SECURITIES AND EXCHANGE COMMISSION
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Industry Classification: J68121
Company Type: Stock Corporation

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Period Covered: December 31, 2023
Submission Type: Annual
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2023 ANNUAL REPORT

TIMSON SECURITIES, INC.

Financial Statements
As at and for the years ended
December 31, 2023 and 2022

and

Independent Auditors' Report

A.M.YU & ASSOCIATES, CPAS

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	3	0	6	1	9	4

Company Name

T I M S O N   S E C U R I T I E S ,   I N C .

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

3 3 R D   F L O O R   R O B I N S O N ' S
E Q U I T A B L E   T O W E R ,   A D B   A V E N U E
C O R N E R   P O V E D A   S T R E E T ,   O R T I G A S
P A S I G   C I T Y

Form Type	Department Requiring the Report	Secondary License Type, If Applicable
5 2 A R	M S R D	BROKER/DEALER

COMPANY INFORMATION

Company's E-mail Address	Company's Telephone Number/s	Mobile Number
camelynramos@timson.com.ph	(02) 8351-6288	0925-712-5094

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
7	8th day of April	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	E-mail Address	Telephone Number/s	Mobile Number
Philip Tay Laude	carmelynramos@timson.com.ph	(02) 8351-6288	0943-286-5940

Contact Person's Address

18 Greenhills West Roosevelt St., San Juan, Manila

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.

TIMSON SECURITIES, INC.
AUDITED ANNUAL REPORT
As at and for the year ended December 31, 2023

TABLE OF CONTENTS

TIMSON SECURITIES, INC.

Member: Philippine Stock Exchange
3310 Robinson's Equitable Tower
ADB Avenue, Ortigas Pasig City
Tel Nos: (02) 8633 0344/(02) 8633 0081

Statement of Management's Responsibility for Financial Statements

The Management of **Timson Securities, Inc.** (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, as at and for the years ended December 31, 2023 and 2022, in accordance with Philippine Financial Reporting Standards, and for such internal control as Management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

A. M. Yu & Associates, the independent auditors appointed by the shareholders, has audited the financial statements of the Company in accordance with the Philippine Standards on Auditing, and in its reports to the shareholders, has expressed its opinions on the fairness of presentation upon completion of such audit.

Philip Tay Laude	**Philip Tay Laude**	**Marissa Eduardo Laude**
Chairman of the Board	President/Chief Executive Officer	Treasurer

Signed this 8th day of April, 2024.

SUBSCRIBED AND SWORN to before me, a Notary Public for and in QUEZON CITY, Philippines, this APR 08 2024, affiants who are personally known to me and whose identity I have confirmed through their competent evidence of identity bearing the affiants' photograph and signature.

Name	Tax Identification Number
Philip Tay Laude	100-803-744
Marissa Eduardo Laude	160-561-836

ATTY. DIANE M. ABOLUCION
NOTARY PUBLIC FOR QUEZON CITY
NOTARY PUBLIC
UNTIL DECEMBER 2024
ADM MATTER NO. NP-059 (2023-2024)
PTR NO. 5660838 / 11 January 2024 / Quezon City
IBP NO. 411531 / 09 January 2024 / Quezon City
Roll of Attorney's No. 75460 / 27 July 2020
MCLE Certificate of Exemption No. VII-BEP005427
32A Road 20 Project 8, Bahay Toro Quezon City

Doc. No. 180
Page No. 36
Book No. X
Series of 2024

Independent Auditors' Report

The Board of Directors and Shareholders
Timson Securities, Inc.
33rd Floor Robinson's Equitable Tower
ADB corner Poveda Street
Ortigas, Pasig City

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and of its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations No. 15-2010 in Note 31 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A.M. YU & ASSOCIATES

Anecito M. Yu
Partner
CPA License No. 40278, valid until May 15, 2026
Tax Identification No. 134-702-616
SEC Accreditation No. 40278-SEC, Group A,
issued January 05, 2021, valid for five (5) years covering the audits of 2020 to 2024 financial statements of SEC Covered Institutions
BIR Accreditation No. 07-000028-001-2021,
issued February 22, 2021, valid until February 21, 2024
PTR No. 5669767, issued January 17, 2024, Quezon City

April 8, 2024
Quezon City

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

ANNUAL AUDITED FINANCIAL REPORT

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

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

IDENTIFICATION OF BROKER OR DEALER
Name of Broker/Dealer: Timson Securities, Inc. Address of Principal Place of Business: 33rd Floor Robinson's Equitable Tower ADB corner Poveda Street Ortigas, Pasig City Name and Phone Number of Person to Contact in Regard to this Report: Carmelyn S. Ramos (02) 8633-0344

IDENTIFICATION OF ACCOUNTANT	
Name of Firm:	A.M. Yu & Associates
Address:	6F West Star Business Center Building No. 31 Shorthorn St., Brgy. Bahay Toro Proj. 8, Quezon City, Philippines 1106
Trunkline:	+63 2 8236-4935; +63 2 8351-6288
Facsimile:	+63 2 8351-5723 loc. 412
Website:	www.amyucpas.com
PRC/BOA Reg.	4589 (valid until Nov. 18, 2025)
SEC Accred. No.	(Group A) 4589-SEC (valid until Jan. 4, 2026)
BIR Accred. No.	07-000033-001-2021 (valid until Jan. 29, 2027)
Signing Partner:	Anecito M. Yu CPA License No. 40278, valid until May 15, 2026 Tax Identification No. 134-702-616 SEC Accreditation No. 40278-SEC, Group A, issued January 05, 2021, valid for five (5) years covering the audits of 2020 to 2024 financial statements of SEC Covered Institutions BIR Accreditation No. 07-000169-002-2024, issued February 20, 2024, valid until February 19, 2027 PTR No. 5669767, issued January 17, 2024, Quezon City

TIMSON SECURITIES, INC.

Statements of Financial Position

		Money Balance As at December 31,		Security Valuation As at December 31,			
				2023		2022	
	Note/s	2023	2022	Long	Short	Long	Short
A S S E T S							
Current assets:							
Cash & cash equivalents	6	₱ 116,076,017	₱ 175,370,004				
Financial assets at FVPL	7	47,840,102	45,036,735	₱ 47,840,102		₱ 45,036,735	
Trade & other receivables – net	8	63,118,342	100,476,502	205,196,189		232,017,850	
Other current assets	9	3,089,980	2,385,805				
Total current assets		₱ 230,124,441	₱ 323,269,046				
Non-current assets:							
Property & equipment – net	10	₱ 15,998,898	₱ 16,586,452				
Intangible assets – net	11	8,875,345	10,965,399				
Deferred tax assets	22	22,755,334	14,300,748				
Other non-current assets	12	13,459,636	12,306,121				
Total non-current assets		₱ 61,089,213	₱ 54,158,720				
TOTAL ASSETS		₱ 291,213,654	₱ 377,427,766				
Securities in Vault and in Philippine Depository & Trust Corporation					₱ 1,190,226,037		₱ 1,369,852,921

(Forward)

TIMSON SECURITIES, INC.

Statements of Financial Position (Continued)

		Money Balance As at December 31,		Security Valuation As at December 31,			
				2023		2022	
	Note/s	**2023**	2022	**Long**	**Short**	Long	Short
L I A B I L I T I E S & E Q U I T Y							
Current liabilities:							
Trade & other payables	13	₱ **138,743,959**	₱ 196,886,237	₱ **937,189,746**		₱ 1,092,798,336	
Interest-bearing loans & borrowings – current	14	**1,590,223**	1,517,209				
Current tax payable	22	**33,575**	25,113				
Advances from shareholders	24	**77,554**	77,554				
Other current liabilities	15	**2,718,128**	2,053,509				
Total current liabilities		₱ **143,163,439**	₱ 200,559,622				
Non-current liabilities:							
Interest-bearing loans & borrowings – net of current portion	14	₱ **3,949,994**	₱ 5,540,217				
Retirement benefit obligation	20	**3,166,830**	2,700,434				
Deferred tax liability	22	**129**	135				
Total non-current liabilities		₱ **7,116,953**	₱ 8,240,786				
Total liabilities		₱ **150,280,392**	₱ 208,800,408				

(Forward)

TIMSON SECURITIES, INC.

Statements of Financial Position (Continued)

		Money Balance As at December 31,		Security Valuation As at December 31,			
				2023		2022	
	Note/s	2023	2022	Long	Short	Long	Short
Equity:							
Share capital	16	₱ 150,000,000	₱ 150,000,000				
Share premium	16	9,000,000	9,000,000				
Reserve for remeasurements of RBO	20	(500,651)	(500,651)				
Appropriation reserves	16	8,042,918	8,042,918				
Accumulated profits (losses)		(25,609,005)	2,085,091				
Total equity		₱ 140,933,262	₱ 168,627,358				
TOTAL LIABILITIES & EQUITY		₱ 291,213,654	₱ 377,427,766	₱ 1,190,226,037	₱ 1,190,226,037	₱ 1,369,852,921	₱ 1,369,852,921

See accompanying notes to the financial statements.

TIMSON SECURITIES, INC.

Statements of Comprehensive Income

		For the years ended December 31,	
	Note/s	2023	2022
Revenues	17	₱ 7,348,239	₱ 16,429,586
Cost of services	18	(17,081,850)	(26,655,063)
Gross loss		₱ (9,733,611)	₱ (10,225,477)
Other operating income	17	2,193,423	6,785,879
General & administrative costs	19	(29,036,610)	(17,127,935)
Operating loss		₱ (36,576,798)	₱ (20,567,533)
Interest income	17	1,024,311	177,181
Finance costs	21	(377,559)	(487,080)
Other income	21	19,795	540
Loss before tax		₱ (35,910,251)	₱ (20,876,892)
Income tax benefit	22	8,216,155	5,345,096
Loss for the year		₱ (27,694,096)	₱ (15,531,796)
Other comprehensive income:			
Item that will not be reclassified subsequently to profit or loss:			
Remeasurement loss on retirement benefit obligation – net of tax	20	₱ –	₱ –
Other comprehensive income for the year		₱ –	₱ –
Total comprehensive income for the year		₱ (27,694,096)	₱ (15,531,796)
Basic loss per share	23	₱ (18.46)	₱ (10.35)

See accompanying notes to the financial statements.

TIMSON SECURITIES, INC.

Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

		Share Capital		Share Premium		Reserve for Remeasurements of Retirement Benefit Obligation		Appropriation Reserves		Accumulated Profits (Losses)		Total Equity
Note/s		16		16		20		16				
Balances at January 1, 2023	₱	150,000,000	₱	9,000,000	₱	(500,651)	₱	8,042,918	₱	2,085,091	₱	168,627,358
Loss for the year		–		–		–		–		(27,694,096)		(27,694,096)
Balances at December 31, 2023	₱	**150,000,000**	₱	**9,000,000**	₱	**(500,651)**	₱	**8,042,918**		**(25,609,005)**	₱	**140,933,262**
Balances at January 1, 2022	₱	150,000,000	₱	9,000,000	₱	(500,651)	₱	8,042,918	₱	17,616,887	₱	184,159,154
Loss for the year		–		–		–		–		(15,531,796)		(15,531,796)
Balances at December 31, 2022	₱	150,000,000	₱	9,000,000	₱	(500,651)	₱	8,042,918	₱	2,085,091	₱	168,627,358

See accompanying notes to the financial statements

TIMSON SECURITIES, INC.

Statements of Cash Flows

	Note/s		For the years ended December 31, 2023		2022
Cash flows from operating activities:					
Loss for the year before tax		₱	(35,910,251)	₱	(20,876,892)
Adjustments for:					
Unrealized market loss on FA at FVPL	7, 17		10,438,783		7,177,738
Dividend revenue	7, 17		(680,071)		(1,226,865)
Interest income	17		(1,024,311)		(177,181)
Interest expense	14, 21		377,559		487,080
Provision for ECLs	8, 19		12,109,418		3,284,245
Retirement benefit expense	20		466,396		419,623
Depreciation & amortization	10, 11, 19		1,377,608		793,300
Impairment losses	11, 19		1,300,000		–
Foreign exchange gains	6, 21		24		(540)
Operating loss before working capital adjustments		₱	(11,544,845)	₱	(10,119,492)
Working capital adjustments:					
Decrease (Increase) in:					
Financial assets at FVPL			(13,242,150)		102,248,563
Trade & other receivables			25,248,742		5,725,101
Other current assets			(715,347)		(185,001)
Other non-current assets			(1,153,515)		(2,016,656)
Increase (Decrease) in:					
Trade & other payables			(58,138,337)		(56,976,961)
Other current liabilities			664,619		926,237
Net cash generated from (used in) operations		₱	(58,880,833)	₱	39,601,791
Interest received	17		1,024,311		177,181
Dividends received	17		680,071		1,226,865
Income taxes paid			(218,803)		(64,576)
Net cash provided by (used in) operating activities		₱	(57,395,254)	₱	40,941,261
Cash flows from investing activities:					
Acquisition of property & equipment	10	₱	–	₱	(75,893)
Acquisition of intangible assets	11		–		(71,429)
Net cash used in investing activities		₱	–	₱	(147,322)
Cash flows from financing activities:					
Borrowing repayments	29	₱	(1,517,209)	₱	(1,393,115)
Interest paid	29		(381,500)		(490,793)
Net cash used in financing activities		₱	(1,898,709)	₱	(1,883,908)
Effects of foreign exchange rate changes in cash	6, 21	₱	(24)	₱	540
Net increase (decrease) in cash		₱	(59,293,987)	₱	38,910,571
Cash at beginning of the year	6		175,370,004		136,459,433
Cash at end of the year	6	₱	116,076,017	₱	175,370,004

See accompanying notes to the financial statements.

TIMSON SECURITIES, INC.

Notes to the Financial Statements

As at December 31, 2023 and 2022, and
for the years ended December 31, 2023 and 2022

1. Reporting Entity

1.1 Formation and Operations

Timson Securities, Inc. (the Company) was incorporated under the laws of the Republic of the Philippines and duly registered with the Securities and Exchange Commission (SEC) on May 31, 2013. The Company is primarily engage in the business of stock brokerage and dealing in securities and in all activities directly or directly connected therewith or incidental thereto, including among others, to receive, purchase or otherwise acquire, underwrite, obtain and interest in, own, hold, pledge, hypothecate, mortgage, assign, deposit, create trusts, with respect to, exchange, sell and otherwise dispose of, alone or syndicate, or otherwise in conjunction with others and generally deal in, stocks, bonds, obligations or securities of any corporation, partnership, syndicate, entity, person or governmental, municipal or public authority, domestic or foreign and evidences of any interest therein or in respect thereof; and while the holder of such, to exercise all the rights, powers and privileges of ownership or interest thereon, including the rights to vote and otherwise act with respect thereto.

The registered office address of the Company, which is also its principal place of business, is located at 33rd Floor Robinson's Equitable Tower, ADB corner Poveda Street, Ortigas, Pasig City.

1.2 Approval on the Release of the Financial Statements

The financial statements of the Company as at and for the year ended December 31, 2023 (including comparative amounts as at and for the year ended December 31, 2022) were approved and authorized for issue by the Board of Directors (BOD) on April 8, 2024.

2. Basis of Preparation

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

2.1 Statement of Compliance

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

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

2.2 Going Concern Assumption

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

2.3 Functional and Presentation Currency

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

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3. Changes in Accounting Policies

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

3.1 New and Amended Standards Effective in 2023

The following new standards and amendments to existing standards are mandatory for the first time for the financial year beginning January 1, 2023:

a.) PAS 8 (amendments), *Definition of Accounting Estimates*.
The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

The adoption of these amendments has no significant impact on the financial statements of the Company.

b.) PAS 1 and PFRS Practice Statement 2 (amendments), *Disclosure of Accounting Policies*.
The amendments provide guidance and examples to help entities apply materiality judgments to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

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

c.) PAS 12 (amendments), *Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction*.
The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgment (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

The adoption of these amendments has no significant impact on the financial statements of the Company.

d.) PAS 12 (amendments), *International Tax Reform – Pillar Two Model Rules.*
The amendments give companies temporary relief from accounting for deferred taxes arising from the Organization for Economic Cooperation and Development's (OECD) international tax reform. The amendments also introduced targeted disclosure requirements for affected entities.

The adoption of these amendments has no significant impact on the financial statements of the Company.

3.2 New and Amended Standards Effective Subsequent to 2023 but not Early Adopted

Pronouncements issued but not yet effective as at December 31, 2023 are listed below. The Company intends to adopt the following pronouncements when they become effective. Except as otherwise indicated, the Company does not expect the adoption of these new pronouncements to have a significant impact on the financial statements.

<u>Effective beginning on or after January 1, 2024</u>

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

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

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. However, in November 2021, the International Accounting Standards Board (IASB) tentatively decided to defer the effective date to no earlier than January 1, 2024.

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

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

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted and must be applied retrospectively.

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

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

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.

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

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

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

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted.

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

<u>Effective beginning on or after January 1, 2025</u>

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

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

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

On 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.

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

b.) PFRS 17 (amendments), *Initial Application of PFRS 17 and PFRS 9 – Comparative Information*.
The amendments add a transition option for a classification overlay to address possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of PFRS 17.

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

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

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

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

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

Deferred

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

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

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

4. Summary of Material Accounting Policies

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

4.1 Current versus Non-current Classification

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

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

A liability is classified as current when it is:

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

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

4.2 Cash

Cash includes cash in banks and petty cash fund. It is unrestricted in use and is measured at face value. Face value represents amortized cost. Cash in banks earns interest at the prevailing bank deposit rates.

4.3 Fair Value Measurement

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

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

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

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

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

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

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

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

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

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

4.4 Financial Instruments

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

Date of Recognition
The Company recognizes a financial asset or a financial liability in the statements of financial position when, and only when, it becomes a party to the contractual provisions of the instrument. Regular

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

“Day 1” Difference

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

Initial Recognition

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

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

Classification and Subsequent Measurement of Financial Assets

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

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

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

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

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

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

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

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

Financial assets at amortized cost includes cash, trade & other receivables and CTGF refundable contributions.

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

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

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

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

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

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

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

Financial Assets at FVPL. Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not SPPI are classified and measured at FVPL, irrespective of business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

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

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

Classification and Subsequent Measurement of Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL or financial liabilities at amortized cost.

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

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

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

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

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

Loans & Borrowings. Loans and other similar borrowings are raised for funding support of operations or projects.

Advances from Shareholders. Advances from shareholders represent advances made by shareholders used for funding support of operations. These are usually non-interest bearing, unsecured, and payable on demand.

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

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

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

A financial liability may be designated at FVPL if:

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

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

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

Reclassification of Financial Instruments
The Company reclassifies its financial assets when, and only when, there is a change in the business model for managing the financial assets. Reclassifications shall be applied prospectively by the Company and any previously recognized gains, losses or interest shall not be restated. The Company does not reclassify its financial liabilities.

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

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

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

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

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

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

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

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

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

4.5 Property and Equipment

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

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

Subsequent Expenditures
Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally charged against operations in the period which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment.

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

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

Asset	Estimated Useful Life
Condominium	50 years
Condominium improvements	3-5 years
Office furniture & equipment	2-10 years

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

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

4.6 Intangible Assets

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

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

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

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

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

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

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

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

4.7 Other Assets

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

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

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

4.8 Impairment of Assets

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

Financial Assets

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

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

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

The Company applies a simplified approach in calculating ECLs for trade receivables. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written-off when there is no reasonable expectation of recovering the contractual cash flows.

Non-financial Assets

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

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

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

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

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of accumulated depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

4.9 Other Liabilities

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

4.10 Value-Added Tax (VAT)

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

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

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

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

4.11 Equity

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

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

Share Premium
Share premium represents the additional amount that shareholders paid for their subscribed shares in excess of the par value of their shares.

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

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

Dividend Distribution
Dividend distribution to the shareholders is recognized as a liability and deducted from equity in the period in which the dividends are declared and approved by the BOD. Dividends that are approved after the reporting period are disclosed as events after the end of the reporting period.

4.12 Revenue Recognition

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

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

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

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

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

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

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

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

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

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

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

Cost to Obtain a Contract

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

4.13 Cost and Expense Recognition

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

Costs and expenses are recognized in profit or loss in the statements of comprehensive income:

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

Cost of Services

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

General, Administrative, and Other Operating Expenses

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

4.14 Employee Benefits

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

Short-term Benefits

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

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

Termination Benefits

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

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

Retirement Benefits

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

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

The liability recognized in the statements of financial position for defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using a discount rate derived from interest rates of zero-coupon government bonds, as published by the Philippine Dealing and Exchange Corporation, that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of related post-employment liability.

Service costs are recognized in profit or loss which include current service costs, past service costs, and gains or losses on non-routine settlements. Past service costs are recognized when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in the statements of comprehensive income.

Re-measurement, comprising of actuarial gains and losses from experience adjustments and changes in actuarial assumptions, is recognized in OCI in the period which they arise. Re-measurements are not classified to profit or loss in subsequent periods.

4.15 Income Tax

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

Current Tax

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

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

The current tax assets included in other current assets (presented as prepayments) and current tax liabilities presented as current tax payable are presented at gross amounts in the statements of financial position.

Deferred Tax

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

Deferred tax liabilities are recognized for all taxable temporary differences, except;

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

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

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and,
- in respect of deductible temporary differences associated with investments in subsidiaries and associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted as at the reporting date.

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

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

4.16 Loss per Share (LPS) Attributable to Equity Holders

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

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

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

4.17 Provisions and Contingencies

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

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

4.18 Foreign Currency Transactions and Translation

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

4.19 Related Party Transactions and Relationships

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

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

a.) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Company;
b.) associates;
c.) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual; and,
d.) the Company's retirement plan.

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

4.20 Events after the Reporting Period

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

5. Significant Accounting Judgments, Estimates and Assumptions

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

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

5.1 Judgments

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

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

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

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

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

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

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

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

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

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

5.2 Estimates and Assumptions

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

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

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

The fair values of financial assets and financial liabilities by category and their fair value hierarchy are set out in Note 26 to the financial statements.

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

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

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

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

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

c.) *Definition of Default and Credit-impaired Financial Assets*
The Company defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

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

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

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

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

For ECL provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogenous.
The amount of ECLs is sensitive to changes in circumstances including COVID-19 impact and forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future.

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

Provision for ECLS recognized in 2023 and 2022 amounted to ₱12,109,418 and ₱3,284,245, respectively. The carrying amounts of the Company's trade & other receivables amounted to ₱63,118,342 and ₱100,476,502 as of December 31, 2023 and 2022 respectively (see Note 8).

e.) *Estimating Useful Lives of Depreciable and Amortizable Assets*
The Company estimates the useful lives of depreciable and amortizable assets based on the period over which the assets are expected to be available for use and on the collective assessment of industry practice, internal technical evaluation and experience with similar assets. The EUL of depreciable and amortizable assets are reviewed at least annually and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of these assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in factors mentioned above. The amounts and timing of recording of depreciation and amortization expense for any period would be affected by changes in these factors and circumstances. There were no changes in the EUL of depreciable and amortizable assets in 2023 and 2022.

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

		2023		2022
Carrying amounts:				
Property & equipment – net (Note 10)	₱	**15,998,898**	₱	16,586,452
Intangible assets – net (Note 11)		**8,875,345**		10,965,399
Depreciation and amortization charges:				
Property & equipment	₱	**587,554**	₱	567,109
Intangible assets		**790,054**		226,191

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

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

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

g.) *Determining and Computation of Retirement Benefits*
The pension cost as well as the present value of the retirement benefits obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Details on the assumption and an analysis in the movements in the estimated retirement benefits are presented in Note 20.

h.) *Realizability of Deferred Tax Assets*
The Company reviews the carrying amounts at the end of each reporting period and reduced the deferred tax assets to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. The Company's assessment on the recognition of deferred tax assets on NOLCO, MCIT and deductible temporary differences is based on the level and timing of forecasted taxable income of the subsequent reporting periods. The forecast is based on past results and future expectations on revenues and expenses as well as future tax planning strategies. However, there is no assurance that the Company will generate sufficient taxable income to allow all or part of its deferred income tax assets to be utilized. Details of deferred tax assets are provided in Note 22.

6. Cash

Cash includes:

		2023		2022
Cash in banks - Peso	₱	**18,092,998**	₱	21,565,014
Cash in banks - Reserve		**76,671,446**		133,252,359
Cash equivalents- Reserve		**21,285,815**		20,526,848
Cash in bank - USD		**5,758**		5,783
Petty cash fund		**20,000**		20,000
Total	₱	**116,076,017**	₱	175,370,004

Cash in banks represent demand deposit accounts in various universal banks that generally earn interest at their respective daily bank deposit rates. Petty cash fund is used for payment of minor disbursements and is maintained under an imprest fund system.

Included in cash in bank is US$-denominated bank deposit amounting to US$103 translated to ₱5,758 and US$103 translated to ₱5,783 as at December 31, 2023 and 2022, respectively. Unrealized forex loss amounts to ₱24 and Unrealized forex gain amounts to ₱540 for 2023 and 2022, respectively (see Note 21).

Interest income earned from cash in banks amounted to ₱1,024,311 in 2023 and ₱177,181 in 2022 (see Note 17).

In compliance with the SRC Rule 49.2 covering customer protection and custody of securities, every broker dealer shall maintain with a bank/s at all times when deposits are required or hereinafter specified as "Special Reserve Bank Account for the Exclusive Benefit of Customers" and it shall be separate from any other bank account of the Broker-Dealer. The reserve requirement is determined based on the SEC's prescribed computations. The Company maintains special reserve bank accounts for its customers amounting to ₱97,957,261 and ₱153,779,207 as at December 31, 2023 and 2022, respectively.

7. Financial Assets at FVPL

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

		2023		2022
Equities in the PSEi	₱	**–**	₱	–
Other equities outside the PSEi		**47,840,102**		45,036,735
Total	₱	**47,840,102**	₱	45,036,735

The Company's net trading gains (losses) are as follows:

	Note/s		**2023**		2022
Realized trading gains	17	₱	**11,734,655**	₱	12,517,889
Unrealized trading gains (losses)	17		**(10,438,783)**		(7,177,738)
Net trading gains (losses)	17	₱	**1,295,872**	₱	5,340,151

Dividend income earned on these investments amount to ₱680,071 and ₱1,226,865 in 2023 and 2022, respectively (see Note 17).

The cost of these shares amounted to ₱95,273,315 and ₱82,031,209 as at December 31, 2023 and 2022, respectively. The balance of unrealized loss relating to these shares amounted to ₱47,433,213 and ₱36,994,474 as at December 31, 2023 and 2022, respectively.

8. Trade & Other Receivables – net

This account consists of:

		2023		2022
Trade receivables – net	₱	**43,179,955**	₱	80,902,685
Other receivables		**19,938,387**		19,573,817
Total	₱	**63,118,342**	₱	100,476,502

Trade Receivables
The details of this account are shown below:

		2023		2022
Receivable from customers	₱	62,100,086	₱	83,891,287
Receivable from clearing house		–		3,822,111
Total	₱	62,100,086	₱	87,713,398
Allowance for credit losses		(18,920,131)		(6,810,713)
Net realizable value	₱	43,179,955	₱	80,902,685

The Company's trade receivables from customers and their security valuation follows:

	2023				2022			
		Money Balance		Security Long Valuation		Money Balance		Security Long Valuation
Fully secured:								
More than 250%	₱	40,503,092	₱	201,532,798	₱	279,956	₱	217,874,814
Between 200% to 250%		–		–		11,896		–
Between 150% to 200%		–		–		64,701,822		–
Between 100% to 150%		–		–		–		–
Partially secured:								
Less than 100%		21,596,819		3,663,391		18,897,409		14,143,036
Unsecured accounts		175		–		204		–
Total	₱	62,100,086	₱	205,196,189	₱	83,891,287	₱	232,017,850
Less: Allowance for credit losses		(18,920,131)		–		(6,810,713)		–
Net realizable value	₱	43,179,955	₱	205,196,189	₱	77,080,574	₱	232,017,850

Receivable from customers comprise of amount due from customers from brokerage services rendered, including value of securities bought in behalf of customers, commissions, and other charges thereon. These securities will serve as collateral for the receivables.

The Company granted margin lines amounting to ₱2,002,008 to one customer as at December 31, 2023 and two customers as at December 31, 2022, which bear interest rates of 12% per annum. Interest on margin accounts amounted to ₱217,480 and ₱218,863 in 2023 and 2022, respectively (see Note 17).

Trade receivables from margin customers have no specific credit terms but customers are required to maintain the value of their collateral within a specific level. Once the value of the collateral falls below this level, customers may either deposit additional collateral or sell stock to cover the deficiency in their account balance. Meanwhile, receivables from post-paid customers are required to be settled on three (3) trading days' term. The receivable balances become demandable upon failure of the customer to duly comply with these requirements. As at December 31, 2023 and 2022, ₱40,503,092 and ₱64,993,673, respectively, of the trade receivables from customers are fully covered by collateral.

Other Receivables
The details of this account are shown below:

	Note/s		2023		2022
Advances to officers		₱	15,683,143	₱	15,683,143
Other receivables			4,328,145		3,963,575
Total		₱	20,011,288	₱	19,646,718
Allowance for credit losses			(72,901)		(72,901)
Net realizable value		₱	19,938,387	₱	19,573,817

All of the Company's trade & other receivables have been reviewed for indicators of impairment. Certain trade receivables were found to be impaired due to defaults by customers and provisions have been recorded accordingly. Allowance for impairment on receivables from customers is computed using the formula provided by the PSE in the Analysis of Receivables which forms part of the Risk-Based Capital Adequacy (RBCA) Report (see Note 28).

A reconciliation of the allowance for ECLs is shown below:

	Notes		2023		2022
Balance at the beginning of year		₱	**6,883,614**	₱	3,599,369
Provisions during the year	19		**12,109,418**		3,284,245
Balance at the end of year		₱	**18,993,032**	₱	6,883,614

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

9. Other Current Assets

This account consists of:

			2023		2022
Prior year's excess credits		₱	**1,091,549**	₱	1,087,522
Input taxes			**906,071**		204,964
Advances to suppliers			**503,432**		503,432
Prepayments	SSSS		**13,941**		29,140
Tax credit on compensation			**–**		11,260
Other prepaid expenses			**574,987**		549,487
Total		₱	**3,089,980**	₱	2,385,805

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

Prepayments are credited against income tax liability at the end of the taxable year. Any excess of prepayments, if any, are either refunded, carried over to the next taxable year, or converted to tax credit certificates. Excess credits carried over from the immediately preceding to the current taxable year are classified separately as "prior year's excess credits."

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

Advances to suppliers refer to amounts paid for web app design and development.

Tax credit on compensation are the excess of total withholding tax payments on compensation over the total withholding tax due of the current year which can be refunded or carried over as a tax credit deductible against withholding tax liabilities in the immediately succeeding taxable year.

Other prepayments includes prepaid insurance and taxes & licenses paid in advance.

10. Property & Equipment

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

		Condominium		Condominium improvements		Office furniture & equipment		Total
Cost:								
As at December 31, 2021	₱	17,509,736	₱	522,792	₱	12,253,933	₱	30,286,461
Additions		–		–		75,893		75,893
As at December 31, 2022	₱	17,509,736	₱	522,792	₱	12,329,826	₱	30,362,354
Additions		–		–		–		–
As at December 31, 2023	**₱**	**17,509,736**	**₱**	**522,792**	**₱**	**12,329,826**	**₱**	**30,362,354**

(Forward)

Accumulated depreciation								
As at December 31, 2021	₱	814,406	₱	522,792	₱	11,871,595	₱	13,208,793
Depreciation		407,203		–		159,906		567,109
As at December 31, 2022	₱	1,221,609	₱	522,792	₱	12,031,501	₱	13,775,902
Depreciation		407,204		–		180,350		587,554
As at December 31, 2023	**₱**	**1,628,813**	**₱**	**522,792**	**₱**	**12,211,851**	**₱**	**14,363,456**
Carrying amount:								
As at December 31, 2022	₱	16,288,127	₱	–	₱	298,325	₱	16,586,452
As at December 31, 2023	**₱**	**15,880,923**	**₱**	**–**	**₱**	**117,975**	**₱**	**15,998,898**

As at December 31, 2023 and 2022, there were no indication of any impairment loss on the carrying amount of property & equipment since its recoverable amounts approximates its carrying amount.

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

Depreciation expense amounted to ₱587,554 in 2023 and ₱567,109 in 2022 were charged to general & administrative costs (see Note 19).

Condominium with a carrying amount of ₱15,880,923 in 2023 and ₱16,288,127 in 2022 were pledged as collateral to secure the Company's loans & borrowings (see Note 14).

11. Intangible Assets

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

		Trading right		Computer software		Total
Cost:						
As at December 31, 2021	₱	8,500,000	₱	4,237,554	₱	12,737,554
Additions		–		71,429		71,429
As at December 31, 2022	₱	8,500,000	₱	4,308,983	₱	12,808,983
Additions		–		–		–
As at December 31, 2023	**₱**	**8,500,000**	**₱**	**4,308,983**	**₱**	**12,808,983**
Accumulated amortization:						
As at December 31, 2021	₱	–	₱	1,617,393	₱	1,617,393
Amortization		–		226,191		226,191
As at December 31, 2022	₱	–	₱	1,843,584	₱	1,843,584
Amortization		–		790,054		790,054
Impairment		1,300,000		–		1,300,000
As at December 31, 2023	**₱**	**1,300,000**	**₱**	**2,633,638**	**₱**	**3,933,638**
Carrying amount:						
As at December 31, 2022	₱	8,500,000	₱	2,465,399	₱	10,965,399
As at December 31, 2023	**₱**	**7,200,000**	**₱**	**1,675,345**	**₱**	**8,875,345**

Stock Exchange Trading Rights

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

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

As at December 31, 2023 and 2022, the impairment loss amounted to ₱1,300,000 and nil, respectively. This was charged to general & administrative costs (see Note 19).

Amortization expense amounted to ₱790,054 in 2023 and ₱226,191 in 2022 were charged to general & administrative costs (see Note 19).

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

12. Other Non-current Assets

Other non-current assets represent:

		2023		2022
CTGF refundable contributions	₱	13,459,636	₱	12,306,121
Total	₱	13,459,636	₱	12,306,121

The Company, as a clearing member, is required to pay monthly contributions to the Clearing and Trade Guaranteed Fund (CTGF) maintained by the SCCP for an amount of 1/500 of 1% applied to the Clearing Member's total monthly turnover value less block sales and cross transactions of the same flag. On March 13, 2018, the SEC resolved to approve SCCP's proposed amendments to SCCP Rule 5.2, making the Clearing Members' contribution to the CTGF refundable upon cessation of their business and/or termination of their membership with SCCP, provided that all liabilities owing to SCCP at the time of termination, whether actual or contingent, shall have been satisfied or paid in full. The share of the Company in the seed money contributed by the Philippines Stock Exchange amounted to ₱493,084.

13. Trade & Other Payables

This account consists of:

		2023		2022
Trade payables	₱	132,838,789	₱	195,118,911
Payable to clearing house		5,099,168		–
Other payables		806,002		1,767,326
Total	₱	138,743,959	₱	196,886,237

Trade Payables

The details of this account are shown below:

		2023		2022
Payable to customers	₱	132,834,581	₱	195,117,665
Dividends payable – customers		4,208		1,246
Total	₱	132,838,789	₱	195,118,911

The Company's payable to customers and their security valuation follows:

	2023				2022			
		Money Balance		Security Long Valuation		Money Balance		Security Long Valuation
With money balances	₱	132,834,581	₱	628,784,896	₱	195,117,665	₱	761,077,016
Without money balances		–		308,404,850		–		331,721,320
Total	₱	132,834,581	₱	937,189,746	₱	195,117,665	₱	1,092,798,336

Payable to customers are claims for the purchase of securities and other trade-related transactions. These are non-interest bearing and have no specific credit terms.

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

Other Payables

The details of this account are shown below:

	Notes		2023		2022
Accrued expenses		₱	**702,855**	₱	1,660,238
Payable to non-customers			**74,975**		74,975
Accrued interest payable	14		**14,572**		18,513
Accounts payable			**13,600**		13,600
Total		₱	**806,002**	₱	1,767,326

Accrued expenses consist of accruals of SCCP and PCD fees still unpaid as of the end of the reporting period.

Payable to non-customers pertains to payables to third parties to be paid within 12 months.

Accrued interest payable consist of interest accrued from loans of the Company (see Note 14) as of the end of the reporting period.

Accounts payable are unsecured, non-interest bearing obligations to suppliers for purchase of goods and services, expected to be settled within 12 months.

14. Interest-bearing Loans & Borrowings

The composition of the Company's outstanding loans as at December 31, 2023 and 2022 is shown below:

	Principal	Interest Rate	Maturity		2023		2022
Loans payable of ₱18.6-million, monthly payments of ₱156,653, secured	₱18.6-million	fixed at 6%	120 months	₱	**5,540,217**	₱	7,057,426
Total				₱	**5,540,217**	₱	7,057,426

Loan from BDO Unibank, Inc.

The Company obtained a long term loan from a BDO Unibank, Inc. to finance the Company's acquisition of a Condominium Unit in the new PSE at Bonifacio Global City, Taguig, all of which are secured by a real estate mortgage covering the Company's condominium with carrying amounts of ₱15,880,923 and ₱16,288,127 as at December 31, 2023 and 2022, respectively (see Note 10).

The interest-bearing loans & borrowings are classified in the statements of financial position as follows:

		2023		2022
Current portion	₱	**1,590,223**	₱	1,517,209
Non-current portion		**3,949,994**		5,540,217
Total	₱	**5,540,217**	₱	7,057,426

Total borrowing costs attributable to these loans amounted to ₱377,559 and ₱487,080 in 2023 and 2022, respectively, and were charged as interest expense in the statements of comprehensive income (see Note 21). Accrued interest payable amounted to ₱14,572 and ₱18,513 as of December 31, 2023 and 2022, respectively (see Note 13).

15. Other Current Liabilities

Other current liabilities consist of:

		2023		2022
Central depository fees payable	₱	**2,166,991**	₱	1,564,814
Output taxes		**412,969**		295,091
Withholding taxes payable		**54,885**		34,786
Stock transaction tax payable		**43,769**		113,723
Statutory contributions payable		**39,514**		45,095
Total	₱	**2,718,128**	₱	2,053,509

Central depositary fees payable pertain to transaction costs and clearing fees on the purchase and sale of stocks that are payable to the regulatory bodies.

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

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

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

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

16. Equity

Share capital consists of:

	No. of Shares		Amount			
	2023	2022		2023		2022
Authorized – ₱100.00 par value	**1,500,000**	1,500,000	₱	**150,000,000**	₱	150,000,000
Subscribed, issued, paid-up & outstanding:						
Balance at beginning of year	**1,500,000**	1,500,000	₱	**150,000,000**	₱	150,000,000
Balance at end of year	**1,500,000**	1,500,000	₱	**150,000,000**	₱	150,000,000
Ordinary share capital	**1,500,000**	1,500,000	₱	**150,000,000**	₱	150,000,000
Share premium			₱	**9,000,000**	₱	9,000,000

As at December 31, 2023 and 2022, the Company has two (2) shareholders owning 100 or more shares of the Company's shares of stock.

Appropriation for Reserve Fund

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

As of December 31, 2005, The RBCA report is prepared based on the guidelines which cover the following risks: (a) position or market risk, (b) credit risks such as counterparty, settlement, large exposure, and margin financing risks, and (c) operational risk. Rule 49.1 (B), Reserve Fund of the Memorandum Circular, requires that every broker dealer shall annually appropriate a certain minimum percentage of its audited profit after tax and transfer the same to appropriated retained earnings. Appropriation shall be 30%, 20% and 10% of profit after tax for broker dealers with unimpaired paid up capital of ₱10-million to ₱30-million, ₱30-million to ₱50-million, and above ₱50 million, respectively.

The Company did not make appropriations in 2023 and 2022 since the Company incurred net loss during the year. Total appropriation reserves amounted to ₱8,042,918 for both years ended December 31, 2023 and 2022.

17. Revenues

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

		2023		2022
Commission income	₱	**7,348,239**	₱	16,429,586
Total	₱	**7,348,239**	₱	16,429,586

<u>Other Operating Income (Loss)</u>
This account comprises of:

	Note/s		2023		2022
Realized trading gains	7	₱	**11,734,655**	₱	12,517,889
Dividend income	7		**680,071**		1,226,865
Interest income from margin accounts	8		**217,480**		218,863
Unrealized trading gains	7		**(10,438,783)**		(7,177,738)
Total		₱	**2,193,423**	₱	6,785,879

<u>Finance Income</u>
Finance income consists of interest earned from local bank deposits which are subject to 20% final tax (see Note 22), to wit:

	Note/s		2023		2022
Interest income from banks	6	₱	**1,024,311**	₱	177,181
Total		₱	**1,024,311**	₱	177,181

18. Cost of Services

The details of cost of services are shown below:

	Note/s		2023		2022
Stock exchange dues & fees		₱	**11,675,193**	₱	20,947,329
Salaries & employee benefits	20		**5,267,126**		5,535,044
Central depositary expenses			**139,471**		172,670
Commission expenses			**60**		20
Total		₱	**17,081,850**	₱	26,655,063

19. General & Administrative Costs

The following shows the breakdown of general & administrative costs:

	Note/s		2023		2022
Provision for ECL	8	₱	**12,109,418**	₱	3,284,245
Subscriptions & periodicals	25		**4,331,022**		5,648,483
Fines & penalties			**3,468,750**		396,724
Salaries & employee benefits	20		**2,809,604**		3,062,466
Impairment loss	10, 11		**1,300,000**		–

(forward)

Postage, telephone & communication			**1,201,923**		1,483,224
Condominium dues & fees			**529,542**		525,609
Taxes & licenses	31		**407,661**		1,045,849
Repairs & maintenance			**264,458**		254,323
Entertainment, amusement & recreation			**234,782**		60,000
Professional fees			**221,000**		149,850
Office supplies			**164,168**		26,286
Transportation & travel			**109,697**		4,805
Power, light & water			**109,622**		106,365
Insurance			**106,249**		97,151
Gas & oil			**18,487**		21,713
Trainings & seminars			**1,071**		1,070
Depreciation	10		**587,554**		567,109
Amortization	11		**790,054**		226,191
Miscellaneous			**271,548**		166,472
Total		₱	**29,036,610**	₱	17,127,935

20. Employee Benefits

Expenses recognized for salaries & employee benefits is presented below:

		2023		2022
Short-term employee benefits	₱	**7,610,334**	₱	8,177,887
Post-employment benefits		**466,396**		419,623
Total	₱	**8,076,730**	₱	8,597,510

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

	Note/s		2023		2022
Cost of services	18	₱	**5,267,126**	₱	5,535,044
General & administrative costs	19		**2,809,604**		3,062,466
Total		₱	**8,076,730**	₱	8,597,510

Short-term Employee Benefits

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

		2023		2022
Salaries & wages	₱	**6,391,389**	₱	7,001,586
Statutory contributions		**569,375**		506,565
13th month and other benefits		**649,569**		669,736
Total	₱	**7,610,333**	₱	8,177,887

Post-employment Defined Benefits

The Company has not established a formal retirement plan. However, it is required to pay qualified employees retirement benefits under Republic Act No. 7641. The benefits considered in the valuation is the minimum retirement benefit provided under Republic Act No. 7641. Based on DOLE Circular relative to R.A. 7641 issued on January 7, 1993, given the Company’s formula for converting monthly salary to daily salary, the minimum benefit is approximately eighty-five percent (85%) of final monthly salary per year of service.

Explanation of Amounts Presented in the Statements of Financial Position

The movements in the retirement benefit obligation account as presented in the statements of financial position follows:

		2023		2022
Balance at beginning of year	₱	**2,700,434**	₱	2,280,811
Current service costs		**359,459**		329,303
Interest expense		**106,937**		90,320
Balance at end of year	₱	**3,166,830**	₱	2,700,434

Explanation of Amounts Presented in the Statements of Comprehensive Income

The components of amounts recognized in profit or loss and other comprehensive income in respect of the retirement benefit obligation follows:

	Profit or Loss				Other Comprehensive Income			
		2023		2022		**2023**		2022
Current service costs	₱	**359,459**	₱	329,303	₱	**–**	₱	–
Interest expense		**106,937**		90,320		**–**		–
Effect of change in tax rate		**–**		–		**–**		–
Total	₱	**466,396**	₱	419,623	₱	**–**	₱	–

Explanation of Amounts Presented in the Statements of Changes in Equity

The reconciliation of the cumulative actuarial gains (losses) recognized under other comprehensive income in the statements of changes in equity are as follows:

		Re-measurement losses (gains) on retirement benefit obligation		Related deferred taxes		Net reserves
Balance as at December 31, 2022	₱	667,534	₱	166,883	₱	500,651
Balance as at December 31, 2023	**₱**	**667,534**	**₱**	**166,883**	**₱**	**500,651**

		Re-measurement losses (gains) on retirement benefit obligation		Related deferred taxes		Net reserves
Balance as at December 31, 2021	₱	667,534	₱	166,883	₱	500,651
Balance as at December 31, 2022	₱	667,534	₱	166,883	₱	500,651

Principal Actuarial Assumptions

Principal actuarial assumptions at the reporting date:

	2023	2022
Discount rate	**3.96 %**	3.96 %
Future salary increases	**5.00 %**	5.00 %

Discount rates assumptions is based on the Bankers Association of the Philippines (BAP) PHP Bloomberg BVAL Reference Rates (BVAL) benchmark reference curve for the government securities market (previously the PDEx (PDST-R2) market yields on benchmark government bonds) as of valuation date and considering the average years of remaining work life of the employees as the estimated term of the benefit obligation.

Sensitivity Analysis and Discussion on Associated Risks

The following table summarizes the effects of changes in the significant actuarial assumptions used in the determination of the post-employment defined benefit obligation as of December 31, 2023 and 2022:

	2023		2022		
Discount Rate					
Decrease in DBO if Discount Rate +100 bps	**(13.00 %)**	**(411,688)**	(13.00 %)	₱	(351,056)
Increase in DBO if Discount Rate -100 bps	**16.00 %**	**506,693**	16.00 %		432,069
Future Salary Increases					
Increase in DBO if Salary Increase Rate + 100 bps	**15.70 %**	**497,192**	15.70 %		423,968
Decrease in DBO if Salary Increase Rate - 100 bps	**(13.00 %)**	**(411,688)**	(13.00 %)		(351,056)
Increase in DBO if No Attrition Rates	**18.10 %**	**573,196**	18.10 %		488,779

The present value of the defined benefit obligation is calculated by applying the Accrued Benefit Actuarial Cost Method (Projected Unit Credit) taking into account the factors of interest, mortality, disability, and salary projection rates.

Each Sensitivity Analysis on the significant actuarial assumptions was prepared by re-measuring the Defined Benefit Obligation (DBO) at the balance sheet date after first adjusting one of the current assumptions according to the applicable sensitivity increment or decrement (based on changes in the relevant assumption that were reasonably possible at the valuation date) while all other assumptions remained unchanged. The sensitivities were expressed as the corresponding change in the DBO.

It should be noted that the changes assumed to be reasonably possible at the valuation date are open to subjectivity, and do not consider more complex scenarios in which changes other than those assumed may be deemed to be more reasonable.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

Benefit Payments Projection

Since the Company does not have a formal retirement plan, benefit claims under the retirement obligation are paid directly by the Company when they become due. The maturity analysis of expected benefit payments follow:

		2023		2022
Within one year	₱	**148,670**	₱	185,838
More than one year to five years		**459,076**		607,746
More than five years to ten years		**1,169,999**		1,169,999
Total	₱	**1,777,745**	₱	1,963,583

The weighted average duration of the defined benefit obligation at the end of the reporting date is 12.5 years.

21. Finance Costs and Other Income

Interest expense arising from loans are charged against income in the year when it is incurred. The breakdown of this account is as follows:

	Note/s		2023		2022
Interest expense on loan	14	₱	**377,559**	₱	487,080
Total		₱	**377,559**	₱	487,080

Other Income

This account comprises of:

	Note/s		2023		2022
Unrealized foreign exchange gains (losses)	6	₱	(24)	₱	540
Other income			19,819		–
Total		₱	19,795	₱	540

22. Income Tax

The computation of tax benefit as reported in the statements of comprehensive income:

		2023		2022
Reported in profit or loss:				
Current tax expense:				
Final tax at 20%	₱	204,862	₱	35,436
MCIT		33,575		25,113
Total current tax expense	₱	238,437	₱	60,549
Deferred tax benefit:				
Origination and reversal of temporary differences	₱	(8,454,592)	₱	(5,405,645)
Total deferred tax benefit	₱	(8,454,592)	₱	(5,405,645)
Income tax benefit	₱	(8,216,155)	₱	(5,345,096)

The computation of current tax payable is as follows:

	Note/s		2023		2022
Loss before tax		₱	(35,910,251)	₱	(20,876,892)
Add (Less): Adjustments					
Permanent differences:					
Interest income	17		(1,024,311)		(177,181)
Non-deductible interest expense			204,862		35,436
Non-taxable dividend income	17		(680,071)		(1,226,865)
Non-deductible entertainment, amusement and recreation			161,300		–
Non-deductible subscriptions & periodicals			–		373,941
Non-deductible miscellaneous expense			95,603		69,759
Fines & penalties	19		3,468,750		396,724
Temporary differences:					
Retirement benefits expense	20		466,396		419,623
Provision for (recovery) of ECL	8, 19		12,109,418		3,284,245
Allowance for impairment	11, 19		1,300,000		–
Unrealized trading losses	7		10,438,783		7,177,738
Unrealized foreign exchange gains	21		24		(540)
NOLCO		₱	(9,369,497)	₱	(10,524,012)
Statutory income tax rate			25%		25%
Tax benefit from NOLCO		₱	(2,342,374)	₱	(2,631,003)

The Company is also subject to MCIT, which is computed at average of 1.5% and 1% of gross income for the years ended 2023 and 2022, respectively, as under the tax regulations.

The computation of MCIT is as follows:

	Note/s	2023	2022
Gross loss		₱ (9,733,611)	₱ (10,225,477)
Add: Adjustments			
Realized trading gains	7, 17	11,734,655	12,517,889
Interest income from margin accounts	7, 17	217,480	218,863
Other Income	21	19,819	–
Gross profit, as adjusted		₱ 2,238,343	₱ 2,511,275
MCIT rate		1.5%	1%
MCIT		₱ 33,575	₱ 25,113

The excess of MCIT over RCIT is creditable to future tax payments and are reported as deferred tax assets. However, excess MCIT can be applied only when RCIT exceeds MCIT within the next three years. MCIT was reported in 2023 and 2022, as MCIT was higher than RCIT.

In 2023 and 2022, the Company opted to continue claiming itemized deductions instead of optional standard deductions (OSD), which is equivalent to 40% of gross income.

The schedule of deferred tax assets and liabilities is as follows:

			Statements of Comprehensive Income			
	Statements of Financial Position		Profit or Loss		Other Comprehensive Income	
	2023	2022	2023	2022	2023	2022
Deferred tax assets:						
NOLCO	₱ 4,973,377	₱ 2,631,003	₱ 2,342,374	₱ 2,631,003	₱ –	₱ –
Excess MCIT	58,688	25,113	33,575	25,113	–	–
Unrealized market loss	11,858,303	9,248,619	2,609,684	1,823,696	–	–
Retirement benefit obligation	791,708	675,109	116,599	104,906	–	–
Allowance for ECL	4,748,258	1,720,904	3,027,354	821,062	–	–
Allowance for impairment	325,000	–	325,000	–	–	–
Total	₱ 22,755,334	₱ 14,300,748	₱ 8,454,586	₱ 5,405,780	₱ –	₱ –
Deferred tax liabilities:						
Unrealized forex gains	₱ (129)	₱ (135)	₱ 6	₱ (135)	₱ –	₱ –
Total	₱ (129)	₱ (135)	₱ 6	₱ (135)	₱ –	₱ –
Deferred tax benefit – net		₱	₱ 8,454,592	₱ 5,405,645	₱ –	₱ –

The amount of NOLCO and the applicable years these are valid and deductible from the taxable income are shown below:

Taxable Years	Valid Until	Original Amount	Used/Expired 2023	Used/Expired 2022	Balance	Tax Effect
2023	2026	₱ 9,369,497	₱ –	₱ –	₱ 9,369,497	₱ 2,342,374
2022	2025	10,524,012	–	–	10,524,012	2,631,003
Total		₱ 19,893,509	₱ –	₱ –	₱ 19,893,509	₱ 4,973,377

*Pursuant to Section 4 (bbbb) of Bayanihan II and as implemented under RR No. 25-2020, the net operating loss of the Company incurred for the taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five (5) consecutive taxable years following the year of such loss. Ordinarily, NOLCO can be carried over as deduction from gross income for the next three (3) consecutive years only.

The amounts of MCIT and the applicable years these are valid and deductible from the taxable income are shown below:

Taxable Years	Valid Until	Original Amount	Used/Expired 2023	Used/Expired 2022	Balance
2023	2026	₱ 33,575	₱ –	₱ –	₱ 33,575
2022	2025	25,113	–	–	25,113
Total		₱ 58,688	₱ –	₱ –	₱ 58,688

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

		2023		2022
Income tax benefit computed at statutory tax rate of 25%	₱	(8,977,563)	₱	(5,219,223)
Additions (Reductions) resulting from:				
Income subject to lower tax rates:				
at 20% final tax		(51,216)		(8,859)
Non-deductible expenses:				
Interest expense		51,216		8,859
Subscription and periodicals		–		93,485
Non-deductible entertainment, amusement and recreation		40,325		–
Fines & penalties		867,188		99,181
Miscellaneous expense		23,901		17,440
Non-taxable income:				
Dividend income		(170,018)		(306,716)
Derecognition of DTL		–		(29,263)
Adjustments on DTA		12		–
Income tax benefit	₱	(8,216,155)	₱	(5,345,096)

Corporate Recovery and Tax Incentive for Enterprises (CREATE) Act
On March 26, 2021, the President of the Republic of the Philippines signed into law R.A. No. 11534, otherwise known as the Corporate Recovery and Tax Incentives for Enterprises ("CREATE") Act, which amends certain provisions of the National Internal Revenue Code of 1997, as amended, with veto on certain provisions and shall be effective 15 days after its publication. The CREATE Act seeks to reduce the corporate income tax rate and rationalize the current fiscal incentives by making them time-bound, targeted and performance-based.

Among others, the key changes of the CREATE Act relevant to the Company are as follows:
- Effective July 1, 2020, regular corporate income tax (RCIT) rate is reduced from 30% to 25% for domestic and resident foreign corporations. For domestic corporations with net taxable income not exceeding ₱5.0-million and with total assets not exceeding ₱100-million (excluding land on which the business entity's office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20%;
- Minimum corporate income tax (MCIT) is reduced from 2% to 1% for the period beginning July 1, 2020 until June 30, 2023;
- Imposition of improperly accumulated earnings tax of 10% is repealed;
- Allowable deduction for interest expense is reduced by 20% (from 33%) of the interest income subjected to final tax.

23. Basic Loss Per Share

Basic loss per share is computed as follows:

		2023		2022
Loss attributable to ordinary shares	₱	(27,694,096)	₱	(15,531,796)
Divide by: Weighted average number of ordinary shares outstanding		1,500,000		1,500,000
Basic loss per share	₱	(18.46)	₱	(10.35)

There are no potential dilutive ordinary shares outstanding as at December 31, 2023 and 2022.

24. Related Party Transactions

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

Related Party	Nature	Terms & Conditions	December 31, 2023 Amount of Transaction	December 31, 2023 Outstanding Receivable (Payable)	December 31, 2022 Amount of Transaction	December 31, 2022 Outstanding Receivable (Payable)
Directors, officers & related interest	Buying transactions	N/A	₱ 25,353,065	₱ 39,364,538	₱ (63,730,462)	₱ 64,717,603
	Selling transactions	N/A	(1,351,750)	(28,491,930)	(1,538,214)	(27,140,180)
Shareholders	Advances from shareholders	Unsecured, non-interest bearing, payable in cash on demand.	–	(77,554)	–	(77,554)
Officers & employees	Advances to officers & employees	Unsecured, non-interest bearing, subject for liquidation within 12 months.	–	15,683,143	–	15,683,143
Key management personnel	Compensation – Short-term employee benefits	N/A	2,080,000	–	2,080,000	–

Buying and Selling Transactions

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

Key Management Personnel Compensation

The compensation of key management personnel, in the form of short-term employee benefits, is broken down as follows:

	2023	2022
Salaries & wages	₱ 1,900,000	₱ 1,900,000
Other short-term benefits	180,000	180,000
Total	₱ 2,080,000	₱ 2,080,000

The Company does not provide post-employment benefit plans and equity-based compensation benefits to any of its directors and executive officers.

Usufruct of Affiliate's Property

The Company and family of its officer, agreed to use the latter unit as office space of the Company for its business purpose. The Company is authorize to use and enjoy the property with no rentals to be paid to the owner.

25. Commitments

Contract with Redsuns Technologies, Inc.

The Company entered into a Service Agreement with Redsuns Technologies, Inc. on January 20, 2015 to subscribe, use and access the latter's service to provide trading terminals to the former's licensed salesmen and online stock market trading to the clients. The agreement is valid for one (1) year and shall be automatically be renewed every year thereafter unless terminated. The Company paid for the license fee (Redsuns Equities Dealing System and iTransfer) and monthly service and User Apps fee.

Subscription fee incurred amounted to ₱4,331,022 in 2023 and ₱5,648,483 in 2022 and recorded as part of general & administrative costs (see Note 19).

Tax Assessment Contingencies

The Company has a pending tax investigations pursuant to Letter of Authority No. ELA202000011240, issued March 29, 2022, for all internal revenue taxes of taxable year 2020. The Company believes that this will not have a material adverse effect on the Company's financial position and expects to settle any findings of the investigation by 2024.

The contingencies are not discussed further in detail so as not to seriously prejudice the Company's position in the related assessment.

26. Fair Value Measurements

Carrying Amounts and Fair Values by Category

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

		2023		2022	
	Note/s	Carrying Amounts	Fair Values	Carrying Amounts	Fair Values
Financial assets:					
At fair value:					
Financial assets at FVPL	7	₱ 47,840,102	47,840,102	₱ 45,036,735	₱ 45,036,735
At amortized cost:					
Cash	6	116,076,017	116,076,017	175,370,004	175,370,004
Trade & other receivables	8	63,118,342	63,118,342	100,476,502	100,476,502
CTGF refundable contributions	12	13,459,636	13,459,636	12,306,121	12,306,121
Total		₱ 240,494,097	₱ 240,494,097	₱ 333,189,362	₱ 333,189,362
Financial liabilities:					
At amortized cost:					
Loans & borrowings	14	₱ 5,540,217	₱ 5,540,217	₱ 7,057,426	₱ 7,057,426
Trade & other payables	13	138,743,959	138,743,959	196,886,237	196,886,237
Advances from shareholders	24	77,554	77,554	77,554	77,554
Total		₱ 144,361,730	₱ 144,361,730	₱ 204,021,217	₱ 204,021,217

Fair Value Hierarchy

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

The fair value hierarchy has the following levels:

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

The following table summarizes the fair value hierarchy of the Company's assets and liabilities, which are measured at fair value or requires disclosure as prescribed by other PFRSs, as at December 31, 2023 and 2022:

		2023			
	Note/s	Level 1	Level 2	Level 3	Total
Financial assets:					
At fair value:					
Financial assets at FVPL	7	₱ 47,840,102	₱ –	₱ –	₱ 47,840,102
At amortized cost:					
Cash	6	116,076,017	–	–	116,076,017
Trade & other receivables	8	–	–	63,118,342	63,118,342
CTGF refundable contributions	12	–	–	13,459,636	13,459,636
Total		₱ 163,916,119	₱ –	₱ 76,577,978	₱ 240,494,097
Financial liabilities:					
At amortized cost:					
Loans & borrowings	14	₱ –	₱ –	₱ 5,540,217	₱ 5,540,217
Trade & other payables	13	–	–	138,743,959	138,743,959
Advances from shareholders	24	–	–	77,554	77,554
Total		₱ –	₱ –	₱ 144,361,730	₱ 144,361,730

		2022			
	Note/s	Level 1	Level 2	Level 3	Total
Financial assets:					
At fair value:					
Financial assets at FVPL	7	₱ 45,036,735	₱ –	₱	₱ 45,036,735
At amortized cost:					
Cash	6	175,370,004	–		175,370,004
Trade & other receivables	8	–	–	100,476,502	100,476,502
CTGF refundable contributions	12	–	–	12,306,121	12,306,121
Total		₱ 220,406,739	₱ –	₱ 112,782,623	₱ 333,189,362
Financial liabilities:					
At amortized cost:					
Loans & borrowings	14	₱ –	₱ –	₱ 7,057,426	₱ 7,057,426
Trade & other payables	13	–	–	196,886,237	196,886,237
Advances from shareholders	24	–	–	77,554	77,554
Total		₱ –	₱ –	₱ 204,021,217	₱ 204,021,217

As at December 31, 2023 and 2022, there are no financial liabilities measured at fair value. There were no transfers between levels in December 31, 2023 and 2022.

Financial Instruments Not Measured at Fair Value for Which Fair Value is Disclosed
For financial assets with fair values included in Level 1, management considers that the carrying amounts of these financial instruments approximate their fair values due to their short-term duration.

The fair values of financial assets and financial liabilities included in Level 3, which are not traded in an active market, are determined based on the expected cash flows of the underlying net asset or liability base of the instrument where the significant inputs required to determine fair value of such instruments are not based on observable market data.

27. Financial Risk Management Policies and Objectives

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

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

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

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

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

The Company’s exposure to foreign currency exchange risk arises from its US$-denominated cash in banks amounting to US$103 as at December 31, 2023 and 2022.

Since the amount of US$-denominated cash in banks subject to foreign currency risk is immaterial relative to the financial statements, management believes that disclosure of foreign currency risk analysis for 2023 and 2022 is not significant.

Credit Risk

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

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

Credit Risk Exposure

The table below shows the gross maximum exposure to credit risk of the Company as at December 31, 2023 and 2022, without considering the effects of collaterals and other credit risk mitigation techniques:

	Note/s		2023		2022
Cash in banks	6	₱	116,056,017	₱	175,350,004
Financial assets at FVPL	7		47,840,102		45,036,735
Trade & other receivables	8		82,111,374		107,360,116
CTGF refundable contributions	12		13,459,636		12,306,121
Total		₱	259,467,129	₱	340,052,976

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

Risk Concentration of the Maximum Exposure to Credit Risk

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

In order to avoid excessive concentrations of risk, identified concentrations of credit risks are controlled and managed accordingly. As of December 31, 2023 and 2022, there were no significant credit risk concentrations, given the Company's diverse customer base.

Credit Quality per Class of Financial Assets

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

2023	Neither Past Due nor Impaired								
		High Grade		Standard Grade		Substandard Grade		Past Due and Impaired		Total
Cash in banks	₱	116,056,017	₱	–	₱	–	₱	–	₱	116,056,017
Financial assets at FVPL		47,840,102		–		–		–		47,840,102
Trade & other receivables		20,924,917		–		–		61,186,457		82,111,374
CTGF refundable contributions		13,459,636		–		–		–		13,459,636
Total	₱	198,280,672	₱	–	₱	–	₱	61,186,457	₱	259,467,129

2022		Neither Past Due nor Impaired								
		High Grade		Standard Grade		Substandard Grade		Past Due and Impaired		Total
Cash in banks	₱	175,350,004	₱	–	₱	–	₱	–	₱	175,350,004
Financial assets at FVPL		45,036,735		–		–		–		45,036,735
Trade & other receivables		28,518,563		–		–		78,841,553		107,360,116
CTGF refundable contributions		12,306,121		–		–		–		12,306,121
Total	₱	261,211,423	₱	–	₱	–	₱	78,841,553	₱	340,052,976

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

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

An impairment analysis is performed at each reporting date on an individual basis for major customers, in addition, a large number of minor receivable are grouped into homogeneous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. As of December 31, 2023 and 2022, the total of impaired trade & other receivables amounted to ₱18,993,032 and ₱6,883,614, respectively.

Aging Analysis

An aging analysis of the Company's financial assets as of December 31, 2023 and 2022 are as follows:

2023			Past Due but not Impaired											
		Neither Past Due nor Impaired		**Less than 30 days**		**30 to 60 days**		**60 to 90 days**		**Over 90 days**		**Impaired**		**Total**
Cash in banks	₱	**116,056,017**	₱	**–**	₱	**–**	₱	**–**	₱	**–**	₱	**–**	₱	**116,056,017**
Financial assets at FVPL		**47,840,102**		**–**		**–**		**–**		**–**		**–**		**47,840,102**
Trade & other receivables		**20,924,918**		**6,768,820**		**–**		**–**		**35,424,604**		**18,993,032**		**82,111,374**
CTGF refundable contributions		**13,459,636**		**–**		**–**		**–**		**–**		**–**		**13,459,636**
Total	₱	**198,280,673**	₱	**6,768,820**	₱	**–**	₱	**–**	₱	**35,424,604**	₱	**18,993,032**	₱	**259,467,129**

2022			Past Due but not Impaired											
		Neither Past Due nor Impaired		Less than 30 days		30 to 60 days		60 to 90 days		Over 90 days		Impaired		Total
Cash in banks	₱	175,350,004	₱	–	₱	–	₱	–	₱	–	₱	–	₱	175,350,004
Financial assets at FVPL		45,036,735		–		–		–		–		–		45,036,735
Trade & other receivables		28,518,563		11,938,551		–		–		60,019,388		6,883,614		107,360,116
CTGF refundable contributions		12,306,121		–		–		–		–		–		12,306,121
Total	₱	261,211,423	₱	11,938,551	₱	–	₱	–	₱	60,019,388	₱	6,883,614	₱	340,052,976

An aging analysis of the Company's receivables from customers as of December 31, 2023 and 2022 are as follows:

2023 **Aging Period**		**Balance**		**Collateral (Net of Haircut)**		**Counterparty Exposure after Collateral**		**Allowance for ECL**		**Net Exposure**
Less than 1 day	₱	**986,531**	₱	**2,556,678**	₱	**(1,570,147)**	₱	**–**	₱	**–**
2 to 12 days		**5,752,924**		**80,625,112**		**(74,872,188)**		**115,058**		**247,866**
Beyond 12 days		**55,360,631**		**50,349,581**		**5,011,050**		**18,805,073**		**130,954**
Total	₱	**62,100,086**	₱	**133,531,371**	₱	**(71,431,285)**	₱	**18,920,131**	₱	**378,820**

2022 Aging Period		Balance		Collateral (Net of Haircut)		Counterparty Exposure after Collateral		Allowance for ECL		Net Exposure
Less than 2 days	₱	5,122,635	₱	61,266,767	₱	(56,144,132)	₱	–	₱	–
3 to 13 days		4,792,266		3,127,650		1,664,616		95,845		1,628,771
Beyond 13 days		73,976,386		87,255,402		(13,279,016)		6,714,868		745,765
Total	₱	83,891,287	₱	151,649,819	₱	(67,758,532)	₱	6,810,713	₱	2,374,536

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties. In addition for a significant proportion of sales, advance payments are received to mitigate credit risk.

Liquidity Risk

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

Maturity Profile of Financial Assets and Liabilities

The tables below summarize the maturity profile of the Company's financial assets and liabilities as at December 31, 2023 and 2022 based on the remaining undiscounted contractual cash flows:

	2023									
		Within 1 year		1 – 2 years		2 – 3 years		More than 3 years		Total
Financial assets:										
At fair value:										
Financial assets at FVPL	₱	**47,840,102**	₱	**–**	₱	**–**	₱	**–**	₱	**47,840,102**
At amortized cost:										
Cash		**116,076,017**		**–**		**–**		**–**		**116,076,017**
Trade & other receivables		**82,111,374**		**–**		**–**		**–**		**82,111,374**
CTGF refundable contributions		**–**		**–**		**–**		**13,459,636**		**13,459,636**
Total	₱	**246,027,493**	₱	**–**	₱	**–**	₱	**13,459,636**	₱	**259,487,129**
Financial liabilities:										
At amortized cost:										
Loans & borrowings	₱	**1,880,196**	₱	**1,880,196**	₱	**1,880,196**	₱	**472,087**	₱	**6,112,675**
Trade & other payables		**138,743,959**		**–**		**–**		**–**		**138,743,959**
Advances from shareholders		**77,554**		**–**		**–**		**–**		**77,554**
Total	₱	**140,701,709**	₱	**1,880,196**	₱	**1,880,196**	₱	**472,087**	₱	**144,934,188**

	2022									
		Within 1 year		1 – 2 years		2 – 3 years		More than 3 years		Total
Financial assets:										
At fair value:										
Financial assets at FVPL	₱	45,036,735	₱	–	₱	–	₱	–	₱	45,036,735
At amortized cost:										
Cash		175,370,004		–		–		–		175,370,004
Trade & other receivables		107,360,116		–		–		–		107,360,116
CTGF refundable contributions		–		–		–		12,306,121		12,306,121
Total	₱	327,766,855	₱	–	₱	–	₱	12,306,121	₱	340,072,976
Financial liabilities:										
At amortized cost:										
Loans & borrowings	₱	1,880,196	₱	1,880,196	₱	1,880,196	₱	2,352,283	₱	7,992,871
Trade & other payables		196,886,237		–		–		–		196,886,237
Advances from shareholders		77,554		–		–		–		77,554
Total	₱	198,843,987	₱	1,880,196	₱	1,880,196	₱	2,352,283	₱	204,956,662

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

	2023				2022			
	Change in +/- 300 basis points				Change in +/- 400 basis points			
	Effects on net results				Effects on net results			
Equity inside the PSEi	₱	–	₱	–	₱	–	₱	–
Equity outside the PSEi		1,076,402		(1,076,402)		1,351,102		(1,351,102)
Total	₱	1,076,402	₱	(1,076,402)	₱	1,351,102	₱	(1,351,102)

28. Capital Management Objectives, Policies, & Procedures

The Company's capital management objectives are:

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

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

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

		2023		2022
Total Liabilities	₱	150,280,392	₱	208,800,408
Total Equity		140,933,262		168,627,358
Debt-to-equity ratio		1.07 : 1		1.24 : 1

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

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

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

As at December 31, 2023 and 2022, the Company's unimpaired paid-up capital amounted to ₱134,365,995 and ₱159,000,000, respectively.

RBCA Requirement
On November 11, 2004, the SEC approved Memorandum Circular No. 16 which provides the guidelines on the adoption in the Philippines of the RBCA Framework for all registered brokers dealers in accordance with SRC. The RBCA ratio is computed by dividing Net Liquid Capital (NLC) to its Total Risk Capital Requirement

(TRCR) which compose of: (a) Operational Risk Requirement (ORR); (b) Credit Risk Requirement which include requirements for Counterparty Risk, Settlement Risk, Large Exposure Risk, and Margin Lending/Financing Risk; and (c) Position or Market Risk Requirement.

The Company being a registered broker in securities is subject to the stringent rules of the SEC and other regulatory agencies with respect to the maintenance of RBCA ratios. RBCA is a ratio that compares the brokers or dealer's total measured risk to its liquid capital. As a rule, the Company must maintain an RBCA ratio of at least one hundred ten percent (110%) and a NLC of at least ₱5.0-million or five percent (5%) of its Aggregate Indebtedness (AI), whichever is higher. Also the AI of every stockbroker should not exceed two thousand percent (2,000%) of its NLC. In the event any of these criteria are breached, the Company shall immediately cease doing business as a broker and shall notify the PSE and SEC.

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

The *RBCA Ratio* of the Company is as follows:

		2023		2022
Net Liquid Capital	₱	**76,754,198**	₱	112,082,968
Divide: Total Risk Capital Requirements				
Operational Risk Requirements[a]	₱	**19,166,476**	₱	21,614,820
Position Risk Requirements[b]		**16,744,496**		15,763,320
Counterparty Risk Requirements[c]		**85,306**		503,184
Large Exposure Risk Requirements[d]		**1,913,352**		584,522
Total Risk Capital Requirements	₱	**37,909,631**	₱	38,465,846
RBCA Ratio		**202%**		291%

Net Liquid Capital

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

Details of Company NLC as of December 31, 2023 and 2022 are shown below:

		2023		2022
Net liquid capital:				
Equity eligible for NLC	₱	**141,908,391**	₱	168,627,493
Less: Ineligible assets		**(65,154,193)**		(56,544,525)
Net liquid capital	₱	**76,754,198**	₱	112,082,968

Ineligible assets pertain to fixed assets and assets which cannot be readily converted to cash.

Total Risk Capital Requirement

a) *Operational Risk Requirements (ORR)*

Operational risk requirement 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 processes, people and system which include, among others, risk or fraud, operational or settlement failure and shortage of liquid resources, or from external events.

2023 ORR		**2022**		**2021**		**2020**		**Average**
Commission income	₱	16,429,586	₱	60,777,726	₱	24,753,504	₱	**33,986,939**
Interest income		360,608		500,047		754,771		**538,475**
Net recovery from market decline of marketable securities		–		–		106,802,504		**35,600,835**
Dividend income		1,226,865		35,173		440,440		**567,493**
Gain on sale of FVPL financial assets		12,517,889		53,559,027		9,338,458		**25,138,458**
Other income		540		–		–		**180**
Total revenue	₱	30,535,488	₱	114,871,973	₱	142,089,677	₱	**95,832,380**

Average of the last three years gross income	₱	**95,832,380**
Operational risk factor		**20%**
Total ORR for 2023	₱	**19,166,476**

2022 ORR		2021		2020		2019		Average
Commission income	₱	60,777,726	₱	24,753,504	₱	22,114,248	₱	35,881,826
Interest income		500,047		754,771		1,439,279		898,032
Net recovery from market decline of marketable securities		–		106,802,504		–		35,600,835
Dividend income		35,173		440,440		155,239		210,284
Gain on sale of FVPL financial assets		53,559,027		9,338,458		43,551,883		35,483,123
Total revenue	₱	114,871,973	₱	142,089,677	₱	67,260,649	₱	108,074,100

Average of the last three years gross income	₱	108,074,100
Operational risk factor		20%
Total ORR for 2022	₱	21,614,820

The Company's Core Equity should, at all times, be greater than its Operational Risk Requirement. Core Equity is the sum of paid-up common stock, common stock dividends distributable, additional paid-in capital, surplus reserves excluding revaluation reserves or appraisal capital, and opening retained earnings adjusted for all current year movements. Core equity excludes treasury shares and un-booked valuation reserves and other capital adjustments and be always greater than its Operational Risk Requirement.

As at December 31, 2023 and 2022, there is no indication of any operational risk exposure since its core equity is greater than its operation risk requirement.

b) *Position/Price Risk Requirements (PRR)*
Position/price risk is the risk that the Company is exposed by having investments held as a principal or in its proprietary or dealer account.

The computation of position risk requirement is as follows:

2023		**Total Market Value of Instrument**	**Position Risk Factors**		**2023 PRR**
Equity in PSEi	₱	–	**25%**	₱	–
Other equities outside PSEi		**47,840,102**	**35%**		**16,744,036**
FX position		**5,758**	**8%**		**461**
Total	₱	**47,845,860**		₱	**16,744,496**

2022		Total Market Value of Instrument	Position Risk Factors		2022 PRR
Equity in PSEi	₱	–	25%	₱	–
Other equities outside PSEi		45,036,735	35%		15,762,857
FX position		5,783	8%		463
Total	₱	45,042,518		₱	15,763,320

c) *Counterparty Risk Requirements*
Counterparty risk arising from unsettled customer trades amounted to ₱85,306 in 2023 and ₱503,184 in 2022. A counterparty exposure of this kind occurs when: (a) the customer poses the possible risk of failing to deliver securities on sell contract; or, (b) the customer poses the possible risk of failing to pay cash on a buy contract.

There were no unsettled principal trades which arise 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 to receive cash from its counterparty on a sell contract or b) the Broker Dealer poses the possible risk of failing to receive the securities from its counterparty on a buy contract.

There were also no counterparty risk exposure arising from debt/loans, contra losses and other amounts due resulting from amount unpaid on its agreed due date.

d) *Large Exposure Risk Requirements*
Large exposure risk is the 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 has a large exposure risk amounting to ₱1,913,352 in 2023 and ₱584,522 in 2022 relative to its particular issuer company.

Ratio of AI to NLC
The Company monitors its Aggregate indebtedness to NLC ratio which is computed as shown in the table below:

		2023		2022
Aggregate indebtedness	₱	144,740,046	₱	201,742,847
Net liquid capital		76,754,198		112,082,968
AI to NLC ratio		189%		180%

Net Risk-Based Capital Excess
The Company is required, at all times, to have and maintain a NLC of ₱5 million or 5% of its AI, whichever is higher.

		2023		2022
Net liquid capital	₱	76,754,198	₱	112,082,968
Required net liquid capital (higher of):				
5% of AI	₱	7,237,002	₱	10,087,142
Minimum amount		5,000,000		5,000,000
	₱	7,237,002	₱	10,087,142
Net risk-based capital excess	₱	69,517,196	₱	101,995,826

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

Changes in Liabilities Arising from Financing Activities:

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

The movement of the accounts are as follows:

2023		January 1, 2023		Availment		Cash Flows		Interest Expense		December 31, 2023
Loans & borrowings	₱	7,057,426	₱	–	₱	(1,517,209)	₱	–	₱	5,540,217
Advances from shareholders		77,554		–		–		–		77,554
Interest payable		18,513		–		(381,500)		377,559		14,572
Total liabilities from financing activities	₱	7,153,493	₱	–	₱	(1,898,709)	₱	377,559	₱	5,632,343

2022		January 1, 2022		Availment		Cash Flows		Interest Expense		December 31, 2022
Loans & borrowings	₱	8,450,541	₱	–	₱	(1,393,115)	₱	–	₱	7,057,426
Advances from shareholders		77,554		–		–		–		77,554
Interest payable		22,226		–		(490,793)		487,080		18,513
Total liabilities from financing activities	₱	8,550,321	₱	–	₱	(1,883,908)	₱	487,080	₱	7,153,493

Non-cash Transactions

The Company had no non-cash investing or financing activity-related transactions for the years ended December 31, 2023 and 2022.

30. Events After the End of the Reporting Period

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

31. Supplemental Information Required by the BIR

Revenue Regulations No. 15–2010

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

Output Taxes

	Tax Base				Output Taxes			
		2023		2022		2023		2022
VAT sales/receipts – private	₱	19,417,084	₱	32,265,552	₱	2,330,050	₱	3,871,866
Total	₱	19,417,084	₱	32,265,552	₱	2,330,050	₱	3,871,866

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

Input Taxes

		2023		2022
Services lodged under other accounts	₱	2,218,550	₱	2,758,264
Goods other than for resale/manufacture		3,739		13,606
Total	₱	2,222,289	₱	2,771,870

Withholding Taxes

		2023		2022
Tax on compensation and benefits	₱	371,684	₱	515,879
Creditable withholding tax		254,221		461,928
Total	₱	625,905	₱	977,807

Taxes & Licenses

		2023		2022
National taxes:				
BIR annual registration fee	₱	500	₱	500
SEC licenses		108,605		108,605
Local taxes:				
Business permit & other licenses		297,225		880,299
Barangay clearance		1,331		1,331
Real property taxes		–		38,314
Community tax certificate		–		10,500
Other taxes		–		6,300
Total	₱	407,661	₱	1,045,849

Supplemental Written Statement of Independent Auditor

The Board of Directors and Shareholders
Timson Securities, Inc.
33rd Floor Robinson's Equitable Tower
ADB corner Poveda Street
Ortigas, Pasig City

We have audited the financial statements of **Timson Securities, Inc.** (the Company) as at and for the year ended December 31, 2023, on which we have rendered the attached report dated April 8, 2024.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the said Company has a total number of two (2) shareholders owning one hundred (100) or more shares each.

A.M. YU & ASSOCIATES

Anecito M. Yu
Partner
CPA License No. 40278, valid until May 15, 2026
Tax Identification No. 134-702-616
SEC Accreditation No. 40278-SEC, Group A,
issued January 05, 2021, valid for five (5) years covering the audits of
2020 to 2024 financial statements of SEC Covered Institutions
BIR Accreditation No. 07-000169-002-2024,
issued February 20, 2024, valid until February 19, 2027
PTR No. 5669767, issued January 17, 2024, Quezon City

April 8, 2024
Quezon City

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6F West Star Business Center Building,
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Website: www.amyucpas.com

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

Independent Auditors' Report

The Board of Directors and Shareholders
Timson Securities, Inc.
33rd Floor Robinson's Equitable Tower
ADB corner Poveda Street
Ortigas, Pasig City

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

We have audited, in accordance with Philippine Standards on Auditing, the financial statements of **Timson Securities, Inc.** (the Company) as at and for the years ended December 31, 2023, and 2022, and have issued our report thereon dated April 8, 2024.

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

- Securities Regulation Code 52.1.5.3
- Schedule of Financial Soundness Indicators

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IC Accred. No. 4589-IC, Group B, valid for five (5) years covering the audits of 2020 to 2024 financial statements of IC Covered Institutions
BSP Accred. No. 4589-BSP, Group C, valid for five (5) years covering the audits of 2020 to 2024 financial statements of BSP Covered Institutions
BIR Accred. No. 07-000157-002-2024, valid until Jan. 29, 2027

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

A.M. YU & ASSOCIATES

Anecito M. Yu
Partner
CPA License No. 40278, valid until May 15, 2026
Tax Identification No. 134-702-616
SEC Accreditation No. 40278-SEC, Group A,
issued January 05, 2021, valid for five (5) years covering the audits of 2020 to 2024 financial statements of SEC Covered Institutions
BIR Accreditation No. 07-000028-001-2021,
issued February 22, 2021, valid until February 21, 2024
PTR No. 5669767, issued January 17, 2024, Quezon City

April 8, 2024
Quezon City

TIMSON SECURITIES, INC.

Schedule of Inventory Report by Location – Summarized

As of December 31, 2023

Customer : BELSONSEC(12200000) - ZS001905(ZS001905)

CODE	STOCK NAME	VAULT	CLEARING HOUSE	TRANSFER OFFICE	P C D	TOTAL SHARES	MARKET VALUE	TOTAL MARKET VALUE	PER AUDIT
2GO	2GO GROUP, INC	1,900	–	–	1,900	1,900	–	–	–
AB	ATOK BIG WEDGE	–	–	–	3,530,900	3,530,900	5.32	18,784,388	18,784,388
ABA	ABACORE CAPITAL HOLDINGS	–	–	–	2,466,200	2,466,200	0.85	2,096,270	2,096,270
ABG	ASIABEST GROUP	–	–	–	15,700	15,700	3.01	47,257	47,257
ABS	ABS-CBN CORPORATION	–	–	–	71,600	71,600	4.62	330,792	330,792
ABSP	ABS-CBN HLDNGS.PHIL. DEPOSIT RECEIPT	–	–	–	19,000	19,000	4.60	87,400	87,400
AC	AYALA CORP.	–	–	–	12,247	12,247	681.00	8,340,207	8,340,207
ACEN	ACEN CORPORATION	–	–	–	7,151,289	7,151,289	4.38	31,322,646	31,322,646
ACENA	ACEN CORPORATION SERIES A PREFERRED	–	–	–	100	100	1,050.00	105,000	105,000
ACENB	ACEN CORPORATION SERIES B PREFERRE	–	–	–	10,700	10,700	1,080.00	11,556,000	11,556,000
ACPAR	AYALA CORPORATION CLASS A PREFERRED	–	–	–	510	510	2,508.00	1,279,080	1,279,080
ACR	ALSON CONSOLIDATED RESOURCES	–	–	–	342,000	342,000	0.54	184,680	184,680
AEV	ABOITIZ EQUITY VENTURES, INC.	–	–	–	9,300	9,300	44.6	414,780	414,780
AGI	ALLIANCE GLOBAL GROUP, INC.	–	–	–	24,700	24,700	11.28	278,616	278,616
ALCO	ARTHALAND CORPORATION	–	–	–	2,567,500	2,567,500	0.415	1,065,513	1,065,513
ALCPC	ARTHALAND CORP SERIES "C" PREFERED	–	–	–	15,500	15,500	95.00	1,472,500	1,472,500
ALCPD	ARTHALAND CORPORATION SERIES D	–	–	–	4,000	4,000	500.00	2,000,000	2,000,000
ALHI	ANCHOR LAND HOLDINGS, INC.	–	–	–	300	300	4.01	1,203	1,203
ALI	AYALA LAND INC.	–	–	–	412,100	412,100	34.4	14,196,845	14,196,845
ALLDY	ALLDAY MARTS, INC.	–	–	–	18,031,000	18,031,000	0.157	2,830,867	2,830,867
ALLHC	AYALALAND LOGISTIC HOLDINGS CORP	–	–	–	451,500	451,500	1.77	799,155	799,155
ALTER	ALTERNERGY HOLDINGS CORPORATION	–	–	–	4,064,000	4,064,000	0.77	3,129,280	3,129,280
ANI	AGRINURTURE, INC.	–	–	–	2,982,400	2,982,400	0.75	2,236,800	2,236,800
ANS	A. SORIANO CORPORATION	–	–	–	681	681	11.66	7,940	7,940
AP	ABOITIZ POWER CORPORATION	–	–	–	52,000	52,000	37.80	1,965,600	1,965,600
APC	ASIAN PETROLEUM CORP.	–	–	–	360,000	360,000	0.235	84,600	84,600
APL	APOLLO GLOBAL CAPITAL INC.	–	–	–	440,458,000	440,458,000	0.013	5,725,954	5,725,954
APO	ANGLO-PHIL. OIL	–	–	–	70,000	70,000	0.45	31,500	31,500
APVI	ALTUS PROPERTY VENTURES	–	–	–	8,932	8,932	9.29	82,978	82,978
APX	APEX MINING CO., INC.	–	–	–	1,825,000	1,825,000	3.00	5,475,000	5,475,000
AR	ABRA MNG. & INDUSTRIAL CORP.	–	–	–	1,078,200,000	1,078,200,000	0.00	4,959,720	4,959,720
ARA	ARANETA PROPERTIES, INC.	–	–	–	249,000	249,000	0.98	244,020	244,020
AREIT	AREIT, INC.	–	–	–	135,400	135,400	33.40	4,522,360	4,522,360
ASLAG	RASLAG CORP	–	–	–	732,000	732,000	1.29	944,280	944,280
AT	ATLAS CONS. MINING & DEV.	–	–	–	52,210	52,210	3.53	184,301	184,301
ATI	ASIAN TERMINALS, INC.	–	–	–	285	285	15.00	4,275	4,275
ATN	ATN HOLDINGS	–	–	–	104,915,107	104,915,107	0.38	39,867,741	39,867,741
ATNB	ATN HOLDINGS-B	–	–	–	26,872,800	26,872,800	0.38	10,211,664	10,211,664
AUB	ASIA UNITED BANK CORP.	–	–	–	15	15	32.70	491	491
AXLM	AXELUM RESOURCE CORP.	–	–	–	266,500	266,500	2.40	639,600	639,600
BALAI	BALAI NI FRUITAS INC.	–	–	–	2,076,000	2,076,000	0.39	809,640	809,640
BC	BENGUET CORP.	–	–	–	77,000	77,000	4.87	374,990	374,990
BCB	BENGUET CORP. - B	–	–	–	1,500	1,500	4.90	7,350	7,350
BCOR	BERJAYA PHILIPPINES, INC.	–	–	–	66,900	66,900	7.51	7.51	502,419
BDO	BDO UNIBANK, INC.	–	–	–	41,648	41,648	130.50	5,435,064	5,435,064
BEL	BELLE RESOURCES	–	–	–	18,509,791	18,509,791	1.17	21,656,455	21,656,455
BH	BHI HOLDINGS, INC	–	–	–	10	10	680.00	6,800	6,800
BHI	BOULEVARD HOLDINGS, INC.	–	–	–	6,410,000	6,410,000	0.061	391,010	391,010
BKR	BRIGHT KINDLE RESOURCES & INVESTMEN	–	–	–	142,000	142,000	1.40	198,800	198,800
BLOOM	BLOOMBERRY RESORTS CORPORATION	–	–	–	109,200	109,200	9.84	1,074,528	1,074,528
BNCOM	BANK OF COMMERCE	–	–	–	4,600	4,600	7.27	33,442	33,442
BPI	BANK OF PHIL. ISLANDS	–	–	–	4,238	4,238	103.80	439,904	439,904
BRN	A. BROWN CO., INC.	–	–	–	2,297,000	2,297,000	0.65	1,493,050	1,493,050
BRNP	A BROWN SERIES “A” PREFERRED	–	–	–	8,000	8,000	96.50	772,000	772,000
BSC	BASIC ENERGY CORPORATION	–	–	–	14,344,001	14,344,001	0.177	2,538,888	2,538,888
C	CHELSEA LOGISTICS AND INF. HLDG COR	–	–	–	1,166,700	1,166,700	1.50	1,750,050	1,750,050
CA	CONCRETE AGGREGATES CORP. "A"	–	–	–	5,820	5,820	39.05	227,271	227,271
CAB	CONCRETE AGGREGATES CORPORATION	–	–	–	910	910	67.45	61,380	61,380
CAL	CALATA CORPORATION	–	–	–	743,000	743,000	–	–	–
CDC	CITYLAND DEV. CORP.	–	–	–	113,831	113,831	0.69	78,543	78,543
CEB	CEBU AIR, INC.	–	–	–	148,990	148,990	32.50	4,842,175	4,842,175
CEBCP	CEBU AIR INC	–	–	–	52,339	52,339	32.45	1,698,401	1,698,401
CEI	CROWN EQUITIES, INC.	–	–	–	3,190,000	3,190,000	0.067	213,730	213,730
CHIB	CHINA BANKING CORPORATION	–	–	–	23,949	23,949	30.85	738,827	738,827
CHP	CEMEX HOLDINGS PHILIPPINES, INC.	–	–	–	1,195,559	1,195,559	0.94	1,123,825	1,123,825
CIC	CONCEPCION INDUSTRIAL CORPORATION	–	–	–	1,000	1,000	14.50	14,500	14,500
CLI	CEBU LANDMASTERS, INC.	–	–	–	897,385	897,385	2.47	2,216,541	2,216,541
CNPF	CENTURY PACIFIC FOOD, INC.	–	–	–	113,500	113,500	30.95	3,512,825	3,512,825

CODE	STOCK NAME	VAULT	CLEARING HOUSE	TRANSFER OFFICE	P C D	TOTAL SHARES	MARKET VALUE	TOTAL MARKET VALUE	PER AUDIT
CNVRG	CONVERGE INFORMATION AND COMMUNICAT	–	–	–	1,176,700	1,176,700	8.38	9,860,746	9,860,746
COAL	COAL ASIA HOLDINGS INC.	–	–	–	420,000	420,000	0.111	46,620	46,620
COSCO	COSCO CAPITAL, INC.	–	–	–	968,700	968,700	4.62	4,475,394	4,475,394
CPG	CENTURY PROPERTIES GROUP INC.	–	–	–	12,186,322	12,186,322	0.28	3,412,170	3,412,170
CPM	CENTURY PEAK HOLDINGS CORP.	–	–	–	194,000	194,000	3.48	675,120	675,120
CREIT	CITICORE ENERGY REIT CORP.	–	–	–	1,011,000	1,011,000	2.56	2,588,160	2,588,160
CROWN	CROWN ASIA CHEMICALS CORPORATION	–	–	–	2,160,000	2,160,000	1.56	3,369,600	3,369,600
CTS	CTS GLOBAL EQUITY GROUP, INC	–	–	–	1,275,000	1,275,000	0.75	956,250	956,250
CYBR	CYBER BAY CORPORATION	–	–	–	1,150,000	1,150,000	0.33	379,500	379,500
DD	DOUBLE DRAGON CORPORATION	–	–	–	497,400	497,400	7.60	3,780,240	3,780,240
DDMPR	DDMP REIT, INC.	–	–	–	3,394,000	3,394,000	1.21	4,106,740	4,106,740
DDPR	DOUBLE DRAGON PROP. CORP.PREFERRED	–	–	–	61,960	61,960	93.00	5,762,280	5,762,280
DELM	DEL MONTE PACIFIC LIMITED	–	–	–	4,400	4,400	6.49	6.49	28,556
DFNN	DFNN INC.	–	–	–	137,700	137,700	3.09	3.09	425,493
DHI	DOMINION HOLDINGS, INC.	–	–	–	40,000	40,000	–	–	–
DITO	DITO CME HOLDINGS CORPORATION	–	–	–	5,798,162	5,798,162	2.35	13,625,681	13,625,681
DIZ	DIZON COPPER-SILVER MINES	–	–	–	2,224,193	2,224,193	2.23	4,959,950	4,959,950
DMC	DMCI HOLDINGS INC.	–	–	–	188,400	188,400	9.77	1,840,668	1,840,668
DMW	D.M. WENCESLAO & ASSOCIATES, INC.	–	–	–	464,000	464,000	5.16	2,394,240	2,394,240
DNA	PHILAB HOLDINGS, CORP.	–	–	–	80,460	80,460	2.86	230,116	230,116
DNL	D & L INDUSTRIES, INC.	–	–	–	1,285,300	1,285,300	6.31	8,110,243	8,110,243
DWC	DISCOVERY WORLD CORPORATION	–	–	–	1,042,800	1,042,800	1.41	1,470,348	1,470,348
ECP	EASYCALL COMMUNICATIONS, INC.	–	–	–	5,400	5,400	2.26	12,204	12,204
ECVC	EAST COAST VULCAN CORPORATION	–	–	–	5,299,000	5,299,000	0.60	3,179,400	3,179,400
EEI	ENGINEERING EQUIPMENT INC.	–	–	–	648,400	648,400	5.97	3,870,948	3,870,948
EEIPB	EEI CORPORATION:SERIES B PREFERRED	–	–	–	32,960	32,960	96.90	3,193,824	3,193,824
ELI	EMPIRE EAST LAND HOLDINGS, INC.	–	–	–	4,871,662	4,871,662	0.126	613,829	613,829
EG	IP E-GAME VENTURES, INC.	–	–	–	6,000,000	6,000,000	.0094	56,400	56,400
EMI	EMPERADOR INC.	–	–	–	41,100	172,900	20.60	3,561,740	3,561,740
ENEX	ENEX ENERGY CORP	–	–	–	3,392,100	3,392,100	4.90	16,621,290	16,621,290
EURO	EURO-MED LAB. PHIL., INC.	–	–	–	76,000	76,000	0.71	53,960	53,960
EVER	EVER-GOTESCO RES. & HLDG., INC.	–	–	–	413,000	413,000	0.29	119,770	119,770
EW	EAST WEST BANKING CORP.	–	–	–	6,110,000	6,110,000	8.52	52,057,200	52,057,200
FB	SAN MIGUEL FOOD AND BEVERAGE INC	–	–	–	3,320	3,320	51.00	169,320	169,320
FCG	FIGARO COFFEE GROUP, INC.:	–	–	–	6,538,000	6,538,000	0.60	3,922,800	3,922,800
FERRO	FERRONOUX HOLDINGS, INC.	–	–	–	8,000	8,000	2.90	23,200	23,200
FFI	FILIPINO FUND, INC.	–	–	–	631	631	3.60	2,272	2,272
FGEN	FIRST GEN CORPORATION	–	–	–	32,500	32,500	17.40	565,500	565,500
FILRT	FILLINVEST REIT CORP	–	–	–	106,600	106,600	2.58	275,028	275,028
FLI	FIL-INVEST LAND, INC.	–	–	–	1,042,839	1,042,839	0.59	615,275	615,275
FMETF	FIRST METRO PHILIPPINE EQUITY EXCHA	–	–	–	1,210	1,210	102.70	124,267	124,267
FNI	GLOBAL FERRONICKEL HOLDINGS,INC.	–	–	–	1,949,030	1,949,030	2.06	4,015,002	4,015,002
FOOD	ALLIANCE SELECT FOODS INTL., INC.	–	–	–	7,804,000	7,804,000	0.46	3,589,840	3,589,840
FRUIT	FRUITAS HOLDINGS. INC.	–	–	–	2,023,000	2,023,000	0.96	1,942,080	1,942,080
GEO	GEOGRACE RESOURCES PHILS., INC.	–	–	–	1,715,000	1,715,000	0.027	46,305	46,305
GERI	GLOBAL-ESTATE RESORTS, INC.	–	–	–	27,000	27,000	0.95	25,650	25,650
GLO	GLOBE TELECOM, INC.	–	–	–	7,973	7,973	1,720.00	13,713,560	13,713,560
GMA7	GMA NETWORK, INC.	–	–	–	114,200	114,200	8.40	959,280	959,280
GMAP	GMA HOLDINGS, INC. - PDR	–	–	–	31,000	31,000	8.30	257,300	257,300
GPH	GRAND PLAZA HOTEL CORPORATION	–	–	–	1,700	1,700	6.84	11,628	11,628
GREEN	GREENERGY HOLDINGS INC.	–	–	–	11,764,282	11,764,282	0.229	2,694,021	2,694,021
GSMI	GINEBRA SAN MIGUEL INC.	–	–	–	3,880	3,880	168.70	654,556	654,556
GTCAP	GT CAPITAL HOLDINGS, INC.	–	–	–	38,070	38,070	590.00	22,461,300	22,461,300
HLCM	HOLCIM PHILIPPINES, INC.	–	–	–	200	200	–	–	–
HOME	ALLHOME CORP.	–	–	–	851,101	851,101	1.12	953,233	953,233
HOUSE	8990 HOLDINGS, INC.	–	–	–	200	200	9.23	1,846	1,846
HVN	GOLDEN MV HOLDINGS, INC.	–	–	–	520	520	844.50	439,140	439,140
I	I-REMIT, INC.	–	–	–	238,077	238,077	0.385	91,660	91,660
ICT	INTL CONT TERMINAL SERV INC	–	–	–	11,270	11,270	246.80	2,781,436	2,781,436
IDC	ITALPINAS DEVELOPMENT CORPORATION	–	–	–	1,009,320	1,009,320	0.69	696,431	696,431
IMI	INTEGRATED MICRO-ELECTRONICS, INC.	–	–	–	1,252,195	1,252,195	3.16	3,956,936	3,956,936
IMP	IMPERIAL RES., INC.	–	–	–	5,500	5,500	0.52	2,860	2,860
INFRA	PHILIPPINE INFRADEV HOLDINGS	–	–	–	18,858,001	18,858,001	0.55	10,371,901	10,371,901
ION	IONICS, INC.	–	–	–	2,992,500	2,992,500	1.01	1.01	3,022,425
IPO	IPEOPLE, INC.	–	–	–	3,250	3,250	5.95	19,338	19,338
IS	ISLAND INFORMATION & TECHNOLOGY,INC	–	–	–	2,520,000	2,520,000	0.144	362,880	362,880
JFC	JOLLIBEE FOODS CORP.	–	–	–	9,663	9,663	251.40	2,429,278	2,429,278
JGS	JG SUMMIT HOLDINGS, INC.	–	–	–	257,079	257,079	38.15	9,807,564	9,807,564
KEEPR	THE KEEPERS HOLDINGS, INC	–	–	–	1,768,487	1,768,487	1.48	2,617,361	2,617,361
KPPI	KEPWEALTH PROPERTY PHILS., INC.	–	–	–	302,200	302,200	1.53	462,366	462,366
KEP	KEPPEL PHIL. PROPERTIES, INC.	–	–	–	62,200	62,200	4.91	305,402	305,402
LAND	CITY & LAND DEVELOPERS	–	–	–	197,347	197,347	0.76	149,984	149,984
LBC	LBC EXPRESS HOLDINGS, INC.	–	–	–	23,600	23,600	18.24	430,464	430,464

CODE	STOCK NAME	VAULT	CLEARING HOUSE	TRANSFER OFFICE	P C D	TOTAL SHARES	MARKET VALUE	TOTAL MARKET VALUE	PER AUDIT
LC	LEPANTO CONS. MNG.	–	–	–	22,282,071	22,282,071	0.08	1,782,566	1,782,566
LCB	LEPANTO CONS. MNG. – B	–	–	–	1,114,076	1,114,076	0.078	86,898	86,898
LIB	LIBERTY TELECOMMUNICATIONS	–	–	–	3,000	3,000	–	–	–
LMG	LMG CORPORATION	–	–	–	18,453,900	18,453,900	3.34	61,636,026	61,636,026
LODE	LODESTAR INVESTMENT HOLDINGS CORP.	–	–	–	1,633,000	1,633,000	0.465	759,345	759,345
LOTO	PACIFIC ONLINE SYSTEMS CORPORATION	–	–	–	254,000	254,000	4.95	1,257,300	1,257,300
LPC	LFM PROPERTIES CORPORATION ("LPC")	–	–	–	2,240,000	2,240,000	0.06	134,400	134,400
LPZ	LOPEZ HOLDINGS CORPORATION	–	–	–	18,000	18,000	4.26	76,680	76,680
LRW	LEISURE & RESORTS WORLD CORPORATION	–	–	–	68,000	68,000	–	–	–
LSC	LORENZO SHIPPING CORPORATION	–	–	–	94,000	94,000	0.55	51,700	51,700
LTG	LT GROUP, INC.	–	–	–	2,267,800	2,267,800	8.98	20,364,844	20,364,844
MA	MANILA MINING CORP.	–	–	–	52,776,966	52,776,966	0.0046	242,774	242,774
MAB	MANILA MINING CORP. - B	–	–	–	5,000,000	5,000,000	0.0043	21,500	21,500
MAC	MACROASIA CORPORATION	–	–	–	1,190,628	1,190,628	4.15	4,941,106	4,941,106
MACAY	MACAY HOLDINGS INC	–	–	–	23,700	23,700	5.70	135,090	135,090
MAH	METRO ALLIANCE HLDGS EQUITIES COR	–	–	–	329,000	329,000	0.455	149,695	149,695
MARC	MARCVENTURES HOLDINGS, INC.	–	–	–	49,718,401	49,718,401	1.08	53,695,873	53,695,873
MAXS	MAXS GROUP, INC.	–	–	–	258,330	258,330	3.27	844,739	844,739
MB	MANILA BULLETIN PUBLISHING	–	–	–	817,471	817,471	0.231	188,836	188,836
MBT	METROPOLITAN BANK TRUST COMPANY.	–	–	–	300,827	300,827	51.30	15,432,425	15,432,425
MED	MEDCO HOLDINGS	–	–	–	1,042,526	1,042,526	0.086	89,657	89,657
MEDIC	MEDILINES DISTRIBUTORS INCORPORATED	–	–	–	859,030	859,030	0.33	283,480	283,480
MEG	MEGAWORLD PROP. & HOLDINGS,INC	–	–	–	10,233,624	10,233,624	1.97	20,160,239	20,160,239
MER	MANILA ELECTRIC CO.	–	–	–	4,733	4,733	399.00	1,888,467	1,888,467
MFC	MANULIFE FINANCIAL CORP.	–	–	–	2,195	2,195	1,130.00	2,480,350	2,480,350
MG	MILLENIUM GLOBAL HOLDINGS, INC.	–	–	–	5,290,000	5,290,000	0.101	534,290	534,290
MGH	METRO GLOBAL HOLDINGS CORPORATION	–	–	–	27,000	27,000	–	–	–
MM	MERRY MART CONSUMER CORP.	–	–	–	29,058,500	29,058,500	1.03	29,930,255	29,930,255
MONDE	MONDE NISSIN CORPORATION	–	–	–	690,400	690,400	8.38	5,785,552	5,785,552
MPI	METRO PACIFIC INVESTMENTS CORP	4,000	–	–	–	4,000	–	–	–
MRC	MRC ALLIED, INC.	–	–	–	3,713,570	3,713,570	1.30	4,827,641	4,827,641
MREIT	MREIT, INC.	–	–	–	327,100	327,100	12.30	4,023,330	4,023,330
MRSGI	METRO RETAIL STORES GROUP, INC	–	–	–	622,500	622,500	1.27	790,575	790,575
MWC	MANILA WATER CO., INC.	–	–	–	798,300	798,300	18.60	14,848,380	14,848,380
MWIDE	MEGAWIDE CONSTRUCTION CORP.	–	–	–	1,217,500	1,217,500	3.08	3,749,900	3,749,900
MWP4	MEGAWIDE CONSTRUCTION CORP. FOO	–	–	–	31,000	31,000	88.15	2,732,650	2,732,650
NI	NIHAO MINERAL RESOURCES INTL., INC	–	–	–	39,000	39,000	0.55	21,450	21,450
NIKL	NICKEL ASIA CORPORATION	–	–	–	1,266,080	1,266,080	5.48	6,938,118	6,938,118
NOW	NOW CORPORATION	–	–	26,000	3,528,985	3,554,985	1.15	4,088,233	4,088,233
NRCP	NATIONAL REINSURANCE CORP OF THE PH	–	–	–	3,000	3,000	0.36	1,080	1,080
OM	OMICO MNG.	–	–	–	42,000	42,000	0.275	11,550	11,550
OPM	ORIENTAL PETROLEUM	–	–	–	77,600,000	77,600,000	0.008	0.008	620,800
OPMB	ORIENTAL PETROLEUM - B	–	–	–	14,832,661	14,832,661	0.0081	120,145	120,145
ORE	ORIENTAL PENINSULA RES. GROUP, INC.	–	–	–	529,001	529,001	0.63	333,271	333,271
OV	PHIL. OVERSEAS	–	–	–	46,929,600	46,929,600	0.0081	380,130	380,130
PA	PACIFICA HOLDINGS, INC.	–	–	–	9,375	9,375	1.38	12,938	12,938
PAX	PAXYS, INC.	–	–	–	1	1	1.03	1	1
PBB	PHILIPPINE BUSINESS BANK	–	–	–	10,566,560	10,566,560	8.70	91,929,072	91,929,072
PCOR	PETRON CORP.	–	–	–	1,285,918	1,285,918	3.55	4,565,009	4,565,009
PCP	PAPER INDS. CORP.	–	–	–	110,000	110,000	–	–	–
PERC	PETROENERGY RESOURCES CORP.	–	–	–	3,952	3,952	4.95	19,562	19,562
PGOLD	PUREGOLD PRICE CLUB, INC.	–	–	–	150,110	150,110	26.90	4,037,959	4,037,959
PHA	PREMIERE HORIZON ALLIANCE CORP.	–	–	–	11,525,000	11,525,000	0.162	1,867,050	1,867,050
PHES	PHIL. ESTATES CORP.	–	–	–	1,343,000	1,343,000	0.315	423,045	423,045
PHR	PH RESORTS GROUP HOLDINGS, INC.	–	–	–	1,607,700	1,607,700	0.87	1,398,699	1,398,699
PIZZA	SHAKEYS PIZZA ASIA VENTURES,INC	–	–	–	25,300	25,300	9.80	247,940	247,940
PLC	PREMIUM LEISURE CORP.	–	–	–	4,261,000	4,261,000	0.63	2,684,430	2,684,430
PLUS	DIGIPLUS INTERACTIVE CORP	–	–	–	9,793,966	9,793,966	8.00	78,351,728	78,351,728
PMPC	PANASONIC MANUFACTURING PHILS.CORP.	–	–	–	100	100	5.80	580	580
PNB	PHIL. NATIONAL BANK	–	–	–	79,530	79,530	18.50	1,471,305	1,471,305
PNC	PHIL. NATIONAL CONSTRUCTION	–	–	–	3,000	3,000	–	–	–
PNX	P-H-O-E-N-I-X PETROLEUM PHILS., INC	–	–	–	89,500	89,500	4.90	438,550	438,550
PNX4	PHOENIX PETROLEUM PHIL. SERIES 4	–	–	–	1,220	1,220	232.80	284,016	284,016
PPC	PRYCE CORPORATION-A	–	–	–	48,000	48,000	5.31	254,880	254,880
PREIT	PREMIERE ISLAND POWER REIT CORPORAT	–	–	–	361,000	361,000	1.54	555,940	555,940
PRF3A	PERPETUAL PREFERRED SHARES SERIES3A	–	–	–	50	50	970.00	248,500	48,500
PRF3B	PERPETUAL PREFERRED SHARES SERIES3B	–	–	–	1,125	1,125	980.00	1,102,500	1,102,500

CODE	STOCK NAME	VAULT	CLEARING HOUSE	TRANSFER OFFICE	P C D	TOTAL SHARES	MARKET VALUE	TOTAL MARKET VALUE	PER AUDIT
PRF4B	PETRON CORP.PREFERRED SHARES "PRF4B	–	–	–	3,500	3,500	950.00	3,325,000	3,325,000
PRF4C	PETRON CORP.PREFERRED SHARES "PRF4C	–	–	–	4,490	4,490	973.00	4,368,770	4,368,770
PRIM	PRIME MEDIA HOLDINGS, INC.	–	–	–	9,287,000	9,287,000	2.87	26,653,690	26,653,690
PRMX	PRIMEX CORPRATION	–	–	–	323,700	323,700	2.45	793,065	793,065
PSB	PHIL. SAVINGS BANK	–	–	–	354	354	53.00	18,762	18,762
PSE	THE PHILIPPINE STOCK EXCHANGE, INC.	–	–	–	110	110	170.00	18,700	18,700
PX	PHILEX MNG. CORP. "A"	–	–	–	7,571,375	7,571,375	3.21	24,304,114	24,304,114
PXP	PXP ENERGY CORPORATION	–	–	–	4,649,583	4,649,583	3.95	18,365,853	18,365,853
RCB	RIZAL COMMERCIAL BANKING CORP.	–	–	–	147,200	147,200	23.00	3,385,600	3,385,600
RCI	ROXAS AND COMPANY, INC.	–	–	–	1,428,000	1,428,000	0.48	685,440	685,440
RCR	RL COMMERCIAL REIT,INC.	–	–	–	487,300	487,300	4.89	2,382,897	2,382,897
REDC	REPOWER ENERGY DEVELOPMENT CORPORAT	–	–	–	12,500	12,500	7.00	87,500	87,500
RFM	RFM CORPORATION	–	–	–	10,000	10,000	3.00	30,000	30,000
RLC	ROBINSONS LAND CORP.	–	–	–	248,810	248,810	15.94	3,966,031	3,966,031
RLT	PHIL. REALTY HOLDINGS CORP.	–	–	–	926,919	926,919	0.132	122,353	122,353
ROCK	ROCKWELL LAND CORPORATION	–	–	–	16,014	16,014	1.41	22,580	22,580
ROX	ROXAS HOLDINGS, INC.	–	–	–	90,000	90,000	0.77	69,300	69,300
RRHI	ROBINSONS RETAIL HOLDINGS, INC.	–	–	–	13,420	13,420	39.65	532,103	532,103
SBS	SBS PHILIPPINES CORPORATION	–	–	–	9,794,463	9,794,463	4.85	47,503,146	47,503,146
SCC	SEMIRARA MINING CORPORATION	–	–	–	77,400	77,400	30.25	30.25	2,341,350
SECB	SECURITY BANK CORP.	–	–	–	124,210	124,210	71.50	8,881,015	8,881,015
SEVN	PHILIPPINE SEVEN CORP.	–	–	–	99	99	76.20	7,544	7,544
SFI	SWIFT FOODS, INC.	–	–	–	3,350,500	3,350,500	0.054	180,927	180,927
SGI	SOLID GROUP, INC.	–	–	–	286,000	286,000	0.89	254,540	254,540
SGP	SYNERGY GRID DEV., PHIL., INC.	–	–	–	1,366,550	1,366,550	6.55	6.55	8,950,903
SHLPH	PILIPINAS SHELL PETROLEUM CORP.	–	–	–	173,430	173,430	10.94	1,897,324	1,897,324
SLF	SUN LIFE FINANCIAL, INC.	–	–	–	6,016	6,016	2,720.00	16,363,520	16,363,520
SLI	STA. LUCIA LAND, INC.	–	–	–	14,286	14,286	3.40	48,572	48,572
SM	SM INVESTMENTS CORPORATION	–	–	–	1,445	1,445	872.00	1,260,040	1,260,040
SMC	SAN MIGUEL CORP. "A"	–	–	–	8,944	8,944	102.10	913,182	913,182
SMC2F	SERIES “2-F” PREFERRED SHARES	–	–	–	24,720	24,720	72.50	1,792,200	1,792,200
SMC2J	SERIES “2-J” PREFERRED SHARES	–	–	–	1,100	1,100	67.95	74,745	74,745
SMC2L	SAN MIGUEL CORPORATION SERIES 2-L P	–	–	–	11,000	11,000	77.00	847,000	847,000
SMC2N	SAN MIGUEL CORPORATION SERIES 2-N P	–	–	–	1,500	1,500	77.00	115,500	115,500
SMC2O	SAN MIGUEL CORPORATION SERIES 2-O P	–	–	–	151,540	151,540	78.00	11,820,120	11,820,120
SMPH	SM PRIME HOLDINGS, INC.	–	–	–	25,810	25,810	32.90	849,149	849,149
SOC	SOCRESOURCES, INC.	–	–	–	1,000	1,000	0.36	360	360
SPNEC	SP NEW ENERGY CORPORATION	–	–	–	7,894,493	7,894,493	1.32	10,420,731	10,420,731
SSI	SSI GROUP, INC.	–	–	–	352,900	352,900	2.27	801,083	801,083
SSP	SFA SEMICON PHILIPPINES CORP	–	–	–	265,000	265,000	2.21	585,650	585,650
STI	STI EDUCATION SYSTEMS HOLDINGS, INC	–	–	–	919,001	919,001	0.485	445,715	445,715
STN	STENIEL MANUFACTURING CORP.	–	–	–	2,500	2,500	–	–	–
STR	VISTAMALLS, INC.	–	–	–	13,300	13,300	2.41	32,053	32,053
SUN	RESORT HOLDINGS, INC. SUNTRUST	–	–	–	7,733,000	7,733,000	0.85	6,573,050	6,573,050
T	TKC METALS CORPORATION	–	–	–	36,000	36,000	0.415	14,940	14,940
TBGI	TRANSPACIFIC BROADBAND GROUP INC.	–	–	–	105,059,000	105,059,000	0.136	14,288,024	14,288,024
TCB2D	CIRTEK HOLDINGS PHILIP. CORP.PREF2D	–	–	–	32,790	32,790	48.05	1,575,560	1,575,560
TECH	CIRTEK HOLDINGS PHILIPPINES CORPORA	–	–	–	2,956,349	2,956,349	1.59	4,700,595	4,700,595
TECHW	CIRTEK HOLDINGS PHILIPPINES CORP	–	–	–	1,300,264	1,300,264	0.265	344,570	344,570
TEL	PLDT INC.	–	–	–	6,325	6,325	1,279.00	8,089,675	8,089,675
TFHI	TOP FRONTIER INVESTMENT HLDGS, INC.	–	–	–	339	339	101.90	34,544	34,544
TUGS	HARBOR STAR SHIPPING SERV.INC	–	–	–	638,500	638,500	0.76	0.76	485,260
UBP	UNION BANK OF THE PHILS.	–	–	–	27,135	27,135	50.35	1,366,247	1,366,247
UNI	UNIOIL RESOURCES HOLDINGS CO., INC.	–	–	–	60,000	60,000	–	–	–
UPM	UNITED PARAGON MINING CORP.	–	–	–	11,220,000	11,220,000	0.004	44,880	44,880
URC	UNIVERSAL ROBINA CORP.	–	–	–	7,150	7,150	118.20	845,130	845,130
UW	UNIWIDE HOLDINGS, INC.	–	–	–	80,000	80,000	–	–	–
VITA	VITARICH CORP.	–	–	–	5,085,000	5,085,000	0.52	2,644,200	2,644,200
VLL	VISTA LAND & LIFESCAPES, INC.	–	–	–	476,000	476,000	1.68	1.68	799,680
VMC	VICTORIAS MILLING CO., INC.	–	–	–	25,346	25,346	3.01	76,291	76,291
VREIT	VISTAREIT,INC.	–	–	–	30,000	30,000	1.67	50,100	50,100
WEB	PHILWEB CORPORATION	–	–	–	1,208,840	1,208,840	1.73	2,091,293	2,091,293
WIN	WELLEX INDUSTRIES, INC.	–	–	–	90,680	90,680	0.23	20,856	20,856
WLCON	WILCON DEPOT, INC.	–	–	–	166,100	166,100	20.90	3,471,490	3,471,490
WPI	WATERFRONT PHILS. INC.	–	–	–	8,216,000	8,216,000	0.375	3,081,000	3,081,000
X	XURPAS INC	–	–	–	712,700	712,700	0.191	136,126	136,126
ZHI	ZEUS HOLDINGS, INC.	–	–	–	92,000	92,000	0.071	6,532	6,532
		5,900	–	26,000	2,468,494,293	2,468,526,193		1,190,226,037	1,190,226,037

Number of Shares in Vault	5,900
Number of Shares in Clearing House	–
Number of Shares in Transfer Office	26,000
Number of Shares in PCD	2,468,494,293
Total Number of Shares	2,468,526,193

TIMSON SECURITIES, INC.

Member: Philippine Stock Exchange
3310 Robinson's Equitable Tower
ADB Avenue, Ortigas Pasig City
Tel Nos: (02) 8633 0344/(02) 8633 0081

OATH

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

I, **PHILIP T. LAUDE**, President/Nominee of **Timson Securities, Inc.,** do solemnly swear that all matters set forth in this summary of securities count for the month ended December 31, 2023 are true and correct to the best of my knowledge and belief.

PHILIP T. LAUDE
President/Nominee

SUBSCRIBED AND SWORN to before me this APR 0 8 2024 day of _________ affiant exhibiting to me his Passport No. P93805585B issued at DFA Manila on March 28, 2022.

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Series of 2024

ATTY. DIANE M. ABOLUCION
NOTARY PUBLIC FOR QUEZON CITY
UNTIL DECEMBER 2024
ADM MATTER NO. NP-059 (2023-2024)
PTR NO. 5660638 / 11 January 2024 / Quezon City
IBP NO. 411521 / 09 January 2024 / Quezon City
Roll of Attorney's No. 75460 / 27 July 2020
MCLE Certificate of Exemption No. VII-BEP005427
32A Road 20 Project 8, Bahay Toro Quezon City

TIMSON SECURITIES, INC.

Statement of Changes in Liabilities Subordinated to Claims of General Creditors

For the year ended December 31, 2023

The Company has no subordinated liabilities as of December 31, 2023 and 2022.

TIMSON SECURITIES, INC.

Risk Based Capital Adequacy Worksheet

For the year ended December 31, 2023

Assets		₱	291,213,654
Liabilities			150,280,392
Equity per books		₱	140,933,262
Adjustments to Equity per books			
Add (Less):			
Allowance for market decline		₱	–
Subordinated liabilities			–
Unrealized gain (loss) in proprietary accounts			–
Deferred income tax			129
Revaluation reserves			–
Deposit for future stock subscription (No application with SEC)			–
Minority interest			–
Total Adjustments to Equity per books			129
Equity Eligible for Net Liquid Capital		₱	140,933,391
Contingencies and Guarantees			
Deduct:	Contingent liability	₱	–
	Guarantees or indemnities		–
Ineligible Assets			
a.	Trading right and all other intangible assets – net	₱	8,875,345
b.	Intercompany receivables		–
c.	Fixed assets – net (excluding those used as collateral)		15,998,898
d.	All other current assets		3,089,980
e.	Securities not readily marketable		–
f.	Negative exposure (SCCP)		–
g.	Notes receivable (non-trade related)		–
h.	Interest and dividend receivables outstanding for more than 30 days		–
i.	Ineligible insurance claims		–
j.	Ineligible deposits		–
k.	Short security differences		–
l.	Long security differences not resolved prior to sale		–
m.	Other assets including equity investment in PSE		36,214,970
Total Ineligible Assets		₱	64,179,193
Net Liquid Capital (NLC)		₱	76,754,198
Less: Total Risk Capital Requirement			
Operational Risk Requirement (Schedule ORR-1)		₱	19,166,476
Position Risk Requirement (Schedule PRR-1)			16,744,496
Counterparty Risk (Schedule CRR-1 and detailed schedules)			85,306
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)			1,947,477
Total Risk Capital Requirement (TRCR)			37,943,756
Net RBCA Margin (NLC-TRCR)		₱	38,810,442
Liabilities		₱	150,280,392
Add: Deposit for future stock subscription (No application with SEC)		₱	–
Less: Exclusions from aggregate indebtedness			
Subordinated liabilities			–
Loans secured by securities			–
Loans secured by fixed assets			5,540,217
Others			129
Total adjustments to aggregate indebtedness		₱	5,540,346
Aggregate Indebtedness (AI)		₱	144,740,046
5% of AI		₱	7,237,002
Required NLC (> of 5% of AI or ₱5M)		₱	7,234,002
Net Risk Based Capital Excess (NLC-Required NLC)		₱	69,517,196
Ratio of AI to NLC			189%
RBCA Ratio (NLC/TRCR)			202%

TIMSON SECURITIES, INC.

Information Relating to Possession or Control Requirements under Appendix F of SRC Rule 49.2.1

For the year ended December 31, 2023

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

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

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

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

TIMSON SECURITIES, INC.

Reserve Formula Worksheet

December 31, 2023

	Particulars		Credit		Debit
1.	Free credit balance and other credit balance in customers' security accounts	₱	104,346,859		
2.	Monies borrowed collateralized by the securities carried for the account of customers		–		
3.	Monies payable against customers' securities loaned.		–		
4.	Customers' securities failed to receive		–		
5.	Customer balances in firm accounts which are attributable to principal sales to customer.		–		
6.	Market Value of stock dividends, stock splits and similar distributions receivable outstanding over 30 calendar days old.		–		
7.	Market Value of the short security count differences over 30 calendar days old		–		
8.	Market Value of short securities and credits (not to be offset by long or by debits) in all suspense accounts over 30 calendar days.		–		
9.	Market Value of securities which are in transfer in excess of 40 calendar days and have not been confirmed to be in transfer by the transfer agent or the issuer during the 40 days.		–		
10.	Debit balances in customers' cash or margin accounts excluding unsecured accounts and accounts doubtful of collection.			₱	13,904,660
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		₱	104,346,859	₱	13,904,660

TIMSON SECURITIES, INC.

Reserve Formula Worksheet

December 31, 2023

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

Unadjusted trial balance amount	₱	132,834,581
A. Additions:		
1. Bank account overdraft[1]	₱	–
2. Credit balances in customer omnibus accounts		–
3. Any other customer credit balance not accounted for elsewhere (explain nature)		
Dividends payable – customers		4,208
Subtotal	₱	4,208
B. Deductions:		
1. Credit balances in the accounts of non-customers such as general partners and principal officers	₱	28,491,930
2. Credit balances in customers' cash accounts arising from the sale of a security not delivered if the securities are purchased by the broker-dealer for its own account and have not been resold		–
Subtotal	₱	28,491,930
Adjusted total line item #1	₱	104,346,859

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

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

3. Moneys Payable Against Securities Loaned

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

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

Unadjusted trial balance amount	₱	–
A. Additions:		
1. The amount by which the market value by which fails to receive outstanding for more than 34 calendar days exceed their contract value[3]	₱	–
2. Clearing accounts with net credit balances attributable to customers' transactions. (Clearing Corporations)		8,127,053
3. Unsecured customer short positions which allocate to customer long positions[4]		–

4. Any other credit not accounted for elsewhere in the formula		–
Subtotal	₱	8,127,053
Adjusted total line item #4	₱	8,127,053

5. Credit Balances in Firm Accounts which are Attributable to Principal Sales to Customers[5]	₱	–
6. Market Value of Stock Dividends and Splits Outstanding over 30 Calendar Days[5/6]	₱	–
7. Market Value of Short Security Count Differences over 30 Calendar Days Old (not to be Offset by Long Count Differences)	₱	–
8. Market Value of Short Securities and Credits (not to be Offset by Loans or Debits) in all Suspense Accounts over 30 Calendar Days Old		
1. Credit Balances Only	₱	–
2. Security Positions Only[5]		–
3. Security Positions with Related Balances[5/7]		–
Adjusted total line item #8	₱	–
9. Market Value of Securities in Transfer in Excess of 40 Calendar Days which have not been Confirmed to be in Transfer by the Transfer Agent of the Issuer during 40 Days	₱	–
Aggregate Credit Items	**₱**	**112,473,912**

10. Debit Balances in Customers' Cash and Margin Accounts Excluding Unsecured Accounts and Accounts Doubtful of Collection		
Unadjusted trial balance amount	₱	62,100,086
A. Additions:		
1. Debit balance in customer omnibus accounts	₱	–
2. Any other customer debit balance not accounted for elsewhere (explain nature)		–
Subtotal	₱	–
B. Deductions:		
1. Unsecured balances and accounts doubtful of collection	₱	18,847,230
2. Debit balances in the accounts of non-customers such as general partners and principal officers		39,364,538
3. Reduction of margin debts for undue concentration of collateral[8]		–
4. Deficits in customer-related omnibus accounts[9]		–
5. Debit balances in accounts of household members and affiliated members[10]		–
6. Reduction of unduly concentrated margin account balances[11]		–
7. Reduction of debit balances of accounts jointly-owned by customers and non-customers[12]		–
8. Reduction for partly-secured cash accounts		17,933,429
Subtotal	₱	76,145,197
Subtotal of Adjusted Total Debits	₱	(14,045,111)
Reduce Subtotal by 1%		1%
Adjusted total line item #10	₱	(13,904,660)

11. **Securities Borrowed to Effectuate Short Sales by Customers and Securities Borrowed to Make Delivery on Customers' Securities Failed to Deliver** ₱ –

12. **Fails to Deliver of Customer Securities not Older than 30 Calendar Days (as Determined by Allocation or Specific Identification)**

Unadjusted balance	₱	–
A. Additions:		
1. Clearing accounts with net debit balances attributable to customer transactions (Clearing Corporations)	₱	–
2. Drafts receivable outstanding less than 30 calendar days related to customer transactions[13]		–
Subtotal	₱	–
B. Deductions:		
1. Securities which are in the firm's physical possession and control and in excess of the broker-dealer's possession and control requirements for three business days past settlement	₱	–
2. Others (explain nature)		–
Subtotal	₱	–
Adjusted total line item #12	₱	–

Aggregate Debit Items	**₱**	**(13,904,660)**

B. Determination of Requirements

Aggregate Credit Items	₱	112,473,912
Aggregate Debit Items		(13,804,660)
Net Credit (Debit)	₱	126,378,572
Required Reserve (100% of Net Credit if making a weekly computation or 105% if monthly)	₱	126,378,572

C. Frequency of Computation ☑ Weekly ☐ Monthly

Monthly, if:

☑	Aggregate Indebtedness : Net Capital Ratio < 800%	189%
	AND	
☐	Aggregate Customer Funds < ₱25 million	₱ 104,346,859

D. Special Reserve Bank Account Balance

Special Reserve Account Balance Prior to Computation	₱	97,957,261
Less: Deposit Required		126,378,572
Additional Deposit Required	₱	28,421,311

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

TIMSON SECURITIES, INC.

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

For the year ended December 31, 2023

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

TIMSON SECURITIES, INC.

Results of Monthly Securities Count Conducted Pursuant to SRC Rule 52.1-10, As Amended

For the year ended December 31, 2023

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

TIMSON SECURITIES, INC.

Schedule of Financial Soundness Indicators

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

		2023		2022
Liquidity Ratios:				
Current Ratio				
Current Assets	₱	230,124,441	₱	323,269,046
Current Liabilities	₱	143,163,439	₱	200,559,622
		1.61 : 1		1.61 : 1
Quick Ratio				
Quick Assets	₱	227,034,461	₱	320,883,241
Current Liabilities	₱	143,163,439	₱	200,559,622
		1.59 : 1		1.60 : 1
Solvency Ratios:				
Debt-to-Equity Ratio				
Total Liabilities	₱	150,280,392	₱	208,800,408
Total Equity	₱	140,933,262	₱	168,627,358
		1.07 : 1		1.24 : 1
Asset-to-Equity Ratio				
Total Assets	₱	291,213,654	₱	377,427,766
Total Equity	₱	140,933,262	₱	168,627,358
		2.07 : 1		2.24 : 1
Profitability Ratios:				
Return on Assets				
Net Loss	₱	(27,694,096)	₱	(15,531,796)
Total Assets	₱	291,213,654	₱	377,427,766
		(9.51%)		(4.12%)
Return on Equity				
Net Loss	₱	(27,694,096)	₱	(15,531,796)
Total Equity	₱	140,933,262	₱	168,627,358
		(19.65%)		(9.21%)
Net Profit Margin				
Net Loss	₱	(27,694,096)	₱	(15,331,796)
Revenues	₱	7,348,239	₱	16,424,586
		(376.88%)		(93.35%)
Interest Rate Coverage Ratio				
Loss Before Interest and Taxes	₱	(35,532,692)	₱	(20,389,812)
Interest Expense	₱	377,559	₱	487,080
		(94.11) : 1		(41.86) : 1