

THE EXECUTIVE CENTRE MANILA PH, INC.
TRANSLATED VERSION OF STATEMENT OF FINANCIAL POSITION


PARTICULARS	NOTES	31 Dec 2024 PESO	31 Dec 2023 PESO	31 Dec 2022 PESO	31 Dec 2024 INR	31 Dec 2023 INR	31 Dec 2022 INR
ASSETS							
Current Assets							
Cash	7	6,46,14,337	10,80,70,404	7,59,08,242	9,53,25,531	16,13,27,499	11,26,55,422
Trade and other receivables	8	5,61,48,161	5,14,88,397	3,17,35,366	8,28,35,376	7,68,61,876	4,70,98,454
Due from related parties	15	2,88,89,840	2,61,78,412	2,47,50,617	4,26,21,181	3,90,79,134	3,67,32,391
Prepayments and other current assets	9	4,25,46,710	6,74,05,730	4,47,04,863	6,27,69,162	10,06,23,275	6,63,46,487
Total Current Assets		19,21,99,048	25,31,42,943	17,70,99,088	28,35,51,250	37,78,91,784	26,28,32,754
Non-current Assets							
Property and equipment	10	21,80,93,403	27,45,14,831	15,27,86,587	32,17,53,199	40,97,95,739	22,67,50,573
Computer software	11	-	56,629	1,41,574	-	84,535	2,10,110
Deposits	12	3,24,81,323	3,24,21,014	2,26,60,725	4,79,19,696	4,83,98,090	3,36,30,783
Right-of-use asset - net	13	46,09,44,287	64,01,85,944	30,82,13,651	68,00,31,107	95,56,69,578	45,74,19,879
Deferred tax assets	24	3,68,56,131	2,89,46,953	2,62,45,416	5,43,73,850	4,32,12,012	3,89,50,822
Total Non-current Assets		74,83,75,144	97,61,25,371	51,00,47,953	1,10,40,77,852	1,45,71,59,954	75,69,62,167
TOTAL ASSETS		94,05,74,192	1,22,92,68,314	68,71,47,041	1,38,76,29,102	1,83,50,51,738	1,01,97,94,921
LIABILITIES AND STOCKHOLDERS' EQUITY							
Current Liabilities							
Trade and other payables	14	12,26,24,013	16,64,57,807	8,37,42,315	18,09,07,207	24,84,88,214	12,42,81,969
Due to related parties	15	28,49,67,503	35,50,18,254	26,63,60,545	42,04,12,557	52,99,71,249	39,53,05,684
Lease liability	13	3,82,08,864	5,88,06,697	3,71,12,096	5,63,69,537	8,77,86,637	5,50,78,062
Other current liabilities	16	4,18,97,367	3,53,97,414	2,15,96,803	6,18,11,185	5,28,41,259	3,20,51,816
Total Current Liabilities		48,76,97,747	61,56,80,172	40,88,11,759	71,95,00,486	91,90,87,359	60,67,17,531
Non-current Liabilities							
Lease liability - net of current portion	13	53,29,51,604	69,96,03,671	33,65,69,204	78,62,63,501	1,04,43,68,360	49,95,02,356
Deferred tax liability	25	8,02,281	8,02,281	-	11,83,605	11,97,645	-
Total Non-current Liabilities		53,37,53,885	70,04,05,952	33,65,69,204	78,74,47,106	1,04,55,66,005	49,95,02,356
Total Liabilities		1,02,14,51,632	1,31,60,86,124	74,53,80,963	1,50,69,47,592	1,96,46,53,364	1,10,62,19,887
Stockholders' Equity							
Capital Stock	17	1,20,00,000	1,20,00,000	1,20,00,000	1,74,38,400	1,74,38,400	1,74,38,400
Deficit		(9,28,77,441)	(9,88,17,810)	(7,02,33,923)	(13,25,63,861)	(14,12,38,579)	(9,88,25,809)
Foreign Currency Translation Reserve		-	-	-	(41,93,030)	(58,01,448)	(50,37,557)
Total Stockholders' Equity		(8,08,77,441)	(8,68,17,810)	(5,82,33,923)	(11,93,18,491)	(12,96,01,627)	(8,64,24,966)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		94,05,74,192	1,22,92,68,314	68,71,47,041	1,38,76,29,102	1,83,50,51,738	1,01,97,94,921

The accompanying notes form an integral part of these Translated version of financial statements.

For Manian & Rao
Chartered Accountants
Firm Registration No - 001983S

FOR THE EXECUTIVE CENTRE MANILA PH, INC.

Paresh Daga
Partner
Membership No. 211468


Paul Daniel Salsnikoff
Authorised Signatory

Place : Bangalore
Date : July 14, 2025

Place : Dubai
Date : July 14, 2025

THE EXECUTIVE CENTRE MANILA PH, INC.

TRANSLATED VERSION OF STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

PARTICULARS	NOTES	31 Dec 2024 PESO	31 Dec 2023 PESO	31 Dec 2022 PESO	31 Dec 2024 INR	31 Dec 2023 INR	31 Dec 2022 INR
Revenue	18	25,73,01,167	22,62,56,806	17,92,48,377	37,57,36,895	33,57,19,850	25,85,83,708
Cost of Services	19	(7,18,44,506)	(9,26,39,926)	(6,66,53,221)	(10,49,14,532)	(13,74,59,122)	(9,61,53,937)
Gross Profit		18,54,56,661	13,36,16,880	11,25,95,156	27,08,22,363	19,82,60,728	16,24,29,771
Other Income	20	2,93,18,838	32,10,485	105	4,28,14,299	47,63,718	151
Operating Expenses	21	(14,56,89,161)	(9,67,30,794)	(10,18,47,864)	(21,27,49,886)	(14,35,29,153)	(14,69,25,730)
Finance Costs	22	(5,58,31,960)	(4,94,51,161)	(4,03,19,307)	(8,15,31,411)	(7,33,75,633)	(5,81,64,632)
Income / Loss Before Taxes		1,32,54,378	(93,54,590)	(2,95,71,910)	1,93,55,365	(1,38,80,340)	(4,26,60,440)
Income Tax Benefit	23	(70,52,476)	88,727	57,74,669	(1,02,98,730)	1,31,653	83,30,537
Net Income / Loss		62,01,903	(92,65,864)	(2,37,97,242)	90,56,635	(1,37,48,687)	(3,43,29,903)
Other Comprehensive Income:							
A. Items that will not be reclassified to profit or loss							
B. Items that will be reclassified to profit or loss							
Foreign Currency Translation Reserve		-	-	-	16,08,418	(7,63,891)	(20,51,678)
Other Comprehensive Income/(loss)		-	-	-	16,08,418	(7,63,891)	(20,51,678)
Total Comprehensive Income / Loss		62,01,903	(92,65,864)	(2,37,97,242)	1,06,65,053	(1,45,12,578)	(3,63,81,581)

The accompanying notes form an integral part of these Translated version of financial statements.

For Manian & Rao
Chartered Accountants
Firm Registration No - 001983S

FOR THE EXECUTIVE CENTRE MANILA PH, INC.

Paresh Daga
Partner
Membership No. 211468


Paul Daniel Salnikoff
Authorised Signatory

Place : Bangalore
Date : July 14, 2025

Place : Dubai
Date : July 14, 2025

THE EXECUTIVE CENTRE MANILA PH, INC.
TRANSLATED VERSION OF STATEMENT OF CASH FLOWS

PARTICULARS	31 Dec 2024 PESO	31 Dec 2023 PESO	31 Dec 2022 PESO	31 Dec 2024 INR	31 Dec 2023 INR	31 Dec 2022 INR
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit/Loss before taxes	1,32,54,378	(93,54,590)	(2,95,71,910)	1,93,55,365	(1,38,80,340)	(4,26,60,440)
Adjustments for:						
Depreciation	9,55,21,607	10,86,47,719	8,07,14,878	13,94,90,203	16,12,11,485	11,64,39,283
Finance Cost	5,58,31,960	4,94,51,161	4,03,19,307	8,15,31,411	7,33,75,633	5,81,64,632
Gain on disposal of ROU	(2,75,19,385)	-	-	(4,01,86,558)	-	-
Loss on disposal of centre	1,91,16,671	-	-	2,79,16,075	-	-
Unrealized foreign exchange gain	-	(32,09,124)	-	-	(47,61,698)	-
Amortization	56,629	84,945	28,315	82,695	1,26,041	40,847
Provision for expected credit losses	-	4,680	2,30,463	-	6,944	3,32,466
Interest income	(283)	(243)	(105)	(413)	(361)	(151)
Unrealized foreign exchange loss	1,31,71,705	-	2,00,82,745	1,92,34,641	-	2,89,71,368
Operating cash flows before changes in working capital	16,94,33,282	14,56,24,548	11,18,03,693	24,74,23,419	21,60,77,704	16,12,88,005
Decrease (Increase) in operating assets:						
Trade and other receivables	(44,65,510)	(1,85,18,996)	(82,16,278)	(65,20,984)	(2,74,78,486)	(1,18,52,803)
Prepayments and other current assets	98,59,333	(2,45,11,398)	94,55,750	1,43,97,584	(3,63,70,012)	1,36,40,865
Deposits	(60,309)	(97,60,289)	(4,33,515)	(88,069)	(1,44,82,317)	(6,25,389)
Increase in operating liabilities:						
Trade and other payables	(4,38,33,794)	8,27,14,373	1,82,96,735	(6,40,10,489)	12,27,31,587	2,63,94,870
Other current liabilities	64,99,953	1,38,00,611	88,24,563	94,91,881	2,04,77,347	1,27,30,315
Cash generated from operations	13,74,32,955	18,93,48,849	13,97,30,948	20,06,93,342	28,09,55,823	20,15,75,863
Finance costs paid	(1,35,47,361)	(78,37,089)	(60,57,222)	(1,97,83,211)	(1,16,28,673)	(87,38,148)
Interest received	283	243	105	413	361	151
Net cash from operating activities	12,38,85,877	18,15,12,003	13,36,73,831	18,09,10,544	26,93,27,511	19,28,37,866
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from disposal of property and equipment	1,63,48,920	-	-	2,38,74,328	-	-
Acquisition of property and equipment	(1,61,07,936)	(15,21,03,881)	(1,26,99,973)	(2,35,22,419)	(22,56,91,739)	(1,83,20,981)
Advances to related parties	(27,11,428)	(14,27,795)	(31,09,010)	(39,59,498)	(21,18,562)	(44,85,058)
Acquisition of intangible assets	-	-	(1,69,889)	-	-	(2,45,082)
Net cash from investing activities	(24,70,444)	(15,35,31,676)	(1,59,78,872)	(36,07,589)	(22,78,10,301)	(2,30,51,121)
CASH FLOWS FROM FINANCING ACTIVITIES						
Advances from related parties	(7,00,50,751)	8,86,57,709	3,35,59,724	(10,22,95,112)	13,15,50,309	4,84,13,258
Repayment of lease liabilities	(8,14,54,789)	(8,64,47,401)	(7,23,68,973)	(11,89,48,428)	(12,82,70,654)	(10,43,99,480)
Net cash from financing activities	(15,15,05,540)	22,10,308	(3,88,09,249)	(22,12,43,540)	32,79,655	(5,59,86,222)
Net Increase In Cash	(3,00,90,107)	3,01,90,635	7,88,85,710	(4,39,40,585)	4,47,96,865	11,38,00,523
Cash as on January 01	10,80,70,404	7,59,08,242	1,73,21,325	16,13,27,499	11,26,55,422	2,51,71,349
Exchange difference on translation of foreign currency cash and cash equivalents	(1,33,65,960)	19,71,527	(2,02,98,793)	(2,20,61,383)	38,75,212	(2,63,16,450)
Cash as at Dec 31	6,46,14,337	10,80,70,404	7,59,08,242	9,53,25,531	16,13,27,499	11,26,55,422

For Manian & Rao
Chartered Accountants
Firm Registration No - 001983S

Paresh Daga
Partner
Membership No. 211468

Place : Bangalore
Date : July 14, 2025

FOR THE EXECUTIVE CENTRE MANILA PH, INC.


Paul Daniel Salnikoff
Authorised Signatory

Place : Dubai
Date : July 14, 2025

THE EXECUTIVE CENTRE MANILA PH, INC.
TRANSLATED VERSION OF STATEMENT OF CHANGES IN EQUITY

PARTICULARS	Capital Stock	Deficit	Total	Capital Stock	Deficit	Foreign Currency Translation Reserve	Total
	PESO	PESO	PESO	INR	INR	INR	INR
Balances at January 1, 2022	1,20,00,000	(4,64,36,681)	(3,44,36,681)	1,74,38,400	(6,44,95,906)	(29,85,879)	(5,00,43,385)
Total comprehensive income/loss	-	(2,37,97,242)	(2,37,97,242)	-	(3,43,29,903)	-	(3,43,29,903)
Foreign Currency Translation Reserve	-	-	-	-	-	(20,51,678)	(20,51,678)
Balances at December 31, 2022	1,20,00,000	(7,02,33,923)	(5,82,33,923)	1,74,38,400	(9,88,25,809)	(50,37,557)	(8,64,24,966)
Total comprehensive income/loss	-	(92,65,864)	(92,65,864)	-	(1,37,48,687)	-	(1,37,48,687)
Foreign Currency Translation Reserve	-	-	-	-	-	(7,63,891)	(7,63,891)
Prior Period Adjustment	-	(1,93,18,024)	(1,93,18,024)	-	(2,86,64,083)	-	(2,86,64,083)
Balances at December 31, 2023	1,20,00,000	(9,88,17,810)	(8,68,17,810)	1,74,38,400	(14,12,38,579)	(58,01,448)	(12,96,01,627)
Total comprehensive income/loss	-	62,01,903	62,01,903	-	90,56,635	-	90,56,635
Foreign Currency Translation Reserve	-	-	-	-	-	16,08,418	16,08,418
Expiration of MCIT	-	(2,61,533)	(2,61,533)	-	(3,81,917)	-	(3,81,917)
Balances at December 31, 2024	1,20,00,000	(9,28,77,441)	(8,08,77,441)	1,74,38,400	(13,25,63,861)	(41,93,030)	(11,93,18,491)

For Manian & Rao
Chartered Accountants
Firm Registration No - 001983S

Paresh Daga
Partner
Membership No. 211468

Place : Bangalore
Date : July 14, 2025

FOR THE EXECUTIVE CENTRE MANILA PH, INC.


Paul Daniel Salnikoff
Authorised Signatory

Place : Dubai
Date : July 14, 2025

THE EXECUTIVE CENTRE MANILA PH, INC.
NOTES TO THE TRANSLATED VERSION OF FINANCIAL STATEMENTS

1 BASIS OF PREPARATION

These Translated version of financial statements have been prepared from the financial statements audited by other auditor (PAGUIO, DUMAYAS AND ASSOCIATES, CPAs) to comply with ICDR regulations for the purpose of the proposed Indian Public Offer (IPO) of the Holding company, Executive Centre India Limited and it was approved by the company's Board of directors on July 14, 2025. The translated version of financial statements has been prepared in Indian Rupees in accordance with the principles laid down in IND AS 21 "The Effect of Changes in Foreign Currency Rates".

The material accounting policies disclosed in the audited financial statements by the other auditors are replicated below:-

2 CORPORATE INFORMATION

THE EXECUTIVE CENTRE MANILA PH, INC. (the Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on November 21, 2017. The Company was incorporated primarily to engage in and carry out the business of operating business centers, providing facilities and equipment in connection therewith, extending all relevant support and allied activities, and undertaking any and all activities which may be required for the purpose of said business, and to grant to other corporations, firms, associations or persons the right or privilege to carry on any kind of business within said business centers and on such term as may be deemed expedient or proper, but not to engage in leasing or subleasing of specific spaces or in retail trade; and to do all acts and things necessary or incidental for the attainment of the above purposes.

The Company is a wholly-owned subsidiary of The Executive Centre Singapore Ltd., a foreign corporation domiciled in Singapore.

The Company's office is located at 25th Floor Picadilly Star Building, 4th Avenue corner 27th Street, Bonifacio Global City, Taguig City and is domiciled in the Philippines.

The said related parties committed to augment the necessary financial support to allow the Company's ability to continue as going concern and meet its obligations, as and when they fall due, until such time that the Company's financial condition improves.

PARTICULARS	31 Dec 2024 PESO	31 Dec 2023 PESO	31 Dec 2022 PESO	31 Dec 2024 INR	31 Dec 2023 INR	31 Dec 2022 INR
Total liabilities exceeded total assets	8,08,77,440	8,68,17,810	5,82,33,922	11,93,18,490	12,96,01,626	8,64,24,966
Out of the total liabilities, the advances from the Company's related parties	28,49,67,503	35,50,18,254	26,63,60,545	42,04,12,557	52,99,71,249	39,53,05,684

On December 31, 2024, the Company closed one of their business centre located at 26th Floor Tower 2, RCBC Plaza, Ayala Avenue, Makati City, Philippines

Approval of Financial Statements

The financial statements were approved and authorized for issue by the Board of Directors as at Dec 31, 2024, Dec 31, 2023 and Dec 31, 2022 on June 17, 2025, June 20, 2024, April 16, 2023 respectively.

3 ADOPTION OF NEW AND REVISED PHILIPPINE FINANCIAL REPORTING STANDARDS (PFRSs) ACCOUNTING STANDARDS

The Philippine Financial and Sustainability Reporting Standards Council (PFSRSC) approved the issuance of new and revised PFRS Accounting Standards. The term PFRSs in general includes all applicable PFRSs, Philippine Accounting Standards (PAS), and Interpretations issued by the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and Philippine Financial Reporting Interpretations Committee (PFRIC) which have been approved by the PFSRSC and adopted by the SEC.

These new and revised PFRS prescribe new accounting recognition, measurement and disclosure requirements applicable to the Company. When applicable, the adoption of the new standards was made in accordance with their transitional recognizes, otherwise the adoption is accounted for as change in accounting policy under PAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors".

3.01 New and Revised PFRSs that are Effective for the Current Year

The following new standards impacting the Company has been adopted in the annual financial statements for the year ended December 31, 2024, 2023 and 2022. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

2024

> Amendments to PAS 7, Statement of Cash Flows and PFRS 7 Financial Instruments

Disclosures titled Supplier Finance Arrangements

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

The amendments are not applicable to the Company.

> Amendments to PAS 1, Classification of Liabilities as Current or Non-Current

The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

> Amendments to PAS 1, Presentation of Financial Statements – Non-current Liabilities with Covenants

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

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

>Amendments to PFRS 16, Leases – Lease Liability in a Sale and Leaseback

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

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

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

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

The amendments are not applicable to the Company.

2023

>Amendments to PAS 1, Classification of Liabilities as Current or Non-current

The amendments to PAS 1 published in January 2020 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

>Amendments to PAS 1 Presentation of Financial Statements and PFRS Practice Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies

The amendments change the requirements in PAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in PAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in PFRS Practice Statement 2.

The amendments resulted to the disclosure of material accounting policy information in Note 4.

>Amendments to PAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

>A change in accounting estimate that results from new information or new developments is not the correction of an error

>The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors

The amendments had no significant impact on the financial statements of the Company.

>Amendments to PAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying PFRS 16 at the commencement date of a lease.

Following the amendments to PAS 12, an entity is required to recognize the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in PAS 12.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognizes:

- >A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax
 - Right-of-use assets and lease liabilities
 - Decommissioning, restoration and similar liabilities and the corresponding amounts recognized as part of the cost of the related asset
- >The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

The amendments had no significant impact on the financial statements of the Company.

>Amendments to PAS 12 Income Taxes—International Tax Reform-Pillar Two Model Rules

The Board amends the scope of PAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules.

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in PAS 12, so that an entity would neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Following the amendments, the Company is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.

The amendments are not applicable to the Company.

2022

>Amendments to PFRS 3, Reference to the Conceptual Framework

The amendments update PFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to PFRS 3 a requirement that, for obligations within the scope of PAS 37 Provisions, Contingent Liabilities and Contingent Assets, an acquirer applies PAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of PFRIC 21 Levies, the acquirer applies PFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Finally, the amendments add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The amendments have no significant impact on the financial statements of the Company.

>Amendments to PAS 16, Property, Plant and Equipment – Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognizes such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with PAS 2 Inventories.

The amendments also clarify the meaning of ‘testing whether an asset is functioning properly’. PAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity’s ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The amendments have no significant impact on the financial statements of the Company.

>Amendment to PAS 37, Onerous Contracts – Cost of Fulfilling a Contract

The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labor or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The amendments have no significant impact on the financial statements of the Company.

>Annual Improvements to PFRS Standards 2018-2021 Cycle: Amendments to PFRS 1 First-time Adoption of International Financial Reporting Standards, Amendments to PFRS 9 Financial Instruments, Amendments to PFRS 16 Leases and Amendments to PAS 41 Agriculture

The Annual Improvements include amendments to four Standards:

PFRS 1, First-time Adoption of Philippine Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in PFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to PFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in PFRS 1:D16(a).

The amendment is not applicable to the Company.

PFRS 9, Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

The amendments had no significant impact on the financial statements of the Company.

PFRS 16, Leases

The amendment removes the illustration of the reimbursement of leasehold improvements.

The amendment is not applicable to the Company.

PAS 41, Agriculture

The amendment removes the requirement in PAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in PAS 41 with the requirements of PFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.

The amendment is not applicable to the Company.

>Amendment to PFRS 16, Covid-19 Related Rent Concessions

The amendment provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to PFRS 16. This practical expedient was available to rent concessions for which any reduction in lease payments affected payments originally due on or before 30 June 2021.

In March 2021, the Board issued Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to PFRS 16) that extends the practical expedient to apply to reduction in lease payments originally due on or before 30 June 2022.

The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying PFRS 16 as if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- b) Any reduction in lease payments affects only payments originally due on or before June 30, 2022 (a rent concession meets this condition if it results in reduced lease payments on or before June 30, 2022 and increased lease payments that extend beyond June 30, 2022); and
- c) There is no substantive change to other terms and conditions of the lease.

The amendments have no significant impact on the financial statements of the Company.

3.02 New Standards, Interpretations and Amendments in Issue But Not Yet Effective

2024

At the date of authorization of these financial statements, the Company has not applied the following new and revised PFRS Standards that have been issued but are not yet effective.

>Amendments to PAS 21, The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency.

The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so.

When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique. Examples of an observable exchange rate include:

- a spot exchange rate for a purpose other than that for which an entity assesses exchangeability
- the first exchange rate at which an entity is able to obtain the other currency for the specified purpose after exchangeability of the currency is restored (first subsequent exchange rate).

An entity using another estimation technique may use any observable exchange rate—including rates from exchange transactions in markets or exchange mechanisms that do not create enforceable rights and obligations—and adjust that rate, as necessary, to meet the objective as set out above.

When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, the entity is required to disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments add a new appendix as an integral part of PAS 21. The appendix includes application guidance on the requirements introduced by the amendments. The amendments also add new Illustrative Examples accompanying PAS 21, which illustrate how an entity might apply some of the requirements in hypothetical situations based on the limited facts presented.

In addition, the IASB made consequential amendments to PFRS 1 to align with and refer to the revised IAS 21 for assessing exchangeability.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025, with earlier application permitted. An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments.

The amendments are not applicable to the Company.

>Amendments to the Classification and Measurement of Financial Instruments – Amendments to PFRS 9 and PFRS 7

On May 30, 2024, the IASB issued targeted amendments to PFRS 9 Financial Instruments and PFRS 7 Financial Instruments: Disclosures to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- b) clarify and add further guidance for assessing whether a financial asset meets the sole payments of principal and interest (SPPI) criterion;
- c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The amendments in (b) are most relevant to financial institutions, but the amendments in (a), (c) and (d) are relevant to all entities.

The amendments to PFRS 9 and PFRS 7 will be effective for annual reporting periods beginning on or after January 1, 2026, with early application permitted subject to any endorsement process.

>Annual Improvements to IFRS Accounting Standards – Volume 11

This set includes minor amendments to 5 standards, aiming to enhance clarity and consistency:

PFRS 1: First-time Adoption of International Financial Reporting Standards, which simplifies transition by permitting the use of cumulative translation differences from the previous GAAP as the deemed cost for translation adjustments.

PFRS 7: Financial Instruments: Disclosures aligns the disclosure requirements with PFRS 9 for financial instruments with ESG-linked features.

PFRS 9: Financial Instruments resolves classification inconsistencies and clarifies the treatment of fees for financial liability modifications, promoting greater consistency and accuracy in its application.

PFRS 10: Consolidated Financial Statements clarifies accounting for asset sales or contributions between an investor and its associate or joint venture after a loss of control, ensuring consistency in consolidation and equity method adjustments.

PAS 7: Statement of Cash Flows clarifies the classification of cash flows for interest paid and received under PFRS 9's hedge accounting, improving transparency for entities using hedging activities.

The amendments are effective for annual periods beginning on or after January 1, 2026.

>PFRS 18 Presentation and Disclosures in Financial Statements

PFRS 18 replaces PAS 1, carrying forward many of the requirements in PAS 1 unchanged and complementing them with new requirements. In addition, some PAS 1 paragraphs have been moved to PAS 8 and PFRS 7. Furthermore, the IASB has made minor amendments to PAS 7 and PAS 33 Earnings per Share.

PFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

An entity is required to apply PFRS 18 for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The amendments to PAS 7 and PAS 33, as well as the revised PAS 8 and PFRS 7, become effective when an entity applies PFRS 18. PFRS 18 requires retrospective application with specific transition provisions.

The amendments have no significant impact on the financial statements of the Company.

>PFRS 19 Subsidiaries without Public Accountability: Disclosures

PFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying PFRS Accounting Standards in its financial statements.

A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with PFRS Accounting Standards.

PFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

An entity is only permitted to apply PFRS 19 if, at the end of the reporting period:

- it is a subsidiary (this includes an intermediate parent)
- it does not have public accountability, and
- its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with PFRS Accounting Standards.

A subsidiary has public accountability if:

- its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or
- it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion).

Eligible entities can apply PFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply PFRS 19 in its consolidated financial statement may do so in its separate financial statements.

The new standard is effective for reporting periods beginning on or after January 1, 2027 with earlier application permitted.

If an entity elects to apply PFRS 19 for a reporting period earlier than the reporting period in which it first applies PFRS 18, it is required to apply a modified set of disclosure requirements set out in an appendix to PFRS 19. If an entity elects to apply PFRS 19 for an annual reporting period before it applied the amendments to PAS 21, it is not required to apply the disclosure requirements in PFRS 19 with regard to Lack of Exchangeability.

The amendments have no significant impact on the financial statements of the Company.

2023

At the date of authorization of these financial statements, the Company has not applied the following new and revised PFRS Standards that have been issued but are not yet effective.

>PFRS 17 and Amendments to PFRS 17, *Insurance Contracts*

PFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes PFRS 4, *Insurance Contracts*.

PFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

In June 2020, the FRSC adopted the Amendments to PFRS 17 (issued by IASB in June 2020) to address concerns and implementation challenges that were identified after PFRS 17 was published. The amendments defer the date of initial application of PFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after January 1, 2023. At the same time, the IASB issued Extension of the Temporary Exemption from Applying PFRS 9 (Amendments to PFRS 4) that extends the fixed expiry date of the temporary exemption from applying PFRS 9 in PFRS 4 to annual reporting periods beginning on or after January 1, 2023.

On December 15, 2022, the FRSC 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.

In December 2022, the IASB issued Initial Application of PFRS 17 and PFRS 9—Comparative Information (Amendment to PFRS 17) to address implementation challenges that were identified after PFRS 17 was published. The amendment addresses challenges in the presentation of comparative information.

PFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

This standard is not applicable to the Company.

>Amendments to PAS 1 Presentation of Financial Statements— Non-current Liabilities with Covenants

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

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

The amendments are applied retrospectively for annual reporting periods beginning on or after 1 January 2024. Earlier application of the amendments is permitted. If an entity applies the amendments for an earlier period, it is also required to apply the 2020 amendments early.

The directors of the Company anticipate that the application of these amendments may have an impact on the Company's financial statements in future periods.

>Amendments to PAS 7 Statement of Cash Flows and PFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements

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

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements
- The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement
- Liquidity risk information

The amendments, which contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments, are applicable for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

The directors of the Company are currently assessing the impact of these amendments.

>Amendment to PFRS 16 Leases—Lease Liability in a Sale and Leaseback

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

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

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

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

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

The directors of the Company are currently assessing the impact of these amendments.

>PFRS 10 and PAS 28 (Amendments), Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to PFRS 10 and PAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gain and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognized in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The directors of the Company anticipate that the application of these amendments may have an impact on the Company's financial statements in future periods should such transactions arise.

This standard is not applicable to the Company.

2022

At the date of authorization of these financial statements, the Company has not applied the following new and revised PFRS Standards that have been issued but are not yet effective.

>PFRS 17 and Amendments to PFRS 17, Insurance Contracts

PFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes PFRS 4, Insurance Contracts.

PFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

In June 2020, the FRSC adopted the Amendments to PFRS 17 (issued by IASB in June 2020) to address concerns and implementation challenges that were identified after PFRS 17 was published. The amendments defer the date of initial application of PFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after January 1, 2023. At the same time, the IASB issued Extension of the Temporary Exemption from Applying PFRS 9 (Amendments to PFRS 4) that extends the fixed expiry date of the temporary exemption from applying PFRS 9 in PFRS 4 to annual reporting periods beginning on or after January 1, 2023.

On December 15, 2021, the FRSC 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.

In December 2021, the IASB issued Initial Application of PFRS 17 and PFRS 9—Comparative Information (Amendment to PFRS 17) to address implementation challenges that were identified after PFRS 17 was published. The amendment addresses challenges in the presentation of comparative information.

PFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

This standard is not applicable to the Company.

>Amendments to PAS 1, Classification of Liabilities as Current or Non-current

The amendments to PAS 1 published in January 2020 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, with early application permitted. The IASB is currently considering further amendments to the requirements in PAS 1 on classification of liabilities as current or non-current, including deferring the application of the January 2020 amendments.

The directors of the Company are currently assessing the impact of these amendments.

>Amendments to PAS 1 Presentation of Financial Statements and PFRS Practice Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies

The amendments change the requirements in PAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in PAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in PFRS Practice Statement 2.

The amendments to PAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to PFRS Practice Statement 2 do not contain an effective date or transition requirements.

The directors of the Company are currently assessing the impact of these amendments.

>Amendments to PAS 8 Accounting Policies, Changes in Accounting Estimates and Errors— Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors

The Board added two examples (Examples 4-5) to the Guidance on implementing PAS 8, which accompanies the Standard. The Board has deleted one example (Example 3) as it could cause confusion in light of the amendments.

The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

The directors of the Company are currently assessing the impact of these amendments.

>Amendments to PAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to PAS 12, an entity is required to recognize the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in PAS 12.

The Board also adds an illustrative example to PAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognizes:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with:
 - Right-of-use assets and lease liabilities
 - Decommissioning, restoration and similar liabilities and the corresponding amounts recognized as part of the cost of the related asset
- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

The directors of the Company are currently assessing the impact of these amendments.

>PFRS 10 and PAS 28 (Amendments), Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to PFRS 10 and PAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gain and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognized in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The directors of the Company anticipate that the application of these amendments may have an impact on the Company's financial statements in future periods should such transactions arise.

This standard is not applicable to the Company.

4 BASIS FOR THE PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

4.01 Statement of Compliance

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs).

4.02 Basis of Accounting

The financial statements are prepared on a going concern basis under the historical cost basis, except for the revaluation of certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of PFRS 2 Share-based Payment, leasing transactions that are within the scope of PFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in PAS 2 Inventories or value in use in PAS 36 Impairment of Assets.

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

4.03 Presentation and Functional Currency

Items included in the financial statements of the Company are measured using Philippine Peso, the currency of the primary economic environment in which the Company operates (the “functional currency”). All information presented in Philippine Peso has been rounded to the nearest Peso, except when otherwise specified.

The Company chose to present its financial statements using its functional currency.

4.04 Use of Judgments and Estimates

The preparation of the Company’s financial statements requires Management to make judgments, estimates and assumptions that affect the amounts reported in the Company’s financial statements and accompanying notes.

Judgments are made by Management in the development, selection and disclosure of the Company’s significant accounting policies and estimates and the application of these policies and estimates.

The estimates and assumptions are reviewed on an ongoing basis. These are based on Management’s evaluation of relevant facts and circumstances as at the reporting date. Actual results could differ from such estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

4.05 Going Concern Assumption

Aside from the circumstance discussed in Note 3, the Company is not aware of any significant uncertainty that may cast doubts upon the Company’s ability to continue as a going concern.

5 MATERIAL ACCOUNTING POLICIES

Material accounting and financial reporting policies applied by the Company in the preparation of its financial statements are enumerated below and are consistently applied to all the years presented, unless otherwise stated.

5.01 Cash

Cash consists of petty cash fund and cash in-banks. It is carried in the statements of financial position at face amount or nominal amount. Cash in-banks earns interest at the respective bank deposit rates.

5.02 Financial Instruments

Financial assets and financial liabilities are recognized in the Company’s statements of financial position when the Company becomes a party to the contractual provision of the instrument. Financial assets and financial liabilities are initially measured at fair value.

5.03 Financial Assets

5.03.01 Financial Assets Initial Recognition and Measurement

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Company’s business model for managing them. With the exception of trade receivables that do not contain a significant component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are ‘solely payments of principal and interest (SPPI)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

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

5.03.02 Financial Assets - Subsequent Measurement

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

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss (FVTPL)

The Company has no financial assets classified as FVTOCI and FVTPL.

5.03.03 Financial Assets at Amortized Cost (Debt instruments)

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

The Company’s financial assets at amortized cost includes cash, trade and other receivables, due from related parties.

5.03.04 Measurement and Recognition of Expected Credit Losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at 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.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

5.03.05 Impairment of Financial Assets

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company recognizes lifetime ECL (expected credit losses) for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

5.03.06 Write-off of Financial Assets

The Company writes-off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written-off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

5.03.07 Derecognition of Financial Assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

5.04 Financial Liabilities and Equity Instruments

5.04.01 Classification as Debt or Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

5.04.02 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

5.04.03 Financial Liabilities Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, lease liability, due to related parties and dividends payable.

5.04.04 Financial Liabilities - Subsequent Measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost (loans and borrowings)

The Company has not designated any financial liability as at FVTPL.

5.04.05 Financial Liabilities at Amortized Cost

Financial liabilities at amortized cost is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

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

5.04.06 Derecognition of Financial Liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

When the Company exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognized in profit or loss as the modification gain or loss within other gains and losses.

5.04.07 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

5.05 Other Non-financial Assets

5.05.01 Prepayments

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are expensed to profit or loss as they are consumed in the operations or expire with the passage of time.

5.05.02 Value-Added Tax (VAT)

Input VAT is the 12% indirect tax paid by the Company in the course of the Company's business on local purchase of goods or services. Output VAT pertains to the 12% tax due on the collections from the sale of services by the Company.

If at the end of any taxable month the output VAT exceeds the input VAT, the excess shall be paid by the Company. If the input VAT exceeds the output VAT, the excess shall be carried over to the succeeding month or months. Input VAT on capital goods may, at the option of the Company, be refunded or credited against other internal revenue taxes, subject to certain laws.

Expenses and assets are recognized net of the amount of VAT.

5.05.03 Creditable Withholding Taxes (CWTs)

CWTs represent the amounts withheld by the Company's customers in relation to its income. CWTs can be utilized as payment for income taxes provided that these are properly supported by certificates of creditable tax withheld at source. CWTs are measured at face amount less any impairment in value.

5.06 Property and Equipment

Property and equipment are initially measured at cost less any accumulated depreciation and impairment losses. The cost of an asset consists of its purchase price and costs directly attributable to bringing the asset to its working condition for its intended use.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company. All other subsequent expenditures are recognized as expenses in the period in which those are incurred.

Depreciation is computed on the straight-line method based on the estimated useful lives of the assets as follows:

Furniture and fixtures	7.5 years
Computer and office equipment	3-5 years

Leasehold improvements are depreciated over the shorter between the improvements' useful life of thirteen (13) years or the lease term.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of a property and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

5.07 Computer Software

Computer software acquired with finite useful lives that are acquired separately are carried at cost less accumulated amortization and any impairment losses. Amortization is recognized on a straight-line basis over their estimated useful life of five (5) years.

The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

A computer software is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of computer software, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

5.08 Impairment of Tangible and Intangible Assets

At each reporting date, the Company reviews the carrying amounts of tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense.

When an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized as income.

5.09 Equity

Capital stock represents the nominal (par) value of shares that have been issued.
Deficit represents cumulative results of the Company's operations.

5.10 Short-term Employee Benefits

The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. Said benefits are measured at the undiscounted amount expected to be paid in exchange for services rendered. Short-term benefits given by the Company to its employees include salaries and wages, social security contributions, short-term compensated absences and bonuses.

5.11 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.
All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

5.12 Revenue Recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control of a product or service to a customer.

5.12.01 Revenue from contracts with Customers

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

5.12.02 Rendering of Services

Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract. Revenue from rendering of services is recognized when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company;
- the stage of completion of the transaction can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

5.12.02 Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest revenue is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

5.13 Expense Recognition

The Company recognizes costs and expenses in the statements of comprehensive income when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

5.13.01 Costs of Services

Cost of services are recognized as expense when the related services are sold or rendered.

5.13.02 Operating Expenses

Operating expenses constitute costs of administering the business and costs incurred to sell and market the services. These are expensed when incurred.

5.13.03 Finance Costs

Finance costs mainly pertain to interest expense on outstanding obligations. These are expensed as incurred and is recognized in profit or loss using the effective interest method.

5.14 Leases

5.14.01 The Company as Lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

5.14.02 Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the building of ten to thirty (10-30) years. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

5.14.03 Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

5.15 Foreign Currencies

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency, i.e. foreign currencies, are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognized in profit or loss in the period in which they arise.

5.16 Related Parties and Related Party Transactions

Parties are considered related if one party has control, joint control, or significant influence over the other party in making financial and operating decisions. The key management personnel of the Company, post-employment benefit plans for the benefit of Company's employees, and close members of the family of any individuals owning directly or indirectly a significant voting power of the Company that gives them significant influence in the financial and operating policy decisions of the Company are also considered to be related parties.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. An entity is related to the Company when it directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with the Company.

5.17 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

5.17.01 Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognized for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgment of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

5.17.02 Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, carry forward of unused tax credits from excess Minimum Corporate Income Tax (MCIT) over Regular Corporate Income Tax (RCIT) and unused Net Operating Loss Carryover (NOLCO), to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and carry forward of unused MCIT and unused NOLCO can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary differences arises from the initial recognition (other than in a business combination) assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary differences arise from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The directors reviewed the Company's investment property portfolios and concluded that none of the Company's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the directors have determined that the 'sale' presumption set out in the amendments to PAS 12 is not rebutted. As a result, the Company has not recognized any deferred taxes on changes in fair value of the investment properties as the Company is not subject to any income taxes on the fair value changes of the investment properties on disposal.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

5.17.03 Current and Deferred Tax for the Period

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

Pursuant to Section 4 (bbbb) of Republic Act No. 11494 or the "Bayanihan to Recover as One Act" (Bayanihan 2) and as implemented under Revenue Regulation No. 25-2020, the net operating loss of a business or enterprise for the taxable years 2020 and 2021 shall be carried over as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss. The net operating loss for said taxable years may be carried over as deduction even after the expiration of Bayanihan 2, provided the same are claimed within the next five (5) consecutive taxable years immediately following the year of such loss.

In accordance with Republic Act (RA) No. 11534, known as "The Corporate Recovery or Tax Incentives for Enterprises Act" (CREATE Act), the salient provisions applicable to the Company are as follows:

1. Effective July 1, 2020, the corporate income tax rate is reduced from 30% to 20% for domestic corporations with net taxable income not exceeding P5,000,000 and with total assets not exceeding P100,000,000, excluding land on which the particular business entity's office, plant, and equipment are situated during the taxable year for which the tax is imposed 20%. All other domestic corporations and resident foreign corporations will be subject to 25% income tax;
2. Minimum Corporate Income Tax (MCIT) rate reduced from 2% to 1% effective July 1, 2020, to June 30, 2023; and
3. The imposition of improperly accumulated earnings is repealed.

Further, pursuant to Sections 6, 7 and 13 of RA No. 11534, as implemented under Revenue Regulation Nos. 4-2021, 5-2021 and 8-2021, and as clarified by Revenue Memorandum Circular Nos. 65-2021 and 67-2021, RMC No. 69-2023 informs the public and all concerned that effective July 1, 2023, the Minimum Corporate Income Tax (MCIT) rate for domestic and resident foreign corporations, including offshore banking units and regional operating headquarters, shall now revert to two percent (2%) based on gross income.

5.18 Events After the End of the Reporting Period

The Company identifies subsequent events as events that occurred after the reporting date but before the date when the financial statements were authorized for issue. Any subsequent events that provide additional information about the Company's position at the reporting date, adjusting events, are reflected in the financial statements, while subsequent events that do not require adjustments, non-adjusting events, are disclosed in the notes to financial statements when material.

5.19 Prior period errors

The Company corrects material prior period errors retrospectively in the first set of financial statements authorized for issue after their discovery by: (a) restating the comparative amounts for the prior period presented in which the error occurred; or (b) if the error occurred before the earliest prior period presented, restating the opening balance of equity for the earliest prior period presented.

6 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

6.01 Critical Judgments in Applying Accounting Policies

The following are the critical judgments, apart from those involving estimations that Management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognized in financial statements.

6.01.01 Classification of Financial Assets and Liabilities

The Company determines the classification of the financial assets and liabilities at initial recognition and re-evaluates this classification at reporting date. The classifications of the various financial assets and liabilities are disclosed in Note 25 to the financial statements.

6.01.02 Evaluation of Provisions and Contingencies

Judgment is exercised by Management to distinguish between provisions and contingencies. The Company has determined that no contingencies will materially affect the Company's financial statements, hence, no provisions are recognized.

6.01.03 Significant Increase in Credit Risk

Expected credit losses are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. PFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

6.01.04 Judgement in Identifying Whether a Contract Includes a Lease

Based on the contract with various lessor, the Company has obtained the rights to substantially all of the capacity of the parking space and office space during the specified period, therefore it was judged that the contract indeed constitutes a lease.

PARTICULARS	31 Dec 2024	31 Dec 2023	31 Dec 2022	31 Dec 2024	31 Dec 2023	31 Dec 2022
	PESO	PESO	PESO	INR	INR	INR
Right-of-use assets	46,09,44,287	64,01,85,944	30,82,13,651	68,00,31,107	95,56,69,578	45,74,19,879
Lease liability	57,11,60,468	75,84,10,368	37,36,81,300	84,26,33,038	1,13,21,54,997	55,45,80,418

Based on the contract with a lessor, the Management have established that the Company does not have the right to obtain substantially all of the economic benefits from the use of the photocopy machine. As a result, the directors concluded that the contract does not contain a lease.

PARTICULARS	31 Dec 2024	31 Dec 2023	31 Dec 2022	31 Dec 2024	31 Dec 2023	31 Dec 2022
	PESO	PESO	PESO	INR	INR	INR
Rental - equipment	3,14,499	2,45,556	2,08,984	4,59,263	3,64,356	3,01,480

6.02 Key Sources of Estimation Uncertainty

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

6.02.01 Residual Values, Useful Lives and Depreciation and Amortization Method of Property and Equipment, and Computer Software

The residual values, useful lives and depreciation and amortization method of the Company's property and equipment, and computer software are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change in, how an asset is used; significant unexpected wear and tear; technological advancement; and changes in market prices since the most recent annual reporting date.

The useful lives of the Company's property and equipment, and computer software are estimated based on the period over which the assets are expected to be available for use. In determining the useful life of an asset, the Company considers the expected usage, expected physical wear and tear, technical or commercial obsolescence arising from changes or improvements in production, or from a change in the market demand for the product or service output and legal or other limits on the use of the Company's assets. In addition, the estimation of the useful lives is based on Company's collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment, and computer software would increase the recognized operating expenses and decrease non- current assets.

The Company uses a depreciation and amortization method that reflects the pattern in which it expects to consume the asset's future economic benefits. If there is an indication that there has been a significant change in the pattern used by which a Company expects to consume an asset's future economic benefits, the entity shall review its present depreciation method and, if current expectations differ, change the depreciation and amortization method to reflect the new pattern.

The residual values, useful lives and depreciation and amortization method of property and equipment, and computer software did not change in 2024, 2023 and 2022.

6.02.02 Estimating Asset Impairment

The Company performs an impairment review when certain impairment indicators are present.

Determining the fair value of property and equipment, investment in precious metals, computer software and right-of-use asset which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions that can materially affect the financial statements. Future events could cause the Company to conclude that property and equipment, right-of-use asset are impaired. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations.

The preparation of the estimated future cash flows involves significant judgment and estimations. While the Company believes that its assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under generally accepted accounting principles in the Philippines.

Based on the regular evaluation made by Management, the Company's property and equipment, computer software, right-of-use asset and prepayments and other current assets have no indications of being impaired as at December 31, 2024, 2023 and 2022.

6.02.03 Estimating Recoverability of Deferred tax Assets (DTA)

The Company reviews the carrying amounts at each balance sheet date and reduces DTA 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.

PARTICULARS	31 Dec 2024	31 Dec 2023	31 Dec 2022	31 Dec 2024	31 Dec 2023	31 Dec 2022
	PESO	PESO	PESO	INR	INR	INR
DTA	3,68,56,131	2,89,46,953	2,62,45,416	5,43,73,850	4,32,12,012	3,89,50,822

6.02.04 Financial Assets and Liabilities

The Company carries some of its financial assets and liabilities at fair value, which requires extensive 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, volatility rates, the amount of changes in fair value would differ if the Company utilized different valuation methodology. Any changes in fair value of these financial assets and liabilities would affect directly the profit or loss and equity.

Fair value of the Company's financial assets and liabilities are disclosed in Note 25.

6.02.05 Assessing Provisions for Expected Credit Losses

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

PARTICULARS	31 Dec 2024	31 Dec 2023	31 Dec 2022	31 Dec 2024	31 Dec 2023	31 Dec 2022
	PESO	PESO	PESO	INR	INR	INR
The allowance for expected credit loss on accounts receivable of more than ninety (90) days past due amounted to as disclosed in Note 7	235143	235143	230463	346906	351021	342030

6.02.06 Estimating the Incremental Borrowing Rate for Leases

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency).

The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

THE EXECUTIVE CENTRE MANILA PH, INC.
NOTES TO THE TRANSLATED VERSION OF FINANCIAL STATEMENTS

10 PROPERTY AND EQUIPMENT

PARTICULARS	Furniture and Fixtures PESO	Office Equipment PESO	Computer Equipment PESO	Leasehold Improvements PESO	Total PESO	Furniture and Fixtures INR	Office Equipment INR	Computer Equipment INR	Leasehold Improvements INR	Total INR
COST										
As at January 01, 2022	8,27,94,258	48,92,704	2,26,19,270	8,60,87,720	19,63,93,952	12,03,16,616	71,10,077	3,28,70,323	12,51,02,675	28,53,99,691
Additions	3,30,551	75,163	17,08,849	1,05,85,410	1,26,99,973	4,76,853	1,08,430	24,65,186	1,52,70,512	1,83,20,981
Foreign Currency Translation Reserve	-	-	-	-	-	25,72,060	1,54,304	7,69,852	30,99,405	65,95,621
As at December 31, 2022	8,31,24,809	49,67,867	2,43,28,119	9,66,73,130	20,90,93,925	12,33,65,529	73,72,811	3,61,05,361	14,34,72,592	31,03,16,293
As at January 01, 2023	8,31,24,809	49,67,867	2,43,28,119	9,66,73,130	20,90,93,925	12,33,65,529	73,72,811	3,61,05,361	14,34,72,592	31,03,16,293
Additions	2,54,84,134	7,27,420	1,12,72,931	11,46,19,396	15,21,03,881	3,78,13,358	10,79,346	1,67,26,775	17,00,72,260	22,56,91,739
Foreign Currency Translation Reserve	-	-	-	-	-	9,52,543	49,767	3,13,111	18,72,631	31,88,052
As at December 31, 2023	10,86,08,943	56,95,287	3,56,01,050	21,12,92,526	36,11,97,806	16,21,31,430	85,01,924	5,31,45,247	31,54,17,483	53,91,96,084
As at January 01, 2024	10,86,08,943	56,95,287	3,56,01,050	21,12,92,526	36,11,97,806	16,21,31,430	85,01,924	5,31,45,247	31,54,17,483	53,91,96,084
Additions	-	-	64,92,264	96,15,672	1,61,07,936	-	-	94,80,653	1,40,41,766	2,35,22,419
Transfer	-	41,581	50,179	-	91,760	-	60,721	73,276	-	1,33,997
Disposal	(1,67,20,479)	(11,30,292)	(40,81,436)	(4,70,62,059)	(6,89,94,266)	(2,44,16,915)	(16,50,565)	(59,60,121)	(6,87,24,725)	(10,07,52,326)
Foreign Currency Translation Reserve	-	-	-	-	-	(21,51,464)	(1,15,998)	(5,86,102)	(42,59,315)	(71,12,879)
As at December 31, 2024	9,18,88,464	46,06,576	3,80,62,057	17,38,46,139	30,84,03,236	13,55,63,051	67,96,082	5,61,52,953	25,64,75,209	45,49,87,295
ACCUMULATED DEPRECIATION										
As at January 01, 2022	1,10,05,554	10,05,997	70,73,057	1,09,81,307	3,00,65,915	1,59,93,271	14,61,915	1,02,78,566	1,59,58,035	4,36,91,787
Depreciation	1,10,79,635	9,86,418	69,52,884	72,22,486	2,62,41,423	1,59,83,481	14,23,007	1,00,30,230	1,04,19,158	3,78,55,876
Foreign Currency Translation Reserve	-	-	-	-	-	7,99,877	72,021	5,07,103	6,39,056	20,18,057
As at December 31, 2022	2,20,85,189	19,92,415	1,40,25,941	1,82,03,793	5,63,07,338	3,27,76,629	29,56,943	2,08,15,899	2,70,16,249	8,35,65,720
As at January 01, 2023	2,20,85,189	19,92,415	1,40,25,941	1,82,03,793	5,63,07,338	3,27,76,629	29,56,943	2,08,15,899	2,70,16,249	8,35,65,720
Depreciation	1,19,29,178	10,47,090	77,38,870	96,60,499	3,03,75,637	1,77,00,514	15,53,672	1,14,82,935	1,43,34,248	4,50,71,369
Foreign Currency Translation Reserve	-	-	-	-	-	2,99,504	26,758	1,91,676	2,45,318	7,63,256
As at December 31, 2023	3,40,14,367	30,39,505	2,17,64,811	2,78,64,292	8,66,82,975	5,07,76,647	45,37,373	3,24,90,510	4,15,95,815	12,94,00,345
As at January 01, 2024	3,40,14,367	30,39,505	2,17,64,811	2,78,64,292	8,66,82,975	5,07,76,647	45,37,373	3,24,90,510	4,15,95,815	12,94,00,345
Depreciation	1,28,09,145	9,72,849	90,77,360	1,39,80,922	3,68,40,276	1,87,05,194	14,20,651	1,32,55,669	2,04,16,340	5,37,97,854
Transfer	-	40,195	26,488	-	66,683	-	58,697	38,680	-	97,377
Disposal	(1,07,75,416)	(10,92,618)	(40,57,744)	(1,73,54,323)	(3,32,80,101)	(1,57,35,340)	(15,95,550)	(59,25,524)	(2,53,42,518)	(4,85,98,932)
Foreign Currency Translation Reserve	-	-	-	-	-	(5,64,745)	(54,385)	(3,05,192)	(5,38,226)	(14,62,548)
As at December 31, 2024	3,60,48,096	29,59,931	2,68,10,915	2,44,90,891	9,03,09,833	5,31,81,756	43,66,786	3,95,54,143	3,61,31,411	13,32,34,096
NET CARRYING AMOUNT:										
As at December 31, 2022	6,10,39,620	29,75,452	1,03,02,178	7,84,69,337	15,27,86,587	9,05,88,900	44,15,868	1,52,89,462	11,64,56,343	22,67,50,573
As at December 31, 2023	7,45,94,576	26,55,782	1,38,36,239	18,34,28,234	27,45,14,831	11,13,54,783	39,64,551	2,06,54,737	27,38,21,668	40,97,95,739
As at December 31, 2024	5,58,40,368	16,46,645	1,12,51,142	14,93,55,248	21,80,93,403	8,23,81,295	24,29,296	1,65,98,810	22,03,43,798	32,17,53,199

THE EXECUTIVE CENTRE MANILA PH, INC.
NOTES TO THE TRANSLATED VERSION OF FINANCIAL STATEMENTS

13 LEASES

Right-of-use Asset and Lease Liability

The Company leases an office building with an average lease term of five (5) years. In 2020, the Company entered into a lease agreement to occupy an office space in Ayala Triangle Gardens Tower 2 for its operations for a period of eight (8) years, commencing on November 1, 2020. The carrying amounts of the right-of-use asset as at December 31, 2022, 2023, 2024 are as follows:-

PARTICULARS	31 Dec 2024 PESO	31 Dec 2023 PESO	31 Dec 2022 PESO	31 Dec 2024 INR	31 Dec 2023 INR	31 Dec 2022 INR
Cost						
Balance as at January 01	86,34,33,658	47,17,89,127	47,17,89,127	1,28,89,33,765	70,01,82,243	68,56,03,959
Addition	33,37,420	28,34,20,008	-	48,73,634	42,05,38,608	-
Adjustments	(25,18,74,316)	10,82,24,523	-	(36,78,12,064)	16,05,83,547	-
Foreign Currency Translation Reserve	-	-	-	(1,88,38,142)	76,29,367	1,45,78,284
Balance as at December 31	61,48,96,762	86,34,33,658	47,17,89,127	90,71,57,193	1,28,89,33,765	70,01,82,243
Accumulated Depreciation						
Balance as at January 01	22,32,47,714	16,35,75,476	10,91,02,021	33,32,64,187	24,27,62,364	15,85,47,057
Depreciation	5,86,81,332	7,82,72,082	5,44,73,455	8,56,92,349	11,61,40,115	7,85,83,406
Adjustments	(12,79,76,571)	(1,85,99,844)	-	(18,68,84,187)	(2,75,98,449)	-
Foreign Currency Translation Reserve	-	-	-	(49,46,263)	19,60,157	56,31,901
Balance as at December 31	15,39,52,475	22,32,47,714	16,35,75,476	22,71,26,086	33,32,64,187	24,27,62,364
Carrying amount as at December 31	46,09,44,287	64,01,85,944	30,82,13,651	68,00,31,107	95,56,69,578	45,74,19,879

Approximately one-tenth of the leases for buildings and equipment expired in the current financial year. The expired contracts were replaced by new leases for identical underlying assets. This resulted in additions to right-of-use assets as given below:

PARTICULARS	31 Dec 2024 PESO	31 Dec 2023 PESO	31 Dec 2022 PESO	31 Dec 2024 INR	31 Dec 2023 INR	31 Dec 2022 INR
Addition in Right-of-use assets	33,37,420	28,34,20,008	-	48,73,634	42,05,38,608	-

Details of the lease liability of the Company are as follow:

PARTICULARS	31 Dec 2024 PESO	31 Dec 2023 PESO	31 Dec 2022 PESO	31 Dec 2024 INR	31 Dec 2023 INR	31 Dec 2022 INR
Current	3,82,08,864	5,88,06,697	3,71,12,096	5,63,69,537	8,77,86,637	5,50,78,062
Non-current	53,29,51,604	69,96,03,671	33,65,69,204	78,62,63,501	1,04,43,68,360	49,95,02,356
Total	57,11,60,468	75,84,10,368	37,36,81,300	84,26,33,038	1,13,21,54,997	55,45,80,418

Amounts recognized in profit or loss are as follows:

PARTICULARS	31 Dec 2024 PESO	31 Dec 2023 PESO	31 Dec 2022 PESO	31 Dec 2024 INR	31 Dec 2023 INR	31 Dec 2022 INR
Depreciation expense on right-of-use asset	5,86,81,332	7,82,72,082	5,44,73,455	8,56,92,349	11,61,40,115	7,85,83,406
Interest expense on lease liabilities	4,22,84,599	4,16,14,072	3,42,62,085	6,17,48,200	6,17,46,960	4,94,26,484
Total	10,09,65,931	11,98,86,154	8,87,35,540	14,74,40,549	17,78,87,075	12,80,09,890

THE EXECUTIVE CENTRE MANILA PH, INC.
NOTES TO THE TRANSLATED VERSION OF FINANCIAL STATEMENTS

7 CASH

PARTICULARS	31 Dec 2024 PESO	31 Dec 2023 PESO	31 Dec 2022 PESO	31 Dec 2024 INR	31 Dec 2023 INR	31 Dec 2022 INR
Cash in-banks	6,44,56,173	10,79,91,031	7,58,72,444	9,50,92,192	16,12,09,011	11,26,02,294
Petty cash fund	1,58,164	79,373	35,798	2,33,339	1,18,488	53,128
Total	6,46,14,337	10,80,70,404	7,59,08,242	9,53,25,531	16,13,27,499	11,26,55,422

8 TRADE AND OTHER RECEIVABLES

PARTICULARS	31 Dec 2024 PESO	31 Dec 2023 PESO	31 Dec 2022 PESO	31 Dec 2024 INR	31 Dec 2023 INR	31 Dec 2022 INR
Trade receivables	3,79,15,800	3,31,86,539	2,02,31,591	5,59,37,180	4,95,40,865	3,00,25,704
Less: Allowance for expected credit losses	(2,35,143)	(2,35,143)	(2,30,463)	(3,46,906)	(3,51,021)	(3,42,030)
Total	3,76,80,657	3,29,51,396	2,00,01,128	5,55,90,274	4,91,89,844	2,96,83,674
Others	1,84,67,504	1,85,37,001	1,17,34,238	2,72,45,102	2,76,72,032	1,74,14,780
Total	5,61,48,161	5,14,88,397	3,17,35,366	8,28,35,376	7,68,61,876	4,70,98,454

The movements in the allowance for expected credit losses are as follows:

PARTICULARS	31 Dec 2024 PESO	31 Dec 2023 PESO	31 Dec 2022 PESO	31 Dec 2024 INR	31 Dec 2023 INR	31 Dec 2022 INR
Balance at January 1	2,35,143	2,30,463	-	3,51,021	3,42,030	-
Provision	-	4,680	2,30,463	-	6,944	3,32,466
Foreign Currency Translation Reserve				(4,115)	2,047	9,564
Balance as at December 31	2,35,143	2,35,143	2,30,463	3,46,906	3,51,021	3,42,030

The Company's trade receivables pertain to unpaid customer billings for services rendered. These are normally collectible within thirty (30) to ninety (90) days.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable mentioned above. The carrying amount of trade receivables at the reporting date approximate their fair value.

The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Company has recognized a loss allowance after consideration of deposit and unrecognized revenue.

In determining the recoverability of trade receivables, the Company considers any change in the credit quality of the accounts receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated.

The Company does not hold any collateral or other credit enhancements over these balances, nor does it have a legal right of offset against any amounts owed by the Company to the counter party.

Aging of accounts that are past due but not impaired is as follows:

PARTICULARS	31 Dec 2024 PESO	31 Dec 2023 PESO	31 Dec 2022 PESO	31 Dec 2024 INR	31 Dec 2023 INR	31 Dec 2022 INR
1 – 30 days past due	-	95,07,758	37,61,781	-	1,41,93,181	55,82,859
31 – 60 days past due	6,62,984	22,30,505	21,01,380	9,78,100	33,29,698	31,18,658
61 – 90 days past due	1,63,19,030	2,70,754	3,93,016	2,40,75,465	4,04,182	5,83,275
Over 90 days past due	2,09,35,057	16,43,890	14,69,000	3,08,85,490	24,53,999	21,80,143
Total	3,79,17,071	1,36,52,907	77,25,177	5,59,39,055	2,03,81,060	1,14,64,935

9 PREPAYMENTS AND OTHER CURRENT ASSETS

PARTICULARS	31 Dec 2024 PESO	31 Dec 2023 PESO	31 Dec 2022 PESO	31 Dec 2024 INR	31 Dec 2023 INR	31 Dec 2022 INR
Prepaid rent	1,85,85,127	2,63,26,706	1,86,08,174	2,74,18,638	3,93,00,507	2,76,16,391
Prepaid tax	66,65,855	1,54,54,583	1,01,56,422	98,34,136	2,30,70,602	1,50,73,146
Prepaid commission	41,23,949	72,28,660	45,14,393	60,84,062	1,07,90,944	66,99,811
Prepaid office management fee	41,04,821	41,57,112	-	60,55,842	62,05,737	-
Deposits for fixed assets (Property & Equipment)	26,57,214	-	5,21,053	39,20,188	-	7,73,295
Deferred input VAT	16,46,866	51,93,761	35,36,863	24,29,621	77,53,246	52,49,058
Input VAT	9,47,043	50,64,571	29,49,152	13,97,173	75,60,392	43,76,836
Prepaid telecommunication	2,16,650	2,55,465	2,00,748	3,19,624	3,81,358	2,97,930
Prepaid insurance	1,61,294	1,38,674	94,421	2,37,957	2,07,013	1,40,130
Prepaid subscription	1,56,659	86,443	86,591	2,31,119	1,29,042	1,28,510
Prepaid advertising	-	-	2,083	-	-	3,091
Others	32,81,232	34,99,755	40,34,963	48,40,802	52,24,434	59,88,289
Total	4,25,46,710	6,74,05,730	4,47,04,863	6,27,69,162	10,06,23,275	6,63,46,487

Prepaid commission pertains to commission paid to third parties in advance.

Deposit for property and equipment represents deposits related to fixed assets that are currently in the process of being finalized.

Other current assets pertain to advance payments to various suppliers of goods and services.

11 COMPUTER SOFTWARE

PARTICULARS	31 Dec 2024 PESO	31 Dec 2023 PESO	31 Dec 2022 PESO	31 Dec 2024 INR	31 Dec 2023 INR	31 Dec 2022 INR
Cost						
Balance as at January 01	1,69,889	1,69,889	-	2,53,610	2,52,132	-
Additions	-	-	1,69,889	-	-	2,45,082
Foreign Currency Translation Reserve	-	-	-	(2,973)	1,478	7,050
Balance as at December 31	1,69,889	1,69,889	1,69,889	2,50,637	2,53,610	2,52,132
Accumulated Amortization						
Balance as at January 01	1,13,260	28,315	-	1,69,075	42,022	-
Amortization	56,629	84,945	28,315	82,695	1,26,041	40,847
Foreign Currency Translation Reserve	-	-	-	(1,133)	1,012	1,175
Balance as at December 31	1,69,889	1,13,260	28,315	2,50,637	1,69,075	42,022
Carrying Amount as at December 31	-	56,629	1,41,574	-	84,535	2,10,110

During the year, the Company carried out a review of the recoverable amount of its computer software. The Company has determined that there is no indication that an impairment loss has occurred on its computer software.

The Company has no computer software with restricted titles nor pledged as security for liabilities.

The Company has no contractual commitments to acquire computer software as at December 31, 2024, 2023 and 2022.

12 DEPOSITS

PARTICULARS	31 Dec 2024 PESO	31 Dec 2023 PESO	31 Dec 2022 PESO	31 Dec 2024 INR	31 Dec 2023 INR	31 Dec 2022 INR
Rental	2,46,89,356	2,46,89,356	1,76,80,156	3,64,24,207	3,68,56,271	2,62,39,120
Security maintenance	11,69,890	11,69,890	11,69,890	17,25,939	17,46,412	17,36,234
Others	66,22,077	65,61,768	38,10,679	97,69,550	97,95,407	56,55,429
Total	3,24,81,323	3,24,21,014	2,26,60,725	4,79,19,696	4,83,98,090	3,36,30,783

Others pertain to construction bond and deposits paid for annual carpet cleaning, IT Procurement for BP Castrol and office desks.

14 TRADE AND OTHER PAYABLES

PARTICULARS	31 Dec 2024 PESO	31 Dec 2023 PESO	31 Dec 2022 PESO	31 Dec 2024 INR	31 Dec 2023 INR	31 Dec 2022 INR
Deposits from customers	6,60,62,019	5,49,05,005	3,91,90,149	9,74,61,297	8,19,62,191	5,81,62,100
Unearned income	2,41,50,959	2,49,60,709	35,17,602	3,56,29,910	3,72,61,346	52,20,473
Trade payable	2,33,37,010	3,30,58,610	2,00,44,995	3,44,29,091	4,93,49,893	2,97,48,777
Unbilled trade payables	52,31,420	5,01,88,124	1,76,44,210	77,17,914	7,49,20,832	2,61,85,772
Trade payable – CAPEX vendors	38,42,605	33,45,359	33,45,359	56,68,995	49,93,952	49,64,847
Total	12,26,24,013	16,64,57,807	8,37,42,315	18,09,07,207	24,84,88,214	12,42,81,969

Deposits from customers pertain to client deposits received as security for all obligations provided by the Company's contractual agreements.

Unearned income pertains to services billed in advance to customers.

Trade payables pertain to unpaid rent and other outstanding liabilities to the Company's suppliers.

Unbilled trade payables pertain to liabilities incurred by the Company where the invoices has not yet received from its suppliers

Trade payables – CAPEX vendors refers to amounts owed to contractors in-charge of construction of offices for lease

16 OTHER CURRENT LIABILITIES

PARTICULARS	31 Dec 2024 PESO	31 Dec 2023 PESO	31 Dec 2022 PESO	31 Dec 2024 INR	31 Dec 2023 INR	31 Dec 2022 INR
Accrued expenses	4,12,92,355	3,04,37,396	1,82,07,163	6,09,18,611	4,54,36,945	2,70,21,251
Withholding taxes - compensation	2,56,949	1,13,152	1,44,261	3,79,077	1,68,913	2,14,098
Withholding taxes - expanded	2,04,793	14,70,589	10,12,869	3,02,131	21,95,295	15,03,199
SSS, PHIC and HDMF premiums	1,43,270	1,31,356	82,231	2,11,366	1,96,088	1,22,039
Withholding taxes - final	-	29,126	-	-	43,479	-
Deferred output VAT	-	32,15,795	-	-	48,00,539	-
Output VAT	-	-	21,08,769	-	-	31,29,624
Others	-	-	41,510	-	-	61,605
Total	4,18,97,367	3,53,97,414	2,15,96,803	6,18,11,185	5,28,41,259	3,20,51,816

Accrued expenses pertain to accruals of operating expenses like bonuses, 13th month payments, and others of the same nature, which remain unpaid as of the end of the year. Others pertain to other taxes and accruals of other operating expenses such as light and water.

THE EXECUTIVE CENTRE MANILA PH, INC.
NOTES TO THE TRANSLATED VERSION OF FINANCIAL STATEMENTS

15 RELATED PARTY TRANSACTIONS

15.01 Related Parties

The Company, in the normal course of business, enters into transactions with related parties consisting primarily of advances for working capital requirements. These advances have no fixed repayment terms and are payable on demand. There have been no guarantees provided or received for any related party receivables or payables. These accounts are generally non-interest bearing and unsecured and are payable in cash. Impairment assessment is undertaken each financial year through a review of the financial position of the related parties and the market in which the related parties operate.

The details of the Company's related party are summarized as follows:

Name of Related Party	Relationship
The Executive Centre Singapore Pte.Ltd.	Parent
The Executive Centre Limited - HQ Centre	Entities under common control
The Executive Centre Limited - Branch	Entities under common control

The transactions and outstanding balances of the Company with its related parties are as follows:

15.02 Due from Related Parties

Related Party	Nature of Transaction	Transaction during the year PESO	Outstanding Balance PESO	Transaction during the year INR	Outstanding Balance INR
December 31, 2024:					
The Executive Centre Limited – Branch	Advances	54,294	2,94,044	79,286	4,33,803
The Executive Centre Limited – HQ Centre	Advances	2,74,307	4,80,091	4,00,571	7,08,278
The Executive Centre Limited – HQ Centre	Forex loss	1,19,088	8802	1,73,904	12,986
The Executive Centre Limited – Australia	Advances	1,19,088	62,556	1,73,904	92,289
The Executive Centre Limited – Australia	Forex gain	(2,818)	-	(4,115)	-
The Executive Centre Singapore Pte Ltd.	Advances	18,01,161	2,73,62,603	26,30,235	4,03,68,048
The Executive Centre Singapore Pte Ltd.	Forex gain	4,65,397	6,81,744	6,79,619	10,05,777
Total		28,30,517	2,88,89,840	41,33,404	4,26,21,181
December 31, 2023:					
The Executive Centre Limited – Branch	Advances	2,08,350	2,39,750	3,09,150	3,57,899
The Executive Centre Limited – HQ Centre	Advances	1,10,337	2,05,784	1,63,718	3,07,194
The Executive Centre Limited – HQ Centre	Forex loss	(1,10,286)	(1,10,286)	(1,63,642)	(1,64,635)
The Executive Centre Limited – Australia	Advances	63,948	63,948	94,886	95,462
The Executive Centre Limited – Australia	Forex gain	1,426	1,426	2,116	2,129
The Executive Centre Singapore Pte Ltd.	Advances	9,37,672	2,55,61,442	13,91,318	3,81,58,121
The Executive Centre Singapore Pte Ltd.	Forex gain	2,16,348	2,16,348	3,21,017	3,22,964
Total		14,27,795	2,61,78,412	21,18,563	3,90,79,134
December 31, 2022:					
The Executive Centre Limited – Branch	Advances	31,400	31,400	45,298	46,601
The Executive Centre Limited – HQ Centre	Advances	84,368	95,447	1,21,709	1,41,653
The Executive Centre Singapore Pte Ltd.	Advances	29,93,242	2,46,23,770	43,18,051	3,65,44,137
Total	-	31,09,010	2,47,50,617	44,85,058	3,67,32,391

15.03 Due to Related Parties

Related Party	Nature of Transaction	Transaction during the year PESO	Outstanding Balance PESO	Transaction during the year INR	Outstanding Balance INR
December 31, 2024:					
The Executive Centre Limited – Branch	Advances	(8,39,08,446)	7,90,48,897	(12,25,31,504)	11,66,20,838
The Executive Centre Limited – Branch	Forex gain	76,98,304	64,46,320	1,12,41,833	95,10,256
The Executive Centre Limited – HQ Centre	Advances	88,954	3,47,257	1,29,900	5,12,308
The Executive Centre Limited – HQ Centre	Forex gain	12,331	10,753	18,007	15,864.00
The Executive Centre Limited – Australia	Advances	-	3,645	-	5,377
The Executive Centre Limited – Australia	Forex loss	(160)	(87)	(234)	(128)
The Executive Centre Singapore PTE LTD	Advances	4,412	19,49,05,011	6,443	28,75,43,363
The Executive Centre Singapore PTE LTD	Forex gain	60,43,225	41,95,078	88,24,921	61,88,999
The Executive Centre Indonesia	Advances	2,206	2,126	3,221	3,136
The Executive Centre Indonesia	Forex gain	(80)	-	(117)	-
The Executive Centre Vietnam	Advances	8,751	8,503	12,779	12,544
The Executive Centre Vietnam	Forex gain	(248)	-	(362)	-
Total		(7,00,50,751)	28,49,67,503	(10,22,95,113)	42,04,12,557
December 31, 2023:					
The Executive Centre Limited – Branch	Advances	7,88,474	16,29,57,343	11,69,938	24,32,62,722
The Executive Centre Limited – Branch	Forex gain	(12,51,984)	(12,51,984)	(18,57,694)	(18,68,962)
The Executive Centre Limited – HQ Centre	Advances	87,226	2,58,303	1,29,426	3,85,595
The Executive Centre Limited – HQ Centre	Forex gain	(1,578)	(1,578)	(2,341)	(2,356)
The Executive Centre Limited – Australia	Advances	3,645	3,645	5,408	5,441
The Executive Centre Limited – Australia	Forex loss	73	73	108	109
The Executive Centre Singapore PTE LTD	Advances	9,08,80,000	19,49,00,599	13,48,47,744	29,09,47,614
The Executive Centre Singapore PTE LTD	Forex gain	(18,48,147)	(18,48,147)	(27,42,281)	(27,58,914)
Total		8,86,57,709	35,50,18,254	13,15,50,308	52,99,71,249
December 31, 2022:					
The Executive Centre Limited – Branch	Advances	2,42,28,370	16,21,68,869	3,49,51,847	24,06,74,818
The Executive Centre Limited – HQ Centre	Advances	1,71,077	1,71,077	2,46,796	2,53,895
The Executive Centre Singapore PTE LTD	Advances	91,60,277	10,40,20,599	1,32,14,616	15,43,76,971
Total		3,35,59,724	26,63,60,545	4,84,13,259	39,53,05,684

The Company in its regular conduct of business entered into transactions with related party to augment its working capital requirements which principally consist of advances and reimbursement of expenses.

These amounts are non-interest bearing, unsecured, will be settled in cash and due and demandable anytime. No guarantees have been given in respect of the amounts owed to related parties.

15.04 Remuneration of Key Management Personnel

No remuneration was given by the Company to its directors and other members of key management personnel during the year 2024, 2023 and 2022.

The Company is not covered by the requirements and procedures for related party transactions provided under BIR Revenue Regulation No. 34 - 2020 as at December 31, 2024, 2023 and 2022.

17 CAPITAL STOCK

Particulars	31 Dec 2024 PESO	31 Dec 2023 PESO	31 Dec 2022 PESO	31 Dec 2024 INR	31 Dec 2023 INR	31 Dec 2022 INR
Authorized PESO 1 par value per share	1,20,00,000	1,20,00,000	1,20,00,000	1,74,38,400	1,74,38,400	1,74,38,400
Issued and fully paid	1,20,00,000	1,20,00,000	1,20,00,000	1,74,38,400	1,74,38,400	1,74,38,400

THE EXECUTIVE CENTRE MANILA PH, INC.
NOTES TO THE TRANSLATED VERSION OF FINANCIAL STATEMENTS

18 REVENUES

PARTICULARS	31 Dec 2024 PESO	31 Dec 2023 PESO	31 Dec 2022 PESO	31 Dec 2024 INR	31 Dec 2023 INR	31 Dec 2022 INR
Service	19,70,82,471	17,51,52,242	13,89,20,899	28,77,99,532	25,98,90,897	20,04,07,289
Meeting room	1,46,77,102	72,64,781	52,69,700	2,14,32,972	1,07,79,482	76,02,069
Telecommunication	1,39,61,688	1,97,21,540	1,84,46,325	2,03,88,253	2,92,62,821	2,66,10,668
S.I. Reinstatement	89,10,362	23,85,965	-	1,30,11,802	35,40,295	-
Car Parking	52,93,420	52,96,401	-	77,29,981	78,58,800	-
Virtual office	43,88,501	27,11,183	14,23,995	64,08,528	40,22,853	20,54,255
Co-working and community	30,75,667	28,50,487	9,30,628	44,91,397	42,29,553	13,42,524
Secretarial Service	11,29,643	10,18,600	-	16,49,618	15,11,399	-
S.I. Facilities	10,66,743	4,20,148	-	15,57,765	6,23,416	-
Renovation	9,28,699	3,41,707	-	13,56,179	5,07,025	-
Support Service	4,21,667	2,87,278	-	6,15,760	4,26,263	-
Furniture Rental	2,87,342	1,31,404	-	4,19,606	1,94,977	-
Courier Service	94,034	12,148	-	1,37,318	18,025	-
Equipment Rental	11,183	-	-	16,331	-	-
Others	59,72,645	86,62,922	1,42,56,830	87,21,853	1,28,54,044	2,05,66,903
Total	25,73,01,167	22,62,56,806	17,92,48,377	37,57,36,895	33,57,19,850	25,85,83,708

19 COST OF SERVICES

PARTICULARS	31 Dec 2024 PESO	31 Dec 2023 PESO	31 Dec 2022 PESO	31 Dec 2024 INR	31 Dec 2023 INR	31 Dec 2022 INR
Depreciation - right-of-use asset	5,86,81,332	7,82,72,082	5,44,73,455	8,56,92,349	11,61,40,115	7,85,83,406
IT services	31,78,093	42,26,737	37,44,875	46,40,969	62,71,632	54,02,357
Car parking	19,68,210	27,59,552	26,61,833	28,74,177	40,94,623	38,39,960
Renovation	77,255	2,62,695	8,67,863	1,12,815	3,89,787	12,51,979
Meeting room	12,52,600	2,49,355	2,34,726	18,29,172	3,69,993	3,38,616
Facilities	1,15,422	74,154	64,884	1,68,551	1,10,030	93,602
Community income	12,299	26,437	-	17,960	39,227	-
Courier services	52,376	7,854	6,704	76,485	11,654	9,671
Others	65,06,919	67,61,060	45,98,881	95,02,054	1,00,32,061	66,34,346
Total	7,18,44,506	9,26,39,926	6,66,53,221	10,49,14,532	13,74,59,122	9,61,53,937

Other cost of services pertains to groceries, meals, pantry and other supplies of local employees.

20 OTHER INCOME

PARTICULARS	31 Dec 2024 PESO	31 Dec 2023 PESO	31 Dec 2022 PESO	31 Dec 2024 INR	31 Dec 2023 INR	31 Dec 2022 INR
Gain on disposal of business centre	2,93,18,555	-	-	4,28,13,886	-	-
Interest income	283	243	105	413	361	151
Foreign exchange gain	-	32,10,242	-	-	47,63,357	-
				-	-	-
Total	2,93,18,838	32,10,485	105	4,28,14,299	47,63,718	151

The following is the composition of the Company's gain on disposal of business centre:

PARTICULARS	31 Dec 2024 PESO	31 Dec 2023 PESO	31 Dec 2022 PESO	31 Dec 2024 INR	31 Dec 2023 INR	31 Dec 2024 INR
Disposal of Centre Loss/Gain – ROUA	2,75,19,385	-	-	4,01,86,558	-	-
Disposal of Centre Loss/Gain - COS	17,99,170	-	-	26,27,328	-	-
Total	2,93,18,555	-	-	4,28,13,886	-	-

The following is the composition of the Company's foreign exchange gain:

PARTICULARS	31 Dec 2024 PESO	31 Dec 2023 PESO	31 Dec 2022 PESO	31 Dec 2024 INR	31 Dec 2023 INR	31 Dec 2024 INR
Unrealized foreign exchange gain	-	32,09,124	-	-	47,61,698	-
Realized foreign exchange gain	-	1,119	-	-	1,660	-
Total	-	32,10,243	-	-	47,63,358	-

21 OPERATING EXPENSES

PARTICULARS	31 Dec 2024 PESO	31 Dec 2023 PESO	31 Dec 2022 PESO	31 Dec 2024 INR	31 Dec 2023 INR	31 Dec 2022 INR
Depreciation - property and equipment	3,68,40,275	3,03,75,637	2,62,41,423	5,37,97,854	4,50,71,370	3,78,55,877
Salaries, wages and other benefits	2,17,99,178	1,74,17,292	1,32,65,818	3,18,33,340	2,58,43,778	1,91,37,269
Loss on disposal of centre	1,91,16,671	-	-	2,79,16,075	-	-
Office management fee	1,64,15,743	1,35,86,105	1,08,47,654	2,39,71,910	2,01,59,063	1,56,48,826
Foreign exchange loss	1,33,65,959	12,38,716	2,02,98,793	1,95,18,310	18,38,007	2,92,83,039
Utilities	69,94,892	38,15,864	45,81,477	1,02,14,641	56,61,979	66,09,239
Agency and commission	69,63,890	1,13,40,667	1,17,98,798	1,01,69,369	1,68,27,282	1,70,20,946
Communication	54,22,826	47,15,587	38,83,732	79,18,953	69,96,988	56,02,672
Transportation and travel	41,51,239	18,43,667	7,96,641	60,62,054	27,35,633	11,49,234
Professional fees	28,10,679	31,10,462	31,41,983	41,04,435	46,15,304	45,32,625
Pantry supplies	19,01,624	19,97,076	10,04,046	27,76,942	29,63,261	14,48,437
Advertising – centre events	12,84,783	7,08,649	8,66,754	18,76,169	10,51,493	12,50,379
Repair and maintenance	10,71,625	13,17,590	11,94,242	15,64,894	19,55,040	17,22,814
Withholding tax	9,46,597	11,62,840	4,16,121	13,82,316	17,25,422	6,00,296
Community events	5,01,320	1,16,195	5,70,252	7,32,078	1,72,410	8,22,646
Office supplies	4,05,822	14,06,649	4,28,863	5,92,622	20,87,186	6,18,678
Taxes and licenses	3,88,594	6,13,761	1,56,019	5,67,464	9,10,699	2,25,073
Storage fee	3,41,781	1,75,500	1,78,098	4,99,103	2,60,407	2,56,924
Rental - equipment	3,14,499	2,45,556	2,08,984	4,59,263	3,64,356	3,01,480
Facility expense	2,98,211	-	-	4,35,478	-	0
Bank charge	2,97,839	2,22,750	1,01,725	4,34,934	3,30,516	1,46,748
Insurance	2,79,877	2,02,968	3,52,127	4,08,704	3,01,164	5,07,978
Subscription fee	1,77,193	1,42,104	2,05,496	2,58,755	2,10,854	2,96,449
Amortization	56,629	84,945	28,315	82,695	1,26,041	40,847
Gifts and donation	-	40,812	-	-	60,557	0
Provision for bad debts	-	4,680	2,30,463	-	6,944	3,32,466
Recruitment	-	-	55,250	-	-	79,704
Others	35,41,415	8,44,722	9,94,790	51,71,528	12,53,399	14,35,084
Total	14,56,89,161	9,67,30,794	10,18,47,864	21,27,49,886	14,35,29,153	14,69,25,730

Withholding tax pertains to the payment of final tax on certain income shouldered by the Company during the year and is not creditable against the income tax due of the payee on other income subject to regular rates of tax for the taxable year.

The following is the composition of the Company's foreign exchange loss:

PARTICULARS	31 Dec 2024 PESO	31 Dec 2023 PESO	31 Dec 2022 PESO	31 Dec 2024 INR	31 Dec 2023 INR	31 Dec 2022 INR
Unrealized foreign exchange loss	1,31,71,705	-	2,02,82,745	1,92,34,641	-	2,92,59,888
Realized foreign exchange loss	1,94,254	12,38,716	16,048	2,83,669	18,38,007	23,151
Total	1,33,65,959	12,38,716	2,02,98,793	1,95,18,310	18,38,007	2,92,83,039

The following is the composition of the Company's Salaries, wages and other benefits:

PARTICULARS	31 Dec 2024 PESO	31 Dec 2023 PESO	31 Dec 2022 PESO	31 Dec 2024 INR	31 Dec 2023 INR	31 Dec 2022 INR
Salaries and wages	1,15,75,026	1,00,57,736	90,04,705	1,69,03,010	1,49,23,669	1,29,90,187
Commission	60,94,587	36,93,944	21,94,284	88,99,925	54,81,074	31,65,474
Bonuses and incentives	20,23,668	20,11,271	14,66,227	29,55,162	29,84,324	21,15,179
Staff benefits	11,10,052	8,43,927	-	16,21,009	12,52,219	-
SSS, PhilHealth and HDMF contributions	9,65,845	8,10,414	6,00,602	14,10,423	12,02,492	8,66,428
Retrenchment cost	30,000	-	-	43,809	-	-
Total	2,17,99,178	1,74,17,292	1,32,65,818	3,18,33,338	2,58,43,778	1,91,37,268

22 FINANCE COSTS

PARTICULARS	31 Dec 2024 PESO	31 Dec 2023 PESO	31 Dec 2022 PESO	31 Dec 2024 INR	31 Dec 2023 INR	31 Dec 2022 INR
Interest expense on lease liabilities	4,22,84,599	4,16,14,072	3,42,62,085	6,17,48,200	6,17,46,960	4,94,26,484
Other Interest	1,35,47,361	78,37,089	60,57,222	1,97,83,211	1,16,28,673	87,38,148
Total	5,58,31,960	4,94,51,161	4,03,19,307	8,15,31,411	7,33,75,633	5,81,64,632

THE EXECUTIVE CENTRE MANILA PH, INC.
NOTES TO THE TRANSLATED VERSION OF FINANCIAL STATEMENTS

23 INCOME TAXES

Income Tax Recognized in Profit or Loss:

PARTICULARS	31 Dec 2024 PESO	31 Dec 2023 PESO	31 Dec 2022 PESO	31 Dec 2024 INR	31 Dec 2023 INR	31 Dec 2022 INR
Current tax expense	(1,52,23,188)	(18,10,529)	(17,16,534)	(2,22,30,421)	(26,86,463)	(24,76,272)
Deferred tax benefit	81,70,712	18,99,256	74,91,202	1,19,31,691	28,18,116	1,08,06,808
Total	(70,52,476)	88,727	57,74,668	(1,02,98,730)	1,31,653	83,30,536

A numerical reconciliation between tax benefit and the product of accounting loss multiplied by the tax rate are as follows:

PARTICULARS	31 Dec 2024 PESO	31 Dec 2023 PESO	31 Dec 2022 PESO	31 Dec 2024 INR	31 Dec 2023 INR	31 Dec 2022 INR
Accounting loss	1,32,54,378	(93,54,590)	(2,95,71,910)	1,93,55,368	(1,38,80,341)	(4,26,60,437)
Tax benefit at 25%	(33,13,595)	23,38,648	73,92,978	(48,38,842)	34,70,085	1,06,65,109
Tax effect of:						
Non-deductible interest expense	(33,86,840)	(19,59,272)	(15,14,305)	(49,45,802)	(29,07,168)	(21,84,536)
Non-deductible withholding tax expense	(2,36,649)	(2,90,710)	(1,04,030)	(3,45,579)	(4,31,355)	(1,50,074)
Non-deductible – deficiency taxes	(1,09,213)	-	-	(1,59,484)	-	-
Non-deductible expense – penalties and surcharges	(6,250)	-	-	(9,127)	-	-
Income subject to final tax	71	61	26	104	91	38
Total	(70,52,476)	88,727	57,74,669	(1,02,98,730)	1,31,653	83,30,537

Details of Company's excess MCIT over the regular income tax which can be claimed as tax credits against regular income tax as on 31 Dec, 2024 as follows:

Year Incurred	Amount PESO	Applied Previous Year PESO	Applied Current Year PESO	Expired PESO	Unapplied PESO	Expiry Date
2021	10,46,133	-	-	10,46,133	-	2024
2022	3,38,185	-	-	-	3,38,185	2025
2023	5,46,551	-	-	-	5,46,551	2026
Total	19,30,869	-	-	10,46,133	8,84,736	

Year Incurred	Amount INR	Applied Previous Year INR	Applied Current Year INR	Expired INR	Unapplied INR	Expiry Date
2021	15,27,668	-	-	15,27,668	-	2024
2022	4,93,852	-	-	-	4,93,852.00	2025
2023	7,98,128	-	-	-	7,98,128.00	2026
Total	28,19,648	-	-	15,27,668	12,91,980.00	

THE EXECUTIVE CENTRE MANILA PH, INC.

NOTES TO THE TRANSLATED VERSION OF FINANCIAL STATEMENTS

24 DEFERRED TAXES

24.01 Deferred Tax Assets (DTA)

The components of the Company's DTA and their respective movements are as follows:

Year Incurred	MCIT PESO	Leases PESO	NOLCO PESO	Unrealized Foreign Exchange Loss PESO	Expected Credit Losses PESO	Unearned Income PESO	Total PESO
Balances as on Dec 31, 2021	10,46,133	1,22,75,272	32,02,113	22,30,698	-	-	1,87,54,216
Recognized in profit or loss	3,38,184	40,91,642	(32,02,113)	50,20,686	57,616	11,85,185	74,91,200
Foreign Currency Translation Reserve	-	-	-	-	-	-	-
Balances as on Dec 31, 2022	13,84,317	1,63,66,914	-	72,51,384	57,616	11,85,185	2,62,45,416
Recognized in profit or loss	5,46,551	83,59,687	-	(50,20,686)	1,170	(11,85,185)	27,01,537
Foreign Currency Translation Reserve	-	-	-	-	-	-	-
Balances as on Dec 31, 2023	19,30,868	2,47,26,601	-	22,30,698	58,786	-	2,89,46,953
Expiration	(2,61,533)	-	-	-	-	-	(2,61,533)
Recognized in profit or loss	-	48,77,785	-	32,92,926	-	-	81,70,711
Foreign Currency Translation Reserve	-	-	-	-	-	-	-
Balances as on Dec 31, 2024	16,69,335	2,96,04,386	-	55,23,624	58,786	-	3,68,56,131

Year Incurred	MCIT INR	Leases INR	NOLCO INR	Unrealized Foreign Exchange Loss INR	Expected Credit Losses INR	Unearned Income INR	Total INR
Balances as on Dec 31, 2021	15,20,240	1,78,38,425	46,53,311	32,41,650	-	-	2,72,53,626
Recognized in profit or loss	4,87,864	59,02,603	(46,19,368)	72,42,842	83,117	17,09,748	1,08,06,806
Foreign Currency Translation Reserve	46,361	5,49,109	(33,943)	2,77,287	2,391	49,185	8,90,390
Balances as on Dec 31, 2022	20,54,465	2,42,90,137	-	1,07,61,779	85,508	17,58,933	3,89,50,822
Recognized in profit or loss	8,10,972	1,24,04,104	-	(74,49,694)	1,736	(17,58,578)	40,08,540
Foreign Currency Translation Reserve	16,963	2,17,629	-	17,901	512	-355	2,52,650
Balances as on Dec 31, 2023	28,82,400	3,69,11,870	-	33,29,986	87,756	-	4,32,12,012
Expiration	(3,81,917)	-	-	-	-	-	(3,81,917)
Recognized in profit or loss	-	71,23,029	-	48,08,660	-	-	1,19,31,689
Foreign Currency Translation Reserve	(37,713)	(3,59,548)	-	10,356	(1,029)	-	(3,87,934)
Balances as on Dec 31, 2024	24,62,770	4,36,75,351	-	81,49,002	86,727	-	5,43,73,850

24.02 Deferred Tax Liability (DTL)

PARTICULARS	31 Dec 2024 PESO	31 Dec 2023 PESO	31 Dec 2022 PESO	31 Dec 2024 INR	31 Dec 2023 INR	31 Dec 2022 INR
Deferred tax liability arising from unrealized foreign exchange gain	8,02,281	8,02,281	-	11,83,605	11,97,645	-

THE EXECUTIVE CENTRE MANILA PH, INC.

NOTES TO THE TRANSLATED VERSION OF FINANCIAL STATEMENTS

25 FAIR VALUE MEASUREMENTS

Fair value is defined as 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 objective of a fair value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions.

25.01 Fair Value of Financial Assets and Liabilities

The carrying amounts and estimated fair values of the Company's financial assets and financial liabilities are presented below:

PARTICULARS	31 Dec 2024 PESO		31 Dec 2023 PESO		31 Dec 2022 PESO	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair value
Financial Assets:						
Cash	6,46,14,337	6,46,14,337	10,80,70,404	10,80,70,404	7,59,08,242	7,59,08,242
Trade and other receivables*	5,61,48,161	5,61,48,161	5,14,88,397	5,14,88,397	3,17,35,366	3,17,35,366
Due from related parties	2,88,89,840	2,88,89,840	2,61,78,412	2,61,78,412	2,47,50,617	2,47,50,617
Deposits	3,24,81,323	3,24,81,323	3,24,21,014	3,24,21,014	2,26,60,725	2,26,60,725
Total	18,21,33,661	18,21,33,661	21,81,58,227	21,81,58,227	15,50,54,950	15,50,54,950
Financial Liabilities:						
Trade and other payables	12,26,24,013	12,26,24,013	16,64,57,807	16,64,57,807	8,37,42,315	8,37,42,315
Due to related parties	28,49,67,503	28,49,67,503	35,50,18,254	35,50,18,254	26,63,60,545	26,63,60,545
Lease liabilities	57,11,60,468	57,11,60,468	75,84,10,368	75,84,10,368	37,36,81,300	37,36,81,300
Other current liabilities**	4,12,92,355	4,12,92,355	3,04,37,396	3,04,37,396	1,82,07,163	1,82,07,163
Total	1,02,00,44,339	1,02,00,44,339	1,31,03,23,825	1,31,03,23,825	74,19,91,323	74,19,91,323

PARTICULARS	31 Dec 2024 INR		31 Dec 2023 INR		31 Dec 2022 INR	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair value
Financial Assets:						
Cash	9,53,25,531	9,53,25,531	16,13,27,499	16,13,27,499	11,26,55,422	11,26,55,422
Trade and other receivables*	8,28,35,382	8,28,35,382	7,68,61,879	7,68,61,879	4,70,98,457	4,70,98,457
Due from related parties	4,26,21,181	4,26,21,181	3,90,79,133	3,90,79,133	3,67,32,391	3,67,32,391
Deposits	4,79,19,696	4,79,19,696	4,83,98,090	4,83,98,090	3,36,30,782	3,36,30,782
Total	26,87,01,790	26,87,01,790	32,56,66,601	32,56,66,601	23,01,17,052	23,01,17,052
Financial Liabilities:						
Trade and other payables	18,09,07,206	18,09,07,206	24,84,88,214	24,84,88,214	12,42,81,970	12,42,81,970
Due to related parties	42,04,12,557	42,04,12,557	52,99,71,250	52,99,71,250	39,53,05,685	39,53,05,685
Lease liabilities	84,26,33,038	84,26,33,038	1,13,21,54,997	1,13,21,54,997	55,45,80,417	55,45,80,417
Other current liabilities**	6,09,18,611	6,09,18,611	4,54,36,945	4,54,36,945	2,70,21,251	2,70,21,251
Total	1,50,48,71,412	1,50,48,71,412	1,95,60,51,406	1,95,60,51,406	1,10,11,89,323	1,10,11,89,323

* Net of allowance for expected credit losses amounting to

** Excluding statutory liabilities

The fair values of financial assets and financial liabilities are determined as follows.

- > The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes listed redeemable notes, bills of exchange, debentures and perpetual notes).
- > The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.
- > The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

25.02 Fair Value Measurements Recognized in the Statements of Financial Position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

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

THE EXECUTIVE CENTRE MANILA PH, INC.
NOTES TO THE TRANSLATED VERSION OF FINANCIAL STATEMENTS

26 FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company has exposure to the following risks from its use of financial instruments:

- Market Risk
- Credit Risk
- Liquidity Risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risks, and the Company's management of capital.

The main purpose of the Company's dealings in financial instruments is to fund its operations and capital expenditures.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors, through the Executive Committee, is responsible for developing and monitoring the Company's risk management policies. The committee identifies all issues affecting the operations of the Company and reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. All risks faced by the Company are incorporated in the annual operating budget. Mitigating strategies and procedures are also devised to address the risks that inevitably occur so as not to affect the Company's operations and detriment forecasted results.

The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

26.01 Market Risk Management

Foreign Currency Risk Management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilizing forward foreign exchange contracts.

The Company is mainly exposed to the Singaporean Dollar.

26.02 Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's credit risk arises principally from the Company's trade and other receivables.

Exposure to credit risk is monitored on an ongoing basis. Credit checks are being performed on all clients requesting credit over certain amounts. Credit is not extended beyond authorised limits, established where appropriate through consultation with a professional credit vetting organisation. Credit granted is subject to regular review, to ensure it remains consistent with the clients' current credit worthiness and appropriate to the anticipated volume of business.

The investment of the Company's cash resources is managed so as to minimise risk while seeking to enhance yield. The Company's holding of cash and money market placements exposes the Company to credit risk of the counterparty if the counterparty is unwilling or unable to fulfil its obligations and the Company consequently suffers financial loss. Credit risk management involves entering into financial transactions only with counterparties with acceptable credit rating.

The treasury policy sets aggregate credit limits of any one counterparty and Management annually reviews the exposure limits and credit ratings of the counterparties.

Receivable balance is being monitored on a regular basis to ensure timely execution of necessary intervention efforts.

The carrying amount of financial assets as at December 31, 2024, 2023 and 2022 represents the maximum credit exposure. The maximum exposure to credit risk at the reporting dates is as follows:

PARTICULARS	2024 PESO	2023 PESO	2022 PESO	2024 INR	2023 INR	2022 INR
Cash	6,46,14,337	10,80,70,404	7,59,08,242	9,53,25,531	16,13,27,499	11,26,55,422
Trade and other receivables*	5,61,48,161	5,14,88,397	3,17,35,366	8,28,35,376	7,68,61,876	4,70,98,454
Due from related parties	2,88,89,840	2,61,78,412	2,47,50,617	4,26,21,181	3,90,79,134	3,67,32,391
Deposits	3,24,81,323	3,24,21,014	2,26,60,725	4,79,19,696	4,83,98,090	3,36,30,783
Total	18,21,33,661	21,81,58,227	15,50,54,950	26,87,01,784	32,56,66,599	23,01,17,050

*Net of allowance for expected credit losses

Trade receivables consist of a large number of customers, spread across diverse clientele and geographical areas. There are no significant concentrations of credit risk within the Company.

The table below shows the credit quality by class of financial assets of the Company:

PARTICULARS	Neither Past Due nor Impaired				Neither Past Due nor Impaired			
	High Grade PESO	Medium Grade PESO	Low Grade PESO	Total PESO	High Grade INR	Medium Grade INR	Low Grade INR	Total INR
31 December 2022								
Cash	7,59,08,242	-	-	7,59,08,242	11,26,55,422	-	-	11,26,55,422
Trade and other receivables	2,42,40,650	-	-	2,42,40,650	3,59,75,549	-	-	3,59,75,549
Due from related parties	2,47,50,617	-	-	2,47,50,617	3,67,32,391	-	-	3,67,32,391
Deposits	2,26,60,725	-	-	2,26,60,725	3,36,30,782	-	-	3,36,30,782
Total	14,75,60,234	-	-	14,75,60,234	21,89,94,144	-	-	21,89,94,144
31 December 2023								
Cash	10,80,70,404	-	-	10,80,70,404	16,13,27,499	-	-	16,13,27,499
Trade and other receivables	3,78,35,488	-	-	3,78,35,488	5,64,80,816	-	-	5,64,80,816
Due from related parties	2,61,78,412	-	-	2,61,78,412	3,90,79,133	-	-	3,90,79,133
Deposits	3,24,21,014	-	-	3,24,21,014	4,83,98,090	-	-	4,83,98,090
Total	20,45,05,318	-	-	20,45,05,318	30,52,85,538	-	-	30,52,85,538
31 December 2024								
Cash	6,46,14,337	-	-	6,46,14,337	9,53,25,531	-	-	9,53,25,531
Trade and other receivables	1,82,31,088	-	-	1,82,31,088	2,68,96,324	-	-	2,68,96,324
Due from related parties	2,88,89,841	-	-	2,88,89,841	4,26,21,182	-	-	4,26,21,182
Deposits	3,24,81,323	-	-	3,24,81,323	4,79,19,696	-	-	4,79,19,696
Total	14,42,16,589	-	-	14,42,16,589	21,27,62,733	-	-	21,27,62,733

Trade receivables

- High grade – These are receivables from counterparties with no default in payment.
- Medium – These are receivables from counterparties with up to three defaults in payment.
- Low – These are receivables from counterparties with more than three defaults in payment.

Cash in-banks is considered good quality (High Grade) as this pertains to deposits in reputable banks.

26.03 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the Management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

PARTICULARS	Within 1 Year PESO	1 - 5 years PESO	Over 5 years PESO	Total PESO	Within 1 Year INR	1 - 5 years INR	Over 5 years INR	Total INR
December 31, 2022								
Trade and other payables	8,37,42,315	-	-	8,37,42,315	12,42,81,970	-	-	12,42,81,970
Due to related parties	26,63,60,545	-	-	26,63,60,545	39,53,05,685	-	-	39,53,05,685
Lease liabilities	4,36,28,250	33,00,53,050	-	37,36,81,300	6,47,48,686	48,98,31,732	-	55,45,80,418
Other current liabilities*	1,82,48,673	-	-	1,82,48,673	2,70,82,856	-	-	2,70,82,856
Total	41,19,79,783	33,00,53,050	-	74,20,32,833	61,14,19,197	48,98,31,732	-	1,10,12,50,929
December 31, 2023								
Trade and other payables	16,64,57,807	-	-	16,64,57,807	24,84,88,214	-	-	24,84,88,214
Due to related parties	35,50,18,254	-	-	35,50,18,254	52,99,71,250	-	-	52,99,71,250
Lease liabilities	5,88,06,697	69,96,03,671	-	75,84,10,368	8,77,86,637	1,04,43,68,360	-	1,13,21,54,997
Other current liabilities*	3,04,37,396	-	-	3,04,37,396	4,54,36,945	-	-	4,54,36,945
Total	61,07,20,154	69,96,03,671	-	1,31,03,23,825	91,16,83,046	1,04,43,68,360	-	1,95,60,51,406
December 31, 2024								
Trade and other payables	12,26,24,013	-	-	12,26,24,013	18,09,07,206	-	-	18,09,07,206
Due to related parties	28,49,67,503	-	-	28,49,67,503	42,04,12,557	-	-	42,04,12,557
Lease liabilities	3,82,08,864	53,29,51,604	-	57,11,60,468	5,63,69,537	78,62,63,501	-	84,26,33,038
Other current liabilities*	4,15,49,304	-	-	4,15,49,304	6,12,97,688	-	-	6,12,97,688
Total	48,73,49,684	53,29,51,604	-	1,02,03,01,288	71,89,86,988	78,62,63,501	-	1,50,52,50,489

*Excluding statutory liabilities

The following table details the Company's expected maturity for its non-derivative financial assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

PARTICULARS	Within 1 Year PESO	1 - 5 years PESO	Over 5 years PESO	Total PESO	Within 1 Year INR	1 - 5 years INR	Over 5 years INR	Total INR
December 31, 2024								
Cash	6,46,14,337	-	-	6,46,14,337	9,53,25,531	-	-	9,53,25,531
Trade and other receivables*	5,61,48,159	-	-	5,61,48,159	8,28,35,379	-	-	8,28,35,379
Due from related parties	2,88,89,841	-	-	2,88,89,841	4,26,21,182	-	-	4,26,21,182
Deposits	-	3,24,81,323	-	3,24,81,323	-	4,79,19,696	-	4,79,19,696
Total	14,96,52,337	3,24,81,323	-	18,21,33,660	22,07,82,092	4,79,19,696	-	26,87,01,788
December 31, 2023								
Cash	10,80,70,404	-	-	10,80,70,404	16,13,27,499	-	-	16,13,27,499
Trade and other receivables*	5,14,88,395	-	-	5,14,88,395	7,68,61,876	-	-	7,68,61,876
Due from related parties	2,61,78,412	-	-	2,61,78,412	3,90,79,133	-	-	3,90,79,133
Deposits	-	3,24,21,014	-	3,24,21,014	-	4,83,98,090	-	4,83,98,090
Total	18,57,37,211	3,24,21,014	-	21,81,58,225	27,72,68,508	4,83,98,090	-	32,56,66,598
December 31, 2022								
Cash	7,59,08,242	-	-	7,59,08,242	11,26,55,422	-	-	11,26,55,422
Trade and other receivables*	3,17,35,364	-	-	3,17,35,364	4,70,98,454	-	-	4,70,98,454
Due from related parties	2,47,50,617	-	-	2,47,50,617	3,67,32,391	-	-	3,67,32,391
Deposits	-	2,26,60,725	-	2,26,60,725	-	3,36,30,782	-	3,36,30,782
Total	13,23,94,223	2,26,60,725	-	15,50,54,948	19,64,86,267	3,36,30,782	-	23,01,17,049

*Net of allowance for expected credit losses

THE EXECUTIVE CENTRE MANILA PH, INC.
NOTES TO THE TRANSLATED VERSION OF FINANCIAL STATEMENTS

27 CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company's objectives when managing capital are to increase the value of shareholders' investment and maintain high growth by applying free cash flow to selective investments. The Company sets strategies with the objective of establishing a versatile and resourceful financial management and capital structure.

The Company's Corporate Treasury has overall responsibility for monitoring of capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the Company's external environment and the risks underlying the Company's business operations and industry.

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

The Company monitors capital on the basis of the debt-to-equity ratio which is calculated as total debt divided by total equity. Total debt is equivalent to trade and other payables, due to related parties, loans payable, income tax payable and deposits for future stock subscriptions. Total equity comprises mainly of the capital stock, additional paid-in capital and retained earnings.

The Company is not subject to any externally imposed capital requirements. There were no changes in the Company's approach to capital management as at December 31, 2024, 2023 and 2022.

The gearing ratio at end of the reporting period was as follows:

PARTICULARS	31 Dec 2024 PESO	31 Dec 2023 PESO	31 Dec 2022 PESO	31 Dec 2024 INR	31 Dec 2023 INR	31 Dec 2022 INR
Debt	1,02,03,01,288	1,16,41,81,435	74,20,32,833	1,50,52,50,490	1,73,78,90,046	1,10,12,50,927
Cash	6,46,14,337	10,80,70,404	7,59,08,242	9,53,25,531	16,13,27,499	11,26,55,422
Net Debt	95,56,86,951	1,05,61,11,031	66,61,24,591	1,40,99,24,959	1,57,65,62,547	98,85,95,505
Equity	(8,08,77,441)	(8,68,17,810)	(5,82,33,923)	(11,93,18,491)	(12,96,01,627)	(8,64,24,966)
Net debt to equity ratio	(11.82:1)	(15.65:1)	(9.48:1)	(11.82:1)	(15.65:1)	(9.48:1)

Debt is defined as long and short-term borrowings while equity includes all capital and reserves of the Company that are managed as capital.

28 CORRECTION OF PRIOR PERIOD ERROR

The financial statements of the Company on December 31, 2023 were restated to reflect the adjustments on the error on the recording of lease assets, lease asset reinstatement, accumulated depreciation for lease asset, accumulated depreciation for lease asset reinstatement, retained earnings, lease liabilities and provision for reinstatements during 2023. The corresponding adjustments on the following accounts were made as follows:

Particulars	Dec 31, 2023, as previously presented PESO	Prior period errors PESO	Dec 31, 2023, as restated PESO	Dec 31, 2023, as previously presented INR	Prior period errors INR	Foreign Currency Translation Reserve INR	Dec 31, 2023, as restated INR
FA - Lease Assets, at cost	1,84,25,731	10,67,79,698	12,52,05,429	2,75,05,931	15,84,39,716	9,61,017	18,69,06,664
FA - - Lease Assets Reinstatement, at cost	73,67,83,404	14,44,824	73,82,28,228	1,09,98,70,265	21,43,830	13,004	1,10,20,27,099
Accum. Depreciation - Lease Assets	(23,41,68,948)	1,63,66,756	(21,78,02,192)	(34,95,67,406)	2,42,84,993	1,47,301	(32,51,35,112)
Accum. Depreciation - Lease Assets Reinstatement	(76,78,610)	22,33,088	(54,45,522)	(1,14,62,629)	33,13,456	20,098	(81,29,075)
Lease Liabilities	(59,29,52,817)	(14,45,99,726)	(73,75,52,543)	(88,51,59,965)	(21,45,57,073)	(13,01,398)	(1,10,10,18,436)
Provision for Reinstatement	(1,93,15,161)	(15,42,664)	(2,08,57,825)	(2,88,33,672)	(22,89,005)	(13,884)	(3,11,36,561)
Deficit	7,94,99,788	1,93,18,024	9,88,17,812	11,79,61,785	2,86,64,083	1	14,66,25,869
Total	(1,94,06,613)	-	(1,94,06,613)	(2,96,85,691)	-	(1,73,861)	(2,98,59,552)

For Manian & Rao
Chartered Accountants
Firm Registration No - 001983S

Paresh Daga
Partner
Membership No. 211468

Place : Bangalore
Date : July 14, 2025

FOR THE EXECUTIVE CENTRE MANILA PH, INC.


Paul Daniel Salnikoff
Authorised Signatory

Place : Dubai
Date : July 14, 2025