



SECURITIES AND EXCHANGE COMMISSION

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Company Information

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Industry Classification: J66930

Company Type: Stock Corporation

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

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Date: Wednesday, April 30, 2025 at 08:41 PM GMT+8

Hi RTG & CO., INC.,

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Submission Date/Time: **Apr 30, 2025 08:40 PM**

Company TIN: **000-165-637**

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COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

3 9 3 5 8

COMPANY NAME

R T G & C O . , I N C

PRINCIPAL OFFICE (No./Street/Barangay/City/Town/Province)

**UNIT 602 TOWER ONE & EXCHANGE
PLAZA AYALA TRIANGLE . AYALA
AVENUE , MAKATI CITY**

Form Type

A A F S

Department requiring the report

M S R D

Secondary License Type, if applicable

N \ A

COMPANY INFORMATION

Company's E-mail Address

rtg_sec@yahoo.com

No. of Shareholders

14

Company's Telephone Number

891-9480 to 84

Annual Meeting (Month/Day)

03/17

Mobile Number

0917 8955 026

Fiscal Year (Month/Day)

December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

MILWILDA P. SALVATIERRA

E-mail Address

rtg_sec@yahoo.com

Telephone Number

891-9480 to 84

Mobile Number

0917 8955 026

CONTACT PERSON'S ADDRESS

68 EAST MAYA, PHILAM HOMES, QUEZON CITY

Note 1: In case of death, resignation or cessation of office of the officer designated as a contact person, such incident shall be reported to the Commission within thirty (30) calendar days from 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.

RTG & CO., INC.

Statement of Management's Responsibility for Financial Statements

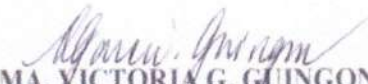
The management of **RTG & CO., INC.** (herein referred to as "the Company") is responsible for the preparation and fair presentation of the financial statements for the years ended December 31, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.


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

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

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

Velasco, Punzalan & Co., CPAs, the independent auditors, appointed by the shareholders has examined 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.


MA. VICTORIA G. GUINGONA
President


MILWIDA P. SALVATIERRA
Treasurer

Signed this 17th day of March, 2025



VELASCO, PUNZALAN and COMPANY

(Formerly Velasco Aguirre and Company)

CERTIFIED PUBLIC ACCOUNTANTS

1 G 21 Cityland Dela Rosa Condominium, 7648 Dela Rosa St., Pio Del Pilar, Makati City 1230 | Tel (632) 8819-1427 | Telefax (632) 8817-6395
Email velascoaguirre@outlook.ph; velascpunzalan@gmail.com; vpc.neslor@outlook.com; Web www.vpcrcpas.weebly.com

Independent Auditor's Report

To the Shareholders and the Board of Directors

RTG & CO., INC.

Unit 602 Tower One and Exchange Plaza

Ayala Triangle, Ayala Avenue

Makati City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **RTG & CO., INC.** (the Company), which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of financial performance, statements of changes in shareholders' equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Other Matters

The financial statements of the Company for the year ended December 31, 2023, were audited by another auditor who expressed an unqualified opinion on those statements on April 2, 2024.

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, 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.

Auditor's 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 auditor's 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 auditor's 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 auditor's 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 audit.

Report on the Supplementary Information Required by the Bureau of Internal Revenue (BIR)

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information under Revenue Regulation No. 15-2010 in Notes 21 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 the management of **RTG & CO., INC.** The information has been subjected to the auditing procedures applied in our audit 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.

VELASCO PUNZALAN & CO. CPAs

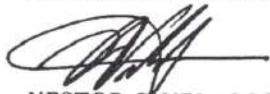
SEC AN (Firm) 3390-SEC, Group C, valid to audit 2022 to 2026 Financial Statements

BSP AN (Firm) 3390-BSP, Group C, valid to audit 2020 to 2024 Financial Statements

BIR AN: 08-004563-000-2024, issued on March 15, 2024, valid until March 14, 2027

BOA AN: 3390, issued on January 25, 2024, valid until January 10, 2027 with Serial no. 27370

CDA CEA AN: 019-AF, valid from April 12, 2023 to April 11, 2026



NESTOR C. VELASCO

Partner

CPA Cert. No. 078924, effective until October 8, 2027

PTR No. 0008705 issued on January 3, 2025, Makati City

TIN 110-157-770

BIR AN 08-004563-001-2024, valid until March 14, 2027

SEC AN: 78924-SEC, Group C, valid to audit 2022 to 2026 Financial Statements

BSP AN: 78924-BSP, Group C, valid to audit 2020 to 2024 Financial Statements

BOA AN: 3390 P-001, issued on January 25, 2024, valid until January 10, 2027 with Serial no. 27371

April 10, 2025
Makati City



VELASCO, PUNZALAN and COMPANY

(Formerly Velasco Aguirre and Company)

CERTIFIED PUBLIC ACCOUNTANTS

LG 21 Cityland Dela Rosa Condominium, 7648 Dela Rosa St., Pio Del Pilar, Makati City 1230 | Tel (632) 8819-1427 | Telefax (632) 8817-6395

Email velascoaguirre@outlook.ph; velascopunzalan@gmail.com; vpc.nestor@outlook.com; Web www.vpcpas.weebly.com

To the Securities and Exchange Commission

In connection with my examination of the financial statements of **RTG & CO., INC.** I hereby represent the following:

1. That I am in the active practice of the accounting profession and duly registered with the Board of Accountancy (BOA);
2. That said financial statements are presented in conformity with Philippine Financial Reporting Standards (PFRSs) in all cases where I shall express an unqualified opinion; except that in case of any departure from such principles shall indicate the nature of the departure, the effects thereof, and the reasons why compliance with the principles would result in a misleading statement, if such is a fact;
3. That I shall fully meet the requirements of independence as provided under the Code of Professional Ethics for CPAs;
4. That in the conduct of the audit, I shall comply with the Philippine Standards on Auditing promulgated by the Board of Accountancy, in case of any departure from such standards or any limitation in the scope of my examination, I shall indicate the nature of the departure and the extent of my limitation, the reasons therefore and the effects thereof on the expression of my opinion or which may necessitate the negation of the expression of an opinion;
5. That I shall comply with the applicable rules and regulations of the Securities and Exchange Commission in the preparation and submission of financial statements; and
6. That relative to the expression of my opinion on the said financial statements, I shall not commit any acts discreditable to the profession as provided under the Code of Professional Ethics for CPAs.

As a CPA engaged in public practice, I make these representations in my individual capacity and as a partner in the accounting firm of **Velasco, Punzalan & Co., CPAs**.

VELASCO PUNZALAN & CO. CPAs

SEC AN (Firm) 3390-SEC, Group C, valid to audit 2022 to 2026 Financial Statements

BSP AN (Firm) 3390-BSP, Group C, valid to audit 2020 to 2024 Financial Statements

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April 10, 2025

Makati City

RTG & CO., INC
STATEMENTS of FINANCIAL POSITION
(Amounts in Philippine Pesos)

	Notes	December 31,	
		2024	2023
ASSETS			
Current Assets	P	P	
Cash and cash equivalent	2,4,21	30,654,128	28,796,968
Receivables from customers - net	2,3,6,21	3,934,243	2,249,698
Due from related parties	2,19,21	2,080,810	2,576,591
Due from clearing house	2,21	1,942,425	1,632,052
Other current assets	2,7	985,083	245,682
Securities at fair value through profit or loss	2,3,5	22,016,305	22,602,911
Total Current Assets		61,612,994	58,103,902
Non Current Assets			
Property and equipment - net	2,3,8	18,341,122	18,025
Exchange trading right	2,8	880,000	880,000
Deferred tax asset	2,3,5,18	1,034,877	-
Total Non Current Assets		20,255,999	898,025
TOTAL ASSETS	P	81,868,992	P 59,001,927
LIABILITIES and SHAREHOLDERS' EQUITY			
Current liabilities			
Payable to customers	2,10,21 P	28,407,367 P	24,573,191
Accrued expenses and other liabilities	2,11,21	3,163,583	1,479,300
Total Current liabilities		31,570,950	26,052,491
Non Current Liabilities			
Retirement liability	2,3,12	2,925,107	1,846,786
Deferred tax liabilities - net	2,3,5,18	1,086,363	1,086,363
Total Non Current Liabilities		4,011,470	2,933,149
Total liabilities		35,582,420	28,985,640
Shareholders' equity			
Capital stock	2,13	35,000,000	34,000,000
Additional paid in capital		1,995	1,995
Other comprehensive income		18,380,690	(482,845)
Deficit		(7,096,113)	(3,502,863)
Total shareholders' equity		46,286,572	30,016,287
TOTAL LIABILITIES and SHAREHOLDERS' EQUITY	P	81,868,992	P 59,001,927

See accompanying Notes to Financial Statements

RTG & CO., INC

STATEMENTS of COMPREHENSIVE INCOME
(Amounts in Philippine Pesos)

	Notes	For the years ended December 31,	
		2024	2023
REVENUES	2,14,22 P	3,195,243 P	4,544,009
COST OF SERVICES	2,17,22	1,763,774	1,675,735
GROSS PROFIT		1,431,469	2,868,274
GENERAL and ADMINISTRATIVE EXPENSES	2,16,22	7,249,282	4,373,300
FINANCE COST		-	927,500
LOSS FROM OPERATIONS		(5,817,813)	(2,432,526)
OTHER INCOME	2,15	1,024,751	1,301,600
LOSS BEFORE INCOME TAXES		(4,793,062)	(1,130,926)
PROVISION FOR INCOME TAX	2,3,5,18		
Current		-	(11,677)
Deferred		(986,496)	466,523
		(986,496)	454,846
NET LOSS		(3,806,566)	(676,080)
OTHER COMPREHENSIVE INCOME		(199,850)	(101,891)
TOTAL COMPREHENSIVE INCOME	P	(4,006,416) P	(777,971)

See accompanying Notes to Financial Statements

RTG & CO., INC

STATEMENTS of CHANGES in SHAREHOLDERS' EQUITY

(Amounts in Philippine Pesos)

	Notes	For the years ended December 31,	
		2024	2023
CAPITAL STOCK		P	P
Preferred shares	2,13		
Balance at beginning of the year		13,000,000	13,000,000
Issued during the year		1,000,000	-
Balance at the end of the year		14,000,000	13,000,000
Common shares		21,000,000	21,000,000
		35,000,000	34,000,000
ADDITIONAL PAID IN CAPITAL		1,995	1,995
DEFICIT			
Beginning balance		(3,502,863)	(2,826,783)
Prior period adjustments		213,316	-
Net loss		(3,806,566)	(676,080)
Ending balance		(7,096,113)	(3,502,863)
OTHER COMPREHENSIVE INCOME			
Beginning balance		(482,845)	(380,955)
Revaluation surplus	23	19,063,385	
Unrealized gain for the period		(199,850)	(101,891)
Ending balance		18,380,690	(482,845)
TOTAL SHAREHOLDERS' EQUITY		P 46,286,572	P 30,016,287

See accompanying Notes to Financial Statements

RTG & CO., INC

STATEMENTS of CASH FLOWS

(Amounts in Philippine Pesos)

	Notes	For the years ended December 31,	
		2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income taxes		P (4,793,062)	P (1,130,926)
Adjustments to reconcile net income to net cash provided by (used in) operating activities			
Adjustments		213,316	-
Finance costs		-	927,500
Provision for expected credit losses		-	185,458
Provision for retirement expense	2,3,12	332,255	142,483
Depreciation	2,3,8	787,386	12,864
Revaluation surplus	2,3,8	(19,063,384)	-
Fairvalue losses (gains) on securities at fair value through profit or loss	2,3,5	-	(2,094,736)
Gain on sale of transportation equipment		-	(300,000)
Recovery of provision for expected credit losses		-	(121,851)
Interest income	2,15	(97,916)	(103,975)
Decrease (increase) in			
Securities at fair value through profit or loss	2,3,5	586,607	831,698
Receivable from customers	2,3,6,21	(1,684,545)	1,387,737
Due from clearing house	2,21	(310,373)	(1,144,260)
Other current assets	2,7	(739,401)	(90,008)
Increase (decrease) in			
Payable to customers	2,10,21	3,834,176	3,645,482
Accrued expenses and other liabilities	2,11,21	1,684,283	(1,243,179)
Cash generated from (used in) operations		(19,250,659)	904,287
Income taxes paid	2	3,212,614	(1,321)
Interest income received	2,15	97,916	103,975
Net cash provided by (used in) operating activities		(15,940,129)	1,006,941
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease in due from related parties	2,19,21	495,781	1,037,235
Proceeds from sale of transpo equipment		-	300,000
Acquisition to property plant and equipment	2,3,8	(47,098)	-
Net cash provided by investing activities		448,683	1,337,235
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceed from (payment for)			
Interest paid	2	15,270,285	(927,500)
Preferred shares	2,13	1,000,000	-
Retirement benefit obligation	2,3,12	1,078,321	-
Net cash provided by (used in) financing activities		17,348,606	(927,500)
NET INCREASE in CASH		1,857,160	1,416,676
CASH and CASH EQUIVALENTS	0		
Beginning		28,796,968	27,380,292
as at December 31	P	30,654,128	P 28,796,968

See accompanying Notes to Financial Statements

RTG & CO., INC.
NOTES TO FINANCIAL STATEMENTS
As at and for the Years Ended December 31, 2024 and 2023

1. CORPORATE INFORMATION

Incorporation and Operations

RTG & Co., Inc. (the Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on September 8, 1969. Its primary purpose is to engage in the business of buying and selling shares of stock and bonds and in all activities directly or indirectly connected therewith.

The Company's registered office address and principal place of business is at Unit 602 Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City.

Approval of Financial Statements

The President of the Company, who was authorized by the Board of Directors (BOD) to cause the issuance of the financial statements as of and for the years ended December 31, 2024 and 2023, approved its issuance on March 17, 2025.

2. SUMMARY OF SIGNIFICANT ACCOUNTING AND FINANCIAL REPORTING POLICIES

Basis of Preparation

The financial statements of the bank have been prepared on a historical cost basis, except for cash and cash equivalents which are measured at fair value and loans receivable which have been measured at amortized cost. The financial statements are presented in Philippine Peso, which is the Bank's functional and presentation currency. All amounts are rounded to the nearest thousand peso unless otherwise indicated.

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

Statement of Compliance

The financial statements of the Bank were prepared in compliance with Philippine Financial Reporting Standards (PFRS).

Changes in Accounting Policies and Disclosures

• **PFRS 7 — Financial Instruments: Disclosures**

Amended by *Supplier Finance Arrangements (Amendments to PAS 7 and PFRS 7)*; the amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

Effective for annual periods beginning on or after 1 January 2024.

The management believes that the application of the said revisions to PFRS have no material impact on its financial statements.

• ***Amendments to PAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current***

The amendments in *Non-current Liabilities with Covenants (Amendments to PAS 1)*:

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.

Defer the effective date of the 2020 amendments to 1 January 2024.

The amendments are effective for reporting periods beginning on or after 1 January 2024. The amendments are applied retrospectively in accordance with PAS 8 and earlier is permitted.

The management believes that the application of the said revisions to PFRS have no material impact on its financial statements.

- **Amendments to PAS 7 and PFRS 7 regarding supplier finance arrangements**

PAS B has published 'Supplier Finance Arrangements (Amendments to PAS 7 and PFRS 7)' to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

An entity applies the amendments to PAS 7 for annual reporting periods beginning on or after 1 January 2024 (with earlier application permitted) and the amendments to PFRS 7 when it applies the amendments to PAS 7.

There is a certain amount of transition relief provided, including relief regarding comparative information and interim period information.

The management believes that the application of the said revisions to PFRS have no material impact on its financial statements.

- **PFRS S1 — General Requirements for Disclosure of Sustainability-related Financial Information**

PFRS S1 sets out overall requirements with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to the primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

PFRS S1 was issued in June 2023 and applies to annual reporting periods beginning on or after 1 January 2024.

The management believes that the application of the said revisions to PFRS have no material impact on its financial statements.

- **PFRS S2 Climate-related Disclosures**

PFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

An entity is required to apply PFRS S2 for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. If an entity applies PFRS S2 earlier, it is required to disclose that fact and apply PFRS S1 at the same time.

The management believes that the application of the said revisions to PFRS have no material impact on its financial statements.

Standards, Amendments and Interpretations Issued but Not Yet Effective as at Reporting Period

The following are new and revised standards, amendments to PFRS, and interpretations which have been issued but not yet effective as of reporting period.

- **PFRS S1 — General Requirements for Disclosure of Sustainability-related Financial Information**

Amendments to the SASB standards issued to enhance their international applicability; the SASB standards facilitate the implementation and application of PFRS S1.

The Philippine Sustainability Standards Board (ISSB) has issued amendments to the Sustainability Accounting Standards Board (SASB) standards to enhance their international applicability.

Amendments effective for annual reporting periods beginning on or after 1 January 2025.

The management believes that the application in the future of the said PFRS will have no material impact on its financial statements.

- **PFRS 7 — Financial Instruments: Disclosures**

Amended by *Amendments to the Classification and Measurement of Financial Instruments (Amendments to PFRS 9 and PFRS 7)* to address matters identified during the post-implementation review of the classification and measurement requirements of PFRS 9 *Financial Instruments*.

Effective for annual periods beginning on or after 1 January 2026.

The management believes that the application in the future of the said PFRS will have no material impact on its financial statements.

- **PFRS 18 — Presentation and Disclosure in Financial Statements**

PFRS 18 Presentation and Disclosure in Financial Statements issued

The Philippine Accounting Standards Board (PASB) has published its new standard PFRS 18 'Presentation and Disclosures in Financial Statements' that will replace PAS 1 'Presentation of Financial Statements'. The new standard is the result of the so-called primary financial statements project, aims at improving how entities communicate in their financial statements and will be effective for annual periods beginning on or after 1 January 2027.

Effective for an entity's first annual PFRS financial statements for periods beginning on or after 1 January 2027.

The management believes that the application in the future of the said PFRS will have no material impact on its financial statements.

- **PFRS 19 — Subsidiaries without Public Accountability: Disclosures**

PFRS 19 Subsidiaries without Public Accountability: Disclosures issued

The Philippine Accounting Standards Board (PASB) has published the new standard PFRS 19 'Subsidiaries without Public Accountability: Disclosures', which permits a subsidiary to provide reduced disclosures when applying PFRS Accounting Standards in its financial statements. PFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it. The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted.

Effective for periods beginning on or after 1 January 2027.

The management believes that the application in the future of the said PFRS will have no material impact on its financial statements.

Summary of Significant Accounting Policies

The significant accounting policies and practices of the Bank are set forth to facilitate the understanding of the financial statements.

Financial Instruments

Financial Assets

Initial Recognition and Measurement

Financial assets are measured at fair value on initial recognition, and are subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (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. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs.

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 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at FVPL irrespective of the business model.

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, financial assets at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, the Company's financial assets are classified in two categories financial assets at amortized cost and financial assets at FVPL. The Company has no financial assets classified as FVOCI.

Financial Assets at Amortized Cost (Debt Instruments)

Financial assets at amortized cost are subsequently measured using the effective interest rate method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost are presented as cash and cash equivalents, receivable from customers, due from related parties and due from clearing house.

Financial Assets at FVPL

Financial assets at FVPL are carried in the statement of financial condition at fair value with net changes in fair value recognized in the statement of comprehensive income. Dividends on equity investments are also recognized in the statement of comprehensive income when the right of payment has been established.

The Company's financial assets at FVPL consist of listed securities held-for-trading presented as securities at FV PL in the statement of financial condition.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial condition) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the cash flows received in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset; or (b) the Company 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 of 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 that the Company has retained.

Impairment of Financial Assets

The Company recognizes an allowance for expected credit losses (ECLs) for all of its debt instruments not held at FV PL. 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 and that are not credit-impaired upon origination, 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 on an individual or collective basis but are not credit impaired, 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).

For receivable from customers, the Company applies a simplified approach in calculating ECLs. 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 that ECL on its receivable from customers is calculated based on the Company's exposure on the fair value of the securities held as collateral in relation to the receivables.

At each reporting date, the Company assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Company considers reasonable and supportable information that is relevant and available without undue cost and effort for this purpose.

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.

Financial Liabilities

Recognition and Measurement

Financial liabilities are measured at fair value on initial recognition and are subsequently measured at amortized cost.

The Company's financial liabilities consist of payable to customers and accrued expenses and other liabilities.

Subsequent Measurement

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognized, as well as through the effective interest amortization process.

Derecognition

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

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset, and the net amount reported in the statement of financial condition, 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.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization and any impairment in value. The initial cost of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures for additions, major improvements and renewals are capitalized; expenditures for repairs and maintenance are charged to expense as incurred. When assets are sold, retired or disposed of, their cost and related accumulated depreciation and amortization and impairment losses are removed from the accounts and any resulting gain or loss is reflected in the statement of comprehensive income for the period.

Depreciation and amortization are computed using the straight-line method over their estimated useful lives as follows:

	Years
Condominium units and improvement:	25
Transportation equipment	2 to 5
Furnitures and fixtures and equipments	3
Computer software	5

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

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of comprehensive income in the year the item is derecognized. Fully depreciated assets are still carried in the accounts until these are no longer in use.

Exchange Trading Right

Exchange trading right is carried at cost. The Company has assessed that the life of its exchange trading right, an intangible asset, is indefinite. Such intangible assets are not amortized. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Impairment of Non-financial Assets

The Company's property and equipment and exchange trading right are subject to impairment testing. Property and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Exchange trading right with an indefinite useful life is tested for impairment at least annually.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

An impairment loss is recognized for the amount by which the asset or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. Impairment loss is charged pro rata to the other assets in the cash generating unit.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist and the carrying amount of the asset is adjusted to the recoverable amount resulting in the reversal of the impairment loss, which is recognized in the statement of comprehensive income.

Equity

Capital stock is recognized as issued when the stock is paid for or subscribed under a binding subscription agreement and is measured at par value.

Additional paid-in capital includes any premium received on the issuance of capital stock.

Remeasurement loss on retirement liability consists of the accumulated actuarial losses, net of tax reported in other comprehensive loss.

Deficit represents the cumulative balance of net loss.

Revenue Recognition

The following are the revenue recognition criteria that must be met before revenue is recognized:

- Revenue from Contracts with Customers within the Scope of PFRS 15
- Revenue from Contracts with Customers

Revenue from contracts with customers is recognized upon transfer of services 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 arrangements against specific criteria in order to determine if it is acting as a principal or agent. The Company has concluded that it is the principal in all of its revenue arrangements because it typically controls the services before transferring them to the customer. The Company's revenue from contracts with customers comprise of commissions.

Commissions

Commissions are computed based on a certain percentage of every trade transaction and are recognized as income upon acceptance of the trade deals.

Contract Balances

Contract Assets and Trade Receivables

A contract asset is initially recognized for revenue earned for services rendered to the customer that is conditional on the successful completion of the performance of service. Upon completion and acceptance by the customer, the amount recognized as contract assets is reclassified to trade receivables.

A trade receivable, which is presented as receivable from customers in the statement of financial condition, is recognized if an amount of consideration that is unconditional is due from the customer. The Company's accounting policy for the recognition and measurement of trade receivables is discussed under financial instruments.

Contract Liabilities

A contract liability is the obligation to render services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company renders services to the customer, a contract liability is recognized when the payment is received, or the payment is due, whichever is earlier. Contract liabilities are recognized as revenue when the Company performs under the contract.

● Revenue Outside the Scope of PFRS 15

Interests

Interest income is recognized as the interest accrues, taking into account the effective yield of the asset.

Dividends

Dividend income is recognized when the Company's right to receive the payment is established.

Gains (Losses) on Trading Activities

Gains or losses arising from trading activities include all gains and losses from changes in fair value of financial assets and financial liabilities at FVPL and all gains or losses from disposal of investment in securities at FVPL.

Unrealized trading gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period's unrealized gains and losses for financial instruments, which were realized in the reporting period.

Other Income

Other income is recognized when the related service has been rendered and the right to receive payment has been established.

Cost and Expense Recognition

Cost and expenses are recognized in the statement of comprehensive income when decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. These are measured based on the amount paid or payable.

Retirement Benefits

Retirement benefits are provided in accordance with Republic Act (RA) No. 7641, Retirement Pay Law, in the absence of a retirement plan or agreement providing for retirement benefits. Retirement benefits include current

service costs plus interest %Dense. Retirement liability is actuarially determined using the projected unit credit method. This method takes into account the factors of mortality and salary projection rates.

Liability recognized in the statement of financial condition, with respect to retirement liability, is the present value of defined benefit obligation at the end of the reporting period less fair value of plan asset. Retirement cost includes current service cost and past service cost adjusted for a net interest amount, which is calculated by applying the discount rate to the net liability at the start of each annual reporting period. Past service cost is recognized immediately in profit and loss.

Remeasurements, comprising of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, are charged or credited to equity in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Income Tax

Current Income Tax

Current income tax assets and liabilities 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 are enacted or substantively enacted at the end of the reporting period.

Deferred Income Tax

Deferred income tax is provided, using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences, tax credits from excess of minimum corporate income tax (MCIT) and net operating loss carryover (NOLCO) that is expected to reduce taxable income in the future, to the extent that it is probable that taxable profit will be available against which the deferred tax assets can be utilized.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

Creditable Withholding Taxes

Creditable withholding taxes consist of current and prior period taxes withheld in excess of income tax payable.

Value-added Taxes (VAT)

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

- where the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the tax 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 tax included. .

The net amount of tax recoverable from or payable to the taxation authority is included either in other current assets or accrued expenses and other liabilities in the statement of financial condition.

Foreign Currency Transactions

Transactions in foreign currencies are translated into Philippine peso at exchange rates which approximate those prevailing on transaction date. Monetary assets and liabilities denominated in foreign currencies are restated at exchange rate prevailing as of the end of the reporting period. Exchange gains or losses arising from the settlement of and the restatement of foreign currency denominated monetary assets and liabilities are recognized in the statement of comprehensive income.

Provisions and Contingencies

Provisions are recognized for liabilities of uncertain timing or amount when the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Events After the End of the Reporting Period

Adjustments are made to reflect in the financial statements the effect, if any, of post year-end events that provide additional information about the Company's financial condition at the end of the reporting period (adjusting events). Post year-end events that are not adjusting events are disclosed in the notes when the events provide information considered material to the understanding of the financial statements.

3. MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in accordance with PFRS requires the Company to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and related notes. Future events may occur which can cause the assumptions used in arriving at those estimates to change. The effects of any changes in estimates will be reflected in the financial statements as they become reasonably determinable.

Estimates and judgments 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.

The areas involving a high degree of judgment or areas where assumptions and estimates are significant to the financial statements are briefly discussed below.

Judgments

Determining whether the Company is Acting as Principal or Agent

The Company assesses its revenue arrangements against specific criteria in order to determine if it's acting as principal or agent. The following criteria indicate whether the Company is acting as a principal or agent:

- The Company has the primary responsibility for providing services to the customers
- The Company has latitude in establishing price, either directly or indirectly, for example by providing additional services; and
- The Company bears the customer's credit risk for the amount receivable from the customer.

The Company concluded that it is acting as principal in all its revenue arrangements, thus revenue is recognized at gross of related expenses.

Provisions and Contingencies

Judgment is exercised by management to distinguish between provision and contingencies. Policies on recognition and disclosures of provisions and contingencies are discussed in Note 2.

Estimates and Assumptions

Estimating Allowance for Expected Credit Losses on Receivables

The Company applies the PFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all receivables. To measure the expected credit losses, receivables have been grouped based on shared credit risk characteristics and the days past due.

As discussed in Note 2, the Company provides an allowance for ECLs on its receivable from customers based on the Company's exposure on the fair value of the securities held as collateral in relation to the receivables.

The carrying values of receivable from customers, due from clearing house and due from related parties totaled ₱7,957,478 and ₱6,458,341 as of December 31, 2024 and 2023, respectively.

Determining Fair Value of Securities at FVPL

The Company carries listed securities at fair value, which is determined by reference to the Philippine Stock Exchange's (PSE) current market prices. Any change in fair value of the securities would affect profit and loss. Fair value gain of nil in 2024 and fair value gain of ₱2,094,736 in 2023 on securities at FVPL were recognized in profit and loss. The carrying value of securities at FVPL amounted to ₱22,016,305 and ₱22,602,911 as of December 31, 2024 and 2023, respectively.

Estimating Useful Lives of Property and Equipment

The Company estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. The carrying amounts of property and equipment are analyzed in Note 8. Based on management's assessment as of December 31, 2024 and 2023, there is no change in estimated useful lives of property and equipment during the years. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

Determining Impairment of Nonfinancial Assets

The Company's policy estimating the impairment of nonfinancial assets is discussed in Note 2. Although management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations. There is no impairment losses recognized on property and equipment, right-of-use asset and exchange trading right as of December 31, 2024 and 2023.

Determining Realizable Amount of Deferred Tax Assets

The Company reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. The carrying value of deferred tax assets, which management assessed to be fully utilized within the next two or three years as of December 31, 2024 and 2023 is disclosed in Note 17.

Estimating Retirement Liability

The determination of the Company's liability and costs for retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, interest rates and rates of salary increase. While the Company believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions may materially affect the retirement expense and liability in such future period.

The estimated retirement liability and expense and an analysis of the movements in the estimated present value of the retirement liability are presented in Note 11.

4. CASH AND CASH EQUIVALENTS

This account consists of:

	2024	2023
Cash on hand	₱ 3,500	₱ 3,500
Cash in banks	28,531,997	25,555,382
Time deposits	2,118,631	3,238,086
	₱ 30,654,128	₱ 28,796,968

Cash in banks earn interest at their respective bank deposit rates. Time deposits consist of 30-day placements and earn interest of 2.6% in 2024 and 3.20% in 2023. Total interest earned amounted to ₱ 97,916 in 2024 and ₱103,976 in 2023.

In compliance with the Securities Regulation Code (SRC) Rule 49.2 covering customer protection and custody securities, the Company maintains a special reserve bank account, included in cash in banks, for the exclusive benefit of its customers with a balance of ₱25,103,924 and ₱20,092,812 as of December 31, 2024 and 2023,

respectively. The Company's reserve requirement is determined weekly based on the SEC's prescribed computations.

5. SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Securities at FVPL consist of listed securities held-for trading, including the PSE shares mentioned in Note 9. As of December 31, 2024 and 2023, the Company has 100,447 PSE shares amounting to ₱24,138,360 and ₱17,075,990 respectively. These shares are carried at fair value as determined directly by reference published prices quoted in the PSE of ₱164 per share and ₱170 per share as of December 31, 2024 and 2023, respectively.

The changes in fair value of these securities are presented as fair value gains or losses in the statements of comprehensive income. Fair value gains amounted to nil in 2024 and fair value gains amounted ₱2,094,736 in 2023.

Gain on sales of securities at FVPL amounted to nil in 2024 and ₱21,425 in 2023.

6. RECEIVABLE FROM CUSTOMERS

The money balances and the underlying security position of the company's receivable from customers as of December 31, 2024 and 2023 are summarized as follows:

	2024			2023		
	Money balance	Security Valuation		Money Balance	Security Valuation	
		Long	Short		Long	Short
<u>Cash and fully secured accounts</u>						
More than 250%	₱ 1,419,092	₱ 174,964,870	-	₱ 419,507	₱ 66,434,858	-
Between 150% and 250%	92,549	182,852	-	96,635	172,987	-
Between 100% and 150%	40,272	51,385	-	175,067	179,427	-
	1,551,913	175,199,107		691,209	66,787,272	
<u>Partly secured accounts:</u>						
Partly secured	6,998,602	2,665,032		6,153,334	2,167,720	3,985,614
Unsecured	43,741	-	-	55,810	-	-
	7,042,344	2,665,032		6,209,144	2,167,720	3,985,614
	8,594,257	177,864,138	-	6,900,353	68,954,992	3,985,614
Less:						
Allowance for expected credit loss	4,660,014	-	-	4,650,655	-	-
				1,558,488	2,167,720	3,985,614
	₱ 3,934,243	₱ 177,864,138	-	₱ 2,249,698	₱ 68,954,992	₱ 3,985,614

The account includes receivable from an entity under common control amounting to ₱7,957,478 and ₱5,237,947 as of December 31, 2024 and 2023, respectively (Note 18). The receivable is partly collateralized by securities with market value of ₱1,958,233 and ₱1,533,271 as of December 31, 2024 and 2023, respectively.

All of the Company's receivables from customers have been reviewed for impairment. Allowance for expected credit losses on receivables from customers have been provided based on the Company's exposure on the fair value of the securities held as collateral in relation to the receivables. The Company recognized a provision for expected credit losses amounting to ₱272,116 in 2024 and ₱185,457 in 2023.

The aging analysis of unimpaired receivables is as follows:

	2024	2023
1 to 30 days outstanding	520,724	297,763
Beyond 30 days outstanding	3,413,519	1,951,935
	3,934,243	2,249,698

The movements of allowance for expected credit losses are as follows:

	2024	2023
Balance at beginning of year	4,387,898	4,465,197
Provision for expected credited losses(Note 15)	272,116	185,457
Balance at end of year	4,660,014	4,650,654

7. OTHER CURRENT ASSETS

This account consists of:

	2024	2023
Others-receivables	P 514,190	P -
Advances to officers and employees	311,278	-
Prepaid insurance and licenses	99,754	97,958
Input tax credit	54,371	96,134
Prepaid rent	2,280	-
Prepaid income tax and creditable withholding taxes	-	51,590
	P 981,874	P 245,682

8. PROPERTY AND EQUIPMENT

The changes in the cost and accumulated depreciation of the property and equipment are summarized as follows:

2024		Condominium Unit and Improvements		Transportation Equipment		Furniture Fixtures and Office equipment		Computer software		TOTAL
Cost										
January 1	P	5,730,556	P	1,168,031	P	1,487,441	P	396,000	P	8,782,028
Acquisition		19,063,384		-		47,098		-		19,110,482
Disposal		-		-		-		-		-
December 31		24,793,940		1,168,031		1,534,539		396,000		27,892,511
Accumulated depreciation										
January 1	P	5,730,556	P	1,168,030	P	1,469,416	P	396,000	P	8,764,002
Depreciation		764,998		-		22,390		-		787,386
Disposal		-		-		-		-		-
December 31	P	6,495,554	P	1,168,031	P	1,491,806	P	396,000	P	9,551,388
Net Book Value	P	18,298,386	P	-	P	42,733	P	-	P	18,341,122

2023

	Condominium Unit and Improvements	Transportation Equipment	Furniture Fixtures and Office equipment	Computer software	TOTAL
Cost					
January 1	P 5,730,556	P 3,184,031	P 1,487,441	P 396,000	P 10,798,028
Disposal	-	(2,016,000)	-	-	(2,016,000)
December 31	5,730,556	1,168,031	1,487,441	396,000	8,782,028
Accumulated depreciation					
January 1	P 5,730,556	P 3,184,031	P 1,456,552	P 396,000	P 10,767,139
Depreciation	-	-	12,864	-	12,864
Disposal	-	(2,016,000)	-	-	(2,016,000)
December 31	P 5,730,556	P 1,168,031	P 1,469,416	P 396,000	P 8,764,003
Net Book Value	P -	P -	P 18,025	P -	P 18,025

The office and equipment's carrying value is equivalent to its fair market value. Depreciation is computed on a straight-line basis over the useful life of the property. Total depreciation for the period amounted to P787,386.

9. EXCHANGE TRADING RIGHT

Following the guidelines issued by the SEC and the PSE, the Company allocated on December 31, 2003, the cost of exchange membership of P2 million between PSE shares and trading right as follows: (a) 56% as the value of the P50,000 PSE shares that was originally issued or, P120,000 and (b) 44% as the value of the trading right or P880,000.

The market value of the exchange trading right based on the latest sale at the PSE by a nonoperating broker is P8 million as of December 31, 2024 and 2023. PSE shares are included in securities at FVPL.

Under the PSE rules, all exchange trading rights are pledged at its full value to the PSE to secure the payment of all debts to the other members of the exchange arising out of or in connection with the present or future members' contracts.

10. PAYABLE TO CUSTOMERS

A summary of this account is presented below.

		2024				2023				
		Money	Security Valuation			Money	Security Valuation			
		Balance	Long	Short		Balance	long	short		
With money balances	₪	28,407,367	₪	1,245,021,814	-	₪	24,573,191	₪	904,620,865	-
Without money balances		-		673,055,506	-		-		689,779,079	-
	₪	28,407,367	₪	1,918,077,320	-	₪	24,573,191	₪	1,594,399,944	-

11. ACCRUED EXPENSES AND OTHER LIABILITIES

Accrued expenses and other liabilities consist of the following:

	2024	2023
Customers' accounts:		
Dividends payable	P 1,872,791	P 818,328
Subscription payable	737,490	-
Accrued expenses	154,306	454,599
Government payables	145,565	109,561
Others	253,432	-
Commissions	-	73,012
Due to stockholder	-	23,800
	P 3,163,583	P 1,479,300

Dividends payable pertains to dividends received by the Company from various corporations on behalf of its customers.

Subscriptions payable represents initial public offering (IPO) subscriptions paid by the Company on behalf of its customers.

Accrued expenses mainly represent payables for personnel costs and other expenses incurred in the current year that will be settled in the following year.

12. RETIREMENT LIABILITY

The Company is subject to the provisions of RA No. 7641, Retirement Pay Law, which requires that in the absence of a retirement plan or agreement providing for retirement benefits of employees in the private sector, an employee upon reaching the age of 60 years or more, but not beyond 65 years, who has served at length five years in a private company, may retire and shall be entitled to retirement pay equivalent to at least one-half salary for every year of service as defined by the law. Annual retirement expense is determined using the projected unit credit method in accordance with the latest actuarial study covering the year ended December 31, 2024 dated March 25, 2024.

The following tables summarize the components of the retirement expense recognized in the statement of comprehensive income and the retirement liability recognized in the statement of financial condition.

A. The amount of retirement expense recognized in profit or loss (Note 15) is as follows:

	2024	2023
Current service cost	P 1,661,276	P 92,021
Interest cost	-	50,462
	P 1,661,276	P 142,483

B. Movements in the present value of defined benefit obligation (DBO) as follows:

	2024	2023
Balance at beginning of year	P 1,846,786	P 1,576,939
Current service cost	1,661,275	92,021
Interest cost		50,462
Actuarial loss recognized due to experience adjustment	(582,954)	127,364
	P 2,925,107	P 1,846,786

C. The amount of retirement expense recognize in OCI is as follows:

		2024		2023
Accumulated OCI at beginning	P	(482,845)	P	476,193
Actuarial loss		(199,850)		127,364
Accumulated OCI at end of year		(682,695)		603,557
Tax effects:				
At 20% in 2024 and 2023	P	-	P	(120,712)
Accumulated OCI in equity		(682,695)		(482,845)

D. Risk Arising from the Retirement Plan

The company does not maintain a fund for its retirement benefit obligation. While funding is not a requirement of law, there is a cash flow risk that the company may be exposed to if several employees retire within the same year.

Shown below is the maturity profile of the undiscounted benefit payments:

		2024		2023
Plan Year				
Less than one year	P	802,436	P	-
One to less than five years		862,160		1,640,455
Five to less than 10 years		319,603		756,287
10 to less than 15 years		634,090		379,150
15 to less than 20 years		306,818		725,442
20 years and above		-		-

13. CAPITAL STOCK

The details of the Company's capital stock are as follows:

	Shares		Amount	
	2024	2023	2024	2023
Preferred - 100 par value, redeemable and with interest of 10%				
Authorized - 200,000 shares				
Balance at beginning of the year	P 130,000	P 130,000	P 13,000,000	P 13,000,000
Addition	10,000	-	1,000,000	-
Balance at end of the year	P 140,000	P 130,000	P 14,000,000	P 13,000,000
Common shares - 100 par value				
Authorized 300,000 shares				
Issued	210,000	210,000	21,000,000	21,000,000
			35,000,000	34,000,000

Preferred shares of P140,000 and P130,000 issued as of December 31, 2024 and 2023 bear interest of 10% per annum. The preferred shares are redeemable at par value at the option of the Company at the end of the second year from the date of full payment of subscription as stated in the subscription agreement. The respective holders of common and preferred shares shall be entitled to all the rights and privileges pertaining to them, subject to preferred shares having preference over common shares in the distribution of assets in the event of dissolution of the Company and in the payment of dividends.

Interest expense paid by the Company on these preferred shares amounted to P862,167 in 2024 and P927,500 in 2023.

14. REVENUE

The Company's revenue pertains to commissions, dividend, fair value gains on securities at fair value through profit and loss which are recognized at a point in time, amounted to ₱3,195,243 in 2024 and ₱4,544,009 in 2023.

The Company's receivable from customers amounted to ₱3,934,243 and ₱2,249,698 as of December 31, 2024 and 2023, respectively (Note 5).

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

15. OTHER INCOME

The details of the account follow:

	2024	2023
Others	₱ 926,835	₱ -
Interest- net of final tax	97,916	103,976
Foreign exchange gain(loss)	-	(2,950)
Gain on sale of transportation equipment	-	300,000
Recovery of provision for expected credit losses	-	121,851
Maintenance fee	-	778,724
	₱ 1,024,751	₱ 1,301,601

Maintenance fee pertains to the administrative fees charged by the Company to its customers for safekeeping of stock certificates not for trading.

Others include lodging fee collected by the Company from its customers for every issue of stock certificate and commissions earned from the sale of tender offer stocks of the customers.

16. GENERAL AND ADMINISTRATIVE EXPENSES

The breakdown of general and administrative expenses is shown below.

	2024	2023
Retirement Expense	P 1,661,276	P -
Salaries Wages and benefits	881,444	1,997,225
Finance Cost	862,167	-
Depreciation	787,388	4,116
Management Fees	709,795	-
Computer Terminal Fee	374,400	-
Transportation and travel	369,379	485,300
Provision for expected credited losses	272,116	185,458
Condominium Dues And Fees	195,322	-
Penalties	184,107	588,893
SSS Cont - Admin	151,582	-
Repairs and maintenance	101,443	53,393
Gas & Oil	100,507	-
Postage and communications	87,860	42,345
Taxes and Licenses	83,886	86,401
Insurance	83,356	90,335
Management Bonus	67,500	-
Professional fees	60,929	717,985
Utilities	48,695	17,095
Office supplies	39,125	21,092
Philhealth Cont - Admin	34,920	-
HDMF Fund Cont - Admin	29,936	-
Bank Charges	16,250	-
Donation	15,000	-
Training And Semnars	6,250	-
Computer Error Expense	215	-
Others	-	83,662
Miscellaneous Expense	24,434	-
	7,249,282	4,373,300

17. COST OF SERVICES

The details of cost of services are as follows:

	2024	2023
Salaries wages and benefits	P 881,444	P 374,392
Central depository fees expense	165,494	-
13th month pay	148,683	-
Commissions	118,454	73,012
Stock exchange fees and other dues	95,094	760,579
Representation travel	92,701	136,879
Postage and communication	87,860	169,379
Computer service fee	86,196	-
Utilities	48,695	68,380
Office supplies	39,125	84,366
Cancellation fee	26	-
Depreciation	-	8,748
	P 1,763,774	P 1,675,735

18. INCOME TAX

The components of benefit from income tax are as follows:

	2024	2023
Current	₱ -	₱ (11,677)
Deferred	(986,692)	466,523
	₱ (986,692)	₱ 454,846

A reconciliation of benefit from income tax on income before tax computed at the statutory tax rate to the benefit from income tax reported in the statement of comprehensive income is summarized as follows:

Net deferred tax assets and deferred tax liabilities are related to the tax effects of the following:

	2024	2023
Deffered tax assets(DTA)		
NOLCO	₱ 2,471,813	₱ 2,471,813
Allowance for expected credit losses	986,426	986,426
MCIT	35,016	35,016
Unrealized foreign exchange loss	590	590
Retirement liability:	369,356	369,356
	3,863,201	3,863,201
Deffered tax liabilities(DTL)		
Unrealized gain on securities at fair value through profit or loss - net	4,949,564	4,949,564
Unrealized foreign exchange gain	-	-
	4,949,564	4,949,564
Net DTL in the statement of financial condition	1,086,363	1,086,363

As of December 31, 2024 NOLCO and MCIT that can be claimed as deduction from taxable income and income tax liabilities, respectively, are as follows:

Net Operating Loss Carry Over (NOLCO)

Year incurred	Amount	Applied in previous year	Applied in current year	Remaining balance	Year of expiration
2024	3,272,185	-	-	3,272,185	2027
At statutory rate	P 654,437	P -	P -	P 654,437	

Statutory rate 20% @ 2024

Pursuant to Section 4 (bbbb) of Bayanihan II and as implemented under RR No. 25-2020, published on October 2, 2020, the net operating loss of a business or enterprise incurred for the taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five (5) consecutive taxable years following the year of such loss.

Moreover, Sec. 27 (A) of the NIRC, as amended by the CREATE Law, and as implemented under RR No. 5-2021 mandates that an income tax rate of twenty-five percent (25%) effective July 1, 2020, is hereby imposed upon the taxable income derived during each taxable year from all sources within and without the Philippines by every corporation, provided, that corporations with net taxable income not exceeding P5 Million and total assets not exceeding P100 Million excluding land on which the particular business entity's office, plant, and equipment are situated during the taxable year for which the tax is imposed, shall be taxed at twenty percent (20%).

Minimum Corporate Income Tax (MCIT)

The details of the Company's MCIT which can be claimed as deduction from future income tax payable is shown below.

Year incurred	MCIT Rate	Amount	Applied in previous year	Applied in current year	Expired	Remaining balance	Year of expiration
2024	2.0%	P 48,361	P -	P -	P -	P 48,361	2027

Pursuant to Sec. 28 (2) of CREATE Law and as implemented under RR No. 5-2021, a minimum corporate income tax of 2% of gross income, as prescribed under Sec. 27(E) of the NIRC, shall be imposed, under the same conditions; Provided, that effective July 1, 2020 until June 30, 2023, the rate shall be 1%.

Moreover, pursuant to Republic Act No. 11534, under CREATE Act and as implemented under RMC 36-2024, effective July 1, 2023 the MCIT rate return to its old rate of Two Percent (2%) based on the gross income of the Corporation. In computing the MCIT, the gross income shall be divided by 12 months to get the average monthly gross income and apply the rate of 1% for the period of January 1 to June 30, 2023 and 2% for the period July 1 to December 31, 2023.

For ease of computation, the rates below corresponding to the taxable period of the taxpayer may be used:

Annual Accounting Period	MCIT (2% /1%)	Annual Accounting Period	MCIT (2% /1%)
FY 7-31-23	1.08%	FY 1-31-24	1.58%
FY 8-31-23	1.17%	FY 2-28-24	1.67%
FY 9-30-23	1.25%	FY 3-31-24	1.75%
FY 10-31-23	1.33%	FY 4-30-24	1.83%
FY 11-30-23	1.42%	FY 5-31-24	1.92%
FY 12-31-23	1.50%	FY 6-30-24	2.00%

19. RELATED PARTY TRANSACTIONS

In the normal course of business, the Company has transactions with related parties. These transactions consist mainly of loans and advances, which are made substantially on the same terms as with other individuals and businesses of comparable risks. Settlement of outstanding balances at year-end is in cash throughout the financial year.

A summary of the major transactions with related parties is shown in the table below.

2024

Relationship	Amount of transactions for the year	Outstanding balance	Terms	Conditions
Officers and Employees 2023	₱ (495,781)	₱ 2,080,810	Non-interest bearing; No definite call terms	Unsecured; No impairment

Relationship	Amount of transactions for the year	Outstanding balance	Terms	Conditions
Officers and Employees	₱ -	₱ 2,576,591	Non-interest bearing; No definite call terms	Unsecured; No impairment

20. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

Minimum Capital Requirement

Risk-Based Capital Adequacy (RBCA)

On November 11, 2004, the SEC approved Memorandum Circular No. 16 which provides guidelines and adoption in the Philippines of the Risk-Based Capital Adequacy (RBCA) Framework for all registered broker dealers in accordance with the SRC. These guidelines 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.

The Company monitors capital on the basis of RBCA ratio and NCT Liquid Capital (NLC). RBCA requirement is the minimum level of the capital that must be maintained by firms which are licensed, or securing a broker dealer license, taking into consideration the firm size, complexity and business risk. Such risks that are considered in determining the capital requirement includes among others, operational, position and credit risk (which include counterparty settlement, large exposure, underwriting and margin financing risks).

RBCA ratio is the quotient of the NLC and the sum of the requirements for operation risk, credit risk and position or market risk.

NLC, on the other hand, represents the equity eligible for NLC adjusted for non-allowable current and non-current assets as described under the circular.

In order to maintain or adjust capital structure, the Company may issue new share, sell assets or reduce debt.

Under the guidelines set out by the SEC, all registered broker dealers should maintain the following RBCA and NLC requirements:

- a. RBCA ratio should be greater than or equal to 110%.
- b. NLC should be at least ₱5 million or 5% of aggregate indebtedness, whichever is higher.
- c. A dealer who deals only with proprietary shares and does not keep shares in its custody shall maintain a net capital of NLC should be at least ₱2.5 million or 2.5% of aggregate indebtedness, whichever is higher.
- d. In cases where, in order to meet an RBCA ratio of at least 110%, a NLC higher than ₱5 million or 5% of aggregate indebtedness is required, the higher NLC shall be maintained.
- e. No broker dealer shall permit its aggregate indebtedness to exceed 2000% of its NLC.

As of December 31, 2024 and 2023 the Company is in compliance with the minimum capital requirement set out by the RBCA framework. The Company's RBCA ratio is 164% and 270% as of December 31, 2024 and 2023, respectively.

Minimum Unimpaired Paid-Up Capital

SEC Memorandum Circular No. 52 requires all trading participants to build up their minimum unimpaired paid-up capital to ₱30 million as of December 31, 2010. In compliance with the SEC circular, the Company's unimpaired paid-up capital amounted to ₱34 million as of December 31, 2024 and 2023, respectively, as shown in Note 13.

The Company's regulated operations have complied with all externally-imposed capital requirements as of December 31, 2024 and 2023.

Retained Earnings Appropriation

SRC Rule 49.1 (B), Reserve Fund of SEC Memorandum Circular No. 16, 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. Minimum appropriation shall be 30%, 20% and 10% of profit after tax for broker-dealers with unimpaired paid-up capital of FIO million to ₱30 million, between ₱30 million to ₱50 million and above million, respectively.

No reserved fund was appropriated for 2024 and 2023 since the Company was in a net loss position in both years.

21. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial Risk Management Objectives and Policies

The Company is exposed to credit, liquidity and market risk arising in the normal course of its operating activities. The main objectives of the Company's financial risk management are to identify and monitor said risks on an ongoing basis and to minimize and mitigate such risks.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Trading limits for each customer are set after assessment of the true risk and profile of the customers (i.e., financial capacity, reputation and collateral) on top of risk management procedures. Majority of the Company's receivable from customers are collateralized by securities with fair value higher than the amount of receivables. Receivable from customers, due from clearing house and due from stockholders and officers and employees' balances are also monitored regularly to ensure that the Company's exposure to bad debts is controlled and not significant, and that adequate provisions are made for any account doubtful of collection. The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings, The Company has no significant concentrations on credit risk.

The aging analyses of the Company's financial assets as of December 31, 2024 and 2023 are summarized in the following tables:

2024							
	neither past due nor impaired	past due but not impaired			gross carrying value	allowance for expected credited loss	
		3-13 days	14-30 days	more than 30 days			
Cash and cash equivalents, excluding cash on hands	₱ 30,650,637	₱	₱	₱	₱ 30,650,637	₱	
Receivable from customers	8,594,257				8,594,257		4,660,014
Due from related parties	-	-	-	2,080,810	2,080,810		
Due from clearing house	1,942,425	-	-	-	1,632,052		-
	₱ 41,187,319	₱ -	₱ -	₱ 2,080,810	₱ 42,957,756	₱	4,660,014

2023							
	neither past due nor impaired	past due but not impaired			gross carrying value	allowance for expected credited loss	
		3-13 days	14-30 days	more than 30 days			
Cash and cash equivalents, excluding cash on hands	₱ 28,793,468	₱ -	₱ -	₱ -	₱ 28,793,468	₱	-
Receivable from customers	72,962	165,389	63,322	6,598,680	6,900,353		4,650,655
Due from related parties	-	-	-	2,858,066	2,858,066		281,475
due from clearing house	1,632,052	-	-	-	1,632,052		-
	₱ 30,498,482	₱ 165,389	₱ 63,322	₱ 9,456,746	₱ 40,183,939	₱	4,932,130

The credit quality of the above financial assets is all high grade. This means that these receivables have a high probability of collection (i.e., the counterparty has the apparent ability to satisfy its obligation and the security of the receivables are readily enforceable).

The Company's maximum exposure to credit risk before collateral held or other credit enhancements is as follows:

		2024		2023
Cash and cash equivalents, excluding cash on hand	P	30,650,628	P	28,793,468
Receivable from customers		8,594,257		2,249,698
Due from related parties		2,080,810		2,576,591
Due from clearing house		1,942,425		1,632,052
Allow for credit loss - other trade Ar		(4,660,014)		
	P	38,608,106	P	35,251,809

Liquidity Risk

The Company maintains an adequate amount of cash and cash equivalents and securities at FVPL, which may be readily converted to cash, and monitors the maturities of its receivable from customers, due from clearing house and due from stockholders, to ensure that it has sufficient current assets to settle its current liabilities.

The following table summarizes the maturity profile of the Company's financial liabilities as of December 31, 2024 and 2023.

		2024			
		Current		Non Current	
		within 6 months	6-12 months	1 to 5 years	
Payable to customers	P	28,407,367	P	P	P 28,407,367
Accrued expenses and other liabilities		3,018,019	145,565		3,163,583
		31,425,386	173,318		31,570,951

		2023			
		Current		Non Current	
		within 6 months	6-12 months	1 to 5 years	
Payable to customers	P	24,573,191	P	-	P 24,573,191
Accrued expenses and other liabilities		1,272,927	96,812	-	1,369,739
		25,846,118	96,812		25,942,930

Market Risk

The Company's market risk arises from its financial assets carried at fair value (securities at FVPL). The Company has established a risk management/measurement system to mitigate the adverse effects in fluctuations of the price or market value of these financial assets.

The current policy of the Company is anchored on the selective purchase of shares of stock and the establishment of trading and stop loss limits on dealer trading activities, to manage possible financial losses to be incurred from trading activities.

Equity Price Risk

The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the securities. At the reporting date, the market risk exposure on securities at FVPL, which are all listed in the Philippine Stock Exchange (PSE), amounted to P22,016,305 and P22,602,911 as of December 31, 2024 and 2023, respectively, while the changes in the fair market value of securities at FVPL amounted to fair value gains of nil and P2,094,736 in 2024 and 2023 as disclosed in Note 5.

Given that the changes in fair market values of the securities at FV PL are correlated with the changes of the actual fair value based on the PSE current market value at year end, the table below demonstrates the Company's

sensitivity to a possible change in market value per share, with all variables held constant, of the Company's profit before tax and the Company's equity in 2024 and 2023.

The Company measures the sensitivity of its securities at FV PL by using the PSE index (PSEI) fluctuations at 1.2% in 2024 and 1.8% in 2023.

	2024		2023	
Change in PSEi fluctuation	1.20%	1.20%	1.80%	1.80%
Change on profit before tax	₱ 16,076	-16,076	₱ 37,705	-37,705
Effect on equity(net of tax)	7,541	-7,541	30,164	-30,164

Comparison by Category of Carrying Amounts and Fair Values

The following table presents a comparison by category of the carrying amounts and the estimated fair values of all the Company's financial instruments as of December 31, 2024 and 2023.

	2024		2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets:				
Cash and cash equivalents	₱ 30,654,128	₱ 30,654,128	₱ 28,796,968	₱ 28,796,968
Securities at FVPL	22,016,305	22,016,305	22,602,911	22,602,911
Receivables from customers-net	3,934,243	3,934,243	2,249,698	2,249,698
Due from related parties	2,080,810	2,080,810	2,576,591	2,576,591
Due from clearing house	1,942,425	1,942,425	1,632,052	1,632,052
	₱ 60,627,911	₱ 60,627,911	₱ 57,858,220	₱ 57,858,220

	2024		2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Liabilities				
Payable to customers	₱ 28,407,367	₱ 28,407,367	₱ 24,573,191	₱ 24,573,191
Accrued expenses	154,306	154,306	454,599	454,599
	₱ 28,561,673	₱ 28,561,673	₱ 25,027,790	₱ 25,027,790

Fair Value Hierarchy

Financial assets and liabilities measured at fair value are categorized in accordance with the fair value hierarchy. The different levels have been defined as follows:

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

The fair value of securities at FVPL is based on published prices quoted in the PSE as discussed in Note 5. This financial asset falls under Level 1 fair value measurement.

The net carrying amount of financial assets other than securities at FVPL and financial liabilities, are reasonable approximation of their fair values due to their short-term maturities.

22. SUPPLEMENTARY INFORMATION REQUIRED BY BIR

Presented below is the supplementary information which is required by the BIR under existing RRs to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS.

- a. Supplementary Tax Information Required by RR No. 15-2010, "Prescribing the Manner of Compliance with Any Documentary and/or Procedural Requirements in Connection with the Preparation and Submission of Financial Statements Accompanying the Tax Returns, As Amended".

The information on taxes, duties and license fees paid or accrued during the taxable year 2024 required under RR No. 15-2010 are as follows:

Output VAT

The amount of output VAT declared for the year ended December 31, 2024 amounted to ₱242,044 representing 12% output VAT on commissions and sales of securities totaling ₱2,017,037.

For revenue from services, gross revenue for VAT purposes is based on gross receipts while gross revenue for financial reporting purposes is measured in accordance with the Company's revenue recognition policy.

Input VAT

Details of input VAT for the year ended December 31, 2024 and its movements during the year follow:

Balance at beginning of year	₱	(96,133.56)
Current year's domestic purchase/payments for goods and services		(200,282)
Applied against output VAT		242,044
	₱	(54,371)

All other local and national taxes paid for the year ended December 31, 2024 consist of:

Business permit	₱	21,266
Real property		19,440
Community tax		1,911
Others:		41,269
	₱	83,886

Withholding Taxes

The nature and amounts of withholding taxes reported during the year 2024 are shown below.

Expanded withholding taxes	₱	98,171
Final withholding taxes		-
Total withholding taxes paid for the year	₱	98,171

Tax Contingencies

The Company has no deficiency tax assessments or any tax cases, litigation, and/or prosecution in courts or bodies outside the BIR as of December 31, 2024.

- b. Supplementary Tax Information Required by RR No. 34-2020, "Prescribing the Guidelines and Procedures on the Submission of BIR Form No. 1709, Information Return on Transactions with Related Party (RPT Form), Transfer Pricing Documentation and Other Supporting Documents".

The Company is not covered by the requirements and procedures for related party transactions provided under RR No. 34-2020 for the year ended December 31, 2024.

23. OTHER SUPPLEMENTAL INFORMATION

In addition, hereunder are the Company's information on sales, cost of sales, non-operating and other taxable income, and itemized deductions (if optional standard deduction was not availed) during the taxable year.

Revenues

	P	3,195,243
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Cost of services

	P	1,704,004
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Itemized deductions

Charitable Contributions	P	15,000
Depreciation		787,386
Interest		837,688
Salaries and wages		881,444
SSS/PHIC/HDMF		216,438
Taxes and licenses		83,886
Transportation and travel		369,379
Others:		
Professional fees		770,723
Repairs and maintenance		101,443
Postage, telephone and comm		87,860
Insurance		83,356
Condominium dues and fees		195,322
Other expense		1,260,332
	P	5,690,257

Information on Company's taxes and licenses are disclosed in Note 21.

24. REVALUATION SURPLUS

Revaluation surplus pertains to the appraisal in condominium account under property, plant and equipment amounted to P22,950,000.

Financial Ratios	Description	Amount in PHP		2024	2023
		2024	2023		
Profitability Ratios					
Return on assets	Net Income (Loss)	(3,806,566)	(676,080)	-5%	-1%
	Average Total Assets	70,435,460	58,300,836		
	*Average Total Assets				
	Total assets prior year	59,001,927	57,599,744		
	Add: Total assets current year	81,868,992	59,001,927		
	Total	140,870,919	116,601,671		
	Divided by:	2	2		
	Average total assets	70,435,460	58,300,836		
	Return on Equity	Net Income (Loss)	(3,806,566)	(676,080)	-10%
Average total equity		38,151,429	30,405,273		
*Average Total Equity					
Total equity prior year		30,016,287	30,794,258		
Add: Total equity current year		46,286,571	30,016,287		
Total		76,302,858	60,810,545		
Divided by:		2	2		
Average total equity		38,151,429	30,405,273		
Net Profit Margin		Net income (loss)	(3,806,566)	(676,080)	-90%
	Net Sales	4,219,994	5,423,759		
Solvency and Liquidity Ratios					
Current Ratio	Current Assets	61,612,994	58,103,902	1.95	2.23
	Current Liabilities	31,570,950	26,052,491		
Debt to equity ratio	Total liabilities	35,582,420	28,985,640	0.77	0.97
	Total equity	46,286,571	30,016,287		
Interest coverage ratio	Earning before interest and taxes	(3,930,895)	(203,426)	(4.56)	0.22
	Interest Expense	862,167	927,500		
	Earnings before interest and taxes				
	Net Income (Loss)	(3,806,566)	(676,080)		
	Add: Interest expense /				
	Finance cost	862,167	927,500		
	Provision for (benefit				
	from income tax)	(986,496)	(454,846)		
	Earnings before interest and				
	taxes	(3,930,895)	(203,426)		

Financial Ratios	Description	Amount in PHP		2024	2023
		2024	2023		
Asset to equity ratio	Total Assets	81,868,992	59,001,927	1.77	1.97
	Total Equity	46,286,571	30,016,287		
Acid Test Ratio	Total Quick Assets	60,627,911	57,858,220	1.92	2.22
	Total Current Liabilities	31,570,950	26,052,491		
Total quick assets					
	Cash and cash	30,654,128	28,796,968		
	Securities at fair value				
	through profit or loss	22,016,305	22,602,911		
	Receivables from				
	customers	3,934,243	2,249,698		
	Due from related parties	2,080,810	2,576,591		
	Due from clearing house	1,942,425	1,632,052		
	Total quick assets	60,627,911	57,858,220		
Other relevant ratios					
RBCA ratio	Net liquid capital	22,959,096	24,296,195		
	Total risk capital				
	requirements	14,030,567	9,013,228	164%	270%
Ratio of AI to NLC	Aggregate indebtedness	34,496,057	27,899,277		
	Net liquid capital	22,959,096	24,296,195	150%	115%

RTG & CO., INC
STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED
TO CLAIMS OF GENERAL CREDITORS

	Years Ended December 31			
	2024		2023	
Beginning balance	P	-	P	-
Add:				
Interest		-		-
Less:		-		-
Conversion of loan to deposit for future stock subscription		-		-
Total payments		-		-
Total		-		-
Less current portion		-		-
Balance at end of year	P	-	P	-

CAPITAL ADEQUACY (RBCA) RATIO DECEMBER 31,2024

Assets	81,868,992
Less: Liabilities	35,582,420
Equity	46,286,572
Adjustments to equity	
Add (Deduct):	
Allowance for market decline	-
Subordinated Liabilities	-
Unrealized gains / (Losses) on propriety accounts	-
Deferred Income Tax	(1,034,877)
Deposit for future stock subscription	-
Minority interest	-
Total adjustments to equity	(1,034,877)
Equity Eligible for Net Liquid Capital	45,251,695
Contingencies and Guarantees	
Contingent Liability	-
Guarantees or indemnities	-
Total contingencies and liabilities	-
Ineligible Assets	
a. Trading Right and all Other Intangible Assets (net)	880,000
b. Intercompany Receivables	2,080,810
c. Fixed Assets, net of accumulated and excluding those used as collateral	18,341,122
d. Prepayment from Client for Early Settlement of Account	-
e. All Other Current Assets	930,711
f. Securities Not Readily Marketable	-
g. Negative Exposure (SCCP)	5,585
h. Notes Receivable (non-trade related)	-
i. Interest and Dividends Receivables outstanding for more than 30 days	-
j. Ineligible Insurance claims	-
k. Ineligible Deposits	-
l. Short Security Differences	-
m. Long Security Differences not resolved prior to sale	-
n. Other Assets including Equity Investment in PSE	54,371
l. Long securitydifferences not resolved prior to sale	-
m. Other assets including equity investment in PSE	-
n. Ineligible collateral of receivable	-
Total Ineligible Assets	22,292,599

Total Ineligible Assets	22,292,599
Net Liquid Capital (NLC)	22,959,096
Deduct:	
Operational risk requirement	820,847
Position risk requirement	7,745,645
Counterparty risk	53,168
Large exposure risk	
LERR to a single client	-
LERR to a single debt	-
LERR to a single issuer and group of companies	5,410,907
Total Risk Capital Requirement (TRCR)	14,030,567
Net RBCA Margin (NLC-TRCR)	8,928,529
Aggregate Indebtedness (AI) Computation	
Liabilities	35,582,420
Deduct: Exclusion from AI	
Subordinated Liabilities	-
Loans Secured by securities	-
Loans secured by fixed assets	-
Others	(1,086,363)
Total adjustments to AI	(1,086,363)
Aggregate Indebtedness	34,496,057
5 % of Aggregate Indebtedness	1,724,803
Required Net Capital (5% of AI or P 5,000,000 whichever is higher)	5,000,000
Excess Net Risk - Based Capital	17,959,096
Ratio of AI to Net Liquid Capital	150%
RBCA Ratio (NLC / TRCR)	164%

RTG & CO., INC
INFORMATION RELATING TO POSSESSION OR CONTROL
REQUIREMENTS UNDER ANNEX OF SRC RULE 49.2
DECEMBER 31, 2024

April 10, 2024

1. Customer's 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

Market Valuation	NA
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Number of items	NA
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2. Customer's fully paid securities and excess margin securities for which instructions to reduce to possession or control had not been issued as of the report date, excluding items arising from "temporary lags which result from normal business operation" as permitted under SRC Rule 49.2

Market Valuation	NA
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Number of Items	NA
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RTG & CO., INC.
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
UNDER ANNEX G OF SRC RULE 49.2
DECEMBER 31, 2024

		April 11, 2025
	Credits	Debits
1. Free credit balances and other credit balances in customer's security accounts	28,407,367	-
2. Monies borrowed collateralized by securities carried for the account of customers	-	-
3. Monies payable against customer's securities loaned	-	-
4. Customers' securities failed to receive	-	-
5. Credit balance in firm accounts which are attribute to principle sales to	-	-
6. Market value of stock dividends, stock splits and similar distributions receivable outstanding over 45 calendar days	-	-
7. Market value of 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 uncured accounts and accounts doubtful of collection	-	3,934,243.00
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	28,407,367	3,934,243

RTG & Co., INC
A REPORT DESCRIBING ANY MATERIAL INADEQUACIES
FOUND TO EXIST OR FOUND TO HAVE EXISTED SINCE THE DATE OF THE
PREVIOUS AUDIT

There are no matters involving the Company's internal control structure and its operations that are considered to be material weaknesses.

RTG & CO., INC.
RESULTS OF QUARTERLY SECURITIES COUNT
DECEMBER 31, 2024

Stocks	No. of Shares	Market Value	Total Market Value
Equities in the PHIS IX			
ACEN	141,001	4.00	564,004.00
BPI	2	122.00	244.00
GLO	100	2,184.00	218,400.00
URC	2,500	79.00	197,500.00
	143,603		980,148
Other Equities outside the PHIS IX			
ACENA	100	1,050.00	105,000.00
ALLHC	5,000	1.70	8,500.00
ALTER	80,000	1.20	96,000.00
APL	2,000,000	0.00	8,000.00
APX	7,000	3.45	24,150.00
AREIT	400	37.95	15,180.00
AT	8,001	4.38	35,044.38
AXLM	70,200	2.59	181,818.00
BNCOM	10,300	6.75	69,525.00
BRNP	1,000	96.50	96,500.00
C	30,100	1.31	39,431.00
CEB	9	28.25	254.25
CEBCP	4	34.50	138.00
COAL	100,000	0.15	15,400.00
CYBR	10,000	0.33	3,300.00
DD	4,400	10.20	44,880.00
DDMPR	200,000	1.03	206,000.00
DMW	29,700	5.52	163,944.00
EEIPB	3,000	98.45	295,350.00
FRUIT	105,000	0.64	67,200.00
GEO	724	0.09	63.71
HOME	20,000	0.64	12,800.00
IS	228,800	0.14	32,947.20
JFCPB	1,100	984.00	1,082,400.00
MAC	120	5.44	652.80
MBT	100	72.00	7,200.00
MEDIC	88,500	0.31	27,435.00
MER	650	488.00	317,200.00
MRC	3,000	0.84	2,520.00
MWP4	10,000	97.95	979,500.00
OM	785	0.13	104.41
OPMB	1,451,071	0.01	10,883.03
PAL	155	4.95	767.25
PMPC	13	5.48	71.24
PNB	2,205	27.70	61,078.50
PNX4	750	177.90	133,425.00
PSE	100,447	164.00	16,473,308.00
PX	5	2.79	13.95
RLT	2,000	0.12	240.00
SCC	1,100	34.90	38,390.00
SHLPH	18,500	7.50	138,750.00
SMC2J	2,000	70.50	141,000.00
T	19,000	0.29	5,510.00
TCB2D	2,000	46.10	92,200.00

RTG & CO., INC.
RESULTS OF QUARTERLY SECURITIES COUNT
DECEMBER 31, 2024

Stocks	No. of Shares	Market Value	Total Market Value
Equities in the PHISIX			
TFHI	33.00	63.10	2,082.30
UNI	1,000.00	-	-
	4,761,875.00		22,016,305
Equities not traded in Exchange but proven to be marketable			
ACP	12,256.00	-	-
AJ	23,508.00	-	-
AMOC	90,000.00	-	-
BBG	5,150.00	-	-
BCG	1,000,000.00	-	-
BEI	967.00	-	-
BMI	1,950.00	-	-
BMIB	1,257.00	-	-
CMI	639.00	-	-
CMM	100,000.00	-	-
EIBA	333.00	-	-
FRI	1,100,000.00	-	-
GO	948.00	-	-
GOB	426.00	-	-
HXM	200,000.00	-	-
IM	139,793.00	-	-
IMB	32,396.00	-	-
KPM	10,000.00	-	-
LRC	60,000.00	-	-
LRCB	4,000.00	-	-
MERW	26.00	-	-
MIB	20.00	-	-
MID	250,000.00	-	-
MMC	21.00	-	-
MNR	900,000.00	-	-
MON	873.00	-	-
MVA	200,000.00	-	-
NN	13,733.00	-	-
NXGEN	3,950.00	-	-
OPMC	300,000.00	-	-
PEC	100,000.00	-	-
PHC	800.00	-	-
PIM	647,092.00	-	-
PIMB	13,960.00	-	-
PNR	3,530,000.00	-	-
PODC	4,830,000.00	-	-
POG	610,000.00	-	-
POGB	300,000.00	-	-
PPI	34,975.00	-	-
PQM	51,540.00	-	-
PTT	5,500.00	-	-
RPC	2,862.00	-	-
SBM	600.00	-	-
SMCI	3,200,000.00	-	-
SMR	500,000.00	-	-
SUMI	400,000.00	-	-
WM	179,960.00	-	-
ZBM	516,950.00	-	-
	19,376,485.00	-	22,016,305.02
	24,138,360.00	-	22,016,305.02



VELASCO, PUNZALAN and COMPANY

(Formerly Velasco Aguirre and Company)

CERTIFIED PUBLIC ACCOUNTANTS

I.G. 21 Cityland Dela Rosa Condominium, 7648 Dela Rosa St., Pio Del Pilar, Makati City 1230 | Tel (632) 8819-1427 | Telefax (632) 8817-6395
E-mail velascoaguirre@outlook.ph; velascopunzalan@gmail.com; ypc_nestor@outlook.com; Web www.ypccpas.weebly.com

Statement Required by Rule 68, Part 1, Section 3.F., Securities Regulation Code (SRC), as revised on August 19, 2019

To the Shareholders and Board of Directors RTG & CO., INC.

Unit 602 Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

We have audited the accompanying financial statements of **RTG & CO., INC.** (the Company) for the years ended December 31, 2024 and 2023 on which we have rendered the attached report dated April 10, 2025.

In compliance with SRC Rule 68, we are stating that the said Company has a total number of ten (10) shareholders owning one hundred (100) or more shares each.

VELASCO PUNZALAN & CO. CPAs

SEC AN (Firm) 3390-SEC, Group C, valid to audit 2022 to 2026 Financial Statements
BSP AN (Firm) 3390-BSP, Group C, valid to audit 2020 to 2024 Financial Statements
BIR AN: 08-004563-000-2024, issued on March 15, 2024, valid until March 14, 2027
BOA AN: 3390, issued on January 25, 2024, valid until January 10, 2027 with Serial no. 27370
CDA CEA AN: 019-AF, valid from April 12, 2023 to April 11, 2026

NESTOR C. VELASCO

Partner
CPA Cert. No. 078924, effective until October 8, 2027
PTR No. 0008705 issued on January 3, 2025, Makati City
TIN 110-157-770
BIR AN 08-004563-001-2024, valid until March 14, 2027
SEC AN: 78924-SEC, Group C, valid to audit 2022 to 2026 Financial Statements
BSP AN: 78924-BSP, Group C, valid to audit 2020 to 2024 Financial Statements
BOA AN: 3390 P-001, issued on January 25, 2024, valid until January 10, 2027 with Serial no. 27371

April 10, 2025
Makati City