	(13,679,715)
Ending Balance		36,420,068	38,193,127	35,413,798
Revaluation Surplus of Long-term Investment	16	4,841,200	4,841,200	4,841,200
TOTAL SHAREHOLDERS' EQUITY		94,442,832	91,507,086	86,577,079

See accompanying Notes to Financial Statements.

ASIA PACIFIC CAPITAL EQUITIES AND SECURITIES CORPORATION**STATEMENTS OF COMPREHENSIVE INCOME**
For the Years Ended December 31
(In Philippine Pesos)

	Note(s)	2024	2023	2022
REVENUES	18	2,384,793	2,495,899	2,692,882
DIRECT COSTS	19	735,843	871,268	497,399
GROSS PROFIT		1,648,950	1,624,631	2,195,483
OTHER INCOME	20	5,776,170	3,053,764	2,556,976
TOTAL INCOME		7,425,120	4,678,395	4,752,459
OPERATING EXPENSES	21	2,999,285	2,796,161	3,078,886
INCOME BEFORE TAX EXPENSE		4,425,835	1,882,234	1,673,573
INCOME TAX EXPENSE				
Current		(32,979)		
Deferred	22	315,949	268,444	(378,836)
NET INCOME FOR THE YEAR		4,708,805	2,150,678	1,294,737
OTHER COMPREHENSIVE INCOME/(LOSS)				
Unrealized gain/(loss) of long-term investment	7	(1,679,965)	2,879,940	(13,679,715)
TOTAL COMPREHENSIVE INCOME/(LOSS)		3,028,840	5,030,618	(12,384,978)

See accompanying Notes to Financial Statements.

ASIA PACIFIC CAPITAL EQUITIES AND SECURITIES CORPORATION**STATEMENTS OF CASH FLOWS**
For the Years Ended December 31
(In Philippine Pesos)

	Note(s)	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before tax expense		4,425,835	1,882,234	1,673,573
Adjustments to reconcile income before tax expense to net cash provided by operating activities:				
Transition adjustment	7	(93,094)	(100,611)	110,781
Dividend income	20	(2,399,950)	(2,399,950)	(2,375,945)
Interest income	20	(3,358,968)	(575,044)	(181,031)
Depreciation	8	-	5,796	6,956
Deferred tax liability	22	(328,077)	(405,635)	(28,522)
Loss before working capital changes		(1,754,254)	(1,593,209)	(794,188)
Changes in current assets and liabilities:				
Trade and other receivables	5	(272,921)	4,256,416	(4,085,315)
Other current assets	6	(58,368)	(129,626)	(130,154)
Trade and other payables	11	1,770,647	(2,147,147)	1,798,754
Dividends payable	12	571,389	172,541	330,092
Other current liabilities	13	24,021	(44,143)	30,389
Cash provided by/(used in) operations		280,514	514,832	(2,850,422)
Dividend received	20	2,399,950	2,399,950	2,375,945
Interest received	20	3,358,968	575,044	181,031
Income tax paid	22	282,970	268,444	(378,836)
Net Cash Provided by/(Used In) Operating Activities		6,322,402	3,758,270	(672,282)
NET CHANGE IN CASH		6,322,402	3,758,270	(672,282)
CASH, Beginning		51,444,244	47,685,975	48,358,257
CASH, END		57,766,646	51,444,244	47,685,975

See accompanying Notes to Financial Statements.

ASIA PACIFIC EQUITIES AND SECURITIES CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

As of and For the Years Ended December 31, 2024, 2023 and 2022

(All Amounts in Philippines Pesos)

Note 1 – General Information

Asia Pacific Capital Equities and Securities Corporation (the Company) is a stock corporation registered with the Securities and Exchange Commission on April 19, 1991. The address of its registered office and principal place of business is at 24/F Galleria Corporate Center, Edsa Corner Ortigas Avenue, Quezon City, Metro Manila. The Company's primary activity is as a dealer in the business of buying and selling securities of all kinds and for its own account and as stock broker in the business of negotiating purchases or sales of stock and transactions relative to stocks, bonds, debentures and other securities or commercial papers of any person, partnership, association, syndicates, corporation or governmental body, agency or instrumentality.

Note 2 - Basis of Preparation and Material Accounting Policies

Basis of Preparation

Statement of Compliance

The financial statements of the Company have been prepared in compliance with the Philippine Financial Reporting Standards (PFRS). PFRS are based on International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB). PFRS consist of PFRS, Philippine Accounting Standards (PAS), and Philippine Interpretations issued by the Financial Reporting Standards Council (FRSC) and the Board of Accountancy (BOA) and adopted by the Securities and Exchange (SEC).

Functional and Presentation Currency

The financial statements are presented in Philippine Peso which is the Company's functional and presentation currency. All amounts are rounded to the nearest peso.

Material Accounting Policies

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

Financial Instruments

Initial Recognition and Measurement

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly

attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Classification

The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at fair value through other comprehensive income (FVOCI). Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Company's business model and its contractual cash flow characteristics.

Financial Assets at Amortized Cost. Financial assets shall be 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 allowance for impairment, if any. 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 and through amortization process.

As at December 31, 2024, 2023 and 2022, the Company's cash, trade and other receivables, and utility deposits under "Other noncurrent asset" account are classified under this category.

Financial Assets at FVOCI.

For debt instruments that meet the contractual cash flow characteristic and are not designated at FVPL under the fair value option, the financial assets shall be measured at FVOCI 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 selling the financial assets; 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.

For equity instruments, the Company may irrevocably designate the financial asset to be measured at FVOCI as long as these are not held for trading purposes.

After initial recognition, financial assets at FVOCI are presented in the financial statements at fair value with changes in fair value are recognized in OCI.

Interest income on debt instruments is calculated using the effective interest method while impairment losses of debt instruments measured at FVOCI are recognized directly in profit or loss. When the financial asset is derecognized, the cumulative gains or losses previously recognized in OCI are reclassified to profit or loss.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established. Cumulative changes in fair value of FVOCI equity instruments are recognized in equity and are not reclassified to profit or loss in subsequent periods.

As at December 31, 2024, 2023 and 2022, the Company's long term investment accrual is classified under this category.

Financial Liabilities at Amortized Cost

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 or through the amortization process.

As at December 31, 2024, 2023 and 2022, the Company's trade and other payables, dividends payable and refundable deposit accounts are classified under this category.

Impairment of Financial Assets

The Company records an allowance for "expected credit loss" (ECL). 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. The difference is then discounted at an approximation to the asset's original effective interest rate.

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

For debt instruments measured at amortized cost and FVOCI, the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECLs that result 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 as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial

recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. For debt instruments that are considered impaired, lifetime ECL is computed based on the difference between the carrying amount of the instrument and the present value of the expected cash flows discounted using the original effective rate.

Derecognition of Financial Assets and Liabilities

Financial Assets

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 financial 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 financial asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from a financial asset or has entered into 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

A financial liability is derecognized when the obligation under the liability is discharged, 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 the statements of comprehensive income.

A modification is considered substantial if the present value of the cash flows under the new terms, including net fees paid or received and discounted using the original effective interest rate, is different by at least 10% from the discounted present value of remaining cash flows of the original liability.

The fair value of the modified financial liability is determined based on its expected cash flows, discounted using the interest rate at which the Company could raise debt with similar terms and conditions in the market. The difference between the carrying value of the original liability and fair value of the new liability is recognized in the statements of comprehensive income.

On the other hand, if the difference does not meet the 10% threshold, the original debt is not extinguished but merely modified. In such case, the carrying amount is adjusted by the costs or fees paid or received in the restructuring.

Offsetting of Financial Assets and Liabilities

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and 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.

Other Current Assets

This account includes prepayment and other current assets. Prepayment represents advance payments for parking rental which the Company expects to consume within one year. Other current asset includes creditable withholding tax and input tax. Prepayment and other current asset are stated in the statement of financial position at cost less any portion that has already been consumed or that has already expired.

Property and Equipment

Property and equipment are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and are expected to be used during more than one period.

Items of property and equipment are initially measured at cost. Such cost includes purchase price and all incidental costs necessary to bring the asset to its location and condition. Subsequent to initial recognition, items of property and equipment are measured in the statement of financial position at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation, which is computed on a straight-line basis, is recognized so as to allocate the cost of assets less their residual values over their estimated useful lives.

Land included in property and equipment, if any, is not depreciated. If there is an indication that there has been a significant change in useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

When assets are sold, retired or otherwise disposed of, their costs and related accumulated depreciation and impairment losses, if any, are removed from the accounts and any resulting gain or loss is reflected in profit or loss for the period.

Investment Property

Investment property is a real property that is held by the Company either for capital appreciation or rental to others.

Investment property is initially measured at cost. Such cost includes purchase price and all incidental costs necessary to bring the asset to its location and condition. Subsequent to initial recognition, investment property is measured in the statement of financial position at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation, which is computed on a straight-line basis, is recognized so as to allocate the cost of asset less its residual value over its estimated useful life of 20 years.

Land included in the investment property, if any, is not depreciated. If there is an indication that there has been a significant change in useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

When assets are sold, retired or otherwise disposed of, their costs and related accumulated depreciation and impairment losses, if any, are removed from the accounts and any resulting gain or loss is reflected in profit or loss for the period.

Intangible Asset

Trading Rights

Intangible asset is initially recorded at cost. It has indefinite useful life and is tested for impairment annually at the cash generating-unit level, such intangible asset is not amortized.

The useful life of an intangible asset with indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to definite is made on a prospective basis.

A gain or loss arising from derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in the statement of the comprehensive income when the asset is derecognized.

The fair value of the asset can be determined by reference to an active market by reference to an active market a subsequent measurement date, the revaluation model is applied from that date. If an intangible asset's carrying amount is increased as a result of a revaluation, the increase shall be credited directly to the equity under heading of revaluation surplus. However, the increase shall be recognized in the profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in the profit or loss.

If an intangible asset's carrying amount is decreased as a result of revaluation, the decrease shall be recognized in the profit or loss. However, the decrease shall be debited directly to the equity under the heading of revaluation surplus to the extent of any credit balance in the revaluation surplus in the respect of the asset.

Impairment of Non-Financial Assets

At each reporting date, non-financial assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in profit and loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not to exceed the amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Other Current Liabilities

This account includes statutory obligations such as withholding tax payable on expanded aand compensation, SSS, HDMF, and PHIC contributions payable, stock transaction payable, and output tax payable. Other current liabilities are stated in the statement of financial position at undiscounted amount.

Leases

A lease is a contract that conveys the right to use an identified asset for a period of time in exchange for a consideration.

Determination as to whether a contract is, or contains, a lease is made at the inception of the lease. Accordingly, the Company assesses whether the contract meets three key evaluations which are:

- a.) the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the lessee;
- b.) the lessee has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract;
- c.) the lessee has the right to direct the use of the identified asset throughout the period of use. The lessee assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

The Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents, if any, are recognized as revenue in the period in which they are earned.

Related Parties

Related party relationship exists when one party has the ability to control, directly or indirectly through one or more of the 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 shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

Employee Benefit Obligation

Short-term Benefits

Short-term benefits given by the Company to its employees include salaries and wages, compensated absences, 13th month pay, employer share contributions and other de minimis benefits, among others.

These are recognized as expense in the period the employees render services to the Company.

Share Capital

Share capital represents the total par value of the ordinary shares issued.

Equity instruments are measured at the fair value of the cash or other consideration received or receivable, net of the direct costs of issuing the equity instruments.

The difference between the consideration received and the par value of the shares issued is credited to additional paid-in capital account.

Retained Earnings

Retained earnings include income earned in current and prior periods net of any dividend declaration, effects of changes in accounting policy and prior period adjustments.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured by reference to the fair value of consideration received or receivable excluding discounts, returns and sales taxes. Revenue is recognized either at a point in time or over a period of time.

Sale of Services

Revenue from services rendered are recognized when the related services are performed.

Income as Lessor

Rental revenue arising from operating leases on investment property is accounted for on a straight-line basis over the lease term. Any contingent rental revenue is recognized when it arises.

Interest Income

Interest income comprises interest income on bank deposits. Interest income is recognized in profit or loss as it accrues, using the effective interest method.

Expense Recognition

Expenses are decreases in economic benefits in the form of decreases in assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Expenses are generally recognized when the services are received or when the expenses are incurred.

Cost of Services

Costs of service is recognized when incurred and the amount is reliably measured. Cost of services are composed of salaries and wages, stock exchange dues, and other expenses directly related to the services rendered.

Operating Expenses

This account includes selling and general and administrative expenses. Selling expenses pertain to cost of marketing. General and administrative expenses represent expenses such

as communication, light and water, office supplies, and other costs that cannot be associated directly to the services rendered.

Income Tax

Income tax expense includes current tax expense and deferred tax expense. The current tax expense is based on taxable profit for the year. Deferred tax is recognized on the differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases.

Deferred tax liabilities are recognized for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognized for all temporary differences that are expected to reduce taxable profit in the future, and any net operating loss carry over (NOLCO) or excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT). The net carrying amount of deferred tax asset is reviewed at each reporting date and any adjustments are recognized in profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

Changes in Accounting Policies, Change in Accounting Estimates and Correction of Prior Year Errors

The Company applies changes in accounting policy if the change is required by the accounting standards or in order to provide reliable and more relevant information about the effects of transactions, other events or conditions on the Company's financial statements. Changes in accounting policy brought about by new accounting standards are accounted for in accordance with the specific transitional provision of the standards. All other changes in accounting policy are accounted for retrospectively.

Changes in accounting estimates are recognized prospectively by reflecting it in the profit or loss in the period of the change if the changes affect that period only or the period of the change and future periods if the change affects both.

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that was available when financial statements for those periods were authorized for issue and could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

The Company corrects a material prior period error retrospectively.

Subsequent Events

Subsequent events that provide additional information about conditions existing at period end (adjusting events) are recognized in the financial statements. Subsequent events that provide additional information about conditions existing after period end (non-adjusting events) are disclosed in the notes to the financial statements.

Note 3 – Judgments and Estimates

The preparation of the financial statements in accordance with Philippine Financial Reporting Standards requires the Company to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Future events may occur which will cause the assumption used in arriving at the estimates to change. The effects of changes in estimates will be reflected in the financial statements as they become reasonably determinable.

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements:

Assessment of Impairment of Non-Financial Assets

The Company determines whether there are indicators of impairment of the Company's non-financial assets. Indicators of impairment include significant change in usage, decline in the asset's fair value on underperformance relative to expected historical or projected future results. Determining the fair value requires the determination of future cash flows and future economic benefits expected to be generated from the continued use and ultimate disposition of such assets. It requires the Company to make estimates and assumptions that can materially affect the financial statements. Future events could be used by management to conclude that these assets are impaired. Any resulting impairment loss could have a material adverse impact on the Company's financial position and financial performance. The preparation of the estimated future cash flows and economic benefits involves significant judgments and estimation.

No impairment loss was recognized in the Company's financial statements in either 2024, 2023 or 2022.

Estimating Useful Lives of Property and Equipment

The Company estimates the useful lives of its property and equipment based on the period over which these assets are expected to be available for use. The estimated useful lives of these assets and residual values are reviewed, and adjusted if appropriate, only if there is a significant change in the asset or how it is used.

The following estimated useful lives are used in depreciating the property and equipment:

Particulars	Number of years
Office equipment	3 to 5
Furniture and fixture	3
Transportation equipment	10

Note 4 – Cash

Cash includes:

	2024	2023	2022
Cash in bank	57,766,646	51,444,244	47,685,975

Cash in bank earns interest based on the prevailing interest rates. Interest earned on bank deposits amounted to PhP3,358,968, PhP575,044, and PhP181,031 in 2024, 2023 and 2022, respectively.

Note 5 – Trade and Other Receivables

This account includes:

	2024	2023	2022
Trade receivables	1,294,557	1,038,620	5,731,712
Other receivables	-	268	59,378
Total	1,294,557	1,038,888	5,791,090
Less: Allowance for credit losses	(911,805)	(929,057)	(1,424,843)
	382,752	109,831	4,366,247

Revenues are made on the basis of normal credit terms of 30 days, and the receivables do not bear interest.

Other receivables represent advances to employees and are deducted directly from payroll.

The aging analysis of trade receivables as of December 31, 2024, 2023 and 2022 is as follows:

	2024	2023	2022
0 to 30 days not impaired	9,510	6,334	4,129,829
1 to 30 days outstanding and impaired	278,110	-	19,150
Over 30 days outstanding and impaired	1,006,937	1,032,286	1,582,733
	1,294,557	1,038,620	5,731,712

An analysis of the movement of allowance for credit losses:

	2024	2023	2022
Allowance for credit losses - beginning	929,057	1,424,843	1,013,715
Expected credit losses	-	-	411,702
Reversal of expected credit losses	(17,252)	(495,786)	-
Write-off	-	-	(574)
Allowance for credit losses - ending	911,805	929,057	1,424,843

Note 6 – Other Current Assets

This account includes:

	2024	2023	2022
Creditable withholding tax	1,334,208	1,277,128	1,148,574
Prepaid rent	12,857	11,786	10,714
Input tax	217	-	-
	1,347,282	1,288,914	1,159,288

Note 7 – Long-Term Investment

Long-term investment consists of listed equity shares measured at fair value through OCI. The cost of the long-term investment amounted to PhP2,467,997 as of December 31, 2024, 2023 and 2022.

Movement of the account is as follows:

	Amount
Fair value of long-term investment as of December 31, 2021	51,598,925
Decrease in fair value, 2022	(13,679,715)
Fair value of long-term investment as of December 31, 2022	37,919,210
Increase in fair value, 2023	2,879,940
Fair value of long-term investment as of December 31, 2023	40,799,150
Decrease in fair value, 2024	(1,679,965)
Fair value of long-term investment as of December 31, 2024	39,119,185

Note 8 – Property and Equipment

This account consists of:

2024				
	Office Equipment	Furniture and Fixture	Transportation Equipment	Total
<i>Measurement Basis:</i>	<i>At Cost</i>	<i>At Cost</i>	<i>At Cost</i>	<i>At Cost</i>
Cost				
December 31, 2023	2,611,471	1,195,096	281,188	4,087,755
Additions	-	-	-	-
Ending balance 2024	2,611,471	1,195,096	281,188	4,087,755
Accumulated depreciation:				
December 31, 2023	2,611,471	1,195,096	281,187	4,087,754
Depreciation	-	-	-	-
Ending balance 2024	2,611,471	1,195,096	281,187	4,087,754
Carrying Amount:				
At December 31, 2024	-	-	1	1
At December 31, 2023	-	-	1	1
Depreciation 2023	-	-	5,796	5,796

2023				
	Office Equipment	Furniture and Fixture	Transportation Equipment	Total
<i>Measurement Basis:</i>	<i>At Cost</i>	<i>At Cost</i>	<i>At Cost</i>	<i>At Cost</i>
Cost				
December 31, 2022	2,611,471	1,195,096	281,188	4,087,755
Additions	-	-	-	-
Ending balance 2023	2,611,471	1,195,096	281,188	4,087,755

Accumulated depreciation:				
December 31, 2022	2,611,471	1,195,096	275,391	4,081,958
Depreciation	-	-	5,796	5,796
Ending balance 2023	2,611,471	1,195,096	281,187	4,087,754
Carrying Amount:				
At December 31, 2023	-	-	1	1
At December 31, 2022	-	-	5,797	5,797
Depreciation 2022	-	-	6,956	6,956

	2022			
	Office Equipment	Furniture and Fixture	Transportation Equipment	Total
<i>Measurement Basis:</i>	<i>At Cost</i>	<i>At Cost</i>	<i>At Cost</i>	<i>At Cost</i>
Cost				
December 31, 2021	2,611,471	1,195,096	281,188	4,087,755
Additions	-	-	-	-
Ending balance 2022	2,611,471	1,195,096	281,188	4,087,755
Accumulated depreciation:				
December 31, 2021	2,611,471	1,195,096	268,435	4,075,002
Depreciation	-	-	6,956	6,956
Ending balance 2022	2,611,471	1,195,096	275,391	4,081,958
Carrying Amount:				
At December 31, 2022	-	-	5,797	5,797
At December 31, 2021	-	-	12,752	12,752
Depreciation 2021	-	-	6,956	6,956

No assets were used as collateral for any liability as of December 31, 2024, 2023 and 2022.

Note 9 – Intangible Asset

On August 3, 2001, due to conversion of Philippine Stock Exchange (PSE) into a stock corporation, the Company, as PSE member, received 50,000 shares of stock of PSE with a total book value of PhP8,000,000 as determined at the time of demutualization of PSE. Moreover, the Company has retained its trading rights in the PSE with acquisition cost of PhP8,500,000. As part of the said demutualization, the PSE has approved the trading of the said share acquired by its stockholders, hence, the Company has been allowed to sell its PSE shares of stock.

Management believes that the trading right has indefinite useful life and is not impaired as of December 31, 2024, 2023 and 2022.

As of December 31, 2024, 2023 and 2022, the amount of intangible asset is as follows:

	2024	2023	2022
Intangible asset	8,500,000	8,500,000	8,500,000

Note 10 – Other Non-Current Asset

This account includes:

	2024	2023	2022
Utility deposits	43,052	43,052	43,052

Utility deposits pertains to water and electricity meter deposits which are carried at amortized cost and refundable upon termination of the service agreements.

Note 11 – Trade and Other Payables

This account pertains to:

	2024	2023	2022
Trade payables	1,394,867	1,486,670	4,857,592
Other payables	7,487,706	5,625,256	4,401,481
	8,882,573	7,111,926	9,259,073

Trade payables represent accountable receipts collected in behalf of Company customers. The term of these liabilities range between 15 to 30 days and do not bear interest.

Other payables mainly refer to net amount due to brokers and due to clearing.

Note 12 – Dividends Payable

This account pertains to:

	2024	2023	2022
Dividends payable, beginning	1,604,803	1,432,262	1,102,171
Additions	571,389	172,541	330,091
Dividends payable, ending	2,176,192	1,604,803	1,432,262

Note 13 – Other Current Liabilities

This account consists of:

	2024	2023	2022
Deferred revenues	30,867	-	-
Withholding tax payable on expanded	6,773	2,440	8,122
SSS, PHIC, and HMDF loans and contributions	6,475	5,907	2,955
Stock transaction payable	5,348	5,920	35,699
Withholding tax payable on compensation	3,154	-	-
Output tax payable	-	14,329	25,963
	52,617	28,596	72,739

Note 14 – Refundable Deposits

This account pertains to:

	2024	2023	2022
Refundable deposits	1,314,657	1,314,657	1,314,657

Refundable deposits are made for the faithful performance of the previous of the lease agreements and shall cover possible damages to leased premises. These are refundable at the end of the service agreement.

Note 15 – Share Capital

The Company is authorized to issue 50,000 ordinary shares with par value of PhP1,000 per share for a total authorized capital of PhP50,000,000.

As of December 31, 2024, 2023 and 2022, the Company has eight (8) shareholders each owning 100 or more shares each of the company's capital stock.

A reconciliation of the shares outstanding, net of subscription receivables, at the beginning and at the end of the reporting periods follows:

	Shares	Amount
Outstanding - 12/31/2022	30,625	30,625,000
Issuance	-	-
Reacquisition	-	-
Outstanding - 12/31/2023	30,625	30,625,000
Issuance	-	-
Reacquisition	-	-
Outstanding - 12/31/2024	30,625	30,625,000

Note 16 – Revaluation

This account pertains to excess of the fair value of the trading rights over the carrying amount as revalued in accordance with the demutualization in 2001 of the PSE amounting to PhP4,841,200, net of deferred tax, for the years ended December 31, 2024, 2023 and 2022.

Note 17 – Retained Earnings

SRC Rule 49.1(B), Reserve Fund, requires that every broker dealer shall annually appropriate a certain minimum percentage of its audited profit after tax and transfer the same to appropriated retained earnings. Appropriation shall be 30%, 20% and 10% of audited profit after tax for broker dealers with unimpaired paid-up capital of PhP10,000,000 to PhP30,000,000, PhP30,000,000 to PhP50,000,000 and above PhP50,000,000, respectively.

The following is the roll forward analysis of the appropriated retained earnings:

	2024	2023	2022
Appropriated RE, beginning	6,685,726	6,040,523	5,652,102
Appropriations - current year	941,761	645,203	388,421
Appropriated RE, ending	7,627,487	6,685,726	6,040,523

Note 18 – Revenues

This account consists of:

	2024	2023	2022
Rental income	2,179,844	2,033,611	1,912,574
Commission income	181,645	435,368	754,900
Service charges	23,304	26,920	25,408
Net revenue	2,384,793	2,495,899	2,692,882

This account pertains to income from lease of investment property, commission on brokerage activities and for services rendered to various customers.

Analysis of the timing of revenue recognition follows:

	2024	2023	2022
Revenue recognized over a period of time	2,384,793	2,495,899	2,692,882

Note 19 – Direct Costs

This account includes:

	2024	2023	2022
Salaries and wages	477,320	619,963	228,961
Stock exchange dues	210,493	210,589	153,107
SSS, PHIC, and HDMF contribution	48,030	32,396	21,116
Commission	-	8,320	94,215
	735,843	871,268	497,399

Note 20 – Other Income

This account includes:

	2024	2023	2022
Dividend income	2,399,950	2,399,950	2,375,945
Interest income	3,358,968	575,044	181,031
Reversal of expected credit losses	17,252	78,770	-
	5,776,170	3,053,764	2,556,976

Note 21 – Operating Expenses

This account consists of:

	2024	2023	2022
Communication, light and water	768,405	786,430	878,785
Office supplies	623,071	518,049	647,880
Dues and fees	280,360	280,360	-
Taxes and licenses	233,345	239,893	-
Services and other fees	151,428	384,675	285,634

Insurance	49,352	47,963	47,597
Gas and oil	30,001	26,548	37,768
Transportation	16,116	15,199	5,990
Depreciation	-	5,796	6,956
Miscellaneous	847,206	491,248	241,504
	<u>2,999,285</u>	<u>2,796,161</u>	<u>3,078,886</u>

The depreciation expense is recognized in the financial statements as follows:

	2024	2023	2022
Operating expense	-	5,796	6,956

Note 22 - Income Tax

Income tax expense for the years ended December 31 consists of:

	2024	2023	2022
Current	(32,979)	-	-
Deferred	315,949	268,444	(378,836)

A reconciliation of income before tax reported in the statement of comprehensive income and taxable income are as follows:

	2024	2023	2022
Income before tax	4,425,835	1,882,234	1,673,573
Permanent differences:			
Dividend income	(2,399,950)	(2,399,950)	(2,375,94)
Interest income	(3,358,968)	(575,044)	(181,031)
Temporary differences:			
Reversal of expected credit loss	(17,252)	(78,770)	-
Expected credit loss	-	-	411,702
Taxable loss	<u>(1,350,335)</u>	<u>(1,171,530)</u>	<u>(471,701)</u>

	2024	2023	2022
Statutory income tax	1,106,459	470,559	418,393
Tax effect on permanent differences:			
Dividend income	(599,988)	(599,988)	(593,986)
Interest income	(839,742)	(143,761)	(45,258)
Tax effect on temporary difference:			
Reversal of expected credit losses	(4,313)	(19,693)	-
Expected credit loss	-	-	102,926
Effective income tax	<u>(337,584)</u>	<u>(292,883)</u>	<u>(117,925)</u>

	2024	2023	2022
<u>Income tax based on MCIT:</u>			
Revenues	2,384,793	2,495,899	2,692,882
Direct expenses	735,843	871,268	497,399
Taxable income	<u>1,648,950</u>	<u>1,624,631</u>	<u>2,195,483</u>

MCIT rate	2%	1.5%	1%
Income tax due based on MCIT	32,979	24,369	21,955
	2024	2023	2022
Income tax due whichever is higher	32,979	24,369	21,955
Less: Tax credits			
Prior year excess tax credit	(1,252,759)	(1,170,529)	(998,889)
Creditable tax withheld - 2307	(114,428)	(106,599)	(171,640)
Excess income tax	(1,334,208)	(1,252,759)	(1,148,575)

an Analysis of DTL follows:

	2024	2023	2022
DTL at the beginning of year	618,124	1,023,759	1,052,281
Add: DTA arising from derecognition of NOLCO	-	-	229,593
DTA arising from derecognition of MCIT	30,245	48,808	40,027
DTA arising from expected credit losses	-	-	102,782
DTL arising from recognition of NOLCO	-	-	117,925
Less: DTA arising from MCIT	(32,979)	(24,369)	(21,955)
DTA arising from deferred revenue	12,241	(137,191)	-
DTA arising from expected credit loss	-	-	(102,926)
DTA arising from recognition of NOLCO	(337,584)	(292,883)	(117,925)
DTL arising from derecognition of NOLCO	-	-	(229,593)
DTA arising from derecognition of MCIT	-	-	(40,027)
DTL arising from derecognition of prior period adjustment	-	-	(6,423)
DTL at the ending of year	290,047	618,124	1,023,759

Deferred tax asset from MCIT is the carry forward benefit of the excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT). Excess MCIT can be used within three taxable years from the date of payment.

Deferred tax asset from NOLCO, arises from the taxable loss that can be charged against income of the next three taxable years.

The summary of NOLCO is as follows:

Year Incurred	Amount	Applied	Expired	Balance	Date of Expiration
2024	1,350,335	-	-	1,350,335	December 31, 2027
2023	1,171,530	-	-	1,171,530	December 31, 2026
2022	471,701	-	-	471,701	December 31, 2025
2021	645,461	-	-	645,461	December 31, 2026
2020	656,843	-	-	656,843	December 31, 2025
	4,295,870	-	-	4,295,870	

The summary of excess MCIT is as follows:

Year Incurred	Amount	Applied	Expired	Balance	Date of Expiration
2024	32,979	-	-	32,979	December 31, 2027
2023	24,369	-	-	24,369	December 31, 2026
2022	21,955	-	-	21,955	December 31, 2025
2021	30,245	-	30,245	-	December 31, 2024
	109,548	-	30,245	79,303	

Note 23 – Leases

The Company has entered into various lease agreements on its commercial property. The property leases typically have lease terms of between 1 and 5 years and include clauses to enable periodic upward revision of the rental charge according to prevailing market conditions.

Future minimum rentals receivable as at December 31, 2024, 2023 and 2022 are as follows:

	2024	2023	2022
Within 1 year	2,328,281	2,175,963	2,033,611
After 1 year but not more than 5 years	591,754	2,920,035	5,303,952
	2,920,035	5,095,998	7,337,563

Lease collections recognized as rental revenue amounted to PhP2,180,448, PhP2,033,611 and PhP1,912,574 in 2024, 2023 and 2022, respectively.

Note 24 – Related Parties

Key Management Compensation

Key management includes all members of management and other officers. There was no compensation paid to key management personnel as of December 31, 2024, 2023 and 2022.

The Company is not covered by the requirements and procedures for Related Party Transactions as required under RR No. 34 of 2020.

Note 25 – Financial risks

Interest Rate Risk

The Company's exposure to the risk for changes in interest rates is not significant as it relates primarily to the Company's bank deposits. As at December 31, 2024, 2023 and 2022, the Company's bank deposits amounted to PhP57,766,646, PhP51,444,244, and PhP47,685,975, respectively.

Liquidity Risk

The Company's exposure to liquidity risk is minimal. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of loans. In addition, the Company regularly evaluates its projected and actual cash flows. Fund raising activities may include bank loans.

The following table presents the maturity profile of the Company's financial liabilities as at December 31, 2024, 2023 and 2022 based on contractual undiscounted payments.

2024	w/in 6 months	6 months - 1 year	1-3 years	Over 3 years
Trade and other payables	8,882,573	-	-	-
Dividends payable	-	2,176,192	-	-
Refundable deposits	-	-	-	1,314,657
	8,882,573	2,176,192	-	1,314,657

2023	w/in 6 months	6 months - 1 year	1-3 years	Over 3 years
Trade and other payables	7,111,926	-	-	-
Dividends payable	-	1,604,803	-	-
Refundable deposits	-	-	-	1,314,657
	7,111,926	1,604,803	-	1,314,657

2022	w/in 6 months	6 months - 1 year	1-3 years	Over 3 years
Trade and other payables	9,259,073	-	-	-
Dividends payable	-	1,432,262	-	-
Refundable deposits	-	-	-	1,314,657
	9,259,073	1,432,262	-	1,314,657

Credit Risks

Credit risk is the risk that a counterparty may fail to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments arising from selling goods and services to customers and placing deposits with banks.

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties approved in accordance with the Company's credit policy.

Cash

The credit risk for cash is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Included in the cash are cash in banks which are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P500,000 for every depositor per banking institution.

Trade Receivables

The Company applies the PFRS 9 simplified approach in measuring ECL which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 36 months, and the corresponding historical credit losses experienced within such period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the inflation rate and the unemployment rate of the locations

in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

2024				
	Collected before the issuance of FS	Current	1-30 days past due	Over 30 days past due
ECL rate	0%	0%	2%	90%
Trade receivables - December 31, 2024	-	9,510	278,110	1,006,937
Expected credit loss	-	-	5,562	906,243

2023				
	Collected before the issuance of FS	Current	1-30 days past due	Over 30 days past due
ECL rate	0%	0%	2%	90%
Trade receivables - December 31, 2023	-	6,334	-	1,032,286
Expected credit loss	-	-	-	929,057

2022				
	Collected before the issuance of FS	Current	1-30 days past due	Over 30 days past due
ECL rate	0%	0%	2%	90%
Trade receivables -	2,477,898	1,651,931	19,150	1,582,733
Expected credit loss	-	-	383	1,424,460

Note 26 – Capital Management

The primary objective of the Company's capital management is to ensure that it maintains strong and healthy financial position to support its current business operations and drive its expansion and growth in the future.

The Company considers its share capital and retained earnings totaling PhP94,442,832, PhP91,507,086 and PhP86,577,079 at December 31, 2024, 2023 and 2022, respectively, as its capital employed. The Company maintains its current capital structure, and will make adjustments, if necessary, in order to generate a reasonable level of returns to shareholders over the long term. No changes were made in the objectives, policies or processes during the years ended December 31, 2024, 2023 and 2022.

The following table presents the carrying amounts and fair values of the Company's assets and liabilities measured at fair value and for which fair values are disclosed, and the corresponding fair value hierarchy:

2024				
	Carrying Value	Level 1	Level 2	Level 3
Cash	57,766,646	57,766,646	-	-
Trade and other receivables	382,752	-	382,752	-
Long-term investment	39,119,185	39,119,185	-	-

Other non-current asset	43,052	-	43,052	-
Trade and other payables	8,882,573	8,882,573	-	-
Dividends payable	2,176,192	-	2,176,192	-
Refundable deposits	1,314,657	-	1,314,657	-

2023				
	Carrying Value	Level 1	Level 2	Level 3
Cash	51,444,244	51,444,244	-	-
Trade and other receivables	109,831	-	109,831	-
Long-term investment	40,799,150	40,799,150	-	-
Other non-current asset	43,052	-	43,052	-
Trade and other payables	7,111,926	-	7,111,926	-
Dividends payable	1,604,803	-	1,604,803	-
Refundable deposits	1,314,657	-	1,314,657	-

2022				
	Carrying Value	Level 1	Level 2	Level 3
Cash	47,685,975	47,685,975	-	-
Trade and other receivables	4,366,247	-	4,366,247	-
Long-term investment	37,919,210	37,919,210	-	-
Other non-current asset	43,052	-	43,052	-
Trade and other payables	9,259,073	-	9,259,073	-
Dividends payable	1,432,262	-	1,432,262	-
Refundable deposits	1,314,657	-	1,314,657	-

Note 27 – Financial Ratios

The following were the financial ratios of the company for the years ended December 31, 2024, 2023 and 2022:

Particulars	2024	2023	2022
Current ratio	5.35	6.04	4.94
Solvency ratio	8.43	9.57	7.61
Debt-to-equity	0.13	0.12	0.15
Asset-to-equity	1.13	1.12	1.15
Return on equity	0.05	0.06	0.00
Return on assets	0.04	0.05	0.00

Notes:

1. Current ratio = Current assets divided by current liabilities
2. Solvency ratio = Total assets divided by total liabilities
3. Debt-to-equity = Total liabilities divided by total equity
4. Asset-to-equity = Total assets divided by total equity

5. Return on equity = Net income divided by average total equity for the periods indicated
6. Return on assets = Net income divided by average total assets for the periods indicated

Note 28 – Subsequent Events

Approval of the Financial Statements

The financial statements as at and for the year ended December 31, 2024 were authorized for issue by the Board of Directors on February 16, 2025.

Note 29 – Supplementary Information Required by the Bureau of Internal Revenue under Revenue Regulation 15-2010 and RR 34-2020

Presented below and in the succeeding pages is the supplementary information which is required by the Bureau of Internal Revenue (BIR) under Revenue Regulation (RR) No. 15-2010 and 34-2020 to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS.

The information on taxes, duties and license fees paid or accrued during the taxable year required under RR No. 15-2010 are presented below.

(a) Value-Added Tax

The Company is registered under the VAT law. Detailed classification of input and output VAT is as follows:

	<u>Amount</u>
Output tax payable	286,175
Input tax	276,694

(b) Withholding Taxes

Withholding taxes paid and accrued during the year is as follows:

	<u>Amount</u>
<u>Withholding tax on expanded</u>	<u>44,180</u>

(c) Taxes and Licenses

The details of taxes and licenses account is broken down as follows:

<u>Tax Authority</u>	<u>Tax Type</u>	<u>Amount</u>
Office of the City treasurer	Real property tax	118,016
Office of the City treasurer	Business permit	107,851
Bureau of Internal Revenue	Community Tax Certificate	7,478
		<u>233,345</u>

The amounts of taxes and licenses shown above are included under operating expenses amounting to PhP233,345 (see Note 21).

(d) Tax Assessments and Cases

The Company has no pending Letter of Authority (LOA).

(e) Related Party Transaction

The Company is not covered by the requirements and procedures for Related Party Transactions as required under RR No. 34 of 2020 and is not required to prepare Transfer Pricing Documentation under Revenue Regulation 2-2013.

**ASIA PACIFIC CAPITAL EQUITIES AND SECURITIES CORPORATION
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR**

FEE-RELATED INFORMATION

For the Years Ended December 31

	Note(s)	2024	2023
Total Audit Fees	21	40,000	40,000
Non-audit services fees:			
Other assurance services		-	-
Tax services		-	-
All other services		-	-
Total Non-audit services Fees:		-	-
Total Audit and Non-audit Fees		40,000	40,000