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Company Information

SEC Registration No.: AS93007982
Company Name: AURORA SECURITIES, INC.
Industry Classification: J66930
Company Type: Stock Corporation

Document Information

Document ID: OST10429202583225546
Document Type: Annual Audited Financial Report
Document Code: SEC_Form_52-AR
Period Covered: December 31, 2024
Submission Type: Annual
Remarks: None

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

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Aurora Securities Inc. <ausec167@gmail.com>

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COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A	S	9	3	0	0	7	9	8	2

Company Name

AURORA SECURITIES, INC.

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

U2405-A WEST TOWER, PSE CENTER
EXCHANGE ROAD, ORTIGAS CENTER
PASIG CITY

Form Type	Department Requiring the Report	Secondary License Type, If Applicable
52AR	MSRD	BROKER/DEALER

COMPANY INFORMATION

Company's E-mail Address	Company's Telephone Number/s	Mobile Number
ausec167@gmail.com	8634-8321	0922-886-7869

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
7	2nd Monday of April	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	E-mail Address	Telephone Number/s	Mobile Number
Jeanita G. Valenzuela	jeanita.valenzuela@yahoo.com	8634-8321	0920-9244-337

Contact Person's Address

240 Sto. Rosario St., Plainview, Mandaluyong, City

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.

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

ANNUAL AUDITED FINANCIAL REPORT

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

Report for the Year Beginning January 1, 2024 and Ending December 31, 2024

IDENTIFICATION OF BROKER OR DEALER
Name of Broker/Dealer:
Aurora Securities, Inc.
Address of Principal Place of Business:
U2405A West Tower PSE Center Exchange Road Ortigas Center, Pasig City
Name and Phone Number of Person to Contact in Regard to this Report:
Jeanita Valenzuela 8634-8321

IDENTIFICATION OF ACCOUNTANT	
Name of Firm:	**A.M. Yu & Associates**
Address:	6F West Star Business Center Building, No. 31 Shorthorn St., Brgy. Bahay Toro, Proj. 8, Quezon City, Philippines 1106
Trunkline:	+63 2 8236-4935; +63 2 8351-6288
Facsimile:	+63 2 8351-5723 loc. 412
Website:	www.amyucpas.com
PRC/BOA Reg.	4589 (valid until Nov. 18, 2025)
SEC Accred. No.	(Group A) 4589-SEC (valid until Jan. 4, 2026)
BIR Accred. No.	07-000157-002-2024 (valid until Jan. 29, 2027)
Signing Partner:	**Anecito M. Yu** Partner CPA License No. 40278, valid until May 15, 2026 Tax Identification No. 134-702-616 SEC Accreditation No. 40278-SEC, Group A, issued January 05, 2021, valid for five (5) years covering the audits of 2020 to 2024 financial statements of SEC Covered Institutions BIR Accreditation No. 07-000169-002-2024, issued February 20, 2024, valid until February 19, 2027 PTR No. 7178843, issued January 27, 2025, Quezon City

AURORA SECURITIES, INC.
TRADING PARTICIPANT
U-2405A West Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City
Tel nos.: 8634-8322 to 23 Fax no.: 8634-8321

Statement of Management's Responsibility for Financial Statements

The Management of **Aurora 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, 2024 and 2023, in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards, and for such internal control as Management determines is necessary to enable the preparation of the 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 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.

A. M. Yu & Associates, the independent auditors appointed by the shareholders, has audited the financial statements of the Company 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.

Emmanuel Edward C. Co	Emmanuel Edward C. Co	Victor Alexander C. Co
Chairman of the Board	President/Chief Executive Officer	Treasurer

Signed this APR day of 0 4 2025, 2025.

SUBSCRIBED AND SWORN to before me, a Notary Public for and in QUEZON CITY, Philippines, this APR 0 4 2025, affiants who are personally known to me and whose identity I have confirmed through their competent evidence of identity bearing the affiants' photograph and signature.

Name	Tax Identification Number
Emmanuel Edward C. Co	168-971-596
Victor Alexander C. Co	167-383-092

ATTY. DIANE M. ABOLUCION
NOTARY PUBLIC FOR QUEZON CITY
UNTIL DECEMBER 2026
ADM MATTER NO. 055 (2025-2026)
PTR NO. 6989687 / 02 January 2025 / Quezon City
IBP NO. 491213 / 01 January 2025 / Pasig City
Roll of Attorney's No. 75460 / 27 July 2020
MCLE Certificate of Exemption No. VII-BEP005427
82 A Road 20, Project 8, Brgy. Bahay Toro, Quezon City

NOTARY PUBLIC

Doc. No. 497
Page No. 101
Book No. XI
Series of 2025

Independent Auditors' Report

The Board of Directors and Shareholders
Aurora Securities, Inc.
U2405-A West Tower PSE Center
Exchange Road, Ortigas Center
Pasig City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Aurora Securities, Inc.** (the Company), which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and of its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). 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 our audits 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 PFRS Accounting Standards, 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 PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, 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.

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations No. 15-2010 and Revenue Regulations No. 34-2020 in Note 32 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A.M. YU & ASSOCIATES

Anecito M. Yu
Partner
CPA License No. 40278, valid until May 15, 2026
Tax Identification No. 134-702-616
SEC Accreditation No. 40278-SEC, Group A,
issued January 05, 2021, valid for five (5) years covering the audits of
2020 to 2024 financial statements of SEC Covered Institutions
BIR Accreditation No. 07-000169-002-2024,
issued February 20, 2024, valid until February 19, 2027
PTR No. 7178843, issued January 27, 2025, Quezon City

April 4, 2025
Quezon City

AURORA SECURITIES, INC.

Statements of Financial Position

		Money Balance As at December 31,		Security Valuation As at December 31,			
				2024		2023	
	Note/s	**2024**	2023	**Long**	**Short**	Long	Short
A S S E T S							
Current assets:							
Cash & cash equivalents	6	₱ **70,831,742**	₱ 20,234,795				
Financial assets at FVPL	7	**32,014,424**	29,862,719	₱ **32,014,424**		₱ 29,862,719	
Trade & other receivables – net	8	**142,439,224**	197,071,806	**8,264,602,422**		14,624,754,554	
Short-term investment	9	**–**	48,093,790				
Other current assets	10	**2,073,474**	1,080,988				
Total current assets		₱ **247,358,864**	₱ 296,344,098				
Non-current assets:							
Investment properties – net	11	₱ **7,148,226**	₱ 7,496,471				
Property & equipment – net	12	**31,782,299**	34,749,923				
Deferred tax assets	24	**352,043**	466,810				
Other non-current assets	14	**6,693,615**	6,894,610				
Total non-current assets		₱ **45,976,183**	₱ 49,607,814				
TOTAL ASSETS		₱ **293,335,047**	₱ 345,951,912				
Securities in vault and in Philippine Depository & Trust Corporation					₱ **9,373,489,923**		₱ 15,446,849,713

(Forward)

AURORA SECURITIES, INC.

Statements of Financial Position (Continued)

	Note/s	Money Balance As at December 31, 2024	Money Balance As at December 31, 2023	Security Valuation As at December 31, 2024 Long	Security Valuation 2024 Short	Security Valuation 2023 Long	Security Valuation 2023 Short
LIABILITIES & EQUITY							
Current liabilities:							
Trade & other payables	15	₱ 64,998,737	₱ 127,461,416	₱ 1,076,873,077		₱ 792,232,440	
Current tax payable	24	–	202,441				
Due to related parties	26	4,500,000	4,500,000				
Other current liabilities	16	1,011,868	1,112,070				
Total current liabilities		₱ 70,510,605	₱ 133,275,927				
Non-current liabilities:							
Deferred tax liabilities	24	₱ 255,757	₱ 10,593				
Total non-current liabilities		₱ 255,757	₱ 10,593				
Total liabilities		₱ 70,766,362	₱ 133,286,520				
Equity:							
Share capital	17	₱ 100,000,000	₱ 48,000,000				
Appropriation reserves	17	49,545,307	48,554,978				
Accumulated profits		73,023,378	116,110,414				
Total equity		₱ 222,568,685	₱ 212,665,392				
TOTAL LIABILITIES & EQUITY		₱ 293,335,047	₱ 345,951,912	₱ 9,373,489,923	₱ 9,373,489,923	₱ 15,446,849,713	₱ 15,446,849,713

See accompanying notes to the financial statements.

AURORA SECURITIES, INC.

Statements of Comprehensive Income

	Note/s		For the years ended December 31, 2024		2023
Revenues	18	₱	**31,437,753**	₱	51,006,231
Cost of services	19		**(7,211,552)**		(7,560,329)
Gross profit		₱	**24,226,201**	₱	43,445,902
Other operating income	18		**2,620,309**		625,165
General & administrative costs	20		**(16,379,848)**		(21,530,405)
Operating profit		₱	**10,466,662**	₱	22,540,662
Interest income	18		**3,493,259**		919,988
Other income (loss) – net	23		**87,246**		7,832
Profit before tax		₱	**14,047,167**	₱	23,468,482
Income tax expense	24		**(4,143,874)**		(8,282,835)
Profit for the year		₱	**9,903,293**	₱	15,185,647
Basic earnings per share	25	₱	**9.90**	₱	15.19

See accompanying notes to the financial statements.

AURORA SECURITIES, INC.

Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

		Share Capital		Accumulated Profits		Appropriation Reserves		Total Equity
Note/s		17				17		
Balances at January 1, 2024	₱	**48,000,000**	₱	**116,110,414**	₱	**48,554,978**	₱	**212,665,392**
Profit for the year		**–**		**9,903,293**		**–**		**9,903,293**
Stock dividend declaration		**52,000,000**		**(52,000,000)**		**–**		**–**
Appropriation per SRC Rule 49.1		**–**		**(990,329)**		**990,329**		**–**
Balances at December 31, 2024	₱	**100,000,000**	₱	**73,023,378**	₱	**49,545,307**	₱	**222,568,685**
Balances at January 1, 2023	₱	48,000,000	₱	71,961,896	₱	77,517,849	₱	197,479,745
Profit for the year		–		15,185,647		–		15,185,647
Reversal of appropriation		–		32,000,000		(32,000,000)		–
Appropriation per SRC Rule 49.1		–		(3,037,129)		3,037,129		–
Balances at December 31, 2023	₱	48,000,000	₱	116,110,414	₱	48,554,978	₱	212,665,392

See accompanying notes to the financial statements.

AURORA SECURITIES, INC.

Statements of Cash Flows

	Note/s		For the years ended December 31, 2024		2023
Cash flows from operating activities:					
Profit before tax		₱	**14,047,167**	₱	23,468,482
Adjustments for:					
Allowance for ECL	8		**–**		95,696
Recovery of ECL	8, 23		**(45,763)**		–
Unrealized loss (gain) on FVPL	7, 18		**(1,409,121)**		(608,817)
Interest income	18		**(3,493,259)**		(919,988)
Unrealized foreign exchange loss (gain)	6, 23		**(13,974)**		3,691
Dividend revenue	7, 18		**(1,269,774)**		(49,978)
Depreciation	11, 12		**4,705,999**		4,183,894
Operating profit before working capital changes		₱	**12,521,275**	₱	26,172,980
Working capital adjustments					
Decrease (Increase) in:					
Financial assets at FVPL			**(742,584)**		6,943,283
Trade & other receivables			**54,678,345**		81,990,243
Other current assets			**373,301**		1,904,487
Other non-current assets			**200,995**		(156,740)
Decrease in:					
Trade & other payables			**(62,462,679)**		(203,109,949)
Other current liabilities			**(100,202)**		(1,169,370)
Net cash generated from (used in) operations		₱	**4,468,451**	₱	(87,425,066)
Dividends received	18		**1,269,774**		49,978
Interest received	18		**3,493,259**		919,988
Income taxes paid			**(5,352,171)**		(9,845,573)
Net cash provided by (used in) operating activities		₱	**3,879,313**	₱	(96,300,673)
Cash flows from investing activities:					
Acquisition of investment properties	11	₱	**(338,461)**	₱	(637,857)
Acquisition of property & equipment	12		**(1,051,669)**		(5,285,040)
Short-term investment	9		**48,093,790**		(48,093,790)
Net cash provided by (used in) investing activities		₱	**46,703,660**	₱	(54,016,687)
Effect of foreign exchange rate on cash	23	₱	**13,974**	₱	(3,691)
Net increase (decrease) in cash		₱	**50,596,947**	₱	(150,321,051)
Cash at beginning of the year	6		**20,234,795**		170,555,846
Cash at end of the year	6	₱	**70,831,742**	₱	20,234,795

See accompanying notes to the financial statements.

AURORA SECURITIES, INC.

Notes to the Financial Statements

As at December 31, 2024 and 2023, and
for the years ended December 31, 2024 and 2023

1. Reporting Entity

1.1 Formation and Operation

Aurora Securities, Inc. (the "Company") is a domestic corporation registered with the Securities and Exchange Commission (SEC) with SEC registration number AS93007982 on October 12, 1993, primarily to carry on and maintain the business of stock brokerage and as a dealer of securities, bonds, debentures, commodities, obligations and investment of all kinds and all activities, which are directly or indirectly related.

The Company's registered office address, which is also its principal place of business, is located at U2405-A West Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Centre, Pasig City.

1.2 Approval on the Release of the Financial Statements

The accompanying financial statements of the Company as at and for the year ended December 31, 2024 (including comparative amounts as at and for the year ended December 31, 2023) were approved and authorized for issue by the Board of Directors (BOD) on April 04, 2025.

2. Basis of Preparation

The accompanying financial statements of the Company have been prepared using the measurement bases specified by the Philippine Financial Reporting Standards (PFRS) Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in accounting policies that follow.

2.1 Statement of Compliance

The accompanying financial statements of the Company have been prepared in compliance with the PFRS Accounting Standards and are prepared for submission to the SEC and the Bureau of Internal Revenue (BIR).

The PFRS Accounting Standards include all applicable PFRS, Philippine Accounting Standards (PAS), interpretations of the Philippine Interpretations Committee (PIC), and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC). These standards are adopted by the Financial and Sustainability Reporting Standard Council (FSRSC) from the pronouncements issued by the International Accounting Standards Board (IASB), and approved by the Philippine Board of Accountancy (BOA).

2.2 Going Concern Assumption

The preparation of the accompanying financial statements of the Company is based on the premise that the Company operates on a going concern basis, which contemplate the realization of assets and settlement of liabilities in the normal course of business. The management does not intend to liquidate nor cease its operations.

2.3 Functional and Presentation Currency

The financial statements are presented in Philippine Peso (₱), the Company's functional and presentation currency, and all values are rounded to the nearest peso except when otherwise indicated.

3. Changes in Accounting Policies

The Company's accounting policies are consistent with those of the previous financial year, except for the adoption of the following new accounting pronouncements:

3.1 Amended Standards Effective in 2024

The following amendments to existing standards are mandatory for the first time for the financial year beginning January 1, 2024:

a.) PAS 1 (amendments), *Classification of Liabilities as Current or Non-current.*
The amendments clarify paragraphs 69 to 76 of PAS 1, Presentation of Financial Statements, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The adoption of these amendments has had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the financial statements.

b.) PAS 1 (amendments), *Non-current Liabilities with Covenants.*
The amendments modify the requirements introduced by *Classification of Liabilities as Current or Non-current* on how an entity classifies debt and other financial liabilities as current or non-current in particular circumstances: Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

The adoption of these amendments has no significant impact on the Company's financial statements since the Company's accounting policies are aligned with the amendments.

c.) PAS 7 and PFRS 7 (amendments), *Supplier Finance Arrangements.*
The amendments introduce two new disclosure objectives – one in PAS 7 and another in PFRS 7 – to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the Company's liabilities and cash flows, and the Company's exposure to liquidity risk.

The adoption of these amendments has no significant impact on the Company's financial statements, as there are no existing supplier finance arrangements for both reporting periods presented.

d.) PFRS 16 (amendments), *Lease Liability in a Sale and Leaseback.*
The amendments include requirements for sale and leaseback transactions in PFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. The amendments confirm the following:

- On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-leaseback transaction; and
- After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains.

The adoption of these amendments has no significant impact on the Company's financial statements since the Company's accounting policies are aligned with the amendments.

3.2 New and Amended Standards Effective Subsequent to 2024 but not Early Adopted

Pronouncements issued but not yet effective as at December 31, 2024 are listed below. The Company intends to adopt the following pronouncements when they become effective. Except as otherwise indicated, the Company does not expect the adoption of these new pronouncements to have a significant impact on the financial statements.

Effective beginning on or after January 1, 2025

a.) PAS 21 (amendments), *Lack of Exchangeability*.
The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025, with earlier application permitted.

The Company is currently assessing the impact the amendments will have on current practice.

Effective beginning on or after January 1, 2026

a.) PFRS 9 and PFRS 7 (amendments), *Amendments to the Classification and Measurement of Financial Instruments.*
The amendments clarify that a financial liability is derecognized on the 'settlement date' and introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met. Other clarifications include:
   - clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
   - clarify the treatment of non-recourse assets and contractually linked instruments.
   - introduce additional disclosure requirements in PFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted. An entity is required to apply these amendments retrospectively. However, an entity is not required to restate prior periods to reflect the application of the amendments unless it can clearly demonstrate that hindsight has not been used to make those changes.

The Company is currently assessing the impact the amendments will have on current practice.

Effective beginning on or after January 1, 2027

a.) PFRS 17, *Insurance Contracts.*

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

On February 14, 2025, the FSRSC approved the amendment to PFRS 17 Insurance Contracts that sets the new effectivity from January 1, 2025 to January 1, 2027. This is consistent with Circular Letter No. 2025-04 issued by the Insurance Commission which further extends the initial application period by two (2) years. PFRS 17 is effective for reporting periods beginning on or after January 1, 2027, with comparative figures required. Early application is permitted beginning January 1, 2025.

The new standard is not applicable to the Company since it has no activities that are predominantly connected with insurance or issue insurance contracts.

b.) PFRS 18, *Presentation and Disclosure in Financial Statements.*

PFRS 18 is a new accounting standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in PFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

PFRS 18 replaces PAS 1, *Presentation of Financial Statements*. Requirements in PAS 1 that are unchanged have been transferred to PFRS 18 and other Standards.

PFRS 18 will apply for reporting periods beginning on or after January 1, 2027, with comparative figures required. Early application is permitted.

The adoption of this standard will have an impact on the Company's presentation and disclosures of its 'operating profit or loss', but not on the recognition or measurement of any items in the financial statements.

c.) PFRS 19, *Subsidiaries without Public Accountability: Disclosures.*

PFRS 19 is a disclosure-only standard that allows eligible subsidiaries to apply reduced disclosure requirements while still adhering to the recognition, measurement, and presentation requirements of other PFRS Accounting Standards.

A subsidiary may choose to apply PFRS 19 provided that it meets the following criteria:

- it does not have public accountability; and
- its parent produces consolidated financial statements that are available for public use under PFRS Accounting Standards.

PFRS 19 will apply for reporting periods beginning on or after January 1, 2027, with earlier application permitted. During the first period in which an entity applies the standard, it is required to disclose comparative information for current year amounts as required by PFRS 19, unless another PFRS accounting standard permits or requires otherwise.

The Company is currently assessing the impact this new standard will have on its current practices.

Deferred

a.) PFRS 10 (amendments), *Consolidated Financial Statements*, and PAS 28 (amendments), *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*.
The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2020, the FSRSC deferred the original effective date of January 1, 2020 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

The amendments are not expected to have a material impact on the financial statements.

3.3 Annual Improvements to PFRS Accounting Standards

The annual improvements to PFRS Accounting Standards contain non-urgent but necessary amendments to PFRS Accounting Standards. The amendments are effective for annual periods beginning on or after January 1, 2026, with early application permitted.

a.) PFRS 1, *First-time Adoption of International Financial Reporting Standards – Hedge Accounting by a First-time Adopter*.
The amendments include cross-references to the qualifying criteria for hedge accounting in PFRS 9. These are intended to address potential confusion arising from an inconsistency between the wording in PFRS 1 and the requirements for hedge accounting in PFRS 9.

b.) PFRS 7, *Financial Instruments: Disclosures – Gain or Loss on Derecognition*.
The amendments replace the phrase 'inputs that were not based on observable market data' with 'unobservable inputs' to make the wording consistent with the wording in PFRS 13, *Fair Value Measurements*.

c.) Guidance on Implementing PFRS 7 *Financial Instruments: Disclosures – Disclosure of Deferred Difference Between Fair Value and Transaction Price and Introduction and Credit Risk Disclosures*.
The amendments to the Guidance on implementing PFRS 7 are as follows:

- clarify that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of PFRS 7, nor does it create additional requirements;
- made the wording consistent with the requirements in paragraph 28 of PFRS 7 and with the concepts and terminology in PFRS 9 and PFRS 13; and
- simplify the explanation of which aspects of the PFRS Accounting Standards requirements are not illustrated in the example.

d.) PFRS 9, *Financial Instruments – Lessee Derecognition of Lease Liabilities and Transaction Price.* The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance PFRS 9, the lessee is required to apply paragraph 3.3.3 and recognize any resulting gain or loss in profit or loss.

The amendments also replace the reference to 'transaction price as defined by PFRS 15 *Revenue from Contracts with Customers*' with 'the amount determined by applying PFRS 15'. The term 'transaction price' in relation to PFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of PFRS 9.

e.) PFRS 10, *Consolidated Financial Statements – Determination of a 'De Facto Agent'.* The amendments clarify that the relationship described in the paragraph B74 of PFRS 10 is just one of various relationships that might exist between the investor and other parties acting as de facto agents of the investor.

f.) PAS 7, *Statements of Cash Flows– Cost Method.* The amendments replace the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method'.

4. Summary of Material Accounting Policies

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

4.1 Current versus Non-current Classification

The Company presents assets and liabilities in the statements of financial position based on current or non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or,
- Cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when it is:

- Expected to be settled in its normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be settled within twelve months after the reporting period; or,
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other assets and liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

4.2 Cash and Cash Equivalents

Cash includes cash on hand and in banks. It is unrestricted in use and is measured at face value. Cash in banks earns interest at the prevailing bank deposit rates.

Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash with original maturity of three months or less from date of acquisition and are subject to an insignificant risk of change in value.

4.3 Fair Value Measurement

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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or,
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of observable inputs.

Fair Value Hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level of input that is significant to the fair value measurement as a whole:

Level 1 : Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 : Valuation techniques for which the lowest level input that it is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level of input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring and non-recurring fair value measurements.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

4.4 Financial Instruments

A financial instrument is a contract that gives rise to both a financial asset of one entity and 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, and only when, it becomes a party to the contractual provisions of the instrument. Regular way purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date on which the Company commits to purchase or sell the assets.

"Day 1" Difference

When the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss unless it qualifies for recognition as some other type of asset. In cases where use is made of data which is not observable, the difference between the transaction price and model value is only recognized in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the "Day 1" difference amount.

Initial Recognition

The Company initially measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at FVPL, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at transaction price determined under PFRS 15.

Classification and Subsequent Measurement of Financial Assets

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, FVOCI or FVPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets or both.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are SPPI on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets at FVOCI, where cumulative gains or losses previously recognized are reclassified to profit or loss (debt instruments);
- Financial assets designated at FVOCI, where cumulative gains or losses previously recognized are not reclassified to profit or loss (equity instruments); or,
- Financial assets at FVPL

Financial Assets at Amortized Cost. The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective 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 SPPI on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method, less any impairment in value. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Financial assets at amortized cost includes cash & cash equivalents, trade & other receivables, short-term investment, refundable deposits, and CTGF refundable contributions.

Trade & Other Receivables. Trade receivables refer to claims on customers for the securities purchased on their behalf that are unsettled at the end of reporting period. Other receivables consist of advances to officers, interest receivable, dividend receivable and advances to employees.

Short-term Investment. These are interest-bearing time deposits investment.

Refundable Deposits. These are non-interest bearing and unsecured deposits made on lease and other services, refundable upon the termination of contracts or services, less any charges.

CTGF Refundable Contributions. CTGF refundable contributions pertain to contributions made by clearing members of the SCCP. These are refundable to clearing members upon cessation of their business and/or termination of their membership with SCCP, under certain conditions.

Financial Assets at FVOCI – Debt Instruments. The Company measures debt instruments at FVOCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

These financial assets are subsequently measured at fair value. Gains and losses arising from changes in fair value are included in OCI within a separate component of equity. Impairment losses or reversals, interest income and foreign exchange gains and losses are recognized in profit or loss until the financial asset is derecognized. Upon derecognition, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. This reflects the gain or loss that would have been recognized in profit or loss upon derecognition if the financial asset had been measured at amortized cost.

Financial Assets at FVOCI – Equity Instruments. The Company may also make an irrevocable election to measure at FVOCI on initial recognition investments in equity instruments that are neither held for trading nor contingent consideration recognized in a business combination in accordance with PFRS 3. The classification is determined on an instrument-by-instrument basis.

Gains or losses on these financial assets are never recycled to profit or loss. However, the Company may transfer the cumulative gain or loss within equity. Dividends on such investments are recognized in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment. Equity instruments designated at FVOCI are not subject to impairment assessment.

Financial Assets at FVPL. Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets 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. Financial assets with cash flows that are not SPPI are classified and measured at FVPL, irrespective of business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are carried in the statements of financial position at fair value with net changes in fair value recognized in the statements of comprehensive income.

As of reporting date, the Company does not have any debt or equity instruments at FVOCI.

Classification and Subsequent Measurement of Financial Liabilities
Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL or financial liabilities at amortized cost.

Financial Liabilities at Amortized Cost. Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual agreement 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.
After initial recognition, financial liabilities at amortized cost are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of the EIR. The EIR amortization is included as finance costs in the statements of comprehensive income.

Financial liabilities at amortized cost include trade & other payables, loans & borrowings, and advances from shareholders.

Trade & Other Payables. Trade & other payables refer to amount payable to customers for the securities sold on their behalf that are unsettled at the end of reporting period. It also includes payable to clearing houses and dividends payable to customers.

Due to Related Parties. Due to related parties are initially collected by the Company for increase of capital stock, to be refunded within 12 months.

Financial Liabilities at FVPL. Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVPL.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by PFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statements of comprehensive income.

A financial liability may be designated at FVPL if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (an accounting mismatch);
- a host contract contains one or more embedded derivatives; or,
- a group of financial liabilities or financial assets and liabilities is managed and its performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at FVPL, the movement in fair value attributable to changes in the Company's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in OCI.

The Company has not designated any financial liability at FVPL. As of reporting date, the Company has no financial liability at FVPL.

Reclassification of Financial Instruments
The Company reclassifies its financial assets when, and only when, there is a change in the business model for managing the financial assets. Reclassifications shall be applied prospectively by the

Company and any previously recognized gains, losses or interest shall not be restated. The Company does not reclassify its financial liabilities.

Classification of Financial Instruments between Debt and Equity
Financial instruments are classified as debt or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument or a component that is a financial liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity, net of any related income tax benefits.

A financial instrument is classified as debt, if it provides for a contractual obligation to:
- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or
- satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Company does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations of that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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

Offsetting Financial Instruments
Financial assets and 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 an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Company assess that it has a currently enforceable right to offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Company and all of the counterparties.

4.5 Investment Properties

Investment properties comprise of land and buildings held to earn rentals or for capital appreciation or both, and not held to be used in production or sale in the ordinary course of business. Property held under a finance lease when the definition of an investment property is met.

Initial Recognition
Investment properties are measured initially at acquisition cost including transaction costs. Cost of properties that are in the course of being constructed or developed for future use as investment properties include construction costs and other direct costs, including borrowing costs directly attributable to the construction during the construction period.

Subsequent Expenditures
Expenditures incurred after the investment properties have been put into operations, such as repairs and maintenance costs, are normally charged against current operations in the period in which the costs are incurred. Costs of replacement parts of an existing investment property are capitalized if the recognition criteria are met.

Subsequent Measurement
Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Depreciation Method
Depreciation of condominium and parking space commences once they are available for use and is computed using the straight-line method to allocate their cost over estimated useful lives, as follows:

Asset	Estimated Useful Life
Condominium	15 years
Parking space	15 years

The rate of depreciation is co-terminus with the expiration of the lease contract with Empire Land Lease Holdings or the estimated useful life (EUL), whichever is shorter.

Transfers
Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

For a transfer from investment property to inventories, the change in use is evidenced by commencement of development with a view to sale. When the Company decides to dispose of an investment property without development, it continues to treat the property as an investment property until it is derecognized and does not treat it as inventory. Similarly, if an entity begins to redevelop an existing investment property for continued future use as investment property, the property remains and investment property and is not reclassified as owner-occupied property during the redevelopment.

Derecognition
Investment properties are derecognized when they have either been disposed of or when the investment properties are permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the statements of comprehensive income in the year of retirement or disposal.

4.6 Property and Equipment

These are tangible assets that are held for use in 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.

Initial Recognition
The initial cost of property and equipment consists of its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Subsequent Expenditures
Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally charged against operations in the period which 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.

Subsequent Measurement
Property and equipment accounted for under the cost model and are stated at cost less accumulated depreciation and any impairment in value.

Depreciation Method
Depreciation of property and equipment commences once the property and equipment are available for use and computed using the straight-line method to allocate their cost over their EUL, as follows:

Asset	Estimated Useful Life
Condominium unit	15 years
Condominium improvements	12-15 years
Office furniture & equipment	3-5 years
Transportation equipment	2-5 years

The EUL and depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment. Leasehold improvements are depreciated based on the estimated useful life of the asset or term of the condominium, whichever is shorter.

Derecognition
Fully depreciated property and equipment are retained in the accounts until they are no longer in use and no further depreciation is charged against current operations. When property and equipment are retired or otherwise disposed of, the cost and the related accumulated depreciation and accumulated impairment loss, if any, are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

4.7 Intangible Assets

Intangible assets are identifiable non-monetary assets without physical substances which are controlled by the Company as a result of past events and from which economic benefits are expected to flow to the Company.

Initial Recognition
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Internally-generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statements of comprehensive income in the year in which the expenditure is incurred.

Subsequent Measurement
Intangible assets are accounted for under the cost model. Following initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortization and any accumulated impairment losses, while intangible assets with indefinite useful lives are not amortized and are stated at cost less any accumulated impairment losses.

Amortization Method
The EULs of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite useful lives are amortized over the useful economic life on a straight-line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and method for an intangible asset with a finite useful life is reviewed at each reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at cash-generating unit (CGU) level. The EUL of an intangible asset is reviewed annually to determine whether indefinite useful life assessment continues to be supportable. If not, the change in useful life assessment from indefinite to finite is made on a prospective basis.

Trading Right. This allows the Company to trade in the Philippine Stock Exchange and are deemed to have indefinite useful life because it is expected to generate net cash inflows indefinitely.

Computer Software. This account refers to purchased software package that is not used in operating a particular hardware and is not an integral part of a related hardware. These are amortized over 5 years. Costs associated with maintaining the computer software programs are recognized as expense when incurred.

Derecognition
A gain or loss arising from retirement or disposal 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 statements of comprehensive income when the asset is derecognized.

4.8 Other Assets

Other assets consist of creditable withholding tax, advances to suppliers, prepayments and other prepaid expenses. Other assets are carried at cost. Other assets that are expected to be realized within 12 months after reporting date are classified as current assets. Otherwise, these are classified as non-current assets.

Prepaid Expenses
Prepaid expenses are expenses paid in advance and recorded as asset before these are utilized. Prepaid expenses are apportioned over the period covered by the payment and charged to appropriate expense accounts in profit or loss when incurred.

These assets are initially recorded at transaction cost and subsequently measured at cost less any impairment loss. Prepaid expenses that are expected to be realized within 12 months from the reporting date are classified as current assets; otherwise, these are classified as non-current assets.

4.9 Impairment of Assets

If an asset's carrying amount is higher than its recoverable amount, the asset is judged to have suffered an impairment loss. The asset shall therefore be written-down to its recoverable amount and the difference shall be reported as impairment loss chargeable against operations during the period the loss was recognized.

Financial Assets

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are 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 of the 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.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of those financial assets have occurred. For these credit exposures, lifetime ECLs are also recognized and interest revenue is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset.

The Company applies a simplified approach in calculating ECLs for trade receivables. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. 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.

The Company considers a financial asset in default when contractual payments are 90 days past due. 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 held by the Company. A financial asset is written-off when there is no reasonable expectation of recovering the contractual cash flows.

Non-financial Assets

The Company assesses at each reporting date whether there is an indication that its non-financial assets (e.g., property and equipment, investment properties, and intangible assets) may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is calculated as the higher of the asset's or CGU's fair value less costs to sell and it value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In determining fair value less costs to sell, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples and other available fair value indicators. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

Impairment losses are recognized in the expense categories of profit or loss consistent with the function of the impaired asset.

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. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of accumulated depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

4.10 Other Liabilities

Other liabilities consist of statutory contributions payable, stock transaction tax payable and withholding taxes payable. Other liabilities that are expected to be earned or settled within 12 months after reporting date are classified as current liabilities. Otherwise, these are classified as non-current liabilities.

4.11 Value-Added Tax (VAT)

Revenues, expenses, assets and liabilities are recognized net of the amount of VAT, except:

- where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of VAT included.

Output tax pertains to the 12% VAT received or receivable on the brokerage and dealer services rendered by the Company. Input tax pertains to the 12% VAT paid or payable by the Company in the course of its trade or business on purchase of goods or services. At the end of each taxable period, if output tax exceeds input tax, the outstanding balance is paid to the taxation authority. If input tax exceeds output tax, the excess shall be carried over to the succeeding months.

The input and output taxes are presented at gross amounts and are included under 'Other current assets' and 'Other current liabilities,' respectively, in the statements of financial position.

<u>Deferred Input Tax</u>

Input tax arising from purchases of capital goods, where the aggregate acquisition cost of such goods in a calendar month exceeds ₱1.0 million are amortized monthly over five (5) years or the estimated useful life of the asset, whichever is shorter.

4.12 Equity

Equity is the residual interest in the assets of the Company after deducting all of its liabilities. It is increased by profitable operations and contribution by owners but is decreased by unprofitable operations and distribution to owners.

Share Capital
Share capital is measured at par value for all shares issued. Incremental costs directly attributable to the issue of new shares are shown in equity as a reduction from proceeds, net of tax.

Accumulated Profits
Accumulated profits represent the cumulative balance of net profit or loss, dividend distributions, effect of changes in accounting policy and other capital adjustments. These represent unrestricted earnings which can be declared as dividends to shareholders.

Appropriation Reserves
Appropriation reserves represent restricted earnings which cannot be declared as dividends due to legal, contractual or voluntary purposes.

4.13 Revenue Recognition

Revenue from Contracts with Customers
The Company is in the business of stock brokerage and as a dealer of securities, bonds, debentures, commodities, obligations and investment of all kinds and all activities, which are directly or indirectly related.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. The Company assesses its revenue arrangement against specific criteria in order to determine if it is acting as a principal or an agent.

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

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

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

Commission Income. Commission income is recognized upon confirmation by the customer of the buying and selling of securities executed on their behalf. These are computed for every trade transaction based on a rate agreed upon by the clients and the Company. A minimum commission amount is .0025 (.25%) or ₱20.00 for online account and .0025 (.25%) or ₱150.00 for traditional account, whichever is higher.

Realized Trading Gains. Trading gains are recognized upon sale of financial assets at FVPL. It is the difference between an instrument's initial carrying amount and disposal amount.

Unrealized Gain on FAFVPL. Unrealized gains are recognized when the market value at cut-off date is higher than the assets carrying amount.

Dividend Income. Dividend income is recognized when the right to receive payment is established, which is the date of declaration.

Interest Income. Interest income is recognized as the interest accrues using the EIR, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount.

Other Income. Other income consist of unrealized forex gain, recovery on provision of ECL and cancellation fees from customers and processing fees charged for dormant accounts. These are recognized when the related services have been rendered and the right to receive payment is established.

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

4.14 Cost and Expense Recognition

Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants.

Costs and expenses are recognized in profit or loss in the statements of comprehensive income:
- on the basis of a direct association between the costs incurred and the earning of specific items of income;
- on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or,
- immediately when expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, cease to qualify, for recognition in the statements of financial position as an asset.

Cost of Services
The cost of services recognized in profit or loss is determined with reference to the specific costs incurred such as personnel costs, commission expenses, stock exchange dues & fees, and central depositary expenses. It is recognized as expense when services are actually rendered.

General, Administrative, and Other Operating Expenses
Administrative expenses normally include costs of administering the business as incurred by administrative departments. Other operating expenses are costs incurred other than administrative purposes.

4.15 Leases

The Company assesses at inception of contract whether a contract is, or contains, a lease. That is, if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

Company as Lessee
The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

Short-term leases and leases of low-value assets
The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

4.16 Employee Benefits

Employee benefits are all forms of consideration given by the Company in exchange for services rendered by employees or for the termination of employment.

Short-term Benefits
These benefits are recognized as expense in the period when the economic benefit is given or as an asset when such costs may be capitalized and is measured at an undiscounted basis. These include salaries, wages and social security contributions, leave entitlement, profit-sharing, bonuses, and other non-monetary benefits.

Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

Termination Benefits
Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either the Company's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefit, short-term employee benefits, or other long-term employee benefits.

Retirement Benefits
The Company does not have a defined contribution plan or any formal retirement plan that covers the retirement benefits of its employees. However, under the existing regulatory framework, Republic Act No. 7641, otherwise known as the *Philippine Retirement Pay Law*, requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining agreement and other agreements shall not be less than those provided under law. The law does not require minimum funding of the plan.

Republic Act No. 7641 relates to a defined benefit plan. A defined benefit plan is a post-employment plan that defines an amount of post-employment benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service, and salary. The legal obligation for any benefits from this kind of post-employment plan remains with the Company. The Company's defined benefit post-employment plan covers all regular full-time employees.

4.17 Income Tax

Income tax expense is composed of current and deferred tax. Income tax expense is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity or in OCI, in which case it is recognized in equity or OCI.

Current Tax
Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted as of the reporting date.

Current income tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The current tax liabilities presented as current tax payable are presented at net amount in the statements of financial position.

Deferred Tax

Deferred tax is provided using the liability method on 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, except;

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and,
- in respect of taxable temporary differences associated with investments in subsidiaries and associates and interest in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and by the parent, venture or investor, respectively, and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and,
- in respect of deductible temporary differences associated with investments in subsidiaries and associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences 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 deferred tax liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted as at the reporting date.

Deferred tax relating to items recognized in OCI account are included in OCI account in the statements of comprehensive income and not in profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax 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 levied by the same taxation authority.

4.18 Earnings per Share (EPS) Attributable to Equity Holders

Basic EPS is computed by dividing net profit or loss for the year attributable to common equity holders of the parent, after recognition of the dividend requirement of preferred shares, as applicable, by the weighted average number of issued and outstanding common shares during the year, after giving retroactive effect to any stock dividends declared during the year.

Diluted EPS is computed by dividing net profit or loss for the year attributable to common equity holders of the parent by the weighted average number of issued and outstanding common shares during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares into common shares. The calculation of diluted EPS does not assume conversion, exercise, or other issue of potential common shares that would have an anti-dilutive effect on EPS.

As the Company has no dilutive potential common shares outstanding, basic and diluted EPS are stated at the same amount.

4.19 Provisions and Contingencies

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. When 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 as part of profit or loss in the statement of comprehensive income, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

Contingent liabilities are not recognized in the financial statements. They are disclosed in the notes to the 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.

4.20 Foreign Currency Transactions and Translation

Transactions denominated in foreign currency are recorded in functional currency by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of transaction. Monetary assets and monetary liabilities denominated in foreign currencies are translated using the closing exchange rate at the reporting date. All differences arising from settlement or translation are recognized in profit or loss in the statements of comprehensive income. Non-monetary items measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

4.21 Related Party Transactions and Relationships

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

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These parties include:

a.) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Company;
b.) associates;

c.) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual; and,
d.) the Company's retirement plan.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

4.22 Events after the Reporting Period

Post year-end events that provide additional information about the Company's financial position at the reporting period (adjusting events), if any, 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.

5. Significant Accounting Judgments, Estimates and Judgments

The preparation of the financial statements in accordance with PFRS Accounting Standards requires the Company to make judgments and estimates that affect the amounts reported in the financial statements and accompanying notes. The judgments, estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the financial statements. Future events may occur which will cause the judgments and assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5.1 Judgments

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

a.) *Classification of Financial Instruments*
Management exercises certain judgments in determining the cash flow characteristics of its financial assets and the Company's business model for managing them. The Company's business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The Company determines its business model at the level that best reflects how it manages groups of financial assets and contract assets to achieve its business objective. The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets and contract assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets and contract assets held within that business model) and, in particular, the way those risks are managed; and,
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

The business model assessment is based on reasonably expected scenarios without taking "worst case" or "stress case" scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets and contract assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

b.) *Classification of Properties*

The Company determines whether a property is classified as investment property or owner-occupied property. In making judgment, the Company considers whether the property generates cash flow largely independent of the other assets held by an entity.

- Investment property comprises land and buildings (principally offices, commercial and retail property) which are not occupied substantially for use by, or in the operations of the Company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and for capital appreciation.
- Owner-occupied properties classified and presented as property and equipment, generate cash flows that are attributable not only to property but also to the other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions cannot be sold separately as of the financial reporting date, the property is accounted for as investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Company considers each property separately in making its judgment.

c.) *Evaluating Lease Commitments*

Management exercises judgment in determining whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfillment of the arrangement is dependent on the use of the specific assets or the arrangement conveys a right to use the assets, even if those assets are not explicitly specified in the arrangement.

The Company exercises judgment in determining its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension is only included in the lease term if the lease is reasonably certain to be extended.

d.) *Determination of Lease Term of Contracts with Renewal and Termination Options*

The Company determines the lease term as non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has several lease contracts that include extension and termination options. The Company applies judgment in evaluating whether the provisions to renew or terminate the lease is enforceable. For leases where the Company has the unilateral option to renew or terminate, it then applies judgment on whether it is reasonably certain or not to exercise the option. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise the option to renew or terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

e.) *Provisions and Contingencies*
The Company, in the ordinary course of business, sets up appropriate provisions for its present obligations (legal or constructive) in accordance with its policies on provisions and contingencies. The estimate of probable costs for the resolution of possible claims has been developed in consultation with its legal counsel and is based upon an analysis of potential results.

The Company is not currently involved in any legal proceedings, but is involved in tax audits and assessments that are normal to its business. Tax audits and assessments may arise from the uncertainty that exists with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Estimated provisions are established for possible consequences of audits by the tax authorities which are based on factors such as experience of previous tax audits, and differing interpretations by the taxable entity and the responsible tax authority.

Management does not believe that the outcome of this matter will significantly affect the results of operations. It is probable, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to this proceeding.

f.) *Recognition of Deferred Tax Assets*
The Company's assessment on the recognition of deferred tax assets as deductible temporary differences is based on projected taxable income in the following periods. Based on the Company's projection and assessment, the deferred tax assets recognized from deductible temporary differences are expected to be realized in the following periods.

g.) *Recognition of Deferred Tax Liabilities*
The Company's assessment on the recognition of deferred tax liabilities as taxable temporary differences is based on projected taxable income in the following periods. Based on the Company's projection and assessment, the deferred tax liabilities recognized from taxable temporary differences are expected to be realized in the following periods.

5.2 Estimates and Assumptions

The key assumption concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a.) *Fair Values of Financial Instruments*
PFRS Accounting Standards requires that financial assets and financial liabilities be carried or disclosed at fair value, which requires the use of accounting estimates and judgment. While significant components of fair value measurement were determined using verifiable objective evidence (i.e., foreign exchange rates, interest rates, and volatility rates), the amount of changes in fair value would differ if the Company utilized different valuation methodologies. Any change in the fair values of financial assets and financial liabilities directly affects profit or loss, equity, and the required disclosures.

Where the fair values of financial assets and financial liabilities recorded in the statements of financial position cannot be derived from active markets, their fair values are determined using valuation techniques that are generally-accepted market valuations including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values.

The fair values of financial assets and financial liabilities by category and their fair value hierarchy are set out in Note 27 to the financial statements.

b.) *Incorporation of Forward-looking Information*

The Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

To do this, the Company has considered a range of relevant forward-looking macroeconomic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs. Based on the Company's evaluation and assessment and after taking into consideration external actual and forecast information, the Company considers a representative range of possible forecast scenarios. This process involves gathering two or more economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions.

The Company has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macroeconomic variables and credit risk and credit losses.

Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analyzing historical data over the past 5 years. The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.

The Company has not identified any uncertain event that it has assessed to be relevant to the risk of default occurring but where it is not able to estimate the impact of ECL due to lack of reasonable and supportable information.

c.) *Definition of Default and Credit-impaired Financial Assets*

The Company defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

- *Quantitative Criteria*. The customer is more than 90 days past due on its contractual payments, i.e. principal and/or interest, which is consistent with the regulatory definition of default.
- *Qualitative Criteria*. The customer meets unlikeliness to pay criteria, which indicates the customer is in significant financial difficulty. These are instances where:
    a. The customer is experiencing financial difficulty or is insolvent
    b. The customer is in breach of financial covenant(s)
    c. An active market for that financial assets has disappeared because of financial difficulties
    d. Concessions have been granted by the Company, for economic or contractual reasons relating to the customer's financial difficulty
    e. It is becoming probable that the customer will enter bankruptcy or other financial reorganization

The criteria above have been applied to all financial instruments held by the Company and are consistent with the definition used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) throughout the Company's ECL calculation.

An instrument is considered to be no longer in default (i.e. to have cured) when it no longer meets any of the default criteria for a consecutive period of six months as it has exhibited a satisfactory track record. This period of six months has been determined based on an analysis which considers the likelihood of a financial instrument returning to default status after cure using different possible cure definitions.

d.) *Determination of ECL on Trade & Other Receivables and Due from Related Parties*
The Company uses a provision matrix to calculate ECLs for trade & other receivables and due from related parties. The provision rates are based on days past due for groupings of various patron segments that have similar loss patterns. The provision matrix is initially based on the Company's historical observed default rates. The Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every financial reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

For ECL provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogenous.

The amount of ECLs is sensitive to changes in circumstances including COVID-19 impact and forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future.

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selected inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

Recovery on provisions for ECLs recognized in 2024 amounted to ₱45,763 and provision for ECLs recognized in 2023 amounted to ₱95,696. The carrying value of the Company's trade & other receivables amounted to ₱142,439,224 and ₱197,071,806 as of December 31, 2024 and 2023, respectively (see Notes 8).

e.) *Fair Value Measurement of Investment Properties*
Investment properties are measured using the cost model. The fair value disclosed in Note 10 to the financial statements is determined by the Company using the discounted cash flows valuation technique since the information on current or recent prices of investment property is not available. The Company uses assumptions that are mainly based on market conditions existing at each reporting period, such as: the receipt of contractual rentals; expected future market rentals; void periods; maintenance requirements; and appropriate discount rates. The valuations are regularly compared to actual market yield data and actual transactions by the Company and those reported by the market. The expected future market rentals are determined on the basis of current market rentals for similar properties in the same location and condition.

A significant change in these elements may affect prices and the value of the assets. The fair value of investment properties is disclosed in Notes 11 and 27.

f.) *Estimating Useful Lives of Depreciable Assets*
The Company estimates the useful lives of depreciable assets based on the period over which the assets are expected to be available for use and on the collective assessment of industry practice, internal technical evaluation and experience with similar assets. The EUL of depreciable assets are reviewed at least annually and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of these assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in factors mentioned above. The amounts and timing of recording of depreciation expense for any period would be affected by changes in these factors and circumstances. There were no changes in the EUL of depreciable assets in 2024 and 2023.

The carrying amounts and the related depreciation charges of depreciable assets are as follows:

		2024		2023
Carrying values:				
Investment properties – net (Note 11)	₱	**7,148,226**	₱	7,496,471
Property & equipment – net (Note 12)		**31,782,299**		34,749,923
Depreciation charges:				
Investment properties	₱	**686,706**	₱	602,381
Property & equipment		**4,019,293**		3,581,513

g.) *Impairment of Non-financial Assets*

The Company assesses impairment on its non-financial assets and considers factors such as obsolescence, physical damage, significant changes to the manner in which the asset is used, worse than expected economic performance, a drop in revenues or other external indicators.

If such indicators are present and where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is the asset's fair value less cost to sell or value in use whichever is higher. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to be generated from the continued use of the asset.

Determining the recoverable amounts of the non-financial assets, which involve determination of future cash flows expected to be generated from continued use and ultimate disposition of such assets, require the use of estimates and assumptions that can materially affect the financial statements. Future events could indicate that these non-financial assets are impaired. Any resulting impairment loss could have a material adverse impact on the financial condition and performance of the Company.

h.) *Realizability of Deferred Tax Assets*

The Company reviews the carrying amounts at the end of each reporting period and reduced the deferred tax assets to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. The Company's assessment on the recognition of deferred tax assets on NOLCO, MCIT and deductible temporary differences is based on the level and timing of forecasted taxable income of the subsequent reporting periods. The forecast is based on past results and future expectations on revenues and expenses as well as future tax planning strategies. However, there is no assurance that the Company will generate sufficient taxable income to allow all or part of its deferred income tax assets to be utilized. Details of deferred tax assets are provided in Note 25.

6. Cash & Cash Equivalents

Cash & cash equivalents include:

		2024		2023
Cash in equivalent – Time deposit	₱	**45,576,655**	₱	–
Cash in bank – Peso		**14,576,737**		12,099,990
Cash in bank – Reserve		**8,603,186**		6,146,612
Cash equivalent – Reserve		**1,735,756**		1,662,896
Cash in bank – USD		**331,408**		317,297
Petty cash fund		**8,000**		8,000
Total	₱	**70,831,742**	₱	20,234,795

Cash equivalents represent highly liquid investment to known amount of cash with original maturities of three months or less from dates of placements that are subject to insignificant risk of change in value. Cash in banks represent demand deposit accounts in various universal banks that generally earn interest at their respective daily bank deposit rates. Petty cash fund is used for payment of minor disbursements and is maintained under an imprest fund system.

Included in cash in bank is US$-denominated bank deposit amounting to US$5,713 translated to ₱331,408 and US$5,710 translated to ₱317,297 as at December 31, 2024 and 2023, respectively. Unrealized forex gain amounted to ₱13,974 in 2024 and unrealized forex loss amounted to ₱3,691 in 2023 (see Note 23).

Interest income earned from cash in banks and short-term placements amounted to ₱3,493,259 in 2024 and ₱326,198 in 2023 (see Note 18).

In compliance with the SRC Rule 49.2 covering customer protection and custody of securities, every broker dealer shall maintain with a bank/s at all times when deposits are required or hereinafter specified as "Special Reserve Bank Account for the Exclusive Benefit of Customers" and it shall be separate from any other bank account of the Broker-Dealer. The reserve requirement is determined based on the SEC's prescribed computations. The Company maintains special reserve bank account for its customers amounting to ₱10,338,942 and ₱7,809,508 as at December 31, 2024 and 2023, respectively.

7. Financial Assets at FVPL

This account represents equity securities that are acquired principally for the purpose of selling or repurchasing them in the near term; or part of a portfolio of identified securities that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Details of this account is as follows:

		2024		2023
Equities in the PSEi	₱	**5,160,737**	₱	9,452,050
Other equities outside the PSEi		**26,853,687**		20,410,669
Total	₱	**32,014,424**	₱	29,862,719

The Company's net trading gains are as follows:

	Note/s		2024		2023
Realized trading gains	18	₱	**229,846**	₱	535,679
Unrealized trading gains	18		**1,409,121**		608,817
Realized trading losses	18		**(58,586)**		(33,630)
Total		₱	**1,580,381**	₱	1,110,866

Dividend income earned on these investments amounted to ₱1,269,774 and ₱49,978 in 2024 and 2023, respectively (see Note 18).

The cost of shares amounted to ₱31,047,745 and ₱30,276,024 as at December 31, 2024 and 2023, respectively. The balances of unrealized loss amounted to ₱413,305 as at December 31, 2023, and the balances of unrealized gains as at December 31, 2024 amounted to ₱966,679.

8. Trade & Other Receivables – net

This account consists of:

		2024		2023
Receivable from customers – cash	₱	143,687,307	₱	198,462,387
Allowance for ECLs		(1,408,172)		(1,453,935)
Net realizable value	₱	142,279,135	₱	197,008,452
Receivable from other brokers		4,704		4,704
Other receivables		155,385		58,650
Total	₱	142,439,224	₱	197,071,806

Receivable from customers comprise of amount due from customers from brokerage services rendered, including value of securities bought in behalf of customers, commissions, and other charges thereon. These securities will serve as collateral for the receivables. The Company has six non-interest bearing margin accounts covered by Margin Agreements.

Receivable from other brokers are claims for the purchase of securities and other trade-related transactions, these are non-interest bearing and have no specific credit terms.

Other receivables consist of advances to employees and officers which are deductible from salaries.

All of the Company's trade & other receivables have been reviewed for indicators of impairment. Certain trade receivables were found to be impaired due to defaults by customers and provisions have been recorded accordingly. Allowance for impairment on receivables from customers is computed using the formula provided by the PSE in the Analysis of Receivables which forms part of the Risk-Based Capital Adequacy (RBCA) Report (see Note 29).

The Company's trade receivables from customers and receivable from other brokers and their security valuation are as follows:

	2024				2023			
		Money Balance		Security Valuation		Money Balance		Security Valuation
Fully secured:								
More than 250%	₱	61,502,556	₱	8,086,982,546	₱	132,501,944	₱	14,478,078,325
Between 200% to 250%		80,296,852		176,930,461		63,934,624		145,876,038
Between 150% to 200%		31,238		56,329		63,206		104,980
Between 100% to 150%		64,393		79,904		151,125		161,621
Partially secured:								
Less than 100%		1,343,374		553,182		1,364,482		533,590
Unsecured accounts		453,598		–		451,710		–
Total	₱	143,692,011	₱	8,264,602,422	₱	198,467,091	₱	14,624,754,554
Less: Allowance for ECLs		(1,408,172)		–		(1,453,935)		–
Net realizable value	₱	142,283,839	₱	8,264,602,422	₱	197,013,156	₱	14,624,754,554

A reconciliation of the allowance for ECLs is shown below:

	Note/s		2024		2023
Balance at the beginning of year		₱	1,453,935	₱	1,358,239
Recovery of ECLs during the year	23		(45,763)		–
Provision during the year	20		–		95,696
Balance at the end of year		₱	1,408,172	₱	1,453,935

None of the receivables were pledged as collateral to secure the Company's liabilities.

9. Short-term Investment

Time deposits classified as short-term investments have maturities of over 90 days earning interest of 5% to 6.375% per annum. As at December 31, 2024 and 2023, short-term investment amounted to nil and ₱48,093,790, respectively.

Interest income earned from short-term investment amounted to nil in 2024 and ₱593,790 in 2023 (see Note 18).

10. Other Current Assets

This account consists of:

		2024		2023
Prepayments	₱	**1,365,786**	₱	–
Advances to suppliers		**183,668**		148,156
Deferred input taxes – current		**181,925**		181,925
Input taxes		**179,460**		487,670
Prepaid expenses		**162,635**		253,936
Others		**–**		9,301
Total	₱	**2,073,474**	₱	1,080,988

Prepayments consist of excess of creditable withholding taxes (CWT) over income tax liability. CWTs are amounts withheld by the Company's customers from income payments subject to expanded withholding taxes (EWT).

Prepayments are credited against income tax liability at the end of the taxable year. Any excess of prepayments, if any, are either refunded, carried over to the next taxable year, or converted to tax credit certificates.

Advances to suppliers include down payments for condominium improvements.

Current deferred input taxes represent the unamortized portion of input taxes on capital goods exceeding ₱1-million that should be claimed on a staggered basis over 60 months or the useful life of the asset whichever is shorter, expected to be realized within 12 months.

Input taxes are 12% value added tax (VAT) on purchase of goods or services in the course of its trade or business. At the end of the year, input tax can be applied against output tax.

Prepaid expenses include insurance and taxes & licenses paid in advance.

Others pertain to input taxes recognized on accrued expenses to be claim as input taxes when paid.

11. Investment Properties

The Company's investment properties include commercial units and parking spaces which are held for capital appreciation, and which are to be leased out under operating lease agreements. Investment properties are measured at cost less accumulated depreciation and any accumulated impairment losses. Movements of this account are presented as follows:

		Condominium		Parking space		Total
Cost:						
As at December 31, 2022	₱	6,936,754	₱	1,582,158	₱	8,518,912
Additions		637,857		–		637,857
As at December 31, 2023	₱	7,574,611	₱	1,582,158	₱	9,156,769
Additions		338,461		–		338,461
As at December 31, 2024	₱	**7,913,072**	₱	**1,582,158**	₱	**9,495,230**

Accumulated depreciation:						
As at December 31, 2022	₱	846,963	₱	210,954	₱	1,057,917
Depreciation		496,904		105,477		602,381
As at December 31, 2023	₱	1,343,867	₱	316,431	₱	1,660,298
Depreciation		581,229		105,477		686,706
As at December 31, 2024	**₱**	**1,925,096**	**₱**	**421,908**	**₱**	**2,347,004**
Carrying amount:						
As at December 31, 2023	₱	6,230,744	₱	1,265,727	₱	7,496,471
As at December 31, 2024	**₱**	**5,987,976**	**₱**	**1,160,250**	**₱**	**7,148,226**

The fair value of the investment properties is estimated at ₱14,023,003 and ₱12,001,836 as at December 31, 2024 and 2023, respectively (see Note 27).

The fair value of investment properties is categorized as Level 2 of the fair value hierarchy since the valuation was based on unobservable inputs. In the absence of appraisal report, Management determined the fair value using the Market Approach, with references made to statutory publications of current values. The Market Approach uses unobservable inputs which include location characteristics, size, time element, quality and marketability.

The Company believes that there were no conditions present in 2024 and 2023 that would significantly reduce the fair value of investment properties from that determined in the most recent valuation.

Direct operating expense amounting to ₱102,040 and ₱48,591 in 2024 and 2023, respectively, were charged to taxes & licenses under general & administrative costs (see Notes 20 & 32).

Depreciation expense amounting to ₱686,706 in 2024 and ₱602,381 in 2023 were charged to general & administrative costs (see Note 20).

None of the investment properties were mortgaged as collateral to secure the Company's liabilities.

12. Property & Equipment

The roll-forward analyses of this account are as follows:

		Condominium unit		Condominium improvements		Transportation equipment
Cost:						
As at December 31, 2022	₱	37,327,650	₱	15,266,204	₱	8,634,821
Additions		–		4,258,660		–
As at December 31, 2023	₱	37,327,650	₱	19,524,864	₱	8,634,821
Additions		–		313,583		–
As at December 31, 2024	**₱**	**37,327,650**	**₱**	**19,838,447**	**₱**	**8,634,821**
Accumulated depreciation:						
As at December 31, 2022	₱	17,745,534	₱	3,577,430	₱	8,634,821
Depreciation		1,895,045		1,127,547		–
As at December 31, 2023	₱	19,640,579	₱	4,704,977	₱	8,634,821
Depreciation		1,895,043		1,436,030		–
As at December 31, 2024	**₱**	**21,535,622**	**₱**	**6,141,007**	**₱**	**8,634,821**
Carrying amount:						
As at December 31, 2023	₱	17,687,071	₱	14,819,887	₱	–
As at December 31, 2024	**₱**	**15,792,028**	**₱**	**13,697,440**	**₱**	**–**

		Office furniture & equipment		Total
Cost:				
As at December 31, 2022	₱	5,517,797	₱	66,746,472
Additions		1,026,380		5,285,040
As at December 31, 2023	₱	6,544,177	₱	72,031,512
Additions		738,086		1,051,669
As at December 31, 2024	**₱**	**7,282,263**	**₱**	**73,083,181**

Accumulated depreciation:				
As at December 31, 2022	₱	3,742,291	₱	33,700,076
Depreciation		558,921		3,581,513
As at December 31, 2023	₱	4,301,212	₱	37,281,589
Depreciation		688,220		4,019,293
As at December 31, 2024	**₱**	**4,989,432**	**₱**	**41,300,882**
Carrying amount:				
As at December 31, 2023	₱	2,242,965	₱	34,749,923
As at December 31, 2024	**₱**	**2,292,831**	**₱**	**31,782,299**

As at December 31, 2024 and 2023, there is no indication of any impairment loss on the carrying amount of property & equipment since its recoverable amounts approximates its carrying amount.

There were no temporarily idle property & equipment and all fully-depreciated assets are still actively in use.

Depreciation amounting to ₱4,019,293 in 2024 and ₱3,581,513 in 2023 were charged to general & administrative costs (see Note 20).

13. Intangible Assets

The intangible assets of the Company consist of trading right and fully – amortized computer software license.

Stock Exchange Trading Rights

This represents the Company's privilege in trading securities in the PSE floor. The trading right is owned by a stockholder. In compliance with Section 8, Article III of the Amended By Laws of the Exchange, the Company's trading right (previously the exchange membership seat) is pledged at its full value to the PSE to secure the payment of all debts due to the Exchange and to other trading participants of the Exchange arising out of or in connection with the present or future contracts relating to securities and in compliance with Section 7, Article II of the Rules Governing Trading Rights and Trading Participants, to secure the payment of all debts and claims due to the clients of the Company, the Government, the Exchange and the other trading participant of the Exchange and to the Securities Clearing Corporation of the Philippines (SCCP).

The recoverable amount of trading right amounted to ₱7,200,000 as at December 31, 2024 and 2023. The recoverable amounts were based on the recent sales approved by the PSE Board of Directors on November 16, 2022.

The effects of the conversion plan specifically on the separate valuation of the ownership of the exchange seat and the trading rights have not been recognized in the Company's financial statements since this right was in the name of a certain stockholder.

Computer Software License

As of December 31, 2024 and 2023, the Company's fully amortized computer software license is still actively in use.

14. Other Non-current Assets

This account consists of:

		2024		2023
Refundable deposits	₱	**3,609,000**	₱	3,809,000
CTGF refundable contributions		**3,069,454**		2,888,524
Deferred input taxes – non current		**15,161**		197,086
Total	₱	**6,693,615**	₱	6,894,610

Refundable deposits include ₱3,600,000 surety bond collateral deposit in 2022, ₱9,000 bond for credit line application in 2013 and ₱200,000 construction bond secured in 2019 relative to the renovation at the office in Bonifacio Global City, Taguig.

The Company, as a clearing member, is required to pay monthly contributions to the Clearing and Trade Guaranteed 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. On March 13, 2018, the SEC resolved to approve SCCP's proposed amendments to SCCP Rule 5.2, making the Clearing Members' contribution to the CTGF refundable upon cessation of their business and/or termination of their membership with SCCP, provided that all liabilities owing to SCCP at the time of termination, whether actual or contingent, shall have been satisfied or paid in full. The share of the Company in the seed money contributed by the Philippines Stock Exchange amounted to ₱493,084.

Deferred input taxes represent the unamortized portion of input taxes on capital goods exceeding ₱1-million that should be claimed on a staggered basis over 60 months or the useful life of the asset whichever is shorter, expected to be realized beyond 12 months.

15. Trade & Other Payables

This account consists of:

		2024		2023
Due to clearing house	₱	**46,495,542**	₱	112,112,936
Payable to customers		**16,772,539**		13,672,837
Dividends payable – customers		**661,696**		652,209
Miscellaneous payable		**379,602**		379,602
Accrued expenses		**366,351**		302,950
Trading payables		**276,218**		296,152
Due to brokers		**46,789**		44,730
Total	₱	**64,998,737**	₱	127,461,416

Due to clearing house represents the net amount payable on the purchases and sales of securities made on the trading floor of the PSE. These are usually settled two and three trading days after the transactions in 2024 and 2023, respectively.

Payable to customers are non-interest bearing and have no specific credit terms.

Dividends payable represents the amount of cash dividend declared by separate public entities payable to the customers of the Company.

Miscellaneous payable includes various stale checks payable to customers and other payables.

Accrued expenses consist of accruals of SCCP, PCD fees, telephone bills and audit fee still unpaid as of the end of the reporting period.

Trading payables are unsecured, non-interest bearing obligations to customers, brokers and clearing house, expected to be settled within 12 months.

Due to brokers are claims for the purchase of securities and other trade-related transactions, these are non-interest bearing and have no specific credit terms.

The Company's payable to customers and other brokers and their security valuation are as follows:

	2024				2023			
		Money Balance		Security Long Valuation		Money Balance		Security Long Valuation
With money balances	₱	**16,819,328**	₱	**779,702,682**	₱	13,717,567	₱	388,082,384
Without money balances		**–**		**297,170,395**		–		404,150,056
Total	₱	**16,819,328**	₱	**1,076,873,077**	₱	13,717,567	₱	792,232,440

16. Other Current Liabilities

Other current liabilities consist of:

		2024		2023
Output taxes	₱	**875,147**	₱	990,668
Statutory contributions payable		**65,282**		46,383
Stock transaction tax payable		**58,751**		23,107
Withholding taxes payable		**12,688**		51,912
Total	₱	**1,011,868**	₱	1,112,070

Output taxes are 12% VAT derived from brokerage and dealer services which are reduced by input taxes, the excess of which will be payable to the taxation authorities as net VAT payable. Otherwise, the excess of input taxes over output taxes are carried-forward to be refunded or applied to future amounts of output taxes.

Statutory contributions payable pertain to the employees and employer share of SSS, HDMF & PHIC for December, due and payable on the following month.

Stock transaction tax payable arise from sales of stock to be paid on the following month.

Withholding taxes payable include expanded withholding taxes and withholding taxes on compensation accrued on December and are likewise to be paid on the following month.

17. Equity

Share capital consists of:

	No. of Shares			Amount		
	2024	2023		**2024**		2023
Authorized – ₱100.00 par value	**1,200,000**	480,000	₱	**120,000,000**	₱	48,000,000
Subscribed, issued, paid-up & outstanding:						
Balance at beginning of year	**480,000**	480,000	₱	**48,000,000**	₱	48,000,000
Issued during the year	**520,000**	–		**52,000,000**		–
Balance at end of year	**1,000,000**	480,000	₱	**100,000,000**	₱	48,000,000
Ordinary share capital	**1,000,000**	480,000	₱	**100,000,000**	₱	48,000,000

As at December 31, 2024 and 2023, the Company has five (5) shareholders, each owning 100 or more shares of the Company's shares of stock.

Increase in Authorized Share Capital and Stock Dividend

The Company's shareholders representing two-thirds (2/3) of the outstanding shares and majority of the members of the BOD held meetings on April 18, 2023 approved to increase its authorized capital stock through issuance of stock dividends amounting to ₱52,000,000, divided into 520,000 shares with par value of ₱100.00 per share, to wit:

BOD & Shareholders Meeting Date	SEC Filing Date	SEC Approval Date	Authorized From	Authorized To	Additional Subscription	Issuance
April 18, 2023	December 12, 2023	May 2, 2024	480,000 common shares with ₱100.00 par value per share	1,200,000 common shares with ₱100.00 par value per share	520,000 shares	Stock dividend

Reversal of Appropriation

On December 10, 2021, the BOD approved the increase of authorized capital from 480,000 shares to 800,000 shares with par value of ₱100 per share and appropriated ₱32,000,000 of its unappropriated retained earnings. On April 18, 2023, in a special meeting attended by the Company's shareholders representing two-thirds (2/3) of the outstanding shares and majority of the members of the BOD, it was decided to no longer pursue the previously planned increase in authorized capital and to consequently reverse the entire appropriation of retained earnings amounting to ₱32,000,000.

Appropriation for Reserve Fund
Based on SEC Memorandum Circular No. 16 dated November 11, 2004, starting December 1, 2005, every broker dealer is expected to comply with all the requirements of the Risk-Based Capital Adequacy (RBCA) rules.

As of December 31, 2005, The RBCA report is prepared based on the guidelines which cover the following risks: (a) position or market risk, (b) credit risks such as counterparty, settlement, large exposure, and margin financing risks, and (c) operational risk. Rule 49.1 (B), Reserve Fund of the Memorandum Circular, 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 profit after tax for broker dealers with unimpaired paid-up capital of ₱10-million to ₱30-million, ₱30-million to ₱50-million, and above ₱50 million, respectively.

The Company appropriated 10% of its net profit in 2024 amounting to ₱1,008,300 and 20% in 2023 amounting to ₱3,037,129. Total appropriation reserves amounted to ₱49,545,307 and ₱48,554,978 as at December 31, 2024 and 2023, respectively.

18. Revenues

Revenues are principally derived from brokerage and dealer services, to wit:

	Note/s		2024		2023
Commission revenue		₱	**31,207,907**	₱	50,470,552
Realized trading gains	7		**229,846**		535,679
Total		₱	**31,437,753**	₱	51,006,231

Other Operating Income (Loss)
This account comprises of:

	Note/s		2024		2023
Dividend revenue	7	₱	**1,269,774**	₱	49,978
Unrealized gain on FVPL	7		**1,409,121**		608,817
Realized trading losses	7		**(58,586)**		(33,630)
Total		₱	**2,620,309**	₱	625,165

Interest Income
Interest income consists of interest earned from local and foreign bank deposits which are subject to 20% and 15% final tax, respectively (see Note 24), to wit:

	Note/s		2024		2023
Interest income from bank and time deposits	6	₱	**786,457**	₱	326,062
Interest income from short-term investment	6, 9		**2,706,741**		593,790
Interest income from foreign deposits	6		**61**		136
Total		₱	**3,493,259**	₱	919,988

19. Cost of Services

The details of cost of services are shown below:

	Note/s		2024		2023
Commission expense		₱	**2,785,668**	₱	1,215,465
Stock exchange dues & fees			**2,625,560**		4,840,707
Salaries & employee benefits	22		**1,668,124**		621,020
Central depositary expense			**99,029**		874,566
Research fees			**33,171**		8,571
Cost of services		₱	**7,211,552**	₱	7,560,329

20. General & Administrative Costs

The following shows the breakdown of general & administrative costs:

	Note/s		2024		2023
Entertainment, amusement & recreation		₱	**4,008,841**	₱	10,406,832
Salaries & employee benefits	22		**2,051,163**		1,706,712
Taxes & licenses	32		**1,276,075**		874,491
Condominium dues & fees			**957,189**		969,760
Repairs & maintenance			**657,602**		565,903
Power, light & water			**596,804**		471,945
Professional fees			**434,500**		515,600
Telecommunications			**349,772**		285,671
Gas & oil			**221,051**		233,946
Insurance			**162,816**		175,707
Rentals	21		**120,609**		224,009
Meetings & conference			**112,591**		–
Office supplies			**105,601**		128,910
Transportation & travel			**94,317**		164,255
Provision for ECL	8		–		95,696
Depreciation	11, 12		**4,705,999**		4,183,894
Miscellaneous			**524,918**		527,074
Total		₱	**16,379,848**	₱	21,530,405

21. Lease Agreements

Company as Lessee

The Company has lease contracts related to its parking slots with lease term of one (1) year. The Company applies the 'lease of low-value assets' recognition exemptions for these leases.

The Company's obligations under these leases are not secured by any collateral. Extension and termination options must be mutually agreed by lessor and lessee. Total expense from these leases amounted to ₱120,609 in 2024 and ₱224,009 in 2023 (see Note 20).

The future minimum lease payments under this non-cancellable lease are as follows:

		2024		2023
Not later than one (1) year	₱	**223,689**	₱	189,367
Total	₱	**223,689**	₱	189,367

22. Employee Benefits

Expenses recognized for salaries & employee benefits are presented below:

		2024		2023
Short-term employee benefits	₱	**3,719,287**	₱	2,327,732
Total	₱	**3,719,287**	₱	2,327,732

The amount of salaries & employee benefits is allocated as follows:

	Note/s		2024		2023
Cost of services	19	₱	**1,668,124**	₱	621,020
General & administrative costs	20		**2,051,163**		1,706,712
Total		₱	**3,719,287**	₱	2,327,732

Short-term Employee Benefits

The amount of short-term employee benefits are broken down as follows:

		2024		2023
Salaries & wages	₱	**2,378,430**	₱	1,642,386
Statutory contributions		**234,569**		156,437
Other employee benefits		**1,106,288**		528,909
Total	₱	**3,719,287**	₱	2,327,732

Post-employment Defined Benefits

The Company has not established a formal retirement plan. However, it is required to pay qualified employees retirement benefits under Republic Act No. 7641, which relates to a defined benefit plan. No retirement benefit obligation has been recognized for the years ended December 31, 2024 and 2023 since the Company has less than ten (10) employees, which exempts them from the provision of R.A. 7641.

23. Other Income (Loss) – net

Other Income (Loss) – net

This account comprises of:

	Note/s		2024		2023
Recovery of ECLs	8	₱	**45,763**	₱	–
Miscellaneous revenue			**27,509**		11,523
Unrealized forex gain (loss)	6		**13,974**		(3,691)
Total		₱	**87,246**	₱	7,832

24. Income Tax

The computation of tax expense as reported in statements of comprehensive income:

		2024		2023
Current tax expense:				
RCIT	₱	**3,085,294**	₱	7,971,464
Final tax at 20%		**698,640**		183,970
Final tax at 15%		**9**		20
Total current tax expense	₱	**3,783,943**	₱	8,155,454
Deferred tax expense:				
Origination and reversal of temporary differences	₱	**359,931**	₱	127,381
Total deferred tax expense	₱	**359,931**	₱	127,381
Income tax expense	₱	**4,143,874**	₱	8,282,835

The computation of current tax payable is as follows:

		2024		2023
Income tax due for the year	₱	**3,085,294**	₱	7,971,464
Less: Total tax credits/payments				
Income tax payments during the year		**–**		(686,182)
Creditable tax withheld		**(4,451,080)**		(7,082,841)
Current tax payable (overpayment)	₱	**(1,365,786)**	₱	202,441

The computation of RCIT is as follows:

	Note/s		2024		2023
Profit before tax		₱	**14,047,167**	₱	23,468,482
Add (Less): Adjustments					
Permanent differences:					
Interest income subject to 20% final tax	18		**(3,493,198)**		(919,852)
Interest income subject to 15% final tax	18		**(61)**		(136)
Dividend revenue	7, 18		**(1,269,774)**		(49,978)
Non-deductible entertainment, amusement and recreation			**3,694,463**		9,896,770
Non-deductible expenses			**831,436**		–
Temporary differences:					
Unrealized market gain on FVPL	7, 18		**(1,409,121)**		(608,817)
Unrealized forex loss (gain)	6, 23		**(13,974)**		3,691
Provision for ECLs	8, 20		**–**		95,696
Recovery of ECLs	8, 23		**(45,763)**		–
Profit subject to RCIT		₱	**12,341,175**	₱	31,885,856
RCIT rate			**25%**		25%
RCIT		₱	**3,085,294**	₱	7,971,464

The Company is also subject to MCIT, which is computed at 2% and average of 1.5% of gross income for the years ended 2024 and 2023, respectively, as under the tax regulations.

The computation of MCIT is as follows:

	Note/s		2024		2023
Gross income		₱	**24,226,201**	₱	43,445,902
Add: Adjustment					
Non-deductible salaries & employee benefits			**470,250**		–
Miscellaneous income	23		**27,509**		11,523
Gross profit subject to MCIT		₱	**24,723,960**	₱	43,457,425
MCIT rate			**2%**		1.5%
MCIT		₱	**494,479**	₱	651,861

The excess of MCIT over RCIT is creditable to future tax payments and are reported as deferred tax assets. However, excess MCIT can be applied only when RCIT exceeds MCIT within the next three years. RCIT is reported in 2024 and 2023 as RCIT is higher than MCIT.

In 2024 and 2023, the Company opted to continue claiming itemized deductions instead of optional standard deductions (OSD), which is equivalent to 40% of gross income.

The schedule of deferred tax assets is as follows:

	Statements of Financial Position				Statements of Comprehensive Income			
		2024		2023		2024		2023
Deferred tax assets:								
Unrealized loss on FAFVPL	₱	–	₱	103,326	₱	(103,326)	₱	(152,228)
Allowance for ECL – AR		352,043		363,484		(11,441)		23,924
Deferred tax assets	₱	352,043	₱	466,810	₱	(114,767)	₱	(128,304)
Deferred tax liabilities:								
Unrealized forex gain	₱	(14,087)	₱	(10,593)	₱	(3,494)	₱	923
Unrealized market gain		(241,670)		–		(241,670)		–
Deferred tax liabilities	₱	(255,757)	₱	(10,593)	₱	(245,164)	₱	923
Deferred tax benefit (expense)					₱	(359,931)	₱	(127,381)

A reconciliation of tax on the pre-tax income computed at the applicable statutory rates to tax expense reported in the statements of comprehensive income is as follows:

		2024		2023
Income tax computed at statutory tax rates of 25%	₱	3,511,792	₱	5,867,121
Additions (Reductions) resulting from:				
Income subject to lower tax rates:				
at 20% final tax		(174,660)		(45,993)
at 15% final tax		(6)		(14)
Dividend income		(317,444)		(12,495)
Non-deductible expenses:				
Entertainment, amusement and recreation		923,616		2,474,192
Other expenses		207,860		–
DTA adjustment		(7,284)		24
Income tax expense	₱	4,143,874	₱	8,282,835

25. Basic Earnings Per Share

Basic earnings per share is computed as follows:

		2024		2023
Profit attributable to ordinary shares	₱	9,903,293	₱	15,185,647
Divide by: Weighted average number of ordinary shares outstanding		1,000,000		1,000,000
Basic earnings per share	₱	9.90	₱	15.19

Weighted average number of common shares outstanding is computed as follows:

		2024		2023
Balance at beginning of the year	₱	480,000	₱	480,000
Effect of shares issued during the year		520,000		520,000
Weighted average	₱	1,000,000	₱	1,000,000

There are no potential dilutive ordinary shares outstanding as at December 31, 2024 and 2023.

26. Related Party Transactions

The Company, in the normal course of business, has entered transactions with its directors, officers, stockholders, and related interest, principally consisting of:

Related Party	Nature	Terms & Conditions	December 31, 2024 Amount of Transaction	December 31, 2024 Outstanding Receivable (Payable)	December 31, 2023 Amount of Transaction	December 31, 2023 Outstanding Receivable (Payable)
Directors & officers	Selling transaction	N/A	₱ (38,005)	₱ (121,945)	₱ 55,055,385	₱ (83,940)
	Buying transaction	N/A	7,368,134	71,291,204	63,923,070	63,923,070
	Due to related parties	To be settled within 12 months by cash payment	–	(4,500,000)	(4,500,000)	(4,500,000)
Related interest	Buying transaction	N/A	1,561,156	1,682,439	(173)	121,283
	Selling transaction	N/A	32,526	(339,884)	4,109,240	(372,410)

Buying and Selling Transactions

Buying and selling transactions of the Directors, Officers, Stockholders and Related Interest are made in the same manner as with regular customers.

Due to related parties

Due to related parties are initially collected by the Company for increase of capital stock, to be refunded within 12 months. The documentary stamp tax related to due to related parties amounting to ₱57,525 has been paid to Bureau of Internal Revenue (see Note 17).

Key Management Personnel Compensation

As of December 31, 2024 and 2023, no key management personnel compensation were recognized.

27. Fair Value Measurements

Carrying Amounts and Fair Values by Category

The carrying amounts and fair values of the categories of financial assets and financial liabilities presented in the statements of financial position are as follows:

	Note/s	2024 Carrying Amounts	2024 Fair Values	2023 Carrying Amounts	2023 Fair Values
Financial assets					
At fair value:					
Financial assets at FVPL	7	₱ 32,014,424	₱ 32,014,424	₱ 29,862,719	₱ 29,862,719
At amortized cost:					
Cash & cash equivalents	6	70,831,742	70,831,742	20,234,795	20,234,795
Trade & other receivables	8	142,439,224	142,439,224	197,071,806	197,071,806
Short-term investment	9	–	–	48,093,790	48,093,790
CTGF refundable contributions	14	3,069,454	3,069,454	2,888,524	2,888,524
Refundable deposits	14	3,609,000	3,609,000	3,809,000	3,809,000
Total		₱ 251,963,844	₱ 251,963,844	₱ 301,960,634	₱ 301,960,634
Non-financial asset					
At fair value:					
Investment properties	11	₱ 7,148,226	₱ 14,023,003	₱ 7,496,471	₱ 12,001,836
Total		₱ 7,148,226	₱ 14,023,003	₱ 7,496,471	₱ 12,001,836
Total		₱ 259,112,070	₱ 265,986,847	₱ 309,457,105	₱ 313,962,470
Financial liabilities					
At amortized cost:					
Trade & other payables	15	₱ 64,998,737	₱ 64,998,737	₱ 127,461,416	₱ 127,461,416
Due to related parties	26	4,500,000	4,500,000	4,500,000	4,500,000
Total		₱ 69,498,737	₱ 69,498,737	₱ 131,961,416	₱ 131,961,416

Fair Value Hierarchy

In accordance with PFRS 13, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those financial assets and financial liabilities not measured at fair value but for which fair value is disclosed with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure fair value.

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,
- Level 3: inputs for asset or liability that are not based on observable market data (unobservable inputs)

The following table summarizes the fair value hierarchy of the Company's assets and liabilities, which are measured at fair value or requires disclosure as prescribed by other PFRS Accounting Standards, as at December 31, 2024 and 2023:

		2024			
	Note/s	Level 1	Level 2	Level 3	Total
Financial assets					
At fair value:					
Financial assets at FVTPL	7	₱ 32,014,424	₱ –	₱ –	₱ 32,014,424
At amortized cost:					
Cash & cash equivalents	6	70,831,742	–	–	70,831,742
Trade & other receivables	8	–	–	142,439,224	142,439,224
CTGF refundable deposits	14	–	–	3,069,454	3,069,454
Refundable deposits	14	–	–	3,609,000	3,609,000
Total		₱ 102,846,166	₱ –	₱ 149,117,678	₱ 251,963,844
Non-financial assets					
Investment properties	11	₱ –	₱ 14,023,003	₱ –	₱ 14,023,003
Total		₱ –	₱ 14,023,003	₱ –	₱ 14,023,003
Total		₱ 102,846,166	₱ 14,023,003	₱ 149,117,678	₱ 265,986,847
Financial liabilities					
At amortized cost:					
Trade & other payables	15	₱ –	₱ –	₱ 64,998,737	₱ 64,998,737
Due to related parties	26	–	–	4,500,000	4,500,000
Total		₱ –	₱ –	₱ 69,498,737	₱ 69,498,737

		2023			
	Note/s	Level 1	Level 2	Level 3	Total
Financial assets					
At fair value:					
Financial assets at FVTPL	7	₱ 29,862,719	₱ –	₱ –	₱ 29,862,719
At amortized cost:					
Cash & cash equivalents	6	20,234,795	–	–	20,234,795
Trade & other receivables	8	–	–	197,071,806	197,071,806
Short-term investment	9	48,093,790	–	–	48,093,790
CTGF refundable deposits	14	–	–	2,888,524	2,888,524
Refundable deposits	14	–	–	3,809,000	3,809,000
Total		₱ 98,191,304	₱ –	₱ 203,769,330	₱ 301,960,634
Non-financial assets					
Investment properties	11	₱ –	₱ 12,001,836	₱ –	₱ 12,001,836
Total		₱ –	₱ 12,001,836	₱ –	₱ 12,001,836
Total		₱ 98,191,304	₱ 12,001,836	₱ 203,769,330	₱ 313,962,470
Financial liabilities					
At amortized cost:					
Trade & other payables	15	₱ –	₱ –	₱ 127,461,416	₱ 127,461,416
Due to related parties	26	–	–	4,500,000	4,500,000
Total		₱ –	₱ –	₱ 131,961,416	₱ 131,961,416

As at December 31, 2024 and 2023 there are no financial assets or financial liabilities measured at fair value. There were no transfers between levels in December 31, 2024 and 2023.

Financial Instruments Not Measured at Fair Value for Which Fair Value is Disclosed
For financial assets with fair values included in Level 1, management considers that the carrying amounts of these financial instruments approximate their fair values due to their short-term duration.
The fair values of financial assets and financial liabilities included in Level 3, which are not traded in an active market, are determined based on the expected cash flows of the underlying net asset or liability base of the instrument where the significant inputs required to determine fair value of such instruments are not based on observable market data.

Non-financial Assets Measured at Cost for which Fair Value is Disclosed
The fair value of the Company's investment properties is classified in Level 2 of the fair value hierarchy. The Level 2 fair value of the investment properties was determined using the Market Approach.
Also, there were no transfers into or out of Level 2 fair value hierarchy in 2024 and 2023.

28. Financial Risk Management Policies and Objectives

Introduction
The Company's principal financial instruments comprise of cash, receivables and payables. The main purpose of these financial instruments is to raise finances for the Company's operations. The risks arising from the use of financial instruments are managed through a process of on-going identification, measurement, and monitoring. This process of risk management is critical to the Company's continuing profitability.

The BOD is ultimately responsible for overall risk management approach, monitoring risk exposures, and approving risk mitigation strategies and policies. The main risks arising from the Company's financial instruments are foreign currency risk, credit risk, liquidity risk and market price risk.

Foreign Currency Risk
Foreign currency exchange risk is the risk of incurring losses resulting from an adverse change in foreign currency exchange rates.

The Company is exposed to foreign exchange risk arising from currency exposures primarily with respect to the U.S. dollar (US$). Foreign exchange risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency. Significant fluctuation in the exchange rates could significantly affect the Company's financial position.

The policy of the Company is to maintain foreign currency exposure within acceptable limits and existing regulatory guidelines. The Company believes that its profile of foreign currency exposure on its assets and liabilities is within conservative limits for a financial institution engaged in the type of business in which the Company is engaged.

The Company's exposure to foreign currency exchange risk arises from its US$-denominated cash in banks amounting to US$5,713 and US$5,710 as at December 31, 2024 and 2023, respectively.

Since the amount of US$-denominated cash in banks subject to foreign currency risk is immaterial relative to the financial statements, management believes that disclosure of foreign currency risk analysis for 2024 and 2023 is not significant.

Credit Risk
Credit risk is the risk that the Company will incur a loss because its customers or counter parties failed to discharge their contractual obligations. The Company trades only with recognized and creditworthy third parties. It is the Company's policy that customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis and appropriate credit treatments are executed for overdue accounts. Likewise, other receivable balances are also being monitored and subjected to appropriate actions to manage credit risk.

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the statements of financial position (or in the detailed analysis provided in the notes to the financial statements).

Credit Risk Exposure

The table below shows the gross maximum exposure to credit risk of the Company as at December 31, 2024 and 2023, without considering the effects of collaterals and other credit risk mitigation techniques:

	Note/s		2024		2023
Cash in banks & cash equivalents	6	₱	**70,823,742**	₱	20,226,795
Financial assets at FPVL	7		**32,014,424**		29,862,719
Trade & other receivables	8		**143,847,396**		198,525,741
Short-term investment	9		**–**		48,093,790
Refundable deposits	14		**3,609,000**		3,809,000
CTGF refundable contributions	14		**3,069,454**		2,888,524
Total		₱	**253,364,016**	₱	303,406,569

Cash in banks, financial assets at FVPL, receivable from customers and other brokers are secured by collateral or other credit enhancements.

The credit risk for cash is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Cash in banks are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of ₱500,000 per depositor per banking institution.

Risk Concentration of the Maximum Exposure to Credit Risk

Concentrations arise when several counterparties are engaged in similar business activities in the same geographic region or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location. Such credit risk concentrations, if not properly managed, may cause significant losses that could threaten the Company's financial strength and undermine public confidence.

In order to avoid excessive concentrations of risk, identified concentrations of credit risks are controlled and managed accordingly. As of December 31, 2024 and 2023, there were no significant credit risk concentrations, given the Company's diverse customer base.

Credit Quality per Class of Financial Assets

The tables below show a comparison of the credit quality of the Company's financial assets as at December 31:

2024	Neither Past Due nor Impaired			Past Due and Impaired	Total
	High Grade	Standard Grade	Substandard Grade		
Cash in banks & cash equivalents	₱ 70,823,742	₱ –	₱ –	₱ –	₱ 70,823,742
Financial assets at FVPL	32,014,424	–	–	–	32,014,424
Trade & other receivables	73,189,889	–	–	70,657,507	143,847,396
Refundable deposits	3,609,000	–	–	–	3,609,000
CTGF refundable contributions	3,069,454	–	–	–	3,069,454
Total	₱ 182,706,509	₱ –	₱ –	₱ 70,657,507	₱ 253,364,016

2023	Neither Past Due nor Impaired			Past Due and Impaired	Total
	High Grade	Standard Grade	Substandard Grade		
Cash in banks & cash equivalents	₱ 20,226,795	₱ –	₱ –	₱ –	₱ 20,226,795
Financial assets at FVPL	29,862,719	–	–	–	29,862,719
Trade & other receivables	153,272,750	–	–	45,252,991	198,525,741
Short-term investment	48,093,790	–	–	–	48,093,790
Refundable deposits	3,809,000	–	–	–	3,809,000
CTGF refundable contributions	2,888,524	–	–	–	2,888,524
Total	₱ 258,153,578	₱ –	₱ –	₱ 45,252,991	₱ 303,406,569

High grade cash are operating cash fund deposited in local banks belonging to the top ten (10) banks in the Philippines in terms of resources and profitability. The Company's basis in grading its loans & receivables follows:

High Grade	These accounts have a high probability of collection and the counterparty has consistently exhibited good paying habits. The securities on these receivables are readily enforceable.
Standard Grade	These accounts are active accounts with minimal to regular instances of payment default due to common collection issues. Typically, these accounts are not impaired as the counterparties generally respond to credit actions and update their payment accordingly.
Substandard Grade	These accounts are accounts which have probability of impairment based on historical trend, and show propensity to default in payment despite regular follow-up actions and extend payment terms.

An impairment analysis is performed at each reporting date on an individual basis for major customers, in addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. As of December 31, 2024 and 2023, trade & other receivables amounting to ₱69,249,335 and ₱43,799,056 were past due and ₱1,408,172 and ₱1,453,935 were impaired, respectively.

Aging Analysis

An aging analysis of the Company's financial assets as of December 31, 2024 and 2023 are as follows:

2024	Neither Past Due nor Impaired	Past Due but not Impaired: Less than 30 days	30 to 60 days	60 to 90 days	Over 90 days	Impaired	Total
Cash in banks & cash equivalents	₱ 70,823,742	₱ –	₱ –	₱ –	₱ –	₱ –	₱ 70,823,742
Financial assets at FVPL	32,014,424	–	–	–	–	–	32,014,424
Trade & other receivables	73,189,889	1,235,157	–	–	68,014,178	1,408,172	143,847,396
Refundable deposits	3,609,000	–	–	–	–	–	3,609,000
CTGF refundable contributions	3,069,454	–	–	–	–	–	3,069,454
Total	₱ 182,706,509	₱ 1,235,157	₱ –	₱ –	₱ 68,014,178	₱ 1,408,172	₱ 253,364,016

2023	Neither Past Due nor Impaired	Past Due but not Impaired: Less than 30 days	30 to 60 days	60 to 90 days	Over 90 days	Impaired	Total
Cash in banks & cash equivalents	₱ 20,226,795	₱ –	₱ –	₱ –	₱ –	₱ –	₱ 20,226,795
Financial assets at FVPL	29,862,719	–	–	–	–	–	29,862,719
Trade & other receivables	153,272,750	388,890	–	–	43,410,166	1,453,935	198,525,741
Short-term investment	48,093,790	–	–	–	–	–	48,093,790
Refundable deposits	3,809,000	–	–	–	–	–	3,809,000
CTGF refundable contributions	2,888,524	–	–	–	–	–	2,888,524
Total	₱ 258,153,578	₱ 388,890	₱ –	₱ –	₱ 43,410,166	₱ 1,453,935	₱ 303,406,569

An aging analysis of the Company's receivables from customers as of December 31, 2024 and 2023 are as follows:

Aging period, 2024	Balance	Collateral (net of haircut)	Counterparty exposure	Allowance for ECL	Net exposure
Less than 2 days	₱ 73,029,800	₱ 1,260,764,332	₱ (1,187,734,531)	₱ –	₱ –
3 to 13 days	28,129	28,129	–	562	–
Beyond 13 days	70,629,378	4,230,005,982	(4,159,376,604)	1,407,610	–
Total	₱ 143,687,307	₱ 5,490,798,443	₱ (5,347,111,135)	₱ 1,408,172	₱ –

Aging period, 2023	Balance	Collateral (net of haircut)	Counterparty exposure	Allowance for ECL	Net exposure
Less than 2 days	₱ 153,209,396	₱ 1,307,641,958	₱ (1,154,432,562)	₱ –	₱ –
3 to 13 days	396,827	9,323,900,208	(9,323,503,381)	7,936	–
Beyond 13 days	44,856,164	55,681,121	(10,824,957)	1,445,999	–
Total	₱ 198,462,387	₱ 10,687,223,287	₱ (10,488,760,900)	₱ 1,453,935	₱ –

Liquidity Risk

Liquidity risk is the risk the Company will be unable to meet its payment obligations when they fall under normal and stress circumstances. The Company seeks to manage its liquidity profile to be able to service its maturing debts and to finance capital requirements. The Company maintains a level of cash in banks that is deemed to be sufficient to finance its operations. As part of its liquidity risk management, the Company regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund-raising activities. Fund-raising activities may include bank loans and advances from related parties.

Maturity Profile of Financial Assets and Liabilities

The tables below summarize the maturity profile of the Company's financial assets and liabilities as at December 31, 2024 and 2023 based on the remaining undiscounted contractual cash flows:

2024	Within 1 year	1 – 2 years	2 – 3 years	More than 3 years	Total
Financial assets:					
At fair value:					
Financial assets at FVTPL	₱ 32,014,424	₱ –	₱ –	₱ –	₱ 32,014,424
At amortized cost:					
Cash and cash equivalents	70,831,742	–	–	–	70,831,742
Trade & other receivable	143,847,396	–	–	–	143,847,396
Short-term investment	–	–	–	–	–
Refundable deposits	–	–	–	3,609,000	3,609,000
CTGF refundable contributions	–	–	–	3,069,454	3,069,454
Total	₱ 246,693,562	₱ –	₱ –	₱ 6,678,454	₱ 253,372,016
Financial liabilities:					
At amortized cost:					
Trade & other payables	₱ 64,998,737	₱ –	₱ –	₱ –	₱ 64,998,737
Due to related parties	4,500,000	–	–	–	4,500,000
Total	₱ 69,498,737	₱ –	₱ –	₱ –	₱ 69,498,737

2023	Within 1 year	1 – 2 years	2 – 3 years	More than 3 years	Total
Financial assets:					
At fair value:					
Financial assets at FVTPL	₱ 29,862,719	₱ –	₱ –	₱ –	₱ 29,862,719
At amortized cost:					
Cash and cash equivalents	20,234,795	–	–	–	20,234,795
Trade & other receivable	198,525,741	–	–	–	198,525,741
Short-term investment	48,093,790	–	–	–	48,093,790
Refundable deposits	–	209,000	–	3,600,000	3,809,000
CTGF refundable contributions	–	–	–	2,888,524	2,888,524
Total	₱ 296,717,045	₱ 209,000	₱ –	₱ 6,488,524	₱ 303,414,569
Financial liabilities:					
At amortized cost:					
Trade & other payables	₱ 127,461,416	₱ –	₱ –	₱ –	₱ 127,461,416
Due to related parties	4,500,000	–	–	–	4,500,000
Total	₱ 131,961,416	₱ –	₱ –	₱ –	₱ 131,961,416

Market Price Risk

Market price risk is the risk that movements in the level or volatility of market prices will adversely affect the Company's financial position. The sensitivity analysis is based on the assumption the PSEi have increased/decreased using the interpretations on the five year historical movement of the PSEi with all other variables held constant.

	2024		2023	
	Change in +/- 300 basis points		Change in +/- 300 basis points	
	Effects on net results		Effects on net results	
Equity inside the PSEi	₱ 116,117	₱ (116,117)	₱ 212,671	₱ (212,671)
Equity outside the PSEi	604,208	(604,208)	459,240	(459,240)
Total	₱ 720,325	₱ (720,325)	₱ 671,911	₱ (671,911)

29. Capital Management Objectives, Policies, & Procedures

The Company's capital management objectives are:

- To ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.
- To invest the capital in investments that meet the expected return with the commensurate level of risk exposure.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payments to shareholders or issue new shares.

The Company monitors its financial leverage using the debt-to-equity which is computed as total liabilities divided by total equity as shown in the table below:

		2024		2023
Total Liabilities	₱	**70,766,362**	₱	133,286,520
Total Equity		**222,568,685**		212,665,392
Debt-to-equity ratio		**0.32: 1**		0.63: 1

There were no changes in the Company's approach to capital management during the year.

Minimum Capital Requirement

The Amended IRR of the SRC effective March 6, 2004 includes, among others, revisions in the terms and conditions for registration and subsequent renewal of license applicable to both exchange trading participants and non-exchange broker dealers as follows:

- To allow a net capital of ₱2.5 million or 2.5% of aggregate indebtedness, whichever is higher, for broker dealers dealing only in proprietary shares and not holding securities
- To allow the SEC to set a different net capital requirement for those authorized to use the Risk-Based Capital Adequacy (RBCA) model, and
- To require unimpaired paid-up capital of ₱100.0 million for broker dealers, which are either first time registrants or those acquiring existing broker dealer firms and will participate in a registered clearing agency; ₱10.0 million plus a surety bond for existing broker dealers not engaged in market making transactions; and ₱2.5 million for broker dealers dealing only in proprietary shares and not holding securities.

The Company's unimpaired paid-up capital amounted to ₱100,000,000 and ₱48,000,000 as of December 31, 2024 and 2023, respectively.

On November 28, 2023, the Company renewed its surety bond for the period beginning January 2, 2024, and expiring on December 31, 2024, with the amount of ₱12-million.

Risk Based Capital Adequacy Requirement

On November 11, 2004, the SEC issued Memorandum Circular No. 16 to all brokers requiring the adoption of the risk based capital adequacy requirement/ratio (RBCA) for brokers and dealers in securities. The Memorandum provided guidelines for the adoption of the RBCA requirement covering position or market risk, credit risks and operation risks. Also, the Memorandum requires an RBCA ratio of greater than or equal to 1.1:1.

The RBCA ratio is computed by dividing Company's Net Liquid Capital (NLC) to its Total Risk Capital Requirement (TRCR). TRCR is the sum of: a) Operational Risk Requirement (ORR); b) Credit Risk Requirement which include requirements for Counterparty Risk, Settlement Risk, Large Exposure Risk, and Margin Lending/Financing Risk; and c) Position or Market Risk Requirement. The Company's RBCA ratio as at December 31, 2024 and 2023 are 743% and 663% respectively.

The RBCA Ratio of the Company is as follows:

		2024		2023
Net Liquid Capital	₱	174,774,785	₱	161,987,183
Divide: Total Risk Capital Requirement				
Operational Risk Requirement	₱	12,796,990	₱	14,912,523
Position Risk Requirement		11,855,114		9,532,131
Counterparty Risk Requirement		–		188
Large Exposure Risk Requirement		–		–
Total Risk Capital Requirement	₱	24,652,104	₱	24,444,842
Risk Based Capital Adequacy Ratio		709%		663%

Net Liquid Capital

The Company is required, at all times, to have and maintain a Net Liquid Capital (NLC) of P5 million or 5% of its Aggregate Indebtedness (AI), whichever is higher.

No Broker Dealer shall permit its aggregate indebtedness to all other persons to exceed 2,000 percent (2,000%) of its NLC. The Company ratio of AI to NLC as at December 31, 2024 and 2023 are 40% and 82% respectively.

Details of Company NLC as of December 31, 2024 and 2023 are show below:

		2024		2023
Net Liquid Capital				
Equity Eligible for Net Liquid Capital	₱	222,824,442	₱	212,675,985
Less: Ineligible Asset		(48,049,657)		(50,688,802)
Total Net Liquid Capital	₱	174,774,785	₱	161,987,183
Required Net Liquid Capital				
Higher of:				
5% of Aggregated Indebtedness	₱	3,525,530	₱	6,663,796
Minimum Amount		5,000,000		5,000,000
Required Net Liquid Capital	₱	5,000,000	₱	6,663,796
Risk Based Capital Excess	₱	169,774,785	₱	155,323,387

Total Risk Capital Requirement

a. *Operational Risk Requirement (ORR)*

Operational risk requirement is the exposure associated with commencing and remaining in business arising separately from exposures covered by other risk requirements. It is the risk of loss resulting from inadequate or failed internal processes, people and system which include, among others, risk or fraud, operational or settlement failure and shortage of liquid resources, or from external events.

		2023		2022		2021		Average (Sum/3)
Revenue								
Commission revenue	₱	50,470,552	₱	77,178,291	₱	51,270,301	₱	59,639,715
Interest income		735,990		78,795		73,657		296,147
Net Recovery from market decline of marketable Securities Owned		608,817		–		301,106		303,308
Dividend income		49,978		79,062		287,543		138,861
Gain on sale of marketable securities		535,679		8,649,956		228,415		3,138,017
Other income		11,523		174,635		1,220,542		468,900
Net exposure	₱	52,412,539	₱	86,160,739	₱	53,381,564	₱	63,984,948
Average of the last 3 years gross income							₱	63,984,948
Operational risk factor								20%
Total ORR for 2024							₱	12,796,990

		2022		2021		2020		Average (Sum/3)
Revenue								
Commission revenue	₱	77,178,291	₱	51,270,301	₱	81,373,702	₱	69,940,765
Interest income		78,795		73,657		152,681		101,711
Net Recovery from market decline of marketable Securities Owned		–		301,106		149,657		150,254
Dividend income		79,062		287,543		163,196		176,600
Gain on sale of marketable securities		8,649,956		228,415		1,936,766		3,605,046
Other income		174,635		1,220,542		369,538		588,238
Net exposure	₱	86,160,739	₱	53,381,564	₱	84,145,540	₱	74,562,614
Average of the last 3 years gross income							₱	74,562,614
Operational risk factor								20%
Total ORR for 2023							₱	14,912,523

The Company's Core Equity should, at all times, be greater than its ORR. Core Equity is 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 un-booked valuation reserves and other capital adjustments and be always greater than its ORR.

The Company has no operational risk exposure since its Core Equity of ₱222,748,396 and ₱212,665,392 for the years ended December 31, 2024 and 2023, respectively, were greater than the operational risk requirement as calculated.

b. *Position/Price Risk Requirement (PRR)*

The Company is exposed to equity security price risk because of investments held and classified in the statements of financial position as fair value through profit and loss. The Company is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of portfolio is done in accordance with the limits set by the management.

Below is the computation of PRR as of December 31, 2024 and 2023:

2024		Total Market Value of Instrument	Position Risk Factors		PRR
Equities inside the PSEi	₱	**5,160,737**	**25%**	₱	**1,290,184**
Other equities outside the PSEi		**26,853,687**	**35%**		**9,398,790**
FX Position		**331,408**	**8%**		**26,513**
Total	₱	**32,345,832**		₱	**10,715,487**

2023		Total Market Value of Instrument	Position Risk Factors		PRR
Equities inside the PSEi	₱	9,452,050	25%	₱	2,363,013
Other equities outside the PSEi		20,410,669	35%		7,143,734
FX Position		317,297	8%		25,384
Total	₱	30,180,016		₱	9,532,131

c. *Counterparty Risk Exposure*

There were no unsettled customer trades which arise from customer-to-broker agency relationship. A counterparty exposure of this kind occurs when (a) the customer poses the possible risk of failing to deliver securities on a sell contract or (b) the customer poses the possible risk of failing to pay cash on a buy contract.

There were also no unsettled principal trades which arise from broker-to-broker or broker-to-exchange/clearing agency relationship) counterparty exposure. A counterparty exposure of this kind occurs when (a) the broker dealer poses the possible risk of failing to receive cash from its counterparty on a sell contract or (b) the broker dealer poses the possible risk of failing to receive the securities from its counterparty on a buy contract.

Counterparty risk exposure arising from debt/loans, contra losses and other amounts due resulting from amount unpaid on their agreed due date amounted to ₱188 and ₱188 for the years ended December 31, 2024 and 2023, respectively.

d. *Large Exposure Risk*

Large exposure risk is the risk to which a Broker Dealer is exposed whether by way of: (a) A proportionally large amount of exposure to a particular counterparty; (b) a proportionally large exposure to a single issuer of debt, and; (c) proportionally large exposure to a single equity security or single issuer group.

The Company has exposure to single equity relative to a particular issuer company and its group of companies amounting to nil as at December 31, 2024 and 2023, respectively, in which did not exceed the maximum large exposure risk limit of 250% of its Core Equity.

30. Supplemental Disclosure of Cash Flow Information and Non-cash Transactions

Changes in Liabilities Arising from Financing Activities:

The disclosure requirements enable users of financial statements to evaluate changes in liabilities arising from financing activities of the Company.

The movement of deposit for future subscription are as follows:

2024	January 1, 2024	Availments	Payments	Non-cash Effect	December 31, 2024
Due to related parties	₱ 4,500,000	₱ –	₱ –	₱ –	₱ 4,500,000
Total liabilities from financing activities	**₱ 4,500,000**	**₱ –**	**₱ –**	**₱ –**	**₱ 4,500,000**

2023	January 1, 2023	Availments	Payments	Non-cash Effect	December 31, 2023
Due to related parties	₱ –	₱ –	₱ –	₱ 4,500,000	₱ 4,500,000
Deposit for future subscription	4,500,000	–	–	(4,500,000)	–
Total liabilities from financing activities	₱ 4,500,000	₱ –	₱ –	₱ –	₱ 4,500,000

Non-cash Transactions

The Company had no material non-cash investing or financing activity-related transactions for the year ended December 31, 2024, except for stock dividend declaration amounting to ₱52,000,000.

The Company had no material non-cash investing or financing activity-related transactions for the year ended December 31, 2023, except for reclassification of deposits for future subscription to due to related parties (see Note 17 & 26).

31. Events After the End of the Reporting Period

There were no events that require adjustments or disclosures between the date of statement of financial position and the date of issuance of the audited financial statements.

32. Supplemental Information Required by the BIR

Revenue Regulations No. 15–2010

Pursuant to Revenue Regulations No. 15 - 2010 issued by the BIR on November 25, 2010, the following information is mandated to be included in the notes to financial statements as additional disclosure on taxes, duties and license fees paid or accrued during the taxable year:

Output Taxes

	Tax Base		Output Taxes	
	2024	2023	2024	2023
VAT sales/receipts – private	₱ 31,465,262	₱ 51,017,754	₱ 3,775,831	₱ 6,122,130
Total	₱ 31,465,262	₱ 51,017,754	₱ 3,775,831	₱ 6,122,130

The Company does not have any sales or receipts from the government, or any sales or receipts which are exempt from VAT or subject to zero rated VAT.

Input Taxes

		2024		2023
Services lodged under other accounts	₱	795,579	₱	661,773
Goods other than for resale		218,585		806,784
Capital goods subject to amortization		181,925		181,925
Total	₱	1,196,089	₱	1,650,482

Withholding Taxes

		2024		2023
Creditable withholding tax	₱	306,106	₱	418,345
Tax on compensation and benefits		62,823		55,066
Total	₱	368,929	₱	473,411

Taxes & Licenses

		2024		2023
National taxes:				
BIR annual registration fees	₱	-	₱	500
SEC fee		254,105		107,595
Documentary stamp tax		500,000		-
Local taxes:				
Business permit and other licenses		407,230		650,156
Real property taxes		102,040		102,040
Community tax certificate		10,500		10,500
Barangay clearance		2,200		3,700
Total	₱	1,276,075	₱	874,491

Revenue Regulations No. 34–2020

Revenue Regulations No. 34–2020 issued by the BIR on December 21, 2020 prescribed the guidelines and procedures for the submission of BIR Form 1709, transfer pricing documentation and other supporting documents, amending the purpose of RR Nos. 19-2020 and 21-2002, as amended by RR No. 15-2010. As of the reporting date, the Company is not covered by the requirements of preparation and submission of BIR Form 1709, TPD and other supporting documents.

A.M.YU
ASSOCIATES, CPAS

Supplemental Written Statement of Independent Auditor

The Board of Directors and Shareholders
Aurora Securities, Inc.
U2405-A West Tower PSE Center
Exchange Road, Ortigas Center
Pasig City

We have audited the financial statements of **Aurora Securities, Inc.** (the Company) as at and for the year ended December 31, 2024, on which we have rendered the attached report dated April 4, 2025.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the said Company has a total number of five (5) shareholders owning one hundred (100) or more shares each.

A.M. YU & ASSOCIATES

Anecito M. Yu
Partner
CPA License No. 40278, valid until May 15, 2026
Tax Identification No. 134-702-616
SEC Accreditation No. 40278-SEC, Group A,
issued January 05, 2021, valid for five (5) years covering the audits of
2020 to 2024 financial statements of SEC Covered Institutions
BIR Accreditation No. 07-000169-002-2024,
issued February 20, 2024, valid until February 19, 2027
PTR No. 7178843, issued January 27, 2025, Quezon City

April 4, 2025
Quezon City

A.M.YU & ASSOCIATES, CPAS

Independent Auditors' Report

The Board of Directors and Shareholders
Aurora Securities, Inc.
U2405-A West Tower PSE Center
Exchange Road, Ortigas Center
Pasig City

Report on the Supplementary Schedules in Compliance with the Revised Securities Regulation Code Rule 68

We have audited, in accordance with Philippine Standards on Auditing, the financial statements of **Aurora Securities, Inc.** (the Company) as at and for the years ended December 31, 2024 and 2023, and have issued our report thereon dated April 4, 2025.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary schedules included in the following accompanying additional components are the responsibility of the Company's management. Such additional components include:

Supplementary Schedules under Securities Regulation Code 52.1.5.3

- Statement of Changes in Liabilities Subordinated to Claims of General Creditors
- Computation of Risk Based Capital Adequacy Requirement
- Information Relating to Possession or Control Requirements of SRC Rule 49.2-Annex 49.2-A
- Computation for Determination of Reserve Requirements under SRC Rule 49.2-Annex 49.2-B
- Report Describing Material Inadequacies Found to Exist or Found to Have Existed Since the Previous Audit
- Results of Monthly Securities Count Conducted Pursuant to SRC Rule 52.1.10, As Amended

Supplementary Schedule under Revised Securities Regulation Code 68

- Schedule of Financial Soundness Indicators

A.M. Yu & Associates
6F West Star Business Center Building,
No. 31 Shorthorn St., Brgy. Bahay Toro,
Proj. 8, Quezon City, Philippines 1106

Trunkline: +63 2 8236-4935 ; +63 2 8351-6288
Facsimile: +63 2 8351-5723 loc. 412
Website: www.amyucpas.com

Firm Regulatory Registration & Accreditations:
PRC-BOA Reg. No. 4589, valid until Nov. 18, 2025
SEC Accred. No. 4589-SEC, Group A, valid for five (5) years covering the audits of 2020 to 2024 financial statements of SEC Covered Institutions
IC Accred. No. 4589-IC, Group B, valid for five (5) years covering the audits of 2020 to 2024 financial statements of IC Covered Institutions
BSP Accred. No. 4589-BSP, Group C, valid for five (5) years covering the audits of 2020 to 2024 financial statements of BSP Covered Institutions
BIR Accred. No. 07-000157-002-2024, valid until Jan. 29, 2027

The supplementary schedules are presented in compliance with the Securities Regulation Code 52.1.5.3 and Revised Securities Regulation Code Rule 68 of the Securities and Exchange Commission and are not required parts of the basic financial statements. The supplementary schedules have been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the schedules are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

A.M. YU & ASSOCIATES

Anecito M. Yu
Partner
CPA License No. 40278, valid until May 15, 2026
Tax Identification No. 134-702-616
SEC Accreditation No. 40278-SEC, Group A,
issued January 05, 2021, valid for five (5) years covering the audits of 2020 to 2024 financial statements of SEC Covered Institutions
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PTR No. 7178843, issued January 27, 2025, Quezon City

April 4, 2025
Quezon City

AURORA SECURITIES, INC.

Statement of Changes in Liabilities Subordinated to Claims of General Creditors

For the year ended December 31, 2024

The Company has no subordinated liabilities as of December 31, 2024 and 2023.

AURORA SECURITIES, INC.

Computation of Risk Based Capital Adequacy Requirement

For the year ended December 31, 2024

Assets	₱	293,335,047
Liabilities		70,766,362
Equity per books	₱	222,568,685
Adjustments to Equity per books		
Add (Less):		
Allowance for market decline	₱	–
Subordinated liabilities		–
Unrealized gain (loss) in proprietary accounts		–
Deferred income tax		255,757
Revaluation reserves		–
Deposit for future stock subscription (No application with SEC)		–
Minority interest		–
Total Adjustments to Equity per books	₱	255,757
Equity Eligible for Net Liquid Capital	₱	222,824,442
Contingencies and Guarantees		
Deduct: Contingent liability	₱	–
Guarantees or indemnities		–
Ineligible Assets		
a. Trading right and all other intangible assets – net	₱	–
b. Intercompany receivables		–
c. Fixed assets – net (excluding those used as collateral)		38,930,525
d. All other current assets		2,073,474
e. Securities not readily marketable		–
f. Negative exposure (SCCP)		–
g. Notes receivable (non-trade related)		–
h. Interest and dividend 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		7,045,658
Total Ineligible Assets	₱	48,049,657
Net Liquid Capital (NLC)	₱	174,774,785
Less: Total Risk Capital Requirement		
Operational Risk Requirement (Schedule ORR-1)	₱	12,796,990
Position Risk Requirement (Schedule PRR-1)		11,855,114
Counterparty Risk (Schedule CRR-1 and detailed schedules)		–
Large Exposure Risk (Schedule LERR-1, LERR-2, LERR-3)		
LERR to a single client (LERR-1)		–
LERR to a single debt (LERR-2)		–
LERR to a single issuer and group of companies (LERR-3)		–
Total Risk Capital Requirement (TRCR)	₱	24,652,104
Net RBCA Margin (NLC-TRCR)	₱	150,122,681
Liabilities	₱	70,766,362
Add: Deposit for future stock subscription (No application with SEC)	₱	–
Less: Exclusions from aggregate indebtedness		
Subordinated liabilities		–
Loans secured by securities		–
Loans secured by fixed assets		–
Others		255,757
Total adjustments to aggregate indebtedness	₱	(255,757)
Aggregate Indebtedness (AI)	₱	70,510,605
5% of AI	₱	3,525,530
Required NLC (> of 5% of AI or ₱5M)	₱	5,000,000
Net Risk Based Capital Excess (NLC-Required NLC)	₱	169,774,785
Ratio of AI to NLC		40%
RBCA Ratio (NLC/TRCR)		709%

AURORA SECURITIES, INC.

Information Relating to Possession or Control Requirements of SRC Rule 49.2-Annex 49.2-A

For the year ended December 31, 2024

1. Customers' fully paid securities and excess margin securities not in the broker's or dealer's possession or control as of the report date (for which instructions to reduce to possession or control had been issued as of the report date) but for which the required action was not taken by respondent within the time frame specified under SRC Rule 49.2-1:

Market Valuation	₱	N/A
Number of items		N/A

2. Customers' fully paid securities and excess margin securities for which instructions to reduce the possession or control had not been issued as of the report date, excluding items arising from "temporary lags which result from normal business operations" as permitted under SRC Rule 49.2-1:

Market Valuation	₱	N/A
Number of items		N/A

AURORA SECURITIES, INC.

Computation for Determination of Reserve Requirements under SRC Rule 49.2-Annex 49.2-B

December 31, 2024

Particulars		Credit		Debit
1. Free credit balance and other credit balance in customers' security accounts	₱	17,398,797		
2. Monies borrowed collateralized by the securities carried for the account of customers		–		
3. Monies payable against customers' securities loaned.		–		
4. Customers' securities failed to receive		48,091,352		
5. Customer 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 over 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.			₱	66,906,899
11. Securities borrowed to effectuate short sales by customer and securities borrowed to make delivery on customers' securities failed to deliver				–
12. Failed to deliver customers' securities not older than 30 calendar days.				
13. Others				–
Total	₱	65,490,149	₱	66,906,899

AURORA SECURITIES, INC.

Computation for Determination of Reserve Requirements under SRC Rule 49.2-Annex 49.2-B

December 31, 2024

1. Free Credit Balances and Other Credit Balances in Customer Securities Accounts

Unadjusted trial balance amount	₱	16,772,539
A. Additions:		
1. Bank account overdraft[1]	₱	–
2. Credit balances in customer omnibus accounts		46,789
3. Any other customer credit balance not accounted for elsewhere (explain nature)		
Dividends payable – customers		661,696
Accounts payable – others		379,602
Subtotal	₱	1,088,087
B. Deductions:		
1. Credit balances in the accounts of non-customers such as general partners and principal officers	₱	461,829
2. Credit balances in customers' cash accounts arising from the sale of a security not delivered if the securities are purchased by the broker-dealer for its own account and have not been resold		–
Subtotal	₱	461,829
Adjusted total line item #1	₱	17,398,797

2. Monies Borrowed Collateralized by Securities Carried for the Accounts of Customers

Unadjusted trial balance amount customer loan	₱	–
Unadjusted trial balance amount commingled loan[2]		–
Adjusted total line item #2	₱	–

3. Moneys Payable Against Securities Loaned

Unadjusted trial balance amount	₱	–
A. Additions"		
1. The amount by which the market value of customers' securities loaned exceed the collateral value received from lending of such securities		–
Adjusted total line item #3	₱	–

4. Customer Securities Failed to Receive (as Determined by Allocation or Specific Identification)

Unadjusted trial balance amount	₱	–
A. Additions:		
1. The amount by which the market value by which fails to receive outstanding for more than 34 calendar days exceed their contract value[3]	₱	–
2. Clearing accounts with net credit balances attributable to customers' transactions. (Clearing Corporations)		48,091,352
3. Unsecured customer short positions which allocate to customer long positions[4]		–

4. Any other credit not accounted for elsewhere in the formula		–
Subtotal	₱	48,091,352
Adjusted total line item #4	₱	48,091,352
5. Credit Balances in Firm Accounts which are Attributable to Principal Sales to Customers[5]	₱	–
6. Market Value of Stock Dividends and Splits Outstanding over 30 Calendar Days[5/6]	₱	–
7. Market Value of Short Security Count Differences over 30 Calendar Days Old (not to be Offset by Long Count Differences)	₱	–
8. Market Value of Short Securities and Credits (not to be Offset by Loans or Debits) in all Suspense Accounts over 30 Calendar Days Old		
1. Credit Balances Only	₱	–
2. Security Positions Only[5]		
3. Security Positions with Related Balances[5/7]		–
Adjusted total line item #8	₱	–
9. Market Value of Securities in Transfer in Excess of 40 Calendar Days which have not been Confirmed to be in Transfer by the Transfer Agent of the Issuer during 40 Days	₱	–
Aggregate Credit Items	**₱**	**65,490,149**
10. Debit Balances in Customers' Cash and Margin Accounts Excluding Unsecured Accounts and Accounts Doubtful of Collection		
Unadjusted trial balance amount	₱	143,687,307
A. Additions:		
1. Debit balance in customer omnibus accounts	₱	4,704
2. Any other customer debit balance not accounted for elsewhere (explain nature)		–
Subtotal	₱	4,704
B. Deductions:		
1. Unsecured balances and accounts doubtful of collection	₱	1,792,268
2. Debit balances in the accounts of non-customers such as general partners and principal officers		72,973,643
3. Reduction of margin debts for undue concentration of collateral[8]		–
4. Deficits in customer-related omnibus accounts[9]		–
5. Debit balances in accounts of household members and affiliated members[10]		–
6. Reduction of unduly concentrated margin account balances[11]		–
7. Reduction of debit balances of accounts jointly-owned by customers and non-customers[12]		–
8. Reduction for partly-secured cash accounts		1,343,374
Subtotal	₱	76,109,285
Subtotal of Adjusted Total Debits	₱	67,582,726
Reduce Subtotal by 1%		1%
Adjusted total line item #10	₱	66,906,899

11. Securities Borrowed to Effectuate Short Sales by Customers and Securities Borrowed to Make Delivery on Customers' Securities Failed to Deliver	₱	–
12. Fails to Deliver of Customer Securities not Older than 30 Calendar Days (as Determined by Allocation or Specific Identification)		
Unadjusted balance	₱	–
A. Additions:		
1. Clearing accounts with net debit balances attributable to customer transactions (Clearing Corporations)	₱	–
2. Drafts receivable outstanding less than 30 calendar days related to customer transactions[13]		–
Subtotal	₱	–
B. Deductions:		
1. Securities which are in the firm's physical possession and control and in excess of the broker-dealer's possession and control requirements for three business days past settlement	₱	–
2. Others (explain nature)		–
Subtotal	₱	–
Adjusted total line item #12	₱	–
Aggregate Debit Items	**₱**	**66,906,899**

B. Determination of Requirements

Aggregate Credit Items	₱	65,490,149
Aggregate Debit Items		66,906,899
Net Credit (Debit)	₱	(1,416,750)
Required Reserve (100% of Net Credit if making a weekly computation or 105% if monthly)	₱	–

C. Frequency of Computation ☐ Weekly ☑ Monthly

Monthly, if:

☑	Aggregate Indebtedness : Net Capital Ratio < 800%	40%
	AND	
☑	Aggregate Customer Funds < ₱25 million	₱ 17,398,797

D. Special Reserve Bank Account Balance

Special Reserve Account Balance Prior to Computation	₱	10,338,942
Less: Deposit Required		–
Additional Deposit Required	₱	–

Note: Deposit should be made no later than 10 a.m. on the second banking day Following computation date.

AURORA SECURITIES, INC.

Report Describing Material Inadequacies Found to Exist or Found to Have Existed Since the Previous Audit

For the year ended December 31, 2024

No material weakness in the internal control or material inadequacies in the practices and procedures for safeguarding securities were found since the date of the previous report.

AURORA SECURITIES, INC.

Results of Monthly Securities Count Conducted Pursuant to SRC Rule 52.1.10, As Amended

For the year ended December 31, 2024

There is no discrepancy in the result of the securities count conducted.
Refer to the attached summary.

AURORA SECURITIES, INC.
TRADING PARTICIPANT
U-2405A West Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City
Tel nos.: 8634-8322 to 23 Fax no.: 8634-8321

OATH

REPUBLIC OF THE PHILIPPINES)
QUEZON CITY) S.S.

I, Emmanuel Edward C. Co, President of **Aurora Securities, Inc.**, do solemnly swear that all matters set forth in this summary of securities count for the month ended December 31, 2024 are true and correct to the best of my knowledge and belief.

Emmanuel Edward C. Co
President

SUBSCRIBED AND SWORN to before me this APR 04 2025 day of ________ affiant exhibiting to me his Passport No.P4570593B valid unit January 26, 2030 issued at DFA-NCR East.

Doc. No. 537
Page No. 108
Book No. XII
Series of 2025

ATTY. DIANE M. ABOLUCION
NOTARY PUBLIC FOR QUEZON CITY
UNTIL DECEMBER 2026
ADM MATTER NO. - 055 (2025-2026)
PTR NO. 6989587 / 02 January 2025 / Quezon City
IBP NO. 491213 / 04 January 2025 / Pasig City
Roll of Attorney's No. 75460 / 27 July 2020
MCLE Certificate of Exemption No. VII-BEP005427
32 A Road 20, Project 8, Brgy. Bahay Toro, Quezon City

AURORA SECURITIES, INC.

Schedule of Inventory Report by Location – Summarized

As of December 31, 2024

Customer : MENDOZA, THELMA (000003) – ASEC (008900)

CODE	STOCK NAME	VAULT	CLEARING HOUSE	TRANSFER OFFICE	P C D	TOTAL SHARES	MARKET VALUE	TOTAL MARKET VALUE	PER AUDIT
ABA	ABACORE CAPITAL HOLDINGS, INC.	–	–	–	510,000	510,000	0.53	270,300	270,300
ABS	ABS-CBN CORPORATION	–	–	–	684,715	684,715	4.20	2,875,803	2,875,803
ABSP	ABS-CBN HOLDINGS CORP. (PDR)	–	–	–	11,100	11,100	3.80	42,180	42,180
AC	AYALA CORP.	–	–	–	39,321	39,321	599.00	23,553,279	23,553,279
ACEN	ACEN CORPORATION	–	–	–	2,409,536	2,409,536	4.00	9,638,144	9,638,144
ACENA	ACEN CORP.PREF.SERIES-A	–	–	–	3,000	3,000	1,050.00	3,150,000	3,150,000
ACR	ALSON CONSOLIDATED RESOURCES, INC.	–	–	–	2,228,000	2,228,000	0.46	1,024,880	1,024,880
AEV	ABOITIZ EQUITY VENTURES, INC.	–	–	–	151,640	151,640	34.35	5,208,834	5,208,834
AGI	ALLIANCE GLOBAL GROUP, INC.	–	–	4,891,000	25,990,145	30,881,145	9.00	277,930,305	277,930,305
ALCO	ARTHALAND CORPORATION	–	–	–	476,550	476,550	0.37	173,941	173,941
ALI	AYALA LAND INC.	–	–	–	926,794	926,794	26.20	24,282,003	24,282,003
ALLDY	ALLDAY MARTS, INC.	–	–	–	15,262,000	15,262,000	0.13	2,029,846	2,029,846
ALLHC	AYALALAND LOGISTICS HLDGS CORP.	–	–	–	75,000	75,000	1.70	127,500	127,500
ALTER	ALTERENERGY HOLDINGS CORP.	–	–	–	990,000	990,000	1.20	1,188,000	1,188,000
AP	ABOITIZ POWER CORPORATION	–	–	–	538,300	538,300	37.70	20,293,910	20,293,910
APC	APC GROUP, INCORPORATION	–	–	–	2,780,000	2,780,000	0.19	514,300	514,300
APL	APOLLO GLOBAL CAPITAL, INC.	–	–	–	40,991,000	40,991,000	0.00	163,964	163,964
APO	ANGLO-PHIL. HOLDINGS CORP	–	–	–	88,600	88,600	0.45	39,870	39,870
APVI	ALTUS PROPERTY VENTURES, INC.	–	–	–	296	296	8.32	2,463	2,463
APX	APEX MINING – A	–	–	–	841,000	841,000	3.45	2,901,450	2,901,450
AR	ABRA MINING & INDUSTRIAL CORP.	–	–	–	1,256,300,000	1,256,300,000	0.00	5,778,980	5,778,980
ARA	ARANETA PROPETIES, INC. A	–	–	–	5,080	5,080	0.51	2,591	2,591
AREIT	AREIT, INC.	–	–	–	218,590	218,590	37.95	8,295,491	8,295,491
ASLAG	RASLAG CORP.	–	–	–	440,000	440,000	1.03	453,200	453,200
AT	ATLAS CONS. MNG. & DEVT CORP. – A	–	–	–	45,000	45,000	4.38	197,100	197,100
ATI	ASIAN TERMINALS, INC.	–	–	–	332	332	17.00	5,644	5,644
ATN	ATN HOLDINS INC.	–	–	–	1,730,000	1,730,000	0.52	899,600	899,600
ATNB	ATN HOLDINGS, INC.-B	–	–	–	–	–	0.00	–	–
AUB	ASIA UNITED BANK CORP.	–	–	–	215,010	215,010	61.50	13,223,115	13,223,115
AXLM	AXELUM RESOURCES CORP.	–	–	–	405,000	405,000	2.59	1,048,950	1,048,950
BALAI	BALAI NI FRUITAS, INC.	–	–	–	9,570,000	9,570,000	0.36	3,445,200	3,445,200
BCB	BENGUET CORPORATION-B	–	–	–	284,800	284,800	3.94	1,122,112	1,122,112
BDO	BANCO DE ORO UNIVERSAL BANK	–	–	–	59,638	59,638	144.00	8,587,872	8,587,872
BEL	BELLE CORPORATION	–	–	–	29,512,101	29,512,101	1.66	48,990,088	48,990,088
BHI	BOULEVARD PROP. HOLDINGS, INC.	–	–	–	59,410,000	59,410,000	0.07	4,396,340	4,396,340
BKR	BRIGHT KINDLE RESOURCES & INV.,INC.	–	–	–	52,000	52,000	0.99	51,480	51,480
BLOOM	BLOOMBERRY RESORTS CORPORATION	–	–	–	2,904,100	2,904,100	4.58	13,300,778	13,300,778
BNCOM	BANK OF COMMERCE	–	–	–	30,700	30,700	6.75	207,225	207,225
BPI	BANK OF THE PHILIPPINE ISLANDS	–	–	–	12,484	12,484	122.00	1,523,048	1,523,048
BRN	A. BROWN CO., INC.	–	–	–	828,813	828,813	0.56	464,135	464,135
BRNP	A. BROWN CO.,INC SERIES A-PREF	–	–	–	3,000	3,000	96.50	289,500	289,500
BRNPB	A.BROWN CO.,INC. SERIES-B-PREFERRED	–	–	–	10,000	10,000	92.00	920,000	920,000
BSC	BASIC ENERGY CORPORATION	–	–	–	5,022,664	5,022,664	0.14	703,173	703,173
C	CHELSEA LOGISTICS & INFR HLDGS CORP	–	–		1,601,100	1,601,100	1.31	2,097,441	2,097,441
CAL	CALATA CORPORATION	–	–	2,234,760	–	2,234,760	0.00	–	–
CBC	CHINA BANKING CORP.	–	–	–	162,624	162,624	63.50	10,326,624	10,326,624
CEB	CEBU AIR, INC.	–	–	–	554,700	554,700	28.25	15,670,275	15,670,275
CEI	CROWN EQUITY, INCORPORATED	–	–	–	12,330,000	12,330,000	0.06	690,480	690,480
CHP	CEMEX HOLDINGS PHILIPPINES, INC.	–	–	–	2,162,280	2,162,280	1.78	3,848,858	3,848,858
CLI	CEBU LANDMASTERS, INC	–	–	–	299,590	299,590	2.65	793,914	793,914
CNPF	CENTURY PACIFIC FOOD, INC.	–	–	–	45,100	45,100	41.95	1,891,945	1,891,945
CNVRG	CONVERGE INFO & COM TECH SOLS, INC.	–	–	–	465,600	465,600	16.14	7,514,784	7,514,784
COAL	COAL ASIA HOLDINGS, INC.	–	–	–	11,553,000	11,553,000	0.15	1,779,162	1,779,162
COSCO	COSCO CAPITAL, INC.	–	–	–	388,000	388,000	5.38	2,087,440	2,087,440
CPG	CENTURY PROPERTIES GROUP, INC.	–	–	–	3,188,573	3,188,573	0.42	1,339,201	1,339,201
CPM	CENTURY PEAK HOLDINGS CORP.	–	–	–	5,350,000	5,350,000	2.50	13,375,000	13,375,000
CREC	CITICORE RENEWABLE ENERGY CORP.	–	–	–	230,000	230,000	3.21	738,300	738,300
CREIT	CITICORE ENERGY REIT CORP.	–	–	–	2,975,000	2,975,000	3.05	9,073,750	9,073,750
CROWN	CROWN ASIA CHEMICALS CORP.	–	–	–	116,000	116,000	1.71	198,360	198,360
CTS	CTS GLOBAL EQUITY GROUP, INC.	–	–	–	160,000	160,000	0.65	104,000	104,000
CYBR	CYBER BAY CORPORATION	–	–	–	6,536,300	6,536,300	0.33	2,156,979	2,156,979
DD	DOUBLE DRAGON PROP. CORP	–	–	–	69,000	69,000	10.20	703,800	703,800
DDMPR	DDMP REIT, INC.	–	–	–	5,950,000	5,950,000	1.03	6,128,500	6,128,500
DDPR	DOUBLE DRAGON PROPERTIES CORP-PREF	–	–	–	10,000	10,000	97.20	972,000	972,000
DELM	DEL MONTE PACIFIC LIMITED	–	–	–	13,437	13,437	3.90	52,404	52,404
DFNN	DIVERSIFIED FINANCIAL NETWORK, INC.	–	–	–	545,000	545,000	2.85	1,553,250	1,553,250
DITO	DITO CME HOLDINGS, INC.	–	–	–	4,700,000	4,700,000	1.64	7,708,000	7,708,000
DIZ	DIZON COPPER SILVER MINES	–	–	–	4,000	4,000	2.03	8,120	8,120

CODE	STOCK NAME	VAULT	CLEARING HOUSE	TRANSFER OFFICE	P C D	TOTAL SHARES	MARKET VALUE	TOTAL MARKET VALUE	PER AUDIT
DMC	DMCI HOLDINGS INC.	–	–	–	481,000	481,000	10.82	5,204,420	5,204,420
DMW	D.M.WENCESLAO & ASSOCIATES, INC	–	–	–	80,300	80,300	5.52	443,256	443,256
DNA	PHILAB HOLDINGS CORP.	–	–	4,000	9,920	13,920	2.86	39,811	39,811
DNL	D & L INDUSTRIES, INC.	–	–	–	403,800	403,800	6.09	2,459,142	2,459,142
DWC	DISCOVERY WORLD CORPORATION	–	–	–	5,000	5,000	1.12	5,600	5,600
ECVC	EAST COAST VULCAN MINING CORP.	–	–	–	15,620,000	15,620,000	0.31	4,842,200	4,842,200
EEI	EEI CORPORATION	–	–	–	21,100	21,100	3.60	75,960	75,960
EG	IPE-GAME VENTTURES, INC.	–	–	–	108,000,000	108,000,000	0.00	1,015,200	1,015,200
EIBA	EXPORT & INDUSTRY BANK, INC.-A	–	–	–	2,365,939	2,365,939	0.00	–	–
ELI	EMPIRE EAST LAND HOLDINGS INC.	4,136	–	–	63,556,763	63,560,899	0.12	7,627,308	7,627,308
EMI	EMPERADOR INC.	–	–	–	59,428,495	59,428,495	18.06	1,073,278,620	1,073,278,620
ENEX	ENEX ENERGY CORP.	–	–	–	33,000	33,000	5.00	165,000	165,000
EVER	EVER GOTESCO RESOURCES & HOLDINGS	–	–	–	2,575,000	2,575,000	0.26	656,625	656,625
EW	EAST WEST BANKING CORPORATION	–	–	–	276,918	276,918	9.85	2,727,642	2,727,642
FAF	FIRST ABACUS FINANCIAL HOLDINGS	–	–	–	100,000	100,000	0.65	65,000	65,000
FDC	FILINVEST DEV. CORP.	–	–	–	28,855	28,855	4.94	142,544	142,544
FFI	FILIPINO FUND, INC.	–	–	–	3,155	3,155	5.87	18,520	18,520
FGEN	FIRST GEN CORPORATION	–	–	–	316,740	316,740	16.12	5,105,849	5,105,849
FILRT	FILINVEST REIT CORP.	–	–	–	150,000	150,000	2.95	442,500	442,500
FJP	F&J PRINCE HOLDINGS CORPORATION	–	–	–	5,500	5,500	2.50	13,750	13,750
FLI	FILINVEST LAND, INC.	–	–	–	791,663	791,663	0.73	577,914	577,914
FNI	GLOBAL FERRONICKEL HOLDINGS, INC.	–	–	–	1,599,739	1,599,739	1.04	1,663,729	1,663,729
FOOD	ALLIANCE SELECT FOODS INTL., INC.	–	–	–	71,609,544	71,609,544	0.38	27,211,627	27,211,627
FPH	FIRST PHILIPPINE HOLDINGS	–	–	–	1,473	1,473	59.00	86,907	86,907
FPI	FORUM PACIFIC, INC.	–	–	–	940,000	940,000	0.25	231,240	231,240
FRUIT	FRUITAS HOLDINGS, INC.	–	–	–	30,000	30,000	0.64	19,200	19,200
GEO	GEOGRACE RESOURCES PHILIPPINES, INC	–	–	–	15,335,295	15,335,295	0.09	1,349,506	1,349,506
GERI	GLOBAL- ESTATE RESORTS, INC.	–	–	–	32,220,420	32,220,420	0.64	20,621,069	20,621,069
GLO	GLOBE TELECOM, INC.	–	–	–	449	449	2,184.00	980,616	980,616
GMA7	GMA NETWORK, INC.	–	–	–	511,600	511,600	6.11	3,125,876	3,125,876
GMAP	GMA HOLDINGS, INC.	–	–	–	90,800	90,800	6.26	568,408	568,408
GREEN	GREENERGY HOLDINGS, INC.	–	–	–	1,628,176	1,628,176	0.19	309,353	309,353
GTCAP	GT CAPITAL HOLDINGS, INC.	–	–	–	23,966	23,966	658.00	15,769,628	15,769,628
GTPPB	GT CAPITAL HLDGS,INC SERIES B-PP	–	–	–	3,000	3,000	990.00	2,970,000	2,970,000
HI	HOUSE OF INVESTMENTS	–	–	–	10,000	10,000	3.38	33,800	33,800
HOME	ALL HOME CORP.	–	–	–	7,857,000	7,857,000	0.64	5,028,480	5,028,480
HOUSE	8990 HOLDINGS, INC.	–	–	–	437,716	437,716	9.09	3,978,838	3,978,838
HTI	HAUS TALK, INC.	–	–	–	644,000	644,000	1.05	676,200	676,200
I	I-REMIT, INC.	–	–	–	737,334	737,334	0.23	171,799	171,799
ICT	INTL. CONTAINER TERMINAL SERVICES	–	–	–	1,564	1,564	386.00	603,704	603,704
IDC	ITALPINAS DEVELOPMENT CORP.	–	–	–	24,287	24,287	1.30	31,573	31,573
IMI	INTERGRATED MICRO-ELECTRONICS,INC.	–	–	–	410,324	410,324	1.49	611,383	611,383
INFRA	PHILIPPINE INFRADEV HLDGS, INC	–	–	–	250,000	250,000	0.30	75,000	75,000
ION	IONICS, INC.	–	–	–	24,000	24,000	0.84	20,160	20,160
IPM	IPM HOLDINGS, INC.	–	–	–	60,000	60,000	3.00	180,000	180,000
IPO	IPEOPLE, INC.	–	–	–	32,575	32,575	6.79	221,184	221,184
IS	ISLAND MINING AND INDUSTRIAL CORP.	–	–	–	5,160,000	5,160,000	0.14	743,040	743,040
JFC	JOLLIBEE FOODS	–	–	–	12,549	12,549	269.00	3,375,681	3,375,681
JFCPB	JOLLIBBE FOODS CORP.SERIES "B" PREF	–	–	–	2,500	2,500	984.00	2,460,000	2,460,000
JGS	JG SUMMIT	–	–	–	120,900	120,900	20.55	2,484,495	2,484,495
KEEPR	THE KEEPERS HOLDINGS, INC.	–	–	–	655,000	655,000	2.23	1,460,650	1,460,650
LAND	CITY & LAND DEVELOPERS, INC.	–	–	–	50,000	50,000	0.68	34,000	34,000
LBC	LBC EXPRESS HOLDINGS INC.	–	–	–	5,000	5,000	11.82	59,100	59,100
LC	LEPANTO CONS. – A	–	–	–	43,418,076	43,418,076	0.07	2,909,011	2,909,011
LCB	LEPANTO CONS. – B	–	–	–	1,247,827	1,247,827	0.07	83,604	83,604
LODE	LODESTAR INVESTMENT HOLDINGS CORP.	–	–	–	100,000	100,000	0.28	28,000	28,000
LPZ	LOPEZ HOLDINGS CORPORATION	–	–	–	1,648,090	1,648,090	2.70	4,449,843	4,449,843
LSC	LORENZO SHIPPING CORP.	–	–	–	12,500	12,500	0.86	10,750	10,750
LTG	LT GROUP, INC.	–	–	–	270,000	270,000	10.50	2,835,000	2,835,000
MA	MANILA MINING – A	–	–	–	124,157,028	124,157,028	0.003	372,471	372,471
MAB	MANILA MINING – B	–	–	–	50,035,954	50,035,954	0.003	150,108	150,108
MAC	MACROASIA CORP.	–	–	–	322,500	322,500	5.44	1,754,400	1,754,400
MAH	METRO ALLIANCE HOLDGS.&EQUITIES COR	–	–	–	5,000	5,000	0.83	4,150	4,150
MAHB	METRO ALLIANCE HOLD.EQUITIES COR-B	–	–	–	13,000	13,000	0.00	–	–
MARC	MARCVENTURES HOLDINGS, INC.	–	–	–	1,277,960	1,277,960	0.75	958,470	958,470
MAXS	MAXS GROUP, INC.	–	–	–	144,800	144,800	2.67	386,616	386,616
MBT	METROPOLITAN BANK & TRUST COMPANY	–	–	–	740,888	740,888	72.00	53,343,936	53,343,936
MED	MEDCO HOLDINGS, INC.	–	–	–	636,000	636,000	0.12	76,320	76,320
MEDIC	MEDILINES DISTRIBUTORS, INC.	–	–	–	606,000	606,000	0.31	187,860	187,860
MEG	MEGAWORLD CORPORATION	–	–	135,723,000	1,268,373,912	1,404,096,912	2.05	2,878,398,670	2,878,398,670
MER	MERALCO - A	2	–	–	55,733	55,735	488.00	27,198,680	27,198,680
MG	MILLENIUM GLOBAL HOLDINGS. INC.	–	–	–	3,002,000	3,002,000	0.09	282,188	282,188
MGH	METRO GLOBAL HOLDINGS CORP.	–	–	–	49,000	49,000	0.00	–	–
MHC	MABUHAY HOLDINGS-A	–	–	–	613,000	613,000	0.16	98,693	98,693

CODE	STOCK NAME	VAULT	CLEARING HOUSE	TRANSFER OFFICE	P C D	TOTAL SHARES	MARKET VALUE	TOTAL MARKET VALUE	PER AUDIT
MJC	MLA JOCKEY CLUB	–	–	–	81,250	81,250	1.27	103,188	103,188
MJIC	MJCI INVESTMENTS, INC.	–	–	–	55,667	55,667	1.00	55,667	55,667
MM	MERRYMART CONSUMER CORP.	–	–	–	162,000	162,000	0.60	97,200	97,200
MONDE	MONDE NISSIN CORPORATION	–	–	–	601,500	601,500	8.60	5,172,900	5,172,900
MRC	MRC ALLIED, INC.	–	–	–	15,710,500	15,710,500	0.84	13,196,820	13,196,820
MREIT	MREIT, INC.	–	–	–	314,576,800	314,576,800	13.34	4,196,454,512	4,196,454,512
MRSGI	METRO RETAIL STORES GROUP, INC.	–	–	–	2,188,000	2,188,000	1.20	2,625,600	2,625,600
MVC	MABUHAY VINYL CORPORATION	–	–	–	49,200	49,200	5.39	265,188	265,188
MWC	MANILA WATER COMPANY, INC.	–	–	–	108,200	108,200	27.00	2,921,400	2,921,400
MWIDE	MEGAWIDE CONSTRUCTION CORP.	–	–	–	513,337	513,337	2.43	1,247,409	1,247,409
MWP2B	MEGAWIDE CONST. CORP PREF-2B	–	–	–	10,000	10,000	95.00	950,000	950,000
MWP4	MEGAWIDE CONST CORP-PREF-SERIES-4	–	–	–	46,930	46,930	97.95	4,596,794	4,596,794
NI	NIHAO MINERAL RESOURCES INTL, INC.	–	–	–	279,500	279,500	0.39	107,608	107,608
NIKL	NICKEL ASIA CORPORATION	–	–	–	544,210	544,210	3.49	1,899,293	1,899,293
NOW	NOW CORPORATION	–	–	–	551,500	551,500	0.59	325,385	325,385
NRCP	NATIONAL REINSURANCE CORP.OF THE PH	–	–	–	516,000	516,000	0.69	356,040	356,040
NXGEN	NEXTGENESIS CORPORATION	–	–	–	239,448	239,448	–	–	–
OGP	OCEANAGOLD (PHILIPPINES), INC.	–	–	–	755,500	755,500	14.02	10,592,110	10,592,110
OM	OMICO CORPORATION	–	–	–	1,768,667	1,768,667	0.13	235,233	235,233
OPM	ORIENTAL PET. – A	–	–	–	75,015,962	75,015,962	0.00	555,118	555,118
OPMB	ORIENTAL PET. – B	–	–	–	340,252,156	340,252,156	0.00	2,551,891	2,551,891
ORE	ORIENTAL PENINSULA RESOURCES GROUP	–	–	–	2,380,500	2,380,500	0.44	1,047,420	1,047,420
OV	THE PHILODRILL CORP. – A	–	–	–	105,027,963	105,027,963	0.00	787,710	787,710
PA	PACIFICA HOLDINGS, INC.	–	–	–	51,250	51,250	1.60	82,000	82,000
PAL	PAL HOLDINGS INC.	–	–	–	23,805	23,805	4.95	117,835	117,835
PBB	PHILIPPINE BUSINESS BANK	–	–	–	654,786	654,786	9.70	6,351,424	6,351,424
PBC	PHILIPPINE BANK OF COMMUNICATIONS	–	–	–	2,000	2,000	15.58	31,160	31,160
PCOR	PETRON CORP.	1,527	–	–	3,529,956	3,531,483	2.43	8,581,504	8,581,504
PCP	PICOP RESOURCES, INC.	–	–	–	4,846,765	4,846,765	0.00	–	–
PERC	PETROENERGY RESOURCES	–	–	–	53,320	53,320	3.45	183,954	183,954
PGOLD	PUREGOLD PRICE CLUB	–	–	–	343,600	343,600	30.85	10,600,060	10,600,060
PHA	PREMIERE HORIZON ALLIANCE CORP.	–	–	–	12,194,000	12,194,000	0.17	2,121,756	2,121,756
PHC	PHILCOMSAT HOLDINGS, INC.	–	–	–	500	500	0.00	–	–
PHN	PHINMA CORPORATION	–	–	–	82	82	19.00	1,558	1,558
PHR	PH RESORTS GROUP HOLDINGS, INC.	–	–	–	4,203,000	4,203,000	0.54	2,269,620	2,269,620
PIZZA	SHAKEYS PIZZA ASIA VENTURES, INC.	–	–	–	47,600	47,600	7.99	380,324	380,324
PLUS	DIGIPLUS INTERACTIVE CORP.	–	–	–	139,923	139,923	27.15	3,798,909	3,798,909
PMT	PRIMETOWN PROP.	–	–	–	655,200	655,200	0.00	–	–
PNB	PHIL. NATIONAL BANK	15	–	–	523,518	523,533	27.70	14,501,864	14,501,864
PNX	PHOENIX PETROLEUM PHILIPPINES,INC.	–	–	–	6,758	6,758	4.17	28,181	28,181
PNX3B	PHOENIX PETROLEUM PHILS.,INC.-3B	–	–	–	2,200	2,200	24.95	54,890	54,890
PNX4	PHOENIX PETROLEUM -SERIES 4 PREF.	–	–	–	1,000	1,000	177.9	177,900	177,900
PPC	PRYCE CORPORATION	–	–	–	240	240	10.68	2,563	2,563
PRC	PHIL. RACING CLUB	–	–	–	2,340	2,340	7.00	16,380	16,380
PRF4A	PETRON CORP. SERIES 4A PREFFERED	–	–	–	1,000	1,000	1,005	1,005,000	1,005,000
PSE	PHILIPPINE STOCK EXCHANGE	–	–	–	240,720	240,720	164	39,478,080	39,478,080
PTT	PT & T CORP.	–	–	–	332,832	332,832	–	–	–
PX	PHILEX MNG. – A	–	–	–	780,313	780,313	2.79	2,177,073	2,177,073
PXP	PXP ENERGY CORPORATION	–	–	–	1,327,763	1,327,763	2.87	3,810,680	3,810,680
RCB	RIZAL COMMERCIAL BANK-A	–	–	–	38,505	38,505	23.85	918,344	918,344
RCI	ROXAS & COMPANY, INC.	–	–	–	5,000	5,000	2.72	13,600	13,600
RCR	RL COMMERCIAL REIT, INC.	–	–	–	570,500	570,500	5.85	3,337,425	3,337,425
REG	REP. GLASS CORP. -A	–	–	–	10,300	10,300	2.75	28,325	28,325
RFM	RFM CORPORATION	–	–	–	144,738	144,738	3.87	560,136	560,136
RLC	ROBINSONS LAND CORPORATION	–	–	–	1,105,814	1,105,814	13.30	14,707,326	14,707,326
RLT	PHIL. REALTY & HOLDINGS CORP.	–	–	–	240,000	240,000	0.12	28,800	28,800
ROCK	ROCKWELL LAND CORPORATION	2,068	–	–	1,589,392	1,591,460	1.51	2,403,105	2,403,105
RPC	REYNOLDS PHILIPPINE CORP.	–	–	1,053,830	–	1,053,830	0.00	–	–
RRHI	ROBINSONS RETAIL HLDGS., INC.	–	–	–	484,500	484,500	36.00	17,442,000	17,442,000
SBS	SBS PHILIPPINES CORP	–	–	–	25,033	25,033	4.95	123,913	123,913
SCC	SEMIRARA MINING & POWER CORP.	–	–	–	244,500	244,500	34.90	8,533,050	8,533,050
SECB	SECURITY BANK CORP.	–	–	–	26,800	26,800	87.00	2,331,600	2,331,600
SFI	SWIFT FOODS, INC.	–	–	–	617,834	617,834	0.06	35,834	35,834
SFIP	SWIFT FOODS, INC-CONVERTIBLE PREF.	–	–	–	2,338	2,338	1.68	3,928	3,928
SGI	SOLID GROUP, INC.	–	–	–	208,000	208,000	1.03	214,240	214,240
SGP	SYNERGY GRID & DEV PHILS, INC.	–	–	–	1,949,000	1,949,000	9.80	19,100,200	19,100,200
SHLPH	PILIPINAS SHELL PETROLEUM CORP.	–	–	–	99,000	99,000	7.50	742,500	742,500
SHNG	SHANG PROPERTIES, INC	–	–	–	15,710	15,710	3.94	61,897	61,897
SLF	SUN LIFE FINANCIAL, INC.	–	–	–	118	118	3,028	357,304	357,304
SM	SM INVESTMENT CORP.	–	–	–	43,803	43,803	899	39,378,897	39,378,897
SMC	SAN MIGUEL CORP.- A	100	–	–	87,593	87,693	86.00	7,541,598	7,541,598
SMC2F	SAN MIGUEL CORP. SERIES 2F PREF	–	–	–	5,000	5,000	73.30	366,500	366,500
SMC2J	SAN MIGUEL CORP. 2J-PREFERRED	–	–	–	27,000	27,000	70.5	1,903,500	1,903,500
SMC2K	SAN MIGUEL CORP. SERIES 2K PREF	–	–	–	105,770	105,770	70.00	7,403,900	7,403,900

CODE	STOCK NAME	VAULT	CLEARING HOUSE	TRANSFER OFFICE	P C D	TOTAL SHARES	MARKET VALUE	TOTAL MARKET VALUE	PER AUDIT
SMC2L	SAN MIGUEL CORP SERIES-2L PREFERRED	–	–	–	72,000	72,000	77.65	5,590,800	5,590,800
SMC2N	SAN MIGUEL CORP SERIES-2N PREFERRED	–	–	–	246,400	246,400	79.70	19,638,080	19,638,080
SMC2O	SAN MIGUEL CORP SERIES-2O PREFERRED	–	–	–	55,100	55,100	82.30	4,534,730	4,534,730
SMPH	SM PRIME HOLDINGS	–	–	–	1,305,265	1,305,265	25.15	32,827,415	32,827,415
SOC	SOCRESOURCES, INC.	–	–	–	6,000	6,000	0.18	1,104	1,104
SPC	SPC POWER CORPORATION	–	–	–	15,000	15,000	9.01	135,150	135,150
SPNEC	SOLAR POWER NUEVA ECIJA CORP.	–	–	–	8,219,156	8,219,156	1.02	8,383,539	8,383,539
SSI	SSI GROUP, INC.	–	–	–	530,400	530,400	3.18	1,686,672	1,686,672
SSP	SFA SEMICON PHILIPPINES CORP.	–	–	–	300,000	300,000	1.57	471,000	471,000
STI	STI EDUCATION SYSTEMS HLDGS,INC.	–	–	–	12,400,000	12,400,000	1.34	16,616,000	16,616,000
STN	STENIEL MFG. CORP.	1,500	–	–	144,152	145,652	0.00	–	–
STR	VISTAMALLS, INC.	–	–	–	40,000	40,000	1.47	58,800	58,800
SUN	SUNTRUST RESORT HOLDINGS, INC.	–	–	–	8,384,181	8,384,181	0.90	7,545,763	7,545,763
T	TKC METALS CORPORATION	–	–	–	829,000	829,000	0.29	240,410	240,410
TBGI	TRANS PACIFIC BROADBAND GROUP INC.	–	–	–	1,696,000	1,696,000	0.14	228,960	228,960
TCB2C	CIRTEK HLDGS PHILS. CORP.-SUBS-2C	–	–	–	18,100	18,100	46.10	834,410	834,410
TCB2D	CIRTEK HLDGS PHILS. CORP. -SUBS-2D	–	–	–	29,900	29,900	46.10	1,378,390	1,378,390
TECH	CIRTEK HOLDINGS PHILS. CORP.	–	–	–	111,517	111,517	1.32	147,202	147,202
TEL	PLDT, INC. – COMMON	–	–	–	8,778	8,778	1,295	11,367,510	11,367,510
TFHI	TOP FRONTIER INVESTMENT HLDGS, INC	–	–	–	2,891	2,891	63.10	182,422	182,422
TUGS	HARBOR STAR SHIPPING SERVICES, INC.	–	–	–	370,000	370,000	0.62	229,400	229,400
UBP	UNION BANK OF THE PHIL.	–	–	–	219	219	36	7,884	7,884
UP	UNIVERSAL RIGHTFIELD PROPERTY HOLDG	–	–	4,087,000	–	4,087,000	–	–	–
UPM	UNITED PARAGON MNG	–	–	–	223,412,500	223,412,500	0.00	625,555	625,555
URC	UNIVERSAL ROBINA	–	–	–	347,198	347,198	79.00	27,428,642	27,428,642
V	VANTAGE EQUITIES, INC.	–	–	–	7,126	7,126	0.70	4,988	4,988
VITA	VITARICH CORP.	–	–	–	939,700	939,700	0.54	507,438	507,438
VLL	VISTA LAND & LIFESCAPES	–	–	–	111,200	111,200	1.48	164,576	164,576
VMC	VICTORIAS MILLING	–	–	–	1,162	1,162	2.00	2,324	2,324
VREIT	VISTAREIT, INC.	–	–	–	325,000	325,000	1.89	614,250	614,250
VVT	VIVANT CORPORATION	–	–	–	2,868	2,868	18.02	51,681	51,681
WEB	PHILWEB CORPORATION-COMMON	–	–	–	130,560	130,560	1.40	182,784	182,784
WIN	WELLEX INDUSTRIES, INC.	–	–	–	3,300,000	3,300,000	0.21	696,300	696,300
WLCON	WILCON DEPOT, INC.	–	–	–	336,200	336,200	14.30	4,807,660	4,807,660
WPI	WATERFRONT PHILS.	–	–	–	676,700	676,700	0.38	253,763	253,763
X	XURPAS INC.	–	–	–	3,583,200	3,583,200	0.18	652,142	652,142
ZHI	ZEUS HOLDINGS, INC.	–	–	–	3,000,000	3,000,000	0.07	216,000	216,000
		9,348		147,993,590	4,582,940,222	4,730,943,160		9,373,489,923	9,373,489,923

Number of Shares in Vault	9,348
Number of Shares in Clearing House	–
Number of Shares in Transfer Office	147,993,590
Number of Shares in PCD	4,582,940,222
Total Number of Shares	4,730,943,160

AURORA SECURITIES, INC.

Schedule of Financial Soundness Indicators

Pursuant to the Revised Securities Regulation Code (SRC) Rule 68

	2024	2023
Liquidity Ratios:		
Current Ratio		
Current Assets	₱ 247,358,864	₱ 296,344,098
Current Liabilities	₱ 70,510,605	₱ 133,275,927
	3.51 : 1	2.22 : 1
Quick Ratio		
Quick Assets	₱ 245,285,390	₱ 295,263,110
Current Liabilities	₱ 70,510,605	₱ 133,275,927
	3.48 : 1	2.22 : 1
Solvency Ratios:		
Debt-to-Equity Ratio		
Total Liabilities	₱ 70,766,362	₱ 133,286,520
Total Equity	₱ 222,568,685	₱ 212,665,392
	0.32 : 1	0.63 : 1
Asset-to-Equity Ratio		
Total Assets	₱ 293,335,047	₱ 345,951,912
Total Equity	₱ 222,568,685	₱ 212,665,392
	1.32 : 1	1.63 : 1
Profitability Ratios:		
Return on Assets		
Net Profit	₱ 9,903,293	₱ 15,185,647
Total Assets	₱ 293,335,047	₱ 345,951,912
	3.38%	4.39%
Return on Equity		
Net Profit	₱ 9,903,293	₱ 15,185,647
Total Equity	₱ 222,568,685	₱ 212,665,392
	4.45%	7.14%
Net Profit Margin		
Net Profit	₱ 9,903,293	₱ 15,185,647
Revenues	₱ 31,437,753	₱ 51,006,231
	31.50%	29.77%
Interest Rate Coverage Ratio		
Earnings Before Interest and Taxes	₱ 14,047,167	₱ 23,468,482
Interest Expense	₱ –	₱ –
	N/A	N/A

AURORA SECURITIES, INC.

Supplementary Schedule of External Auditor Fee Related Information

December 31, 2024

		2024		2023
Total Audit Fees	₱	141,680	₱	141,680
Non-audit services fees:				
Other assurance services	₱	–	₱	–
Tax services		–		–
All other services		–		–
Total Non-audit Fees	₱	–	₱	–
Total Audit and Non-audit Fees	₱	141,680	₱	141,680

Audit and Non-audit fees of other related entities

		2024		2023
Audit fees	₱	–	₱	–
Non-audit services fees:				
Other assurance services		–		–
Tax services		–		–
All other services		–		–
Total Audit and Non-audit Fees of other related entities	₱	–	₱	–