



SECURITIES AND EXCHANGE COMMISSION

THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
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The following document has been received:

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Company Information

SEC Registration No.: 2021010004886-00

Company Name: WECAP FINANCIAL, INC.

Industry Classification: K642

Company Type: Stock Corporation

Document Information

Document ID: OST10625202583539956

Document Type: Annual Audited Financial Report

Document Code: SEC_Form_52-AR

Period Covered: December 31, 2024

Submission Type: Annual

Remarks: None

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

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 52-AR
ANNUAL AUDITED FINANCIAL REPORT**

Information Required of Brokers and Dealers Pursuant to Rule 52.1.5 of the Securities Regulation Code.

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

Note:

For Broker Dealer whose fiscal year ends on December 31, SEC Form 52-AR shall be filed with the Commission depending on the last numerical digit of its registration number as prescribed by the Commission. Broker dealer whose fiscal year ends on a date other than December 31 shall comply with the filing schedule of 110 days after the close of such fiscal year.

IDENTIFICATION OF BROKER OR DEALER

Name of Broker Dealer: WECAP FINANCIAL, INC.

Address of Principal Place of Business: G/F Ricogen Building 112 Aguirre, Legazpi Village
Makati, Metro Manila 1229

Email Address: wecapincorporated@gmail.com

Name and Phone Number of Person to Contact in Regard to this Report

Name: JOB ADRIAN M. AMBROSIO

Tel. No. 8661-9548

Fax No. _____

Paid-up Capital of Registrant: 103,413,945

IDENTIFICATION OF ACCOUNTANT

Name of Independent Certified Accountant whose opinion is contained in this report:

Name: MA. ALMA C. SESE

Tel. No. 8994-3984

Address: 9th Floor Unit C Marc 2000 Tower, 1973 Taft cor
San Andres, Malate, Manila

Fax No. _____

Email Address: almasese@psv-co.com

Certificate Number: 0054588

PTR Number: 2093955

Date Issued: January 6, 2025

BOA Registration No. 0222

Date Issued: October 13, 2023

Type of SEC Accreditation: Group B

Accreditation No.: 54588-SEC

Date Accredited: December 1, 2022

Expiry Date: December 1, 2027

WECAP FINANCIAL, INC.
ANNUAL AUDITED FINANCIAL REPORT
AS OF DECEMBER 31, 2024

This Report Contains:

- (✓) Cover Page
- (✓) Statement of Management Responsibility
- (✓) Supplemental Statement of Independent Auditors
- (✓) Independent Auditor's Report on Supplementary Schedules
- (✓) Report of Independent Auditors
- (✓) Report of Independent CPA to Accompany Financial Statement for filing with the Bureau of Internal Revenue
- (✓) Statements of Financial Position
- (✓) Statements of Comprehensive Income
- (✓) Statements of Changes in Equity
- (✓) Statements of Cash Flows
- (✓) Notes to Financial Statements
- (✓) Schedule I: Statements of Changes in Liabilities Subordinated to Claims of General Creditors
- (✓) Schedule II: Computation of Risk Based Capital Adequacy per SRC Rule 49.1-1
- (✓) Schedule III: Information Relating to Possession or Control Requirements Under Appendix F of SRC Rule 49.2-1
- (✓) Schedule IV: Computation of Determination of Reserve Requirements Under Appendix G of SRC Rule 49.2
- (✓) Schedule V: A Report Describing Material Inadequacies Found to Exist or Found to Have Existed since the Previous Audit
- (✓) Schedule VI: Report of Monthly Securities Count conducted Pursuant to SRC Rule 52.1-10 as amended
- (✓) Schedule VII: Financial Soundness Indicators
- (✓) Schedule VIII: Reconciliation of Retained Earnings Available for Dividends Declaration
- (✓) Schedule IX: Broker Dealer Special Form Financial Statement (BDFS)

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

[illegible]**PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)**[illegible]

Form Type					Department requiring the report				Secondary License Type, if Applicable					
	A	A	F	S					B	R	O	K	E	R

COMPANY INFORMATION

Company's Email Address

wecapincorporated@gmail.com

**Company's Telephone
Number**

(02) 8661-9548

Mobile Number

+63 917 1101698

No. of Stockholders

6

Annual Meeting (Month / Day)

First Tuesday of February

Fiscal Year (Month / Day)

December 31

CONTACT PERSON INFORMATION

The designated contact person MUST be an Officer of the Corporation

Name of Contact Person

JOB ADRIAN M. AMBROSIO

Email Address

job.ambrosio@wecap.ph

**Telephone
Number/s**

(02) 8661-9548

Mobile Number

+63 918 9043309

CONTACT PERSON'S ADDRESS

4517 Scarlet St., Sun Valley Subd., Parañaque City 1700

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

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



Wecap Inc <wecapincorporated@gmail.com>

Your BIR AFS eSubmission uploads were received

eafs@bir.gov.ph <eafs@bir.gov.ph>
To: WECAPINCORPORATED@gmail.com
Cc: JOB.AMBROSIO@wecap.ph

Wed, Apr 30, 2025 at 4:29 PM

Hi WECAP INC.,

Valid files

- EAFS774034151RPTTY122024.pdf
- EAFS774034151ITRTY122024.pdf
- EAFS774034151AFSTY122024.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-8AH6987E04ZT1VVPSQ1R2PV140NRNRZ4PS**
Submission Date/Time: **Apr 30, 2025 04:29 PM**
Company TIN: **774-034-151**

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- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

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PEREZ, SESE, VILLA & Co.
CERTIFIED PUBLIC ACCOUNTANTS

WECAP FINANCIAL, INC.

FINANCIAL STATEMENTS

and

**Report of Independent Auditors
December 31, 2024 and 2023**

ANNUAL REPORT



admin@psv-co.com



(02) 8 994-3984



9th Flr. Unit C MARC 2000 Tower
1973 Taft Ave. cor. San Andres St.
Malate, Manila 1004

WECAP FINANCIAL, INC.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX

The Management of **WECAP FINANCIAL, INC.** (the Company) is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2024. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended December 31, 2024 and the accompanying Annual Income Tax Return are in accordance with the books and records of **WECAP FINANCIAL, INC.** complete and correct in all material respects. Management likewise affirms that:

- (a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- (b) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the Company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
- (c) **WECAP FINANCIAL, INC.** has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

BY:
WECAP FINANCIAL, INC.



RICHARD N. PALOU
Chairman



JOB ADRIAN M. AMBROSIO
President



JAYFERSON L. JACOB
Treasurer

WECAP FINANCIAL, INC.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENT

The management of **WECAP FINANCIAL, INC.** (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

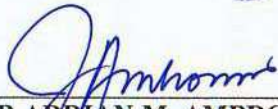
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or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

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

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

PEREZ, SESE, VILLA & CO., the independent auditor appointed by the shareholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in their report to the shareholders, have expressed their opinion on the fairness of presentation upon completion of such audit.


RICHARD N. PALOU
Chairman


JOB ADRIAN M. AMBROSIO
President


JAYFERSON L. JACOB
Treasurer

Signed this 8th day of April 2025.

SUBSCRIBED AND SWORN to before me, a Notary Public for and in the **CITY OF MANILA** Philippines, this **APR 08 2025** affiants who are personally known to me and whose identity I have confirmed through their competent evidence of identity bearing the affiants photograph and signature.

NAMES

Richard N. Palou

Job Adrian M. Ambrosio

Jayferson L. Jacob

COMPETENT

EVIDENCE OF IDENTITY

Driver's License: N10-66-003241

Passport No. P8346088B

TIN: 315-460-358-000

DATE AND PLACE ISSUED

Valid until 02/24/2033 issued at LTO

Valid until 11/30/2031 issued at DFA Manila

ATTY. MARIELLE JENELLE L. LAGUERTA
Notary Public for City of Manila - Until Dec. 31, 2025
Notarial Commission No. 2024-179
Tower 3, 3K, No. 181 No. Lopez St., Ermita, Manila
I.B.P. NO. 488207- Dec. 27, 2024 for the year 2025
PTR. NO. 2041441- Jan. 2, 2025 at Manila
MCLE No. VIII-0010660- Valid until 4-14-2028
ROLL NO. 88314

DOC NO. 143
PAGE NO. 50
BOOK NO. 11
SERIES OF W



PEREZ, SESE, VILLA & CO.
CERTIFIED PUBLIC ACCOUNTANTS

admin@psv-co.com

(02) 8 994-3984

9th Flr. Unit C MARC 2000 Tower
1973 Taft Ave. cor. San Andres St.
Malate, Manila 1004

SUPPLEMENTAL STATEMENT OF INDEPENDENT AUDITORS

**To the Board of Directors and Shareholders
WECAP FINANCIAL, INC.**

G/F Ricogen Building 112 Aguirre, Legazpi Village
Makati, Metro Manila 1229

We have audited the financial statements of **WECAP FINANCIAL, INC.** (the Company) for the year ended December 31, 2024, on which we have rendered our report dated April 8, 2025.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Company has two (2) shareholders owning one hundred (100) or more shares of the Company's capital stock as of December 31, 2024, as disclosed in Note 14 to the Financial Statement.

PEREZ, SESE, VILLA & CO.

BY: 
MA. ALMA C. SESE
MANAGING PARTNER

CPA License No. 0054588

Tax Identification No. 212-955-173-000

PTR No. 2093955, Issued on January 6, 2025, Manila City

SEC Accreditation No:

Partner – 54588 SEC Group B, issued on December 1, 2022,
valid for five (5) years covering the audit of 2022 to 2026 financial statements

Firm – 0222 SEC, Group B, Issued on December 1, 2022,
valid for five (5) years covering the audit of 2022 to 2026 financial statements

BIR Accreditation No. 06-002735-001-2024, issued on April 12, 2024,
valid for three (3) years until April 11, 2027

IC Accreditation No.

Partner -54588 IC, Group B, issued on December 3, 2020
valid for five (5) years covering the audit of 2020 to 2024 financial statements

Firm -0222 IC, Group B, issued on December 3, 2020
valid for five (5) years covering the audit of 2020 to 2024 financial statements

BOA/PRC Cert. of Reg. No. 0222, issued on October 13, 2023 valid until October 12, 2026

Manila, Philippines
April 8, 2025



PEREZ, SESE, VILLA & CO.
CERTIFIED PUBLIC ACCOUNTANTS

admin@psv-co.com

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Malate, Manila 1004

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

**To the Board of Directors and Shareholders
WECAP FINANCIAL, INC.**

G/F Ricogen Building 112 Aguirre, Legazpi Village
Makati, Metro Manila 1229

We have audited in accordance with Philippine Standards on Auditing, the financial statements of **WECAP FINANCIAL, INC.** (the Company) for the year ended December 31, 2024 and have issued our report thereon dated April 8, 2025. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of reconciliation of retained earnings available for dividend declaration as of December 31, 2024, are the responsibility of the Company's management. This supplementary schedule is presented for the purpose of complying with Securities Regulation Code (SRC) Rule No. 68, as amended, and is not part of the basic financial statements. This supplementary schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

PEREZ, SESE, VILLA & CO.

BY: *MA. ALMA C. SESE*
MA. ALMA C. SESE
MANAGING PARTNER

CPA License No. 0054588

Tax Identification No. 212-955-173-000

PTR No. 2093955, Issued on January 6, 2025, Manila City

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valid for five (5) years covering the audit of 2020 to 2024 financial statements

BOA/PRC Cert. of Reg. No. 0222, issued on October 13, 2023 valid until October 12, 2026

Manila, Philippines
April 8, 2025



REPORT OF INDEPENDENT AUDITORS

To the Board of Directors and Shareholders

WECAP Financial, Inc.

(Formerly WECAP INC.)

G/F Ricogen Building 112 Aguirre, Legazpi Village
Makati, Metro Manila 1229

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **WECAP FINANCIAL, INC.** (the Company) which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years ended, and notes to the financial statements, including material accounting policy information.

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 its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

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

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as 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 cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2024 required by the Bureau of Internal Revenue as disclosed in Note 27 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with PFRS Accounting Standards. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PEREZ, SESE, VILLA & CO.

BY: 
MA. ALMA C. SESE
MANAGING PARTNER

CPA License No. 0054588

Tax Identification No. 212-955-173-000

PTR No. 2093955, Issued on January 6, 2025, Manila City

SEC Accreditation No:

Partner – 54588 SEC Group B, issued on December 1, 2022,

valid for five (5) years covering the audit of 2022 to 2026 financial statements

Firm – 0222 SEC, Group B, Issued on December 1, 2022,

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BIR Accreditation No. 06-002735-001-2024, issued on April 12, 2024,

valid for three (3) years until April 11, 2027

IC Accreditation No.

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valid for five (5) years covering the audit of 2020 to 2024 financial statements

Firm -0222 IC, Group B, issued on December 3, 2020

valid for five (5) years covering the audit of 2020 to 2024 financial statements

BOA/PRC Cert. of Reg. No. 0222, issued on October 13, 2023 valid until October 12, 2026

Manila, Philippines

April 8, 2025



PEREZ, SESE, VILLA & CO.
CERTIFIED PUBLIC ACCOUNTANTS

 admin@psv-co.com

 (02) 8 994-3984

 9th Flr. Unit C MARC 2000 Tower
1973 Taft Ave. cor. San Andres St.
Malate, Manila 1004

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT
TO ACCOMPANY FINANCIAL STATEMENT FOR
FILING WITH THE BUREAU OF INTERNAL REVENUE**

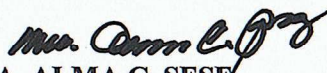
**To the Board of Directors and Shareholders
WECAP FINANCIAL, INC.
G/F Ricogen Building 112 Aguirre, Legazpi Village
Makati, Metro Manila 1229**

We have audited the financial statements of **WECAP FINANCIAL, INC.** (the Company) for the year ended December 31, 2024, on which we have rendered the attached report dated April 8, 2025.

In compliance with Revenue Regulations V-20, we are stating the following:

1. The taxes paid and accrued by the above Company for the one month ended December 31, 2024 are shown in the Schedule of Taxes and Licenses.
2. No partner of our Firm is related by consanguinity or affinity to the president, manager or principal shareholders of the Company.

PEREZ, SESE, VILLA & CO.

BY: 
MA. ALMA C. SESE
MANAGING PARTNER

CPA License No. 0054588

Tax Identification No. 212-955-173-000

PTR No. 2093955, Issued on January 6, 2025, Manila City

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BOA/PRC Cert. of Reg. No. 0222, issued on October 13, 2023 valid until October 12, 2026

Manila, Philippines
April 8, 2025

WECAP FINANCIAL, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>			
Current Assets			
Cash	3,4,6	P 24,613,207	P 23,267,069
Receivables	3,4,7	59,120,810	5,992,607
Prepayment and other current assets	3,8	2,400,010	66,566,689
Total Current Assets		86,134,027	95,826,365
Non-Current Assets			
Property and equipment	3,4,10	790,592	604,221
Intangible asset	3,11	10,102,679	9,000,000
Refundable deposits	3,4,9	255,364	255,364
Deferred tax asset	3,5,21	6,325,909	3,148,247
Total Non-Current Assets		17,474,544	13,007,832
TOTAL ASSETS		P 103,608,571	P 108,834,197
<u>LIABILITIES AND EQUITY</u>			
Current Liabilities			
Payables	3,12	P 194,626	P 112,976
Non-Current Liabilities			
Deposit for future subscription	3,13,22	-	2,166,120
Total Non - Current Liabilities			
Total Liabilities		194,626	2,279,096
Equity			
Share capital	3,14	30,000,005	30,000,005
Additional paid in capital	3,14	92,401,889	89,999,997
Accumulated deficits	3	(18,987,949)	(13,444,901)
Equity, net		103,413,945	106,555,101
TOTAL LIABILITIES AND EQUITY		P 103,608,571	P 108,834,197

(See Accompanying Notes to Financial Statements)

WECAP FINANCIAL, INC.
STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2024 and 2023

	<i>Notes</i>	<u>2024</u>	<u>2023</u>
REVENUES	3,15	₱ 669,643	₱ 892,857
DIRECT COSTS	3,16	<u>(1,707,341)</u>	<u>(1,189,004)</u>
LOSS		(1,037,698)	(296,147)
OPERATING EXPENSES	3,18	<u>(7,707,317)</u>	<u>(10,370,109)</u>
LOSS FROM OPERATION		(8,745,015)	(10,666,256)
OTHER INCOME (EXPENSES)	3,17	<u>24,305</u>	<u>(3,956,570)</u>
NET LOSS BEFORE INCOME TAX		(8,720,710)	(14,622,826)
INCOME TAX EXPENSE (BENEFIT)	3,5,21	<u>3,177,662</u>	<u>2,402,735</u>
NET LOSS FOR THE YEAR		(5,543,048)	(12,220,091)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE LOSS		<u>₱ (5,543,048)</u>	<u>₱ (12,220,091)</u>

(See Accompanying Notes to Financial Statements)

WECAP FINANCIAL, INC.
STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2024 and 2023

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
SHARE CAPITAL			
Balance at beginning of year	3,14	P 30,000,005	P 30,000,003
Issuance		-	2
Balance at end of year		<u>30,000,005</u>	<u>30,000,005</u>
ADDITIONAL PAID-IN CAPITAL	3,14	<u>92,401,889</u>	<u>89,999,997</u>
ACCUMULATED DEFICITS	3		
Balance at the beginning of the year		(13,444,901)	(1,224,810)
Net loss for the year		<u>(5,543,048)</u>	<u>(12,220,091)</u>
Balance at the end of the year		<u>(18,987,949)</u>	<u>(13,444,901)</u>
EQUITY, net		<u><u>P 103,413,945</u></u>	<u><u>P 106,555,101</u></u>

(See accompanying Notes to Financial Statements)

WECAP FINANCIAL, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2024 and 2023

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss before income tax		P (8,720,710)	P (14,622,826)
Adjustment to reconcile net loss to			
net cash generated from (used in) operating activities:			
Depreciation and Amortization	3,4,10,19	238,262	137,837
Interest income	3,4,6	(17,100)	(10,695)
Operating loss before changes in working capital		(8,499,548)	(14,495,684)
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Receivables	3,4,7	(53,128,203)	(5,972,419)
Prepayment and other current assets	3,8	64,166,679	(31,876,551)
Increase (decrease) in:			
Payables	3,12	81,650	96,393
Cash generated from (used in) operation		2,620,578	(52,248,261)
Interest income received	3,4,6	17,100	10,695
Net cash generated from (used in) operating activities		2,637,678	(52,237,566)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of software		(1,142,858)	-
Payment of refundable deposit		-	(114,124)
Acquisition of property and equipment	3,4,10	(384,454)	(277,068)
Net cash used in investing activities		(1,527,312)	(391,192)
CASH FLOWS FROM FINANCING ACTIVITIES			
Deposit for future subscription	3,13,22	(2,166,120)	-
Issuance of share capital	3,14	-	2
Additional paid-in capital	3,14	2,401,892	20,000,000
Receipt of advances from shareholders	3,22	-	(19,926,229)
Net cash provided by financing activities		235,772	73,773
NET INCREASE (DECREASE) IN CASH		1,346,138	(52,554,985)
CASH AT THE BEGINNING OF THE YEAR		23,267,069	75,822,054
CASH AT THE END OF THE YEAR		P 24,613,207	P 23,267,069

(See accompanying Notes to Financial Statements)

WECAP FINANCIAL, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1 - GENERAL INFORMATION

WECAP FINANCIAL, INC. (the Company) is a corporation registered with the Philippine Securities and Exchange Commission under registration number 202101000488600 dated January 11, 2021. The Company was established primarily to principally engage in the business of effecting for the account of others, as broker, transactions relative to stock, bonds, debentures, other securities or commercial papers of any person, partnership, association, syndicate, corporation or governmental body, agency or instrumentality, local or international, whether such securities or commercial papers be of domestic or foreign origin or to undertake alone or in conjunction with one or more other person, entities or indicates, the sale, distribution or solicitation of offers for the purchase or sale, of any securities within or without the jurisdiction of the Republic of the Philippines, or to purchase, sell or otherwise, deal in options, rights or warrants relating to stocks, bonds, debentures and other securities or commercial papers, all in accordance with applicable laws. (As Amended and Approved by the Board of Directors/Shareholders on April 22, 2022.)

The Company had its corporate name amended from WECAP INC. to WECAP FINANCIAL, INC., this was approved by the Securities and Exchange Commission on April 28, 2023.

The Company's registered address is located at G/F Ricogen Building 112 Aguirre, Legazpi Village Makati, Metro Manila 1229.

The Company was granted a secondary license by the Securities and Exchange Commission (SEC) to engage as broker/dealer of securities on May 10, 2023.

On August 23, 2024, the Company's application for admission as a Trading Participant with the Philippine Stock Exchange was approved by PSE Board Directors.

Approval of the Financial Statement

The financial statements of the Company for the year ended December 31, 2024 including its comparative figures for the year ended December 31, 2023 were approved and authorized for issue by the Board of Directors (BOD) on April 8, 2025. The Board of Directors is empowered to make revisions even after the date of issue.

NOTE 2 – FINANCIAL REPORTING FRAMEWORK AND BASIS OF PRESENTATION AND PREPARATION OF FINANCIAL STATEMENTS

Statement of Compliance

The financial statements of the Company have been prepared in compliance with the *Philippine Financial Reporting Standard (PFRS)* Accounting Standards issued by the Philippine Financial and Sustainability Reporting Standards Council. This financial reporting framework includes PFRS, Philippine Accounting Standard (PAS) and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC) and adopted by the Securities and Exchange Commission (SEC), including SEC pronouncement.

Basis of Preparation and Measurement

The Company has prepared the financial statements as at and for the year ended December 31, 2024 and 2023 on a going concern basis, which assumes continuity of current business activities and the realization of assets and settlements of liabilities in the ordinary course of business.

The financial statements are presented in Philippine Peso (P) the currency of the primary economic environment in which the Company operates. All amounts are rounded to the nearest peso.

The financial statements have been prepared on historical cost basis, unless stated otherwise. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

When measuring the fair value of an asset or a liability, the Company uses market observable data to the extent possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the Company (working closely with external qualified valuers) using valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset or liability that market participants would take into account.

Further information about assumptions made in measuring fair values is included in the following:

- Note 5 – Significant Accounting Judgements and Estimates
- Note 25 - Fair Value Measurement

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety; which are described as follows:

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

Transfers between levels of the fair value hierarchy are recognized by the Company at the end of the reporting period during which the change occurred.

NOTE 3 - ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new and amended PFRS which the Company adopted effective for annual periods beginning on or after January 1, 2024.

- Amendments to PAS 1, Presentation of Financial Statements - Non-current liabilities with covenants.

The amendments specify that only covenants that an entity is required to comply with on or before The end of the reporting period affect the entity's right to defer settlement of liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities, and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The amendments are applied retrospectively for annual reporting periods beginning on or after January 2024. Earlier application of the amendments is permitted. If an entity applies the amendments for an earlier period, it is also required to apply the 2020 amendments early.

- Amendments to PAS 7, Statements of Cash Flows and PFRS 7, Financial instruments: Disclosures-Supplier Finance Arrangements

The amendments add a disclosure objective to PAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, PFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to a concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information. To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- a. The terms and conditions of the arrangements
- b. The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements

- c. The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers
- d. Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement
- e. Liquidity risk information

The amendments, which contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments, are applicable for annual reporting periods beginning on or after January 2024. Earlier application is permitted.

- **Amendments to PFRS 16, Lease liability in a Sale and Leaseback**

The amendments to PFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in PFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognize a gain or loss that relates to the right of use retained by the seller-lessee after the commencement date.

The amendments do not affect the gain or loss recognized by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognized a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in PFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in PFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability, that arises from a sale and leaseback transaction that qualifies as a sale applying PFRS 15, is a lease liability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. If a seller-lessee applies the amendments for an earlier period, it is required to disclose that fact.

A seller-lessee applies the amendments retrospectively in accordance with PAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied PFRS 16

New and Amended Standards Issued but not yet Effective or Adopted

Pronouncements issued but not yet effective are listed below. The Company intends to apply the following pronouncement when they become effective. Adoption of these pronouncements is not expected to have a material impact on the Company's financial statements.

Effective beginning on or after January 1, 2025

- **PFRS 17. Insurance Contracts**

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all

types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

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

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

On December 15, 2021, the FSRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted. Based on management assessment, this is not expected to have material impact on the financial statements of the Company.

- Amendments to PAS 21, *Lack of exchangeability*

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted, and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information. Based on management assessment, this is not expected to have material impact on the financial statements of the Company.

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*

The amendments clarify that financial liability is derecognized on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to identify financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.

Furthermore, the amendments clarify the treatment of non-recourse assets and contractually linked instruments. Based on management assessment, this is not expected to have any material impact on the financial statements of the Company.

- Annual Improvements to PFRS Accounting Standards-Volume 11

The amendments are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversight or conflicts between the requirements in the Accounting Standards. The following is the summary of the Standards involved and their related amendments.

- Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*

The amendments included in paragraphs B5 and B6 of PFRS 1 cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of PFRS 9. These are intended to address potential confusion arising from an inconsistency between the wording in PFRS 1 and the requirements for hedge accounting in PFRS 9.

- Amendments to PFRS 7, *Gain or Loss on Derecognition*

The amendments updated the language of paragraph B38 of PFRS 7 on unobservable inputs and included a cross reference to paragraphs 72 and 73 of PFRS 13.

- Amendments to PFRS 9

- a) Lessee Derecognition of Lease Liabilities

The amendments to paragraph 2.1 of PFRS 9 clarified that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee is required to apply paragraph 3.3.3 and recognize any resulting gain or loss in profit or loss.

- b) Transaction Price

The amendments to paragraph 5.1.3 of PFRS 9 replaced the reference to 'transaction price as defined by PFRS 15 *Revenue from Contracts with Customers*' with 'the amount determined by applying PFRS 15'. The term 'transaction price' in relation to PFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of PFRS 9.

- Amendments to PFRS 10, *Determination of a 'De Facto Agent*

The amendments to paragraph B74 of PFRS 10 clarified that the relationship described in B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor.

- Amendments to PAS 7, *Cost Method*

The amendments to paragraph 37 of PAS 7 replaced the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method'. Based on management assessment, this is not expected to have material impact on the financial statements of the Company.

Effective beginning on or after January 1, 2027

• ***PFRS 18, Presentation and Disclosure in Financial Statements***

The standard replaces PAS 1 Presentation of Financial Statements and responds to investors' demand for better information about companies' financial performance. The new requirements include:

- Required totals, subtotals and new categories in the statement of profit or loss
- Disclosure of management-defined performance measures
- Guidance on aggregation and disaggregation

Based on management assessment, this is not expected to have material impact on the financial statements of the Company.

• ***PFRS 19, Subsidiaries without Public Accountability***

The standard allows eligible entities to elect to apply PFRS 19's reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other PFRS accounting standards. The application of the standard is optional for eligible entities. Based on management assessment, this is not expected to have material impact on the financial statements of the Company.

Deferred effectivity

• ***Amendments to PFRS 10, Consolidated Financial Statements, and PAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture***

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture.

The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the Financial and Sustainability Reporting Standards Council deferred the original effective date of January 1, 2016, of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures. Based on management assessment, this is not expected to have material impact on the financial statements of the Company.

NOTE 4 - MATERIAL ACCOUNTING POLICIES

The material accounting policies that have been used in the preparation of these financial statements are summarized below. These accounting policies information are considered material because of its amounts, nature and related amounts. These are material in understanding material information in the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

Financial Assets and Liabilities

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

Initial Recognition and Measurement. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at FVTPL, includes transaction costs.

“Day 1” Difference. Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a “Day 1” difference) in profit or loss.

In cases where there is no observable data on inception, the Company deems the transaction price as the best estimate of fair value and recognizes “Day 1” difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the “Day 1” difference.

Classification

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

As of December 31, 2024 and 2023, the Company has no financial assets at FVTPL and FVOCI.

Financial Assets at Amortized Cost

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

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

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

As at December 31, 2024 and 2023, the Company’s cash, receivables and refundable deposits are classified under this category. (Note 6, 7 and 9)

Cash

Cash in banks are demand deposits with banks and earn interest at prevailing bank deposit rates. Meanwhile, cash equivalents are short-term highly liquid investments that are readily convertible into known amounts of cash, which are subject to an insignificant risk of changes in value and which have a maturity of three (3) months or less at acquisition.

Financial Liabilities at Amortized Cost

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

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

As at December 31, 2024 and 2023, the Company's payable and deposit for future subscription account are classified under this category. (Note 12, 13 and 22)

Reclassification

The Company reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVTPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in Other Comprehensive Income (OCI).

For a financial asset reclassified out of the financial assets at FVTPL category to financial assets at amortized cost, its fair value at the reclassification date becomes its new gross carrying amount.

For a financial asset reclassified out of the financial assets at FVOCI category to financial assets at amortized cost, any gain or loss previously recognized in OCI shall be recognize in profit or loss.

For a financial asset reclassified out of the financial assets at FVTPL category to financial assets at FVOCI, its fair value at the reclassification date becomes its new gross carrying amount. Meanwhile, for a financial asset reclassified out of the financial assets at FVOCI category to financial assets at FVTPL, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment at the reclassification date.

Impairment of Financial Assets

The Company records an allowance for “expected credit loss” (ECL). ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The difference is then discounted at an approximation to the asset’s original effective interest rate.

The Company has no receivables from operation since it has not commenced operation.

Derecognition of Financial Assets and Liabilities

Financial Assets

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

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

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

Financial Liabilities

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

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

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

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

Offsetting of Financial Assets and Liabilities

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

Classification of Financial Instrument between Liability and Equity

A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

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

Prepayment and Other Current Assets

Prepayment represents Company expenses that are paid in advance and is expected to be consumed in subsequent period. Other current assets pertains to VAT input on purchases of goods and services. Prepayment and other current assets are stated in the statement of financial position at cost less any portion that has already been consumed or that has already expired.

Property and Equipment

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

Items of property and equipment are initially measured at cost. Such cost includes purchase price and all incidental costs necessary to bring the asset to its location and condition. Subsequent to initial recognition, items of property and equipment except for the Condominium unit are measured in the statement of financial position at cost less any accumulated depreciation and any accumulated impairment losses. The Condominium unit is subsequently measured at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revalued amount is the fair market value determined by an external professional valuer. Revaluation is made with the sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of reporting period. The Company revalues its Condominium unit every three years.

Depreciation, which is computed on a straight-line basis is recognized, so as to allocate the cost of assets less their residual values over their estimated useful lives.

If there is an indication that there has been a significant change in useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

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

Intangible Assets

Intangible asset represents trading rights.

Trading right is the Company's access to the trading facilities and for it to continue to transact business at the PSE.

Trading right is initially measured at cost and are subsequently measured at cost less any accumulated impairment loss. The trading right is an intangible asset to be regarded as having an indefinite useful life as there is no foreseeable limit to the period over which this asset is expected to generate net cash inflows for the Company.

Trading right is not amortized but reviewed each year to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. The Company tests the asset for impairment by comparing its carrying amount with its recoverable amount, and recognizing any excess of the carrying amount over the recoverable amount as an impairment loss. When assets are sold, retired or otherwise disposed of, their cost and related accumulated amortization and impairment losses, if any, are removed from the accounts and any resulting gain or loss is reflected in profit or loss for the period.

Impairment of Non- Financial Assets

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

Any impairment loss is recognized if the carrying amount of an asset or its cash-generating unit (CGU) exceeds its net recoverable amount. A CGU is the smallest identifiable asset group that generates cash flows that are largely independent from other assets of the Company. Impairment losses are recognized in profit or loss in the period incurred.

The net recoverable amount of an asset is the greater of its value in use or its fair value less costs to sell. Value in use is the present value of future cash flows expected to be derived from an asset while fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable and willing parties less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money

and the risks specific to the asset.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss has been recognized.

Deposit for future stock subscription

Deposit for future stock subscription represents advance payment made by shareholders and prospective shareholders for future stock subscription.

This shall be presented under equity as separate account from Outstanding Capital Stock if and only if, all the following are present as of end of reporting period.

- The unissued authorized capital stock of the entity is insufficient to cover the amount of shares indicated in the contract;
- The is Board of Directors' approval on the proposed increase in authorized capital stock (for which a deposit was received by the corporation);
- There is stockholders' approval of said proposed increase; and
- The application for the approval of the proposed increase has been presented for filing or has been filed with the Commission.

The Company will recognize the deposit for future stock subscription as liability if the Company has not met all of the conditions required for recognition to equity as at the reporting date.

Share Capital

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

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

The difference between the consideration received and the par value of the shares issued is credited to share premium.

Retained Earnings

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

Revenue Recognition

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

has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time

The Company also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Company has assessed that it acts as agent in its brokerage transactions. The Company acts as a principal in its income from other sources.

Commission

Commissions on brokerage transactions are recorded on a trade date basis as trade transactions occur.

Dividend income

Dividend income is recognized when the Company's right to receive the payment is established, provided that it is probable that the economic benefit will flow to the company and the amount of income can be measured reliably.

Trading Gains or Losses on Financial Assets at FVTPL

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

Interest income

Interest Income is recognized in profit or loss as it accrues, considering the effective yield of the assets.

Management fee

Revenue from management fee is recognized when the related services are performed.

Other Income

Income from other sources is recognized when earned during the period.

The following specific recognition criteria must also be met for other revenues outside the scope of PFRS:

Expenses

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

Direct costs

Direct costs are expenses incurred that are associated with services rendered which includes salaries and employee benefits and other expenses directly associated with the cost of providing services.

Operating expense

Operating expenses represent expenses such as salaries and statutory benefits, depreciation, condominium dues and fees, professional fees, communication and postage, office supplies, taxes and licenses, utilities, rent, repairs and maintenance, insurance, transportation and travel, amortization, representation, bank charges, photocopies, advertising expense, trainings and seminars and miscellaneous that cannot be associated directly to the services rendered.

Income tax

Income tax expense includes current tax expense and deferred tax expense.

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

Deferred Tax. Deferred tax is provided using the balance sheet liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income 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 in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Most changes in deferred tax assets or deferred tax liabilities are recognized as a component of tax expense in profit or loss, except to the extent that it relates to items recognized in OCI or directly in equity. In this case, the tax is also recognized in OCI or directly in equity, respectively.

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

Employee Benefits

Short-term benefits

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

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

Retirement Benefits

The Company does not have a formal retirement benefit plan. No actuarial computation was obtained during the year because the amount of provision for retirement benefits will not materially affect the fair presentation of the financial statements considering that the Company has only 5 employees.

Related Party Transactions and Relationships

Related party transactions are transfer of resources, services or obligations between the Company and its related parties, regardless whether a price is charged. Transactions between related parties are accounted for at arm's length prices or on terms similar to those offered to non-related parties in an economically comparable market.

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

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

Leases

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

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

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

Company as Lessee

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability in the statement of financial position. The lease liability is initially measured at the present value of the lease payments, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments include fixed payments (including in-substance fixed), variable lease payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options (either renewal or termination) reasonably certain to be exercised. Subsequent to initial measurement, the liability is increased for interest incurred and reduced for lease payments made.

The right-of-use asset is initially measured at the amount of lease liability adjusted for any initial direct costs incurred by the lessee, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). Subsequently, the Company depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

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

Foreign Currency Transaction

Foreign currency transactions are initially recognized using the spot rate of exchange at the date of the transaction. Monetary assets and liabilities that are denominated in foreign currency are translated into the functional currency using the closing rate as of the reporting date. Gains and losses arising from foreign currency transactions and remeasurement of monetary assets and liabilities are recognized immediately in profit and loss.

Provisions and contingencies

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including risks and uncertainties associated with the present obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

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

Changes in accounting policies, change in accounting estimates and correction of prior period errors

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

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

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

To the extent practicable, the Company corrects a material prior period error retrospectively in the first financial statements authorized for issue after its discovery by restating the comparative amounts for the prior period(s) presented in which the error occurred, or if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for period presented.

When it is impracticable to determine the period-specific effects of an error on comparative information for one or more prior periods presented, the Company restates the opening balances of assets, liabilities and equity for the earliest period for which retrospective restatement is practicable.

Subsequent events

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

NOTE 5 - SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the financial statements in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards requires the Company to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The judgements and accounting estimates and assumptions used in the financial statements are based upon management evaluation of relevant facts and circumstances as at the reporting date. While the Company believes that the assumptions are reasonable and appropriate. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of changes in estimates will be reflected in the financial statements as they become reasonably determinable.

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

The following are the significant judgement, accounting estimates and assumptions by the Company:

Judgment

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

Determination of ECL on Financial Assets

The Company measures expected credit losses of a financial instrument in a way that reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and information about past events, current conditions and forecasts of future economic conditions. When measuring ECL the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

As at December 31, 2024 and 2023, Management believes that there are no expected credit losses in relation to their financial assets, accordingly, no loss allowance was recognized for the year. Details about the ECL on the Company's financial assets are disclosed in Note 23.

Assessment of Impairment of Nonfinancial Assets

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

No impairment loss on nonfinancial assets was recognized in the Company's financial statements in either 2024 or 2023.

Estimates

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

Estimating useful lives of property and equipment

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

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

Particulars	Useful Lives
Furniture, fixtures and equipment	3-5 years

Determination of 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. Management assessed that the deferred tax assets recognized as at December 31, 2024 and 2023 will be fully utilized in the coming years. The carrying value of deferred tax assets as of those dates is disclosed in Note 21.

NOTE 6 - CASH

	2024	2023
Petty cash fund	P 15,000	P 15,000
Cash in bank	24,598,207	23,252,069
	P 24,613,207	P 23,267,069

Cash in bank generally earns interest at rates based on daily bank deposit rates. Interest income recognized in the Statements of Comprehensive Income amounted to P17,100 and P10,695 in 2024 and 2023, respectively (Note 17). Cash in bank are unrestricted and available for the Company's operations.

NOTE 7 - RECEIVABLES

This account consists of:

	2024	2023
Advances to employees	P 59,120,810	P 5,024,622
Others	-	967,985
	P 59,120,810	P 5,992,607

Advances to employees pertains to cash advance to officers and employees that are settled through salary deduction.

Other receivables pertain to advances made for Company expenses that are subject to liquidation.

All of the Company's receivables have been reviewed for indicators of impairment. Based on management's assessment none of its receivable is impaired.

NOTE 8 - PREPAYMENTS AND OTHER CURRENT ASSETS

This account consists of:

	2024	2023
Held-for-trading securities fund	P -	P 64,557,340
VAT input	1,896,061	1,548,408
Prepaid expenses	503,949	460,941
	P 2,400,010	P 66,566,689

Held-for-trading securities fund is a fund set aside by the Company for future purchases of trading securities.

VAT input are value added tax on purchases of goods and services. These are deductible to the Company's future VAT liability.

Prepaid expenses are Company expenses paid in advances such as rental, membership dues and insurance which the Company expects to realize in the succeeding period.

NOTE 9 - REFUNDABLE DEPOSITS

This account represents rental deposit amounting to P255,364 for 2024 and 2023, respectively. These are refundable net of any damages on the leased property or unpaid utilities upon the termination of the lease agreement.

NOTE 10 - PROPERTY AND EQUIPMENT, net

Property and equipment consists of furniture, fixture and equipment. Movement in this account is as follows:

2024

	<u>Amount</u>
Cost	
December 31, 2023	P 859,577
Acquisition	384,454
December 31, 2024	<u>1,244,031</u>
Accumulated depreciation	
December 31, 2023	255,356
Depreciation expense	198,083
December 31, 2024	<u>453,439</u>
Carrying amount December 31, 2024	<u>P 790,592</u>
Carrying amount December 31, 2023	<u>P 604,221</u>

2023

	<u>Amount</u>
Cost	
December 31, 2022	P 582,509
Acquisition	277,068
December 31, 2023	<u>859,577</u>
Accumulated depreciation	
December 31, 2022	117,519
Depreciation expense	137,837
December 31, 2023	<u>255,356</u>
Carrying amount December 31, 2023	<u>P 604,221</u>
Carrying amount December 31, 2022	<u>P 464,990</u>

There were no contractual commitments to acquire property and equipment as of the reporting dates.

NOTE 11 - INTANGIBLE ASSETS

Intangible assets consist of trading rights and computer software. The Company acquired trading rights from BDO Securities Corporation for P9,000,000.

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

As of December 31, 2024, The Company had obtained approval from the Philippine Stock Exchange as a trading participant through a Board Resolution dated August 23, 2024. However, the Company had not yet commenced its trading operations as of year-end.

The Company's acquired accounting system software for its operation amounts to ₱1,102,679. This will be amortize over its useful life of 5 years starting 2025.

NOTE 12 - PAYABLES

This account consists of:

	<u>2024</u>		<u>2023</u>
Accrued expenses	₱ 156,074	₱	41,567
Withholding tax payable	38,552		28,568
Statutory payable	-		42,841
	₱ 194,626	₱	112,976

Accrued expense represents service fees, professional fees and communication expense that have been incurred but not yet paid as of the reporting dates.

Withholding tax payable pertains to taxes withheld from income payment for suppliers of goods and services which will be remitted in the subsequent period.

Statutory payables represent employee's contribution for SSS, Philhealth and Pag-ibig that will be remitted in the subsequent period.

NOTE 13 - DEPOSIT FOR FUTURE STOCK SUBSCRIPTION

The Company received from its shareholders the amount of ₱ 92,166,120 from its shareholder in 2021, which was recorded as Deposit for Future Stock Subscription. In 2022, a total of ₱20,000,003 was applied to the issuance of 20,000,003 shares at par value, and the excess amount of ₱69,999,997 was recognized as additional paid in capital following the approval of the Securities Exchange Commission in March 2023. As of December 31, 2023, the remaining balance as of ₱2,166,120 was still classified under deposit for future subscription. In December 26, 2024, the Company approved the conversion of this remaining balance into additional paid in capital.

NOTE 14 - EQUITY

The Company is authorized to issue one hundred million (100,000,000) ordinary shares with a par value of one peso (₱1) per share.

On April 28, 2022, the Board of Directors approved the issuance of twenty million three (20,000,003) common shares with par value of one peso (₱1) per share amounting to twenty million and three pesos (₱20,000,003) which was fully paid through the application of advances

previously recorded as a deposit for future stock subscription.. The excess ₱69,999,997 over the par value was recognizes as paid in capital. The Issuance was subsequently approved by the Securities Exchange Commission in March 2023. In addition, on December 28, 2023 two (2) common shares were subscribed by new shareholders at par value of ₱1.00 per share. These shares were fully paid upon subscription.

A reconciliation of the outstanding share capital at the beginning and end of 2024 and 2023 is shown below:

	Shares	Amount
Outstanding 12/31/2023	30,000,0005	₱ 30,000,005
Issuance	-	-
Reacquisition	-	-
Outstanding 12/31/2024	30,000,005	₱ 30,000,005

Additional Paid in Capital

The Company's additional paid-in capital amounts to ₱ 92,401,889 and ₱ 89,999,997 as of December 31, 2024 and 2023, respectively.

Minimum Capital Requirement

In a meeting held on October 21, 2010, the SEC issued Resolution No. 489 and 492 granting the deferment of the ₱30,000,000 unimpaired paid-in capital requirement of Trading Participants effective January 1, 2011 until November 30, 2011 provided that Trading Participants with Unimpaired Paid-up Capital falling below ₱30,000,000 shall post a surety bond of ₱10,000,000 on top of the surety bond of ₱12,000,000 in compliance with SRC Rule 28.1 for the same period until securities held and controlled by the Trading Participant shall be recorded under the name of the individual clients in the books of the Transfer Agent or in the sub-account with the Philippine Depository and Trust Corporation at the option of the client. Compliance with the requirement is a condition for the renewal of the Broker Dealer license for the period covering January 1, 2011 to December 31, 2014.

In compliance with Section 2 of D, Article VII of the amended Market Regulation Rules, which was approved by the Securities and Exchange Commission on September 8, 2009, effective November 1, 2009, the surety bond, shall be Ten Million Pesos (₱10,000,000) for Brokers and Two Million Pesos (₱2,000,000) for Dealers.

Based on SEC Memorandum Circular No. 16 dated November 11, 2004, starting December 1, 2005, every broker dealer is expected to comply with all the requirements of the Risk-Based Capital Adequacy (RBCA) rules. As of December 31, 2005, the RCBA report is prepared based on the guidelines which cover the following risks: (a) position of market risks, (b) credit risks such as counterparty, settlement, large exposure, and margin financing risks, and (c) operation risk.

The Company monitors capital on the basis of RBCA Ratio and Net Liquid Capital (NLC). RBCA requirement is the minimum level of capital that has to be maintained by firms which are licensed, or securing a broker dealer license, taking into consideration the firms size, complexity and business risk. 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 the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

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

- A. RBCA ratio of greater than or equal to 1.1;

As at December 31, 2024, the Company's RBCA ratio of 397.85 is in compliance with the minimum capital requirement set out by the RBCA framework in 2023.

- B. NLC should be at least ₱5,000,000 or 5% of aggregate indebtedness, whichever is higher;
- C. The Company's NLC a dealer who deals only with proprietary shares and does not keep shares in its custody shall maintain a NLC of ₱2,500,000 or 2.5% of aggregate indebtedness, whichever is higher;
- D. No broker dealer shall permit its aggregate indebtedness to exceed 2,000% of its NLC.

The Company's Net Liquid Capital (NLC) amounted to ₱24,418,581 as of December 31, 2024, in excess of the regulatory minimum requirement of ₱5,000,000 or 5% of the Company's aggregate indebtedness, whichever is higher. As of December 31, 2024 and 2023, the Company is in compliant with items A to D as prescribed by Securities and Exchange Commission (SEC).

On May 28, 2009, the SEC approved PSE's Rules Governing Trading Rights and Trading Participants which provides among other the following provisions:

- a. Trading participants should have a minimum unimpaired paid-up capital (defined as the trading participant's total paid up capital less any deficiency in the retained earnings account) of ₱20,000,000 effective December 31, 2009, provided further that effective December 31, 2010 and onwards, the minimum unimpaired paid up capital shall be ₱30,000,000; and
- b. Each trading participant shall pledge its trading right to the extent of its full value to secure the payment of all debts and claims due to the trading participant, the government, PSE and to other trading participants of the PSE and to the Securities Clearing Corporation of the Philippines.

On August 8, 2023, the SEC approved amendments to the 2015 Implementing Rules and Regulations of the Securities Regulation Code (the "2015 SRC Rules") and SEC Memorandum Circular (MC) No. 16, series of 2004, relative to the settlement cycle from T+3 to T+2.

NOTE 15 - REVENUE

The Company earns management fee as investment manager for various clients', this amounts to ₱669,643 ₱892,857 in 2024 and 2023.

NOTE 16 - DIRECT COSTS

Details of direct costs are as follows:

	<u>2024</u>		<u>2023</u>
Salaries and wages	₱ 1,556,274	₱	1,084,617
SSS/HDMF/PHIC expense	151,067		104,387
	₱ 1,707,341	₱	1,189,004

NOTE 17 - OTHER INCOME (EXPENSE)

Details of other income (expense) are as follows:

	2024		2023
Unrealized gain/loss on foreign exchange	P 7,205	P	(3,967,265)
Interest Income (Note 6)	17,100		10,695
	P 24,305	P	(3,956,570)

NOTE 18 - OPERATING EXPENSES

Details of operating expenses are as follows.

	2024		2023
Salaries and wages (Note 19)	P 1,560,000	P	1,560,000
Professional fees	1,052,122		1,602,282
Rent (Note 26)	939,952		854,502
Entertainment, amusement and recreation	671,708		-
Membership fees and dues	543,171		581,762
Meetings and conferences	542,457		998,997
Office supplies	315,610		659,547
Stock exchange dues	253,000		-
Depreciation (Note 19)	198,083		137,837
Repair and maintenance	179,328		168,743
Transportation and travel	177,867		28,454
Insurance	162,754		127,214
Gasoline	161,167		210,480
Postage, telephone and communication	138,835		55,797
SSS/HDMF/PHIC expense (Note 19)	100,095		99,120
Utilities	66,278		74,755
Taxes and licenses	52,966		171,891
Bank charges	44,084		316,742
Amortization – Intangible assets	40,179		-
Directors fee	27,778		-
Training and seminars	21,945		9,071
Fines and penalties	1,631		34,962
Advertising and promotions	-		603,659
Miscellaneous	456,307		2,074,294
	P 7,707,317	P	10,370,109

NOTE 19 - DEPRECIATION AND EMPLOYEE BENEFITS

Depreciation and employee benefits were presented as follows.

2024

	Direct Costs	Operating Expense	Total
Depreciation (Note 10)	P -	P 198,083	P 198,083
Employee benefits	1,707,341	1,660,095	3,367,436

2023

	Direct Costs	Operating Expense	Total
Depreciation	P -	P 137,837	P 137,837
Employee benefits	1,189,004	1,659,120	2,848,124

NOTE 20 - EMPLOYEE'S COMPENSATION AND OTHER BENEFITS

Salaries and Employee Benefits Expense

Details of salaries and employee benefits are presented below (Note 18).

	2024	2023
Short-term employee benefits	P 3,367,436	P 2,848,124
Post-employment defined benefit	-	-
	P 3,367,436	P 2,848,124

NOTE 21 - INCOME TAXES

Income tax expense (benefits) for the years ended December 31, 2024 and 2023 consists of:

	2024	2023
Current	P -	P -
Deferred	(3,177,663)	(2,402,735)
Total	P (3,177,663)	P (2,402,735)

A reconciliation of statutory income tax with the effective income tax follows:

	2024	2023
Income tax at statutory rate	P (2,180,178)	P (3,655,707)
Tax effect of income subject to final tax	(4,275)	(2,674)
Tax effect of non-deductible fines and penalties	408	8,741
Tax effect of unrealized gains/loss on forex	(1,801)	991,817
Tax effect of reversal of unrealized gains/loss on forex	(991,816)	255,088
Effective income tax	P (3,177,662)	P (2,402,735)

A reconciliation of Income before tax reported in the statements of comprehensive income and taxable income follows:

	2024	2023
Regular Corporate Income Tax:		
Net loss before tax	P (8,720,711)	P (14,622,826)
Permanent Differences:		
Interest income subject to final tax	(17,100)	(10,695)
Non-deductible penalties	1,631	34,962
Temporary Differences:		
Reversal of unrealized foreign exchange gain	(3,967,267)	1,020,353
Unrealized foreign exchange gain/loss	(7,205)	3,967,267
Taxable income (loss)	(12,710,652)	(9,610,939)
Tax rate	25%	25%
Current tax expense	P (3,177,662)	P (2,402,735)

The net deferred tax assets pertain to the following as of December 31, 2024 and 2023 and the related deferred tax expense (income) for the year ended December 31, 2024 and 2023:

Statement of Comprehensive Income						
	Statement of Financial Position		Profit or Loss		Other Comprehensive Income	
	2024	2023	2024	2023	2024	2023
Deferred tax asset - NOLCO	P (6,325,909)	P (3,148,247)	P (3,177,662)	P (2,402,735)	P -	P -
	(6,325,909)	(3,148,247)	(3,177,662)	(2,402,735)	-	-
Net deferred tax asset	P (6,325,909)	P (3,148,247)				
Deferred tax expense (income)			P (3,177,662)	P (2,402,735)		

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

Summary of NOLCO is as follows:

Details of NOLCO that can be carried over as deduction from gross income for the next three (3) consecutive taxable years follows:

Year Incurred	Date of Expiration	Amount	Applied	Expired	Balance (NOLCO)
2024	2027	P12,710,652	P -	P -	P12,710,652
2023	2026	9,610,941	-	-	9,610,941
2022	2025	2,262,120	-	-	2,262,120
		P24,583,713	P -	P -	P24,583,713

Details of NOLCO that can be carried over as deduction from gross income for the next five (5) consecutive taxable years in reference to RR 25-2020 follows:

Year Incurred	Date of Expiration	Amount	Applied	Expired	Balance (NOLCO)
2021	2026	₱ 719,929	-	-	₱ 719,929
		₱ 719,929	₱ -	₱ -	₱ 719,929

The Company is exempted from the imposition of Minimum Corporate Income Tax (MCIT) in reference with Tax Reform Act of 1997 and Sec 27 (e) of NIRC which allows exemption for newly organized entities for a period of three years from the date of registration for the imposition of MCIT.

NOTE 22 - RELATED PARTY TRANSACTIONS

The Company, in the normal course of business, has transactions with related parties. Presented below are the specific relationship, amount of transaction, account balances, terms and conditions and the nature of the consideration to be provided in settlement.

2024

Nature of Relationship	Nature of Transaction	Amount (current transaction)	Outstanding balance	Terms	Conditions
Shareholders	Deposit for future subscription	₱ (2,166,120)	₱ -	(1)	(2)
	Advances	₱ -	₱ -		

2023

Nature of Relationship	Nature of Transaction	Amount (current transaction)	Outstanding balance	Terms	Conditions
Shareholders	Deposit for future subscription	₱ -	₱ 2,166,120	(1)	(2)
	Advances	₱ -	₱ -		

1) No collateral, non-interest bearing, payable in cash and no repayment terms

2) Unsecured

Deposit for future stock subscription

The Company received from its shareholders the amount of ₱2,166,120 as deposit for stock subscription. The amount was applied in full to the shareholders subscription in 2023.

Key Management Compensation

The compensation of key management given by the Company as management fee amounted to ₱2,908,752 and ₱650,000 in December 31, 2024 and 2023, respectively.

NOTE 23 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of financial risks which result from both its operating and investing activities. The Company's risk management is coordinated with the Board of Directors, and focuses on actively securing the Company's short-to-medium term cash flows by minimizing the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's business activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The most significant financial risks to which the Company is exposed to are described below:

Market Risk

The Company is exposed to market risk through its use of financial instruments and specifically to interest rate risk which result from both its operating, investing and financing activities.

A. Interest Rate Risk

The Company's exposure to the risk for changes in interest rates relates primarily to the Company's bank accounts. As at December 31, 2024 and December 31, 2023, these amounted to ₱24,598,208 and ₱23,252,069, respectively. The Company's exposure to changes in interest rates is not significant.

B. 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.

The Company's credit risk is primarily attributable to its cash. The Company limits its exposure to credit risks by depositing its cash only with financial institutions duly evaluated and approved by the BOD. The Company has not commenced operations, hence the exposure to credit risk is not considered significant.

None of the Company's financial assets are secured by collateral or other credit enhancements, except for cash as described below.

(b.1) Cash

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

(b.2) Advances to officers and employees

The loss allowance is determined using the general approach. The amount of ECL is not significant due to the fact that the collectability of contractual cash flows expected from these financial instruments is reasonably assured. These are paid through salary deduction.

(b.3) Refundable Deposits

The loss allowance is determined using the general approach. The amount of ECL is not significant due to the fact that the collectability of contractual cash flows expected from these financial instruments is reasonably assured. The counterparty has a strong capacity to meet its contractual cash flow obligations in the near term.

Liquidity Risk

Liquidity risk is generally defined as the current and prospective risk to earnings or capital arising from the Company's inability to meet its obligation when they come due without recurring unacceptable losses or costs.

The Company manages its liquidity needs by carefully monitoring cash inflows and cash outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of rolling 30-day projection. Long-term liquidity needs for a 6-month and one-year period are identified monthly.

The Company maintains cash to meet its liquidity requirements for up to 60-day period. Excess cash are normally invested in short-term placements. Funding for long-term liquidity needs could be sourced through available credit facilities.

The Company has no financial liability as of reporting period.

NOTE 24 - CAPITAL MANAGEMENT

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

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

The Company being a broker/dealer in securities is regulated by PSE and SEC and subject to the following capital requirement in accordance with Securities Regulatory Commission (SRC)

Risk Based Capital Adequacy Requirement

Based on SEC Memorandum Circular No. 16, the Company is required an RBCA ratio of greater than or equal to 1.1. The RBCA ratio is computed by dividing Company's Net Liquid Capital (NLC) to its Total Risk Capital Requirement (TRCR). TRCR is the sum of: a) Operational Risk Requirement (ORR); b) Credit Risk Requirement which include requirements for Counterparty Risk, Settlement Risk, Large Exposure Risk, and Margin Lending/Financing Risk; and c) Position or Market Risk Requirement.

On August 8, 2023, the SEC approved amendments to the 2015 implementation Rules and Regulation of the Securities Regulation Code (the "2015 SRC Rules") and SEC Memorandum Circular (MC) NO. 16 Series of 2004, relative to the settlement cycle from T+3 to T+2.

The Company's RBCA ratio as at year ended December 31, 2024 and 2023 is 39785% and 38438%, respectively.

Details of computation of the Company's Risk Based Capital Adequacy Ratio are shown below:

	2024	2023
Net liquid capital		
Equity eligible for net liquid capital	P 97,088,036	P 105,572,973
Less: Ineligible assets	72,669,454	82,418,881
Total	24,418,582	23,154,092
Risk capital requirements		
Operational risk requirement	P 61,377	P 60,237
Position risk requirement	-	-
Counterparty risk	-	-
Large exposure risk	-	-
Total	P 61,377	P 60,237
Risk based capital adequacy ratio	39785%	38438%

Net Liquid Capital

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

In computing for NLC, all non-allowable asset/equities, and collateralized liabilities will be deducted and allowable liabilities and equities are added to equity per books.

Details of the Company's NLC as of years ended December 31, 2024 and 2023 are shown below:

	2024	2023
Net liquid capital	P 24,418,582	P 23,154,092
Less: Required net liquid capital, higher of:		
5% aggregate indebtedness	9,731	5,649
Minimum amount	5,000,000	5,000,000
Required net liquid capital	5,000,000	5,000,000
Net risk based capital excess	P 19,418,581	P 18,154,092
Ratio of aggregate indebtedness to net liquid capital	1%	0%

Total Risk Capital Requirement

Detail of TRCR follows:

A. Operational Risk

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

The Operational Risk Requirement is calculated based on its 2024 and 2023 data. In 2021 and 2022, the company operated as a Holding Company while awaiting its Broker Dealer in Securities license from SEC.

The Company's Core Equity should, at all times, be greater than its Operational Risk Requirement.

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

The Company has no operational risk exposure since its Core Equity is greater than the operational risk requirement as calculated.

B. Position/Price Risk

The Company is exposed to equity security price risk because of investments held and classified in Fair Value through Profit or Loss. The Company is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the management.

The Company has no position/price risk exposure as of reporting date.

C. Large Exposure Risk

It is a risk to which a broker dealer is exposed to a single equity security or single issuer group. This is the maximum permissible large exposure and calculated as a percentage of core equity.

The Company does not have any exposure to single client or counterparty, direct exposure to debt for fixed income securities, and direct exposure to a single equity relative to a particular issuer company and its group of companies as the Company does not exceed to the maximum Large Exposure Risk Limit of 30% of its Core Equity.

D. Counterparty Risk Exposure

Unsettled customer trades (arising from customer-to-broker agency relationship)- A counterparty exposure of this kind occurs when a) the customer poses the possible risk of failing to deliver securities on a sell contract or b) the customer poses the possible risk of failing to pay cash on a buy contract.

Unsettled principal trades (arising from broker-to-broker or broker-to-exchange/clearing agency relationships). A counterparty exposure risk of this kind occurs when a) the broker dealer poses the possible risk of failing receive cash from its counterparty on a sell contract or b) the broker dealer poses the possible risk of failing to receive the securities from its counterparty on a buy contract. Debts/loans, contra losses and other amounts due- A broker dealer has a counterparty exposure if a debt/loan, receivable from a customer/client, contra loss, or any other amount due is not paid on its agreed due date. In the case of a contra loss, the due date shall be the date of the contra.

The Company has no counter party exposure as of reporting date.

As at December 31, 2024 and 2023, the Company is in compliance with Risk Based Capital Adequacy Requirement.

NOTE 25 - FAIR VALUE MEASUREMENT

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under the current market condition regardless of whether the price is directly observable or estimated using another valuation technique.

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

2024

		2024			
Notes	Carrying Amount	Fair Value			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Assets measured at fair value:					
Assets for which fair values are disclosed:					
Cash	P 24,613,208	-	P 24,613,208	-	
Receivables	59,120,810	-	59,120,810	-	
Refundable deposit	255,364	-	255,364	-	
	<u>P 83,989,382</u>	<u>P -</u>	<u>P 83,989,382</u>	<u>P -</u>	
Liabilities for which fair values are disclosed:					
Deposit for future stock subscription	<u>P -</u>	<u>P -</u>	<u>P -</u>	<u>P -</u>	
	<u>P -</u>	<u>P -</u>	<u>P -</u>	<u>P -</u>	

2023

2023

			2023		
	Notes	Carrying Amount	Quoted prices in active markets (Level 1)	Fair Value Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Assets for which fair values are disclosed:					
Cash	P	23,267,069	-	P 23,267,069	-
Receivables		5,922,607	-	5,922,607	-
Refundable deposit		255,364	-	255,364	-
	P	<u>29,445,040</u>	<u>P -</u>	<u>P 29,445,040</u>	<u>P -</u>
Liabilities for which fair values are disclosed:					
Deposit for future stock subscription	P	2,166,120	P	2,166,120	-
	P	<u>2,166,120</u>	<u>P</u>	<u>2,166,120</u>	<u>P</u>

NOTE 26 – LEASE

The Company rents its office space under operating leases. The lease is for a period of two years and counting, with monthly fixed rental of ₱66,000 and an escalation rate of 7% per annum.

The contract was for a period of one (1) year from December 1, 2023 to November 30, 2024 with monthly fixed rental of ₱77,862 and an escalation of 10% per annum.

The contract was renewed for a period of one (1) year from December 1, 2024 to November 30, 2025 with monthly fixed rental of ₱85,450 and an escalation of 10% per annum.

Lease payments under operating leases recognized as expense amounted to ₱939,952 and ₱854,502 in December 31, 2024 and 2023, respectively. (Note 18).

At year end, the Company has outstanding commitment under operating leases that fall due as follows:

	<u>Amount</u>
Not later than one year	₱ 1,158,018
Later that one year but not later than five years	-
Later than five years	<u>-</u>

NOTE 27 - SUBSEQUENT EVENT

The Company formally began its trading operations on the Philippine Stock Exchange on February 14, 2025.

NOTE 28 –SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE

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

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

(a) Output VAT

In 2024, the Company declared output VAT as follows:

	<u>Tax Base</u>	<u>Output VAT</u>
Taxable Sales (Management Fees)	₱ 669,649	₱ 80,357

The tax bases are included as part of Revenue in the 2024 statements of comprehensive income.

(b) Input VAT

The movements in input VAT in 2024 are summarized below.

	Amount
Balance at beginning of year	P 1,548,408
Domestic purchase of services	250,127
Domestic purchase of capital goods not exceeding 1M	46,134
Domestic purchase of goods other than capital goods	18,955
Others	112,794
Applied against output VAT	(80,357)
	P 1,896,061

(c) Taxes and Licenses

The details of Taxes and Licenses account is broken down as follows:

	Amount
Business permits	P 19,461
Registration fee – BIR	500
Registration fee – SEC	32,855
Others	150
	P 52,966

The amount of taxes and licenses for the year ended December 31, 2024 is presented as part of operating expense account in the statements of comprehensive income (Note 18).

(d) Withholding Taxes

The details of total withholding taxes for the year ended December 31, 2024 are shown below.

	Amount
Compensation and employee benefits	P 225,273
Expanded	196,162
	P 421,435

(e) Tax Assessments and Cases

The Company has no outstanding Letter of Authority from the Bureau of Internal Revenue as of the reporting date.

(f) Related Party Transaction

The Company is not covered under Section 2 of the Revenue Regulation 34-2020 requirements and procedures for the related party transaction, including filing of BIR Form 1709, Information Return on its transaction with Related Party.

SCHEDULE I

**WECAP FINANCIAL, INC.
STATEMENT OF CHANGES IN LIABILITIES
SUBORDINATED TO CLAIMS OF GENERAL CREDITORS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

WECAP FINANCIAL, INC.
RISK-BASED CAPITAL ADEQUACY WORKSHEET
December 31, 2024

SCHEDULE II

Assets	103,608,571
Liabilities	194,626
Equity as per books	103,413,945
Adjustments to Equity per books	
Add (Deduct):	
Allowance for market decline	
Subordinated Liabilities	
Unrealized Gain / (Loss) in proprietary accounts	
Deferred Income Tax	(6,325,910)
Deposit for Future Stock Subscription (No application with SEC)	
Minority Interest	
Total Adjustments to Equity per books	(6,325,910)
Equity Eligible For Net Liquid Capital	97,088,036
Contingencies and Guarantees	
Deduct: <u>Contingent Liability</u>	
<u>Guarantees or indemnities</u>	
Ineligible Assets	
a. Trading Right and all Other Intangible Assets (net)	10,102,679
b. Intercompany Receivables	
c. Fixed Assets, net of accumulated and excluding those used as collateral	790,592
d. Prepayment from Client for Early Settlement of Account	
e. All Other Current Assets	59,624,759
f. Securities Not Readily Marketable	
g. Negative Exposure (SCCP)	
h. Notes Receivable (non-trade related)	
i. Interest and Dividends Receivables outstanding for more than 30 days	
j. <u>Ineligible Insurance claims</u>	
k. <u>Ineligible Deposits</u>	
l. Short Security Differences	
m. Long Security Differences not resolved prior to sale	
n. Other Assets including Equity Investment in PSE	2,151,425
Total ineligible assets	72,669,454
Net Liquid Capital (NLC)	24,418,581
Less:	
<u>Operational Risk Regt (Schedule ORR-1)</u>	61,377
<u>Position Risk Regt (Schedule PRR-1)</u>	
<u>Counterparty Risk (Schedule CRR-1 and detailed schedules)</u>	
Large Exposure Risk (Schedule LERR-1, LERR-2, LERR-3)	
LERR to a single client (LERR-1)	
LERR to a single debt (LERR-2)	
LERR to a single issuer and group of companies (LERR-3)	
Total Risk Capital Requirement (TRCR)	61,377
Net RBCA Margin (NLC-TRCR)	24,357,205
Liabilities	194,626
Add: Deposit for Future Stock Subscription (No application with SEC)	
Less: Exclusions from Aggregate Indebtedness	
<u>Subordinated Liabilities</u>	
<u>Loans secured by securities</u>	
<u>Loans secured by fixed assets</u>	
<u>Others</u>	
Total adjustments to AI	
Aggregate Indebtedness	194,626
5% of Aggregate Indebtedness	9,731
Required Net Liquid Capital (> of 5% of AI or P5M)	5,000,000
Net Risk-based Capital Excess / (Deficiency)	19,418,581
Ratio of AI to Net Liquid Capital	1%
RBCA Ratio (NLC / TRCR)	39785%

April 25, 2025

Compliance Requirements:

RBCA Ratio (NLC / TRCR)

AI to NLC ratio

Minimum NLC

normal

normal

normal

SCHEDULE III

WECAP FINANCIAL, INC.
INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS
UNDER APPENDIX F OF SRC RULE 49.2.1
FOR THE YEAR ENDED DECEMBER 31, 2024

1. Customers' fully paid securities and excess margin securities not in the broker's or dealers' 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 actions was not taken by respondent within the time frame specified under SRC Rule 49.2-1:

Market Valuation		<u>P</u>	<u>nil</u>
Numer of items		<u>P</u>	<u>nil</u>

2. Customers' 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 operations" as permitted under SRC rule 49.2-1

Market Valuation		<u>P</u>	<u>nil</u>
Numer of items		<u>P</u>	<u>nil</u>

SCHEDULE IV

WECAP FINANCIAL, INC.
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
UNDER SRC RULE 49.2
DECEMBER 31, 2024

Particulars	Credits	Debits
1. Free credit balances and other credit balance in customers' security accounts. 2. Monies borrowed collateralized by securities carried for the account of customers. 3. Monies payable against customers' securities loaned. 4. Customers' securities failed to receive. 5. Credit balances in firm accounts which are attributable to principal sales to customer. 6. Market value of stock dividends, stock splits and similar distributions receivable outstanding over 30 calendar days old, 7. Market value of the short security count differences over 30 calendar days old. 8. Market value of short securities and credits (not to be offset by long or by debits) in all suspense accounts over 30 calendar days. 9. Market value of securities which are in transfer in excess of 40 calendar days and have not been confirmed to be in transfer by the transfer agent or the issuer during the 40 days. 10. Debit balances in customers' cash or margin accounts excluding unsecured accounts and accounts doubtful of collection. 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	-	-
Net Credit (Debit)	-	
Required Reserve (100% of net credit if making a weekly computation and 105% if monthly)	-	

SCHEDULE V

**WECAP FINANCIAL, INC.
REPORT DESCRIBING MATERIAL INADEQUACIES FOUND TO EXIST
OR FOUND TO HAVE EXISTED SINCE THE PREVIOUS AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

SCHEDULE VI

**WECAP FINANCIAL, INC.
REPORT OF MONTHLY SECURITIES COUNT CONDUCTED PURSUANT TO
SRC RULE 52.1-10, AS AMENDED
FOR THE YEAR ENDED DECEMBER 31, 2024**

There were no securities held by the Company for itself or for its customers as of December 31, 2024; hence, no securities count was conducted.

WECAP FINANCIAL, INC.
SUPPLEMENTARY SCHEDULE IN COMPLIANCE WITH THE
REVISED SRC RULE 68
FINANCIAL SOUNDNESS INDICATORS
For The Years Ended December 31, 2024 and 2023

Current / Liquidity Ratio

	2024	2023
Total current assets	P 86,134,026	P 95,826,365
Total current liabilities	194,626	112,976
Current ratio	442.562:1	848.201:1

Quick Ratio

	2024	2023
Total quick asset	P 85,630,077	P 66,105,748
Total current liabilities	194,626	112,976
Liquidity ratio	439.972:1	585.131:1

Working Capital to Total Liabilities

	2024	2023
Working capital	P 85,939,400	P 95,713,389
Total liabilities	194,626	2,279,096
Working capital ratio	441.562:1	41.996:1

Solvency Ratio

	2024	2023
Total assets	P 103,608,570	P 108,834,197
Total liabilities	194,626	2,279,096
Solvency ratio	532.347:1	47.753:1

Debt-to-equity Ratio

	2024	2023
Total liabilities	P 194,626	P 2,279,096
Total equity	103,413,944	106,555,101
Debt-to-equity ratio	0.002:1	0.021:1

WECAP FINANCIAL, INC.
SUPPLEMENTARY SCHEDULE IN COMPLIANCE WITH THE
REVISED SRC RULE 68
FINANCIAL SOUNDNESS INDICATORS
For The Years Ended December 31, 2024 and 2023

Asset-to-equity Ratio

	2024	2023
Total assets	P 103,608,570	P 108,834,197
Total equity	103,413,944	106,555,101
Asset to equity ratio	1.002:1	1.021:1

Interest Rate Coverage Ratio

	2024	2023
Pre-tax profit (loss) before interest expense	P (8,720,711)	P (14,622,826)
Interest expense	-	-
Interest rate ratio	N/A	N/A

Profitability Ratio

	2024	2023
Net profit (loss) after tax	P (5,543,049)	P (12,220,091)
Total equity	103,413,944	106,555,101
	-0.054:1	-0.115:1

a.) Return on asset ratio

	2024	2023
Net income (loss) after tax	P (5,543,049)	P (12,220,091)
Average assets	106,221,384	114,859,160
	-0.052:1	-0.106:1

WECAP FINANCIAL, INC.
SUPPLEMENTARY SCHEDULE IN COMPLIANCE WITH THE
REVISED SRC RULE 68
FINANCIAL SOUNDNESS INDICATORS
For The Years Ended December 31, 2024 and 2023

b.) Return on equity ratio

	<u>2024</u>	<u>2023</u>
Net profit (loss) after tax	P (5,543,049)	P (12,220,091)
Average equity	<u>104,984,523</u>	<u>102,665,146</u>
	<u><u>-0.053:1</u></u>	<u><u>-0.119:1</u></u>

c.) Gross Profit Margin Ratio

	<u>2024</u>	<u>2023</u>
Net profit (loss) before tax	P (8,720,711)	P (14,622,826)
Gross profit (loss)	<u>(1,037,698)</u>	<u>(296,147)</u>
	<u><u>8.404:1</u></u>	<u><u>49.377:1</u></u>

d.) Profit margin

	<u>2024</u>	<u>2023</u>
Net profit (loss) after tax	P (8,720,711)	P (14,622,826)
Revenue	<u>669,643</u>	<u>892,857</u>
	<u><u>-13.023:1</u></u>	<u><u>-16.378:1</u></u>

SCHEDULE VIII

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION For the Reporting Period Ended December 31, 2024

WECAP FINANCIAL, INC.
G/F Ricogen Building 112 Aguirre, Legazpi Village Makati, Metro Manila 1229

Unappropriated Retained Earnings, beginning of reporting period		(P13,444,901)
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
• Reversal of Retained Earnings Appropriation/s	-	
• Effect of restatements or prior-period adjustments	-	
• Others	-	-
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
• Dividends declaration during the reporting period	-	
• Retained Earnings appropriated during the reporting period	-	
• Effect of restatements or prior-period adjustments	-	
• Others	-	-
Unappropriated Retained Earnings, as adjusted		(13,444,901)
Add/Less: Net Income (Loss) for the current year		(5,543,048)
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
• Equity in net income of associate/joint venture, net of dividends declared	-	
• Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
• Unrealized fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
• Unrealized fair value gain of Investment Property	-	
• Other unrealized gains or adjustments to retained earnings as a result of certain transactions accounted for under the PFRS	-	
• Sub-total	-	-
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
• Realized foreign exchange gain, except those attributable to cash and cash equivalents	-	
• Realized fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
• Realized fair value gain of Investment Property	-	
• Other realized gains or adjustments to retained earnings as a result of certain transactions accounted for under the PFRS	-	
• Sub-total	-	-

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
For the Reporting Period Ended December 31, 2024

WECAP FINANCIAL, INC.
G/F Ricogen Building 112 Aguirre, Legazpi Village Makati, Metro Manila 1229

Add: Category C.3: Unrealized income recognized in the profit or loss in prior reporting periods but reversed in the current reporting period (net of tax)	
• Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-
• Reversal of previously recorded fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
• Reversal of previously recorded fair value gain of Investment Property	-
•	
Reversal of other unrealized gains or adjustments to retained earnings as a result of certain transactions accounted for under the PFRS	-
• Sub-total	-
Adjusted Net Income (Loss)	(5,543,048)
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)	
• Depreciation on revaluation increment (after tax)	-
• Sub-total	-
Add/Less: Category E: Adjustments related to relief granted by SEC and BSP	
• Amortization of the effect of reporting relief	-
• Total amount of reporting relief granted during the year	-
• Others	-
• Sub-total	-
Add/Less: Category F: Other items that should be excluded from the determination of the amount available for dividends distribution	
• Net movement of treasury shares (except for reacquisition of redeemable shares)	-
• Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-
• Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-
• Adjustment due to deviation from PFRS/GAAP - gain (loss)	-
• Others	-
• Sub-total	-
TOTAL RETAINED EARNINGS, END OF THE REPORTING PERIOD AVAILABLE FOR DIVIDEND DECLARATION	(P18,987,949)

SCHEDULE IX

Control No.: _____
Form Type: BDFS (rev 2006)

SPECIAL FORM FOR FINANCIAL STATEMENTS OF BROKERS/DEALERS IN SECURITIES

NAME OF CORPORATION: WECAP FINANCIAL, INC.
CURRENT ADDRESS: GF RICOGEN BUILDING 112 AGUIRRE ST., LEGAZPI VILLAGE MAKATI CITY
TEL. NO.: 02 8661-9548 FAX NO.: _____
COMPANY TYPE : BROKER DEALER IN SECURITIES PSIC: 66120

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

FINANCIAL DATA	2024 (in P'000)	2023 (in P'000)
A. ASSETS (A.1 + A.2 + A.3 + A.4 + A.5 + A.6 + A.7)	103,608.57	108,834.20
A.1 Current Assets (A.1.1 + A.1.2 + A.1.3 + A.1.4 + A.1.5 + A.1.6)	86,134.03	95,826.36
A.1.1 Cash and cash equivalents (A.1.1.1 + A.1.1.2 + A.1.1.3)	24,613.21	23,267.07
A.1.1.1 On hand		
A.1.1.2 In domestic banks/entities	24,613.21	23,267.07
A.1.1.3 In foreign banks/entities		
A.1.2 Financial Assets Other Than Cash/Receivables/Equity Investments (A.1.2.1 + A.1.2.2 + A.1.2.3)	0.00	0.00
A.1.2.1 Financial Assets at Fair Value Through Profit and Loss (A.1.2.1.1 + A.1.2.1.2 + A.1.2.1.3 + A.1.2.1.4 + A.1.2.1.5)	0.00	0.00
A.1.2.1.1 Trading Accounts Securities		
A.1.2.1.2 Equity Investment in Philippine Stock Exchange (if intended to be sold in the near future)		
A.1.2.1.3 Investment in Securities with No Ready Market		
A.1.2.1.4 Oddlot and Error Transactions		
A.1.2.1.5 Others, specify (A.1.2.1.5.1 + A.1.2.1.5.2 + A.1.2.1.5.3)	0.00	0.00
A.1.2.1.5.1		
A.1.2.1.5.2		
A.1.2.1.5.3		
A.1.2.2 Receivables (A.1.2.2.1 + A.1.2.2.2 + A.1.2.2.3 + A.1.2.2.4 + A.1.2.2.5 + A.1.2.2.6 + A.1.2.2.7 + A.1.2.2.8 + A.1.2.2.9 + A.1.2.2.10 + A.1.2.2.11 + A.1.2.2.12)	0.00	0.00
A.1.2.2.1 Receivable from Customers		
A.1.2.2.2 Receivable from Other Brokers		
A.1.2.2.3 Receivable from Non-customers		
A.1.2.2.4 Receivable from Clearing House		
A.1.2.2.5 Receivable from Securities Borrowed		
A.1.2.2.6 Receivable from Securities Failed to Deliver		
A.1.2.2.7 Notes Receivable (A.1.2.2.7.1 + A.1.2.2.7.2)		
A.1.2.2.7.1 From Domestic Entities (A.1.2.2.7.1.1 + A.1.2.2.7.1.2 + A.1.2.2.7.1.3 + A.1.2.2.7.1.4)	0.00	0.00
A.1.2.2.7.1.1 Public Financial Institutions		
A.1.2.2.7.1.2 Public Non-Financial Institutions		
A.1.2.2.7.1.3 Private Financial Institutions		
A.1.2.2.7.1.4 Private Non-Financial Institutions		
A.1.2.2.7.2 From Foreign Entities		
A.1.2.2.8 Dividends Receivable (A.1.2.2.8.1 + A.1.2.2.8.2)	0.00	0.00
A.1.2.2.8.1 From Domestic Entities (A.1.2.2.8.1.1 + A.1.2.2.8.1.2 + A.1.2.2.8.1.3 + A.1.2.2.8.1.4)	0.00	0.00
A.1.2.2.8.1.1 Public Financial Institutions		
A.1.2.2.8.1.2 Public Non-Financial Institutions		
A.1.2.2.8.1.3 Private Financial Institutions		
A.1.2.2.8.1.4 Private Non-Financial Institutions		
A.1.2.2.8.2 From Foreign Entities		
A.1.2.2.9 Interest Receivable (A.1.2.2.9.1 + A.1.2.2.9.2)	0.00	0.00
A.1.2.2.9.1 From Domestic Entities (A.1.2.2.9.1.1 + A.1.2.2.9.1.2 + A.1.2.2.9.1.3 + A.1.2.2.9.1.4)	0.00	0.00
A.1.2.2.9.1.1 Public Financial Institutions		
A.1.2.2.9.1.2 Public Non-Financial Institutions		
A.1.2.2.9.1.3 Private Financial Institutions		
A.1.2.2.9.1.4 Private Non-Financial Institutions		

NOTE:

This special form is applicable to Brokers and Dealers in Securities and shall also be used for reporting Consolidated Financial Statements of Parent Corporations and their subsidiaries.

Domestic corporations are those which are incorporated under Philippine laws or branches/subsidiaries of foreign corporations that are licensed to do business in the Philippines where the center of economic interest or activity is within the Philippp

Financial Institutions are corporations principally engaged in financial intermediation, facilitating financial intermediation, or auxiliary financial services. Non-Financial institutions refer to corporations that are primarily engaged in the production of market goods and non-financial services.

SPECIAL FORM FOR FINANCIAL STATEMENTS OF BROKERS/DEALERS IN SECURITIES

NAME OF CORPORATION: WECAP FINANCIAL, INC.
CURRENT ADDRESS: GF RICOGEN BUILDING 112 AGUIRRE ST., LEGAZPI VILLAGE MAKATI CITY
TEL. NO.: 02 8661-9548 FAX NO.: _____
COMPANY TYPE : BROKER DEALER IN SECURITIES PSIC: 66120

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

FINANCIAL DATA	2024 (in P'000)	2023 (in P'000)
A.1.2.2.9.2 From Foreign Entities		
A.1.2.2.10 Allowance for Credit Losses (negative entry)		
A.1.2.2.11 Allowance for Impairment in Value of Loans and Receivable (negative entry)		
A.1.2.2.12 Other (negative entry) , specify (A.1.2.2.12.1 + A.1.2.2.12.2 + A.1.2.2.12.3)	0.00	0.00
A.1.2.2.12.1		
A.1.2.2.12.2		
A.1.2.2.12.3		
A.1.2.3 Held to Maturity Investment (held to maturity short-term investment if applicable) (A.1.2.3.1 + A.1.2.3.2 + A.1.2.3.3 + A.1.2.3.4)	0.00	0.00
A.1.2.3.1 Issued by Domestic Companies (A.1.2.3.1.1 + A.1.2.3.1.2 + A.1.2.3.1.3 + A.1.2.3.1.4)	0.00	0.00
A.1.2.3.1.1 National Government		
A.1.2.3.1.2 Public Financial Institutions		
A.1.2.3.1.3 Public Non-Financial Institutions		
A.1.2.3.1.4 Private Non-Financial Institutions		
A.1.2.3.2 Issued by Foreign Entities		
A.1.2.3.3 Allowance for Decline in Market Value (negative entry)		
A.1.2.3.4 Others (negative entry) , specify (A.1.2.3.4.1 + A.1.2.3.4.2 + A.1.2.3.4.3)	0.00	0.00
A.1.2.3.4.1		
A.1.2.3.4.2		
A.1.2.3.4.3		
A.1.3 Secured Demand Notes		
A.1.4 Loans and Advances	59,120.81	5,992.61
A.1.5 Loans and Advances (A.1.5.1 + A.1.5.2)	0.00	0.00
A.1.5.1 From Domestic Entities (A.1.5.1.1 + A.1.5.1.2)	0.00	0.00
A.1.5.1.1 Public Financial Institutions, specify (A.1.5.1.1.1 + A.1.5.1.1.2 + A.1.5.1.1.3)	0.00	0.00
A.1.5.1.1.1		
A.1.5.1.1.2		
A.1.5.1.1.3		
A.1.5.1.2 Private Financial Institutions, specify (A.1.5.1.2.1 + A.1.5.1.2.2 + A.1.5.1.2.3)	0.00	0.00
A.1.5.1.2.1		
A.1.5.1.2.2		
A.1.5.1.2.3		
A.1.5.2 From Foreign Entities, specify (A.1.5.2.1 + A.1.5.2.2 + A.1.5.2.3)	0.00	0.00
A.1.5.2.1		
A.1.5.2.2		
A.1.5.2.3		
A.1.6 Other Current Assets, specify (A.1.6.1 + A.1.6.2 + A.1.6.3 + A.1.6.4 + A.1.6.5)	2,400.01	66,566.69
A.1.6.1 Prepayments	503.95	460.94
A.1.6.2 Prepayment from Client for Early Settlement of Account		
A.1.6.3 Input Tax	1,896.06	1,548.41
A.1.6.4 Others		64,557.34
A.1.6.5		
A.2 Receivable From Affiliates/Subsidiaries/Associated Partnerships (A.2.1 + A.2.2)	0.00	0.00
A.2.1 Due From Domestic Entities		
A.2.2 Due From Foreign Entities		
A.3 Available-For-Sale Financial Assets (A.3.1 + A.3.2)	0.00	0.00
A.3.1 Equity Investment in the Philippine Stock Exchange (if not intended to be sold in the near future)		
A.3.2 Long-Term Receivables (A.3.2.1 + A.3.2.2 + A.3.2.3)	0.00	0.00
A.3.2.1 From Domestic Entities		
A.3.2.2 From Foreign Entities		
A.3.2.3 Allowance for Credit losses (negative entry)		
A.4 Held to Maturity Investment (A.4.1 + A.4.2 + A.4.3 + A.4.4)	0.00	0.00
A.4.1 Issued by Domestic Companies (A.4.1.1 + A.4.1.2 + A.4.1.3 + A.4.1.4)	0.00	0.00
A.4.1.1 National Government		
A.4.1.2 Public Financial Institutions		
A.4.1.3 Public Non-Financial Institutions		
A.4.1.4 Private Non-Financial Institutions		
A.4.2 Issued by Foreign Entities		
A.4.3 Allowance for decline in market value (negative entry)		

SPECIAL FORM FOR FINANCIAL STATEMENTS OF BROKERS/DEALERS IN SECURITIES

NAME OF CORPORATION: WECAP FINANCIAL, INC.
CURRENT ADDRESS: GF RICOGEN BUILDING 112 AGUIRRE ST., LEGAZPI VILLAGE MAKATI CITY
TEL. NO.: 02 8661-9548 FAX NO.: _____
COMPANY TYPE : BROKER DEALER IN SECURITIES PSIC: 66120

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

FINANCIAL DATA	2024 (in P'000)	2023 (in P'000)
A.4.4 Other (negative entry), specify (A.4.4.1 + A.4.4.2 + A.4.4.3 + A.4.4.4 + A.4.4.5)	0.00	0.00
A.4.4.1		
A.4.4.2		
A.4.4.3		
A.4.4.4		
A.4.4.5		
A.5 Property and Equipment (A.5.1 + A.5.2 + A.5.3 + A.5.4 + A.5.5 + A.5.6 + A.5.7 + A.5.8 + A.5.9 + A.5.10 + A.5.11)	790.59	604.22
A.5.1 Land		
A.5.2 Land Improvements		
A.5.3 Buildings and Improvements Including Leasehold Improvements		
A.5.4 Machinery and Equipment (on hand and in transit)		
A.5.5 Transportation/Automotive Equipment		
A.5.6 Furniture and Fixtures	1,244.03	859.58
A.5.7 Office Equipment		
A.5.8 Fixed Assets, Property, or Equipment Used for Education Process		
A.5.9 Appraisal Increase		
A.5.10 Accumulated Depreciation (negative entry)	(453.44)	(255.36)
A.5.11 Impairment Loss or Reversal (if loss, negative entry)		
A.6 Intangible Assets (A.6.1 + A.6.2)	10,102.68	9,000.00
A.6.1 Trading Rights	9,000.00	9,000.00
A.6.2 Other Intangible Assets, specify (A.6.2.1 + A.6.2.2 + A.6.2.3)	1,102.68	0.00
A.6.2.1	1,102.68	
A.6.2.2		
A.6.2.3		
A.7 Other Assets, specify (A.7.1 + A.7.2 + A.7.3 + A.7.4 + A.7.5)	6,581.27	3,403.61
A.7.1 Deferred Tax Assets	6,325.91	3,148.25
A.7.2 Refundable Deposit	255.36	255.36
A.7.3 Miscellaneous Assets		
A.7.4		
A.7.5		
B. LIABILITIES (B.1 + B.2 + B.3 + B.4 + B.5 + B.6 + B.7 + B.8)	194.63	2,279.10
B.1 Current Liabilities (B.1.1 + B.1.2 + B.1.3 + B.1.4 + B.1.5 + B.1.6)	156.07	112.98
B.1.1 Financial Liabilities (B.1.1.1 + B.1.1.2)	0.00	0.00
B.1.1.1 Financial Liabilities at Fair Value through Profit or Loss-Issued by Domestic Entities (B.1.1.1.1 + B.1.1.1.2)	0.00	0.00
B.1.1.1.1 Bank Loans Payable (B.1.1.1.1.1 + B.1.1.1.1.2 + B.1.1.1.1.3)	0.00	0.00
B.1.1.1.1.1 To Domestic Public Financial Institutions		
B.1.1.1.1.2 To Domestic Private Financial Institutions		
B.1.1.1.1.3 To Foreign Financial Institutions		
B.1.1.1.2 Payable to Non-Customers		
B.1.1.2 Financial Liabilities Accounted for at Amortized Cost (B.1.1.2.1 + B.1.1.2.2 + B.1.1.2.3 + B.1.1.2.4 + B.1.1.2.5 + B.1.1.2.6 + B.1.1.2.7)	0.00	0.00
B.1.1.2.1 Payable to Customers		
B.1.1.2.2 Payable to Clearing House		
B.1.1.2.3 Payable to Securities Failed to Receive		
B.1.1.2.4 Payable to Securities Loan		
B.1.1.2.5 Bank Overdrafts		
B.1.1.2.6 Unclaimed Dividends (B.1.1.2.6.1 + B.1.1.2.6.2)	0.00	0.00
B.1.1.2.6.1 To Domestic Entities (B.1.1.2.6.1.1 + B.1.1.2.6.1.2 + B.1.1.2.6.1.3 + B.1.1.2.6.1.4)	0.00	0.00
B.1.1.2.6.1.1 Public Financial Institutions		
B.1.1.2.6.2 Public Non-Financial Institutions		
B.1.1.2.6.3 Private Financial Institutions		
B.1.1.2.6.4 Private Non-Financial Institutions		
B.1.1.2.6.2 To Foreign Entities		
B.1.1.2.7 Mortgage Payable (Currently Maturing Portion)		

SPECIAL FORM FOR FINANCIAL STATEMENTS OF BROKERS/DEALERS IN SECURITIES

NAME OF CORPORATION: **WECAP FINANCIAL, INC.**
 CURRENT ADDRESS: **GF RICOGEN BUILDING 112 AGUIRRE ST., LEGAZPI VILLAGE MAKATI CITY**
 TEL. NO.: **02 8661-9548** FAX NO.:
 COMPANY TYPE : **BROKER DEALER IN SECURITIES** PSIC: **66120**

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

FINANCIAL DATA		2024 (in P'000)	2023 (in P'000)
B.1.2 Trading Errors			
B.1.3 Securities Differences			
B.1.4 Due to Affiliates, Advances from Parent Company, Inter-Company Payable (B.1.4.1 + B.1.4.2)		0.00	0.00
B.1.4.1 To Domestic Entities			
B.1.4.2 To Foreign Entities			
B.1.5 Accrued Expenses		156.07	112.98
B.1.6 Other Current Liabilities, specify (B.1.6.1 + B.1.6.2 + B.1.6.3)		0.00	0.00
B.1.6.1			
B.1.6.2			
B.1.6.3			
B.2 Taxes Payable		38.55	
B.3 Refundable Deposits			
B.4 Mortgage Payable			
B.5 Securities Sold Not Yet Purchased			
B.6 Subordinated Liabilities			
B.7 Deposit for Future Subscription			2,166.12
B.8 Other Liabilities, specify (B.8.1 + B.8.2 + B.8.3)		0.00	0.00
B.8.1			
B.8.2			
B.8.3			
C. EQUITY (C.3 + C.4 + C.5 + C.6 + C.7 + C.8)		103,413.95	106,555.10
C.1 Authorized Capital Stock (no. of shares, par value and total value; show details C.1.1 + C.1.2 + C.1.3)		100,000.00	100,000.00
C.1.1 Common Shares		100,000.00	100,000.00
C.1.2 Preferred Shares			
C.1.3 Others			
C.2 Subscribed Capital Stock (no. of shares, par value and total value) (C.2.1 + C.2.2 + C.2.3 + C.2.4 + C.2.5)		122,401.89	120,000.00
C.2.1 Common Shares		30,000.01	30,000.01
C.2.2 Preferred Shares			
C.2.3 Others			
C.2.4 Additional Paid-In-Capital/Capital in Excess of Par Value/Paid-In-Surplus		92,401.89	90,000.00
C.2.5 Subscription Receivables (negative entry) (C.2.5.1 + C.2.5.2 + C.2.5.3)		0.00	0.00
C.2.5.1 Common Shares			
C.2.5.2 Preferred Shares			
C.2.5.3 Others			
C.3 Issued and Fully Paid-Up Capital Stock (C.3.1 + C.3.2 + C.3.3 + C.3.4)		122,401.89	120,000.00
C.3.1 Common Shares		30,000.01	30,000.01
C.3.2 Preferred Shares			
C.3.3 Others			
C.3.4 Additional Paid-In-Capital/Capital in Excess of Par Value/Paid-In-Surplus		92,401.89	90,000.00
C.4 Equity Share in the Revaluation Increment in Property/Revaluation Surplus			
C.5 Unrealized Gain/Loss (negative entry) on Financial Assets			
C.6 Others			
C.7 Retained Earnings (C.7.1 + C.7.2)		(18,987.95)	(13,444.90)
C.7.1 Appropriated			
C.7.2 Unappropriated		(18,987.95)	(13,444.90)
C.8 Cost of Stocks Held in Treasury			
D. TOTAL LIABILITIES AND EQUITY (C + D)		103,608.57	108,834.20

Control No.: _____
Form Type: BDFS (rev 2006)

SPECIAL FORM FOR FINANCIAL STATEMENTS OF BROKERS/DEALERS IN SECURITIES

NAME OF CORPORATION: WECAP FINANCIAL, INC.
CURRENT ADDRESS: GF RICOGEN BUILDING 112 AGUIRRE ST., LEGAZPI VILLAGE MAKATI CITY
TEL. NO.: 02 8661-9548 FAX NO.: _____
COMPANY TYPE : BROKER DEALER IN SECURITIES PSIC: 66120

If these are based on consolidated financial statements, please so indicate in the caption.

Table 2. Income Statement

FINANCIAL DATA	2024 (in P'000)	2023 (in P'000)
A. INCOME / REVENUE (A.1 + A.2 + A.3)	693.95	(3,063.72)
A.1 Commission Income		
A.2 Gain or Loss (negative entry) arising from Change in the Fair Value of Financial Assets		
A.3 Other Income, specify (A.3.1 + A.3.2 + A.3.3 + A.3.4 + A.3.5 + A.3.6 + A.3.7 + A.3.8)	693.95	(3,063.72)
A.3.1 Management Fee Revenue	669.64	892.86
A.3.2 Interest Revenue	17.10	10.69
A.3.3 Unrealized Foreign Exchange Gain/(Loss)	7.21	(3,967.27)
A.3.4		
A.3.5		
A.3.6		
A.3.7		
A.3.8		
B. COST AND EXPENSES (B.1 + B.2 + B.3 + B.4 + B.5 + B.6 + B.7 + B.8)	9,414.66	11,559.11
B.1 Commission Expenses		
B.2 Utilities Expenses	66.28	74.75
B.3 Administrative Expenses	1,660.10	1,659.12
B.4 Taxes and Licenses	52.97	171.89
B.5 Depreciation and Amortization	238.26	137.84
B.6 Credit Losses (Doubtful Accounts Expense)		
B.7 Impairment Loss		
B.8 Other operating expenses, specify (B.8.1 + B.8.2 + B.8.3 + B.8.4 + B.8.5 + B.8.6 + B.8.7 + B.8.8)	7,397.06	9,515.51
B.8.1 Salaries , 13th Month and Contributions Expense	1,707.34	1,189.01
B.8.2 Professional Fees	1,052.12	1,602.28
B.8.3 Meetings and Conferences	542.46	999.00
B.8.4 Rent	939.95	854.50
B.8.5 Office Supplies	315.61	659.55
B.8.6 Advertising & Promotions		603.66
B.8.7 Gas & Oil	161.17	210.48
B.8.8 Other Expenses	2,678.41	3,397.04
C. FINANCE COSTS (C.1 + C.2 + C.3)	0.00	0.00
C.1 Interest		
C.2 Amortization		
C.3 Others		
D. INCOME (LOSS - negative entry) BEFORE TAX (A - B - C)	(8,720.71)	(14,622.83)
E. INCOME TAX EXPENSE	(3,177.66)	(2,402.74)
F. INCOME (LOSS) AFTER TAX (D - E)	(5,543.05)	(12,220.09)
G. Amount of (i) Post Tax Profit Loss of Discontinued Operations; and (ii) Post Tax Gain or Loss Recognized on the Measurement of Fair Value less Cost Sell or on the Disposal of the Assets or Disposal Group(s) constituting the Discontinued Operation (if any)		
G.1		
G.2		
H. PROFIT OR LOSS ATTRIBUTABLE TO MINORITY INTEREST		
I. PROFIT OR LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		

SPECIAL FORM FOR FINANCIAL STATEMENTS OF BROKERS/DEALERS IN SECURITIES

NAME OF CORPORATION: WECAP FINANCIAL, INC.
CURRENT ADDRESS: GF RICOGEN BUILDING 112 AGUIRRE ST., LEGAZPI VILLAGE MAKATI CITY
TEL. NO.: 02 8661-9548 FAX NO.: _____
COMPANY TYPE : BROKER DEALER IN SECURITIES PSIC: 66120

If these are based on consolidated financial statements, please so indicate in the caption.

Table 3. Cash Flow Statements

FINANCIAL DATA	2024 (in P'000)	2023 (in P'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (Loss) Before Tax and Extraordinary Items	(8,720.71)	(14,622.83)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Depreciation	238.26	137.84
Amortization, specify:		
Bad Debts Expense		
Unrealized Market Loss (Gain) in Trading Account Securities		
Write-down of Property, Plant, and Equipment		
Others, specify:		
Interest Income	(17.10)	(10.70)
Changes in Operating Assets and Liabilities:		
Decrease (Increase) in:		
Receivables	(53,128.20)	(5,972.42)
Secured Demand Notes		
Loans and Advances		
Other Current Assets	64,166.68	(31,876.55)
Others, specify:		
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	81.65	96.39
Income and other Taxes Payable		
Others, specify:		
Interest income	17.10	10.70
A. Net Cash Provided by (Used in) Operating Activities (sum of above rows)	2,637.68	(52,237.57)
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease (Increase) in:		
Receivables from Affiliates/Subsidiaries/Associated Partnership		
Investments in Securities		
Membership in Exchange		
Equity Investment in PSE		
Trading Rights		
Other Intangible Assets	(1,142.86)	
Other Assets		(114.12)
Reductions (Additions) to Property, Plant and Equipment	(384.45)	(277.07)
Decrease (Increase) in Subscription Payable		
Others, specify:		
B. Net Cash Provided by (Used in) Investing Activities (sum of above)	(1,527.31)	(391.19)

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If these are based on consolidated financial statements, please so indicate in the caption.

Table 3. Cash Flow Statements

FINANCIAL DATA		2024 (in P'000)	2023 (in P'000)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Long-Term Debt			
Securities Sold Not Yet Repurchased			
Subordinated Liability			
Deposit for Future Subscription		(2,166.12)	
Others, specify: Issuance of Share Capital			0.00
Additional paid in capital		2,401.89	20,000.00
Payments of (negative entry):			
Long-Term Debt			
Securities Sold Not Yet Repurchased			
Subordinated Liability			
Cash Dividend Paid			
Others, specify: Receipt of advances from shareholders			(19,926.23)
C. Net Cash Provided by (Used in) Financing Activities (sum of above rows)		235.77	73.77
NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)		1,346.14	(52,554.99)
Cash and Cash Equivalents			
Beginning of year		23,267.07	75,822.05
End of year		24,613.21	23,267.07

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If these are based on consolidated financial statements, please so indicate in the caption.

Table 4. Statement of Changes in Equity

FINANCIAL DATA	(Amount in P'000)					
	Capital Stock	Additional Paid-in Capital	Revaluation Increment	Translation Differences	Retained Earnings	TOTAL
A. Balance, 2023	30,000.00	70,000.00			(1,224.81)	98,775.19
A.1 Correction of Errors						0.00
A.2 Changes in Accounting Policy						0.00
B. Restated Balance		20,000.00				20,000.00
C. Surplus						0.00
C.1 Surplus (Deficit) on Revaluation of Properties						0.00
C.2 Surplus (Deficit) on Revaluation of Investments						0.00
C.3 Currency Translation Differences (negative entry)						0.00
C.4 Other Surplus, (specify)						0.00
C.4.1						0.00
C.4.2						0.00
C.4.3						0.00
C.4.4						0.00
C.4.5						0.00
D. Net Income (Loss) for the Period					(12,220.09)	(12,220.09)
E. Dividends (negative entry)						0.00
F. Appropriation for (specify)						0.00
F.1						0.00
F.2						0.00
F.3						0.00
F.4						0.00
F.5						0.00
G. Issuance of Capital Stock						0.00
G.1 Common Stock	0.00					0.00
G.2 Preferred Stock						0.00
G.3 Others						0.00
H. Balance, 2024	30,000.01	90,000.00	0.00	0.00	(13,444.90)	106,555.10
H.1 Correction of Error(s)						0.00
H.2 Changes in Accounting Policy						0.00
I. Restated Balance		2,401.89				2,401.89
J. Surplus						0.00
J.1 Surplus (Deficit) on Revaluation of Properties						0.00
J.2 Surplus (Deficit) on Revaluation of Investments						0.00
J.3 Currency Translation Differences						0.00
J.4 Other Surplus, (specify)						0.00
J.4.1						0.00
J.4.2						0.00
J.4.3						0.00
J.4.4						0.00
J.4.5						0.00
K. Net Income (Loss) for the Period					(5,543.05)	(5,543.05)
L. Dividends (negative entry)						0.00
M. Appropriation for (specify)						0.00
M.1						0.00
M.2						0.00
M.3						0.00
M.4						0.00
M.5						0.00
N. Issuance of Capital Stock						0.00
N.1 Common Stock						0.00
N.2 Preferred Stock						0.00
N.3 Others						0.00
O. Balance, 2025	30,000.01	92,401.89	0.00	0.00	(18,987.95)	103,413.95

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COMPANY TYPE : BROKER DEALER IN SECURITIES PSIC: 66120

If these are based on consolidated financial statements, please so indicate in the caption.

Table 5. Details of Income and Expenses, by source

FINANCIAL DATA	2023 (in P'000)	2022 (in P'000)
A. REVENUE / INCOME (A.1 + A.2)	693.95	(3,063.72)
A.1 Net Sales or Revenue / Receipts from Operations (from Primary Activity) (A.1.1 + A.1.2)	669.64	892.86
A.1.1 Domestic	669.64	892.86
A.1.2 Foreign		
A.2 Other Revenue (A.2.1 + A.2.2)	24.31	(3,956.57)
A.2.1 Domestic	24.31	(3,956.57)
A.2.2 Foreign, specify (A.2.2.1 + A.2.2.2 + A.2.2.3 + A.2.2.4 + A.2.2.5 + A.2.2.6 + A.2.2.7 + A.2.2.8 + A.2.2.9 + A.2.2.10)	0.00	0.00
A.2.2.1		
A.2.2.2		
A.2.2.3		
A.2.2.4		
A.2.2.5		
A.2.2.6		
A.2.2.7		
A.2.2.8		
A.2.2.9		
A.2.2.10		
B. EXPENSES (B.1 + B.2)	9,414.66	11,559.11
B.1 Domestic	9,414.66	11,559.11
B.2 Foreign, specify (B.2.1 + B.2.2 + B.2.3 + B.2.4 + B.2.5 + B.2.6 + B.2.7 + B.2.8 + B.2.9 + B.2.10)	0.00	0.00
B.2.1		
B.2.2		
B.2.3		
B.2.4		
B.2.5		
B.2.6		
B.2.7		
B.2.8		
B.2.9		
B.2.10		