UNIGUARANTEE
INSURANCE BROKERAGE, INC.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

The management of **Uniguarantee Insurance Brokerage, Inc.** is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2024. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

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

a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;

b) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the Company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances; and,

c) **Uniguarantee Insurance Brokerage, Inc.** has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

JOEL MARCELO G. JIMENEZ
Chairman

JOSETTE ANNE TALAN PACHO
Chief Executive Officer

ANNA LIZA MARTIREZ SIAPNO
Treasurer

Requirements under Revenue Regulations (RR) 34-2020

On December 18, 2020, the BIR issued RR 34-2020 which prescribes the guidelines and procedures for the submission of BIR Form No. 1709, *Transfer Pricing Documentation* (TPD) and other supporting documents. As at December 31, 2024, the Company is not covered by the requirements and procedures for related party transactions provided under this RR.

b. *Input VAT*

The movements in input VAT as at December 31, 2024 are summarized below.

Domestic purchase of services	P	447,122
Domestic purchase of goods		212,992
Importation of goods		31,197
Applied against output VAT	(	691,311)
	P	-

c. *Tax on Importation*

The Company does not have any transactions which are subject to importation tax.

d. *Excise Tax*

The Company does not have excise tax for the year since it does not have any transactions which are subject to the excise tax.

e. *Documentary Stamp Tax*

The Company did not incur nor paid documentary stamp tax during the year.

f. *Taxes and Licenses*

The details of taxes and licenses account are broken down as follows:

Business permit	P	542,569
Deficiency taxes		253,168
Insurance Commission's license, filing and supervision fees		224,250
Community tax certificate		10,500
Others		12,650
	P	1,043,137

g. *Withholding Taxes*

The details of total withholding taxes for the year ended December 31, 2024, are as follows:

Compensation	P	2,661,471
Expanded		785,356
Final		100,000
	P	3,546,827

h. *Deficiency Tax Assessment and Tax Case*

On March 22, 2024, the Company received a Letter of Authority (LOA) from the BIR to examine the books of accounts and other accounting records for all internal revenue taxes for the year 2022. The said LOA was settled in 2024.

25. STATEMENT OF CASH FLOW

a. Supplemental Information on Non-cash Investing and Financing Activities

The Company's recognized right-of-use asset amounting to nil in 2024 and P663,448 in 2023, and lease liabilities amounting to nil in 2024 and P688,248 in 2023, respectively.

b. Reconciliation of Liabilities Arising from Financing Activities

Presented below is the reconciliation of the Company's arising from financing activity on lease liabilities, which includes both cash and non-cash changes:

		2024		2023
Balance at January 1	**P**	**668,248**	P	1,556,313
Cash flows from financing activities				
Repayments of lease liabilities	**(**	**668,248)**	(	917,664)
Non-cash financing activities				
Interest amortization on lease liabilities		**-**		49,599
Balance at December 31	**P**	**-**	P	688,248

26. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE

Presented below and in the succeeding pages are the supplementary information which are required by the Bureau of Internal Revenue (BIR) under its existing revenue regulation to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS Accounting Standards.

Requirements under Revenue Regulations (RR) 15-2010

The information on taxes, duties and license fees paid or accrued during the taxable year required under RR 15-2010 are as follows:

a. Output Value-Added Tax (VAT)

In 2024, the Company declared output VAT amounting to P9,105,311 based on receipts from rendering of services amounting to P75,877,590 in 2024. The tax base for rendering of services is based on the Company's gross receipts for the year, hence, may not be the same as the amounts of revenues reported in the 2024 statement of income.

The outstanding output VAT payable amounting to P1,774,438 as at December 31, 2024 is presented as part of the Trade and other payables in the statements of financial position *(see Note 13)*.

Financial assets through profit at FVTPL of the Company are categorized as Level 2 in the absence of bid-offer as at reporting date and due to the low volume of trading activity in the market. There were no financial liabilities measured at fair value as at December 31, 2024 and 2023.

Fair Value Measurement for Non-financial Assets

There were non-financial assets measured at fair value as at December 31, 2024 and 2023.

24. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity as presented on the face of the statements of financial position. Capital for the reporting periods under review is summarized as follows:

	2024	2023
Total liabilities	**P 163,758,720**	P 264,323,483
Total equity	**91,118,972**	90,025,561
Debt-to-equity ratio	**1.80:1.00**	2.94:1.00

The Company sets the amount of capital in proportion to its overall financing structure, i.e., equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to stockholders or sell assets to reduce debt.

In compliance with Section 3 of Circular Letter No. 2018-52 dated October 19, 2018, as a licensed insurance and reinsurance broker, the Company is required to maintain a net worth of P25 million. As at December 31, 2024 and 2023, the Company has complied with this requirement.

Pursuant to RA No. 10607 enacted on August 15, 2013, every applicant of insurance broker's license shall file with the application and shall thereafter maintain in force while so licensed, a bond in favor of the people of the Republic of the Philippines executed by a company authorized to become surety upon official recognizances, stipulations, bonds and undertakings.

The bond shall be in such amount as may be fixed by the Commissioner, but in no case less than one million pesos (P1,000,000), and shall be conditioned upon full accounting and due payment to the under license.

The Company has complied with the above requirement as at December 31, 2024 and 2023.

ii. Trade and other receivables

The estimated fair value of Trade and receivables represents the discounted amount of estimated future cash flows expected to be received. The fair value approximates carrying amounts given their short-term duration of receivables.

iii. Financial Assets at FVPTL

The estimated fair values of Financial assets at FVPTL were valued based on their market quoted prices.

iv. Long-term investments

The estimated fair value of these instruments represents the discounted amount of the estimated future cash flows expected to be received. The fair value approximates carrying amounts.

v. Trade and other payables and due to related parties

Trade and other payables and due to related parties are recognized initially at their fair value and subsequently measured at amortized cost. Fair value of these short-term liabilities approximates their carrying values.

vi. Lease liabilities

The estimated fair values of lease liabilities are estimated using the discounted cash flow methodology using the Company's current incremental borrowing rates for similar borrowings with maturities consistent with those terms of underlying right-of-use assets being value. The carrying amount of lease liabilities approximates fair value.

Fair Value Hierarchy

Financial assets and liabilities measured at fair value in the statement of financial position are categorized in accordance with the fair value hierarchy based on PFRS 7. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

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

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

There have been no significant transfers among Levels 1, 2 and 3 in the reporting periods.

As at December 31, the Company's financial liabilities have contractual maturities which are presented below:

	2024				2023			
	Within One Year		Beyond One Year		Within One Year		Beyond One Year	
Trade and other payables	P	159,235,520	P	-	P	259,630,480	P	-
Due to related parties		642,417		-		982,417		-
Lease liabilities		-		-		688,248		-
	P	159,877,937	P	-	P	261,301,145	P	-

The contractual maturities reflect the gross cash flows, which may differ from the carrying values of the liabilities as at December 31, 2024 and 2023.

23. FAIR VALUE MEASUREMENT

Carrying Amounts and Fair Values by Category

As at December 31, 2024, the carrying amounts of the categories of financial assets and financial liabilities presented in the statements of financial position are shown below:

	2024				2023			
	Carrying Value		Fair Value		Carrying Value		Fair Value	
Financial Assets								
Cash and cash equivalents	P	35,041,069	P	35,041,069	P	19,337,995	P	19,337,995
Short-term investment		14,194,116		14,194,116		9,467,414		9,467,414
Trade and other receivables		178,867,557		177,799,840		308,543,983		307,476,266
Financial asset at FVTPL		1,027,200		1,027,200		981,600		981,600
Long-term investments		8,300,000		8,300,000		8,300,000		8,300,000
	P	237,429,942	P	236,362,225	P	346,630,992	P	345,563,275
Financial Liabilities								
Trade and other payables	P	147,933,876	P	147,933,876	P	243,454,537	P	243,454,537
Due to related parties		642,417		642,417		982,417		982,417
Lease liabilities		-		-		688,248		688,248
	P	148,576,293	P	148,576,293	P	245,125,202	P	245,125,202

Description of the accounting policies for each category of financial instrument is fully discussed under Note 2. A description of the Company's risk management objectives and policies for financial instruments is provided in Note 22.

The methods and assumptions used by the Company in estimating the fair value of the financial instruments are as follows:

i. Cash and cash equivalents and Short-term investment

The carrying amounts approximate fair values given the short-term nature of the instruments.

b. Trade and other receivables

In respect of trade and other receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various industries and geographical areas. Based on historical information about customer default rates, management considers the credit quality of trade receivables that are not past due or impaired to be good.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before the end of the year, and the corresponding historical credit losses experienced within such period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the Gross Domestic Product and the unemployment rate of the locations in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at December 31 was determined based on months past due, as follows for both trade and other receivables:

	Not more Than 3 months	More than 3 Months	Total
December 31, 2024			
Expected loss rate	0.016%	0.005%	
Premium receivable - gross	19,788,993	127,793,739	147,582,732
Commission receivable	167,398	30,878,497	31,045,895
Loss allowance	311,859	755,858	1,067,717

	Not more Than 3 months	More than 3 Months	Total
December 31, 2023			
Expected loss rate	0.006%	0.003%	
Premium receivable - gross	13,278,233	229,609,292	242,887,525
Commission receivable	36,128,917	29,137,654	65,266,571
Loss allowance	311,859	755,858	1,067,717

No past due account on other receivables as at December 31, 2024 and 2023.

Liquidity Risk

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

The Company maintains cash to meet its liquidity requirements for up to 60-day periods. Excess cash is invested in time deposits, mutual funds or short-term marketable securities. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

c. Other Price Risk Sensitivity

Price risk is the risk that the Company incurs losses due to changes in market values of financial instruments arising from movements in market prices.

As at December 31, 2024 and 2023, the Company has minimal exposure to price risk since the financial instruments held by the Company mostly pertains to cash in bank, short-term investment, trade and other receivables, long-term investments and other financial liabilities which are not affected by movements in market prices.

Credit Risk

Credit risk is the risk that counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers and placing deposits.

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

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

	2024	2023
Cash and cash equivalents	**P 34,611,007**	P 19,315,995
Short-term investment	**14,194,116**	9,467,414
Trade and other receivables - net	**177,799,840**	307,476,266
Financial asset at FVPTL	**1,027,200**	981,600
Long-term investments	**8,300,000**	8,300,000
	P 235,932,163	P 345,541,275

None of the financial assets are secured by collateral or other credit enhancements.

The Company's management considers the net amount of the above financial assets that are not impaired or past due for each reporting date are of good credit quality.

a. Cash and cash equivalents and short-term and long-term investments

The credit risk for cash is considered negligible since the counterparties are reputable Banks with high-quality external credit ratings. These are insured by the Philippine Deposit Insurance Corporation (PDIC) up to maximum coverage of P500,000 for every depositor per banking institution.

21. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Company makes various commitments and incurs certain contingent liabilities that are not given recognition in the accompanying financial statements. Management believes that losses if any, that may arise from these commitments and contingencies may or may not have a material effect on the Company's financial statements.

22. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of financial risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarized in Note 23. The main types of risks are market risk, credit risk and liquidity risk.

The Company's risk management is coordinated with the Board of Directors and is focused on actively securing the Company's short to medium-term cash flows by minimizing the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Company does not actively engage in the trading of financial assets for speculative purposes, nor does it write options. The most significant financial risks to which the Company is exposed as described below.

Market Risk

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

a. Foreign Currency Sensitivity

The Company has no significant exposure to foreign currency risks as most transactions are denominated in Philippine peso, its functional currency.

b. Interest Rate Sensitivity

The Company's policy is to minimize interest rate cash flow risk exposures on long-term financing. Long-term borrowings are therefore usually at fixed rates. At December 31, 2024 and 2023, the Company is exposed to changes in market interest rates through its cash in banks, which are subject to variable interest rates. All other financial assets and liabilities have fixed rates.

The sensitivity of the net result for the year assuming a reasonably possible change in the interest rate of +/-1.82% and +/-1.90% in 2024 and 2023 with effect from the beginning of the year for financial instruments, have no significant impact on the financial statements. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on the Company's cash held at December 31, 2024 and 2023. All other variables are held constant.

20. RELATED PARTY TRANSACTIONS

The summary of the Company's transactions and outstanding balances with its related parties follows:

	2024		2023		
	Amount of Transactions	**Outstanding Balance**	Amount Transactions	Outstanding Balance	Terms and Condition
Cash advances					
Stockholders	(P 250,000)	P 83,000	P 115,875	P 333,000	Non-interest bearing, unsecured, due and demandable
Officers	(90,000)	559,417	-	649,417	Non-interest bearing, unsecured, due and demandable
	(P 340,000)	P 642,417	P 115,875	P 982,417	
Stockholder					
Rental	P 240,766	P 465,123	(P 12,002)	P 224,357	
Key management personnel					
Compensation	P 11,176,806	P -	P 8,447,419	P -	

Due to Related Parties

The Company has transactions with stockholders consisting of cash advances for its financial requirements. These advances are non-interest bearing, unsecured and due and demandable and are presented under Due to related parties in statements of financial position.

Stockholder

The Company entered into a lease contract with Majalco, Inc. The term of the lease is one year commencing on October 1, 2024 and expiring on September 30, 2025 with a renewal option. The annual rental amounts to P465,123 exclusive of value-added tax and withholding taxes *(see Note 15).*

Key Management Personnel Compensation

The compensation of key management is broken down as follows:

	2024	2023
Salaries and wages	**P 10,948,199**	P 8,288,470
Social security costs	**228,607**	158,949
	P 11,176,806	P 8,447,419

Key management includes managerial position and up.

19. EQUITY

Capital Stock

The details of capital stock are shown below:

	Shares		Amount	
	2024	2023	2024	2023
Common stock - P100 par value				
Authorized	800,000	800,000	P 80,000,000	P 80,000,000
Issued and outstanding	200,000	200,000	P 20,000,000	P 20,000,000

As at December 31, 2024, and 2023, the Company has ten stockholders owning 100 or more shares each of the Company's common stock.

Appropriated Retained earnings

On November 25, 2024, the Company's Board of Directors approved the appropriation of retained earnings amounting to P55,000,000 for business expansion. This includes the acquisition of property, renovation, and construction.

On December 23, 2021, the Company's Board of Directors approved the appropriation of retained earnings amounting to P16,000,000 for business expansion and development. This included P4,000,000 for office space expansion and renovation of existing office space and P12,000,000 for distribution channel expansion, including expenses for marketing and promotional activities. The approval amount was expected to be utilized in the 2nd quarter of 2022 or early 2023. However, July 18, 2023, the Company's Board of Directors approved the reversal of appropriation amounting to P16,000,000.

Dividend Declaration

On November 18, 2024, the Company's Board of Directors approved the declaration of cash dividend amounting to P5,000,000. The dividends payable relative to this dividend declaration amounted to P227,000 *(see Note 13)*

On June 30, 2023, the Company's Board of Directors approved the declaration of cash dividend amounting to P2,000,000. The dividends payable relative to this dividend declaration amounted to P162,000 *(see Note 13)*.

The reconciliation of tax on pre-tax income computed at the applicable statutory rates to tax expense attributable to continuing operations for the year ended December 31 are as follows:

	2024	2023
Tax on pretax profit at 25%	P 2,019,978	P 9,714,052
Adjustment for income subjected to lower tax rate	(92,731)	(7,807)
Tax effects of:		
Non-deductible expenses	546,064	283,359
Remeasurement on deferred income tax	(462,400)	245,094
Non-taxable income	(24,410)	(20,391)
	P 1,986,501	P 10,214,307

The Company's deferred tax assets are breakdown as follows:

	Statements of Financial Position		Statements of Comprehensive Income			
			Profit or Loss		Other Comprehensive Income	
	2024	2023	2024	2023	2024	2023
Deferred tax assets:						
Post-employment benefit obligation	P 970,196	P 490,196	(P 480,000)	P 490,196	P -	P -
Allowance for impairment	266,929	266,929	-	-	-	-
Fair value loss	23,200	34,600	11,400	34,600	-	-
Excess of amortization of right of use of assets and interest expense on lease liabilities over lease payments	-	6,200	6,200	(279,702)	-	-
Net Deferred Tax Assets	P 1,260,325	P 797,925				
Deferred Tax Income			(P 462,400)	P 245,094	P -	P -

On March 26, 2021, the Corporate Recovery and Tax Incentives for Enterprises ("CREATE") Act was approved and signed into law. Under the CREATE Act, the RCIT of domestic corporations are taxed at 25% or 20% depending on the amount of total assets and total amount of taxable income. In addition, the MCIT was reduced from 2% to 1% of gross income until June 30, 2023.

The Company is subject to the minimum corporate income tax (MCIT) at 2% in 2024 and 1.5% in 2023 of gross income, as defined under the tax regulations and will be paid at the end of the year whenever the regular corporate income tax is lower than the MCIT. Any MCIT paid can be applied against the regular corporate income tax within the next three years after the year it was paid. No MCIT was reported in 2024 and 2023 since the RCIT is higher than MCIT.

In 2024 and 2023, the Company claims itemized deductions for tax purposes.

The amount of DBO recognized in the statements of financial position amounts to P3,880,783 and P1,960,783 as at December 31, 2024 and 2023, respectively.

The retirement expense recognized in profit or loss in respect of the defined benefit post-employment plan are as follows:

	2024	2023
Current service cost	P 1,841,569	P 358,369
Interest cost	78,431	61,631
	P 1,920,000	P 420,000

As at December 31, 2024 and 2023, the Company has not set aside any assets specifically for this obligation.

17. FINANCE INCOME AND COST

The details of finance income (cost) are shown below:

	2024	2023
Finance income		
Interest income *(see Note 4, 5 and 12)*	P 1,854,614	P 156,137
Fair value gain of financial asset at FVPTL *(see Note 7)*	(45,600)	
Dividend income *(see Note 7)*	97,640	81,564
Unrealized foreign exchange gain	-	-
	P 1,997,854	P 237,701
Finance cost		
Fair value loss on financial asset at FVPTL *(see Note 7)*	P -	P 65,400
Interest on lease liabilities *(see Note 11)*	-	49,599
	P -	P 114,999

18. INCOME TAX

The components of income tax expense as reported in the statements of comprehensive income are as follows:

	2024	2023
Current tax expense:		
Regular corporate income tax (RCIT) at 25%	P 2,077,978	P 9,937,986
Final tax at 20%	370,923	31,227
Deferred income relating to origination and reversal of temporary differences	(462,400)	245,094
	P 1,986,501	P 10,214,307

16. EMPLOYEE BENEFITS

Salaries and Employee Benefits

Expenses recognized for salaries and employee benefits are presented below:

		2024		2023
Salaries and wages	P	20,154,580	P	15,740,100
Retirement expense		1,920,000		420,000
Social security costs		1,130,129		897,292
	P	23,204,709	P	17,057,392

Post-Employment Benefits

The Company accrues post-employment benefits for its employees in accordance with the provisions of Republic Act No. 7641 *(Retirement Pay Law)* and PAS 19, *Employee Benefits*. The retirement plan is a defined benefit plan that provides retirement benefits to employees who have reached the retirement age as defined by the law.

As at December 31, 2024 and 2023, no independent actuary has been engaged to determine the defined benefit obligation (DBO). However, the Company has estimated the DBO using reasonable assumptions based on available market data and internal policies.

The assumptions used in the estimation of DBO are as follows:

	2024	2023
Discount rate	4%	4%
Retiring age (in years)	60	60

The DBO represents the Company's best estimate of the liability as at December 31, 2024 and 2023. The Company intends to engage an independent actuary in the future to refine these estimates and the Company is planning to engage an independent actuary to reassess the defined benefit obligation and actuarial assumptions in the coming year.

The movement in the DBO are as follows:

		2024		2023
Balance at January 1	P	1,960,783	P	1,540,783
Current service cost		1,841,569		358,369
Interest cost		78,431		61,631
Balance at December 31	P	3,880,783	P	1,960,783

15. COST AND OPERATING EXPENSES

Presented below are the details of cost and operating expenses for the year ended December 31:

	2024	2023
Salaries, wages and benefits *(see Note 16)*	P **23,204,709**	P 17,057,392
Directors' fee	**1,751,111**	2,382,222
Professional fees	**1,599,818**	2,149,641
Marketing expenses	**1,241,910**	2,748,243
Taxes and licenses *(see Note 26)*	**1,043,137**	923,189
Insurance	**937,233**	693,950
Communication, light and water	**811,438**	760,425
Depreciation *(see Note 9)*	**791,172**	387,161
Amortization of right-of-use asset *(see Note 11)*	**663,448**	884,598
Advertising	**601,886**	528,274
Transportation and travel	**533,569**	471,034
Rentals *(see Note 11)*	**465,123**	224,357
Representation	**451,345**	373,623
Office supplies	**189,443**	129,313
Contracted services	**145,651**	36,879
Training and seminars	**119,700**	31,988
Repairs and maintenance	**52,093**	76,278
Amortization of intangible asset *(see Note 10)*	**43,599**	45,253
Medical expense	**13,020**	55,645
Miscellaneous	**1,118,768**	945,128
	P **35,778,173**	P 30,904,593

These expenses are presented in the statements of comprehensive income as follows:

	2024	2023
Cost of services	P **20,695,135**	P 17,775,425
Administrative expenses	**14,022,756**	12,263,822
Other expenses	**1,060,282**	865,346
	P **35,778,173**	P 30,904,593

13. TRADE AND OTHER PAYABLES

This account is composed of the following:

		2024		2023
Premium payable	P	**147,993,876**	P	243,292,537
Dividend payable *(see Note 19)*		**227,000**		162,000
Accrued expenses		**5,300,517**		6,386,618
Deferred output VAT		**1,816,939**		5,897,187
Output VAT *(see Note 26)*		**1,774,438**		821,857
Others		**2,122,750**		3,070,281
	P	**159,235,520**	P	259,630,480

Premium payables are non-interest bearing and are normally within 30 days to 120 days' term. arise from the purchase of insurance policies. These are generally paid within 3 to 12 months after the end of the financial reporting period.

Dividend payable pertains to dividend declared to its shareholders but remain unpaid.

Others pertain to statutory payables to BIR and other government agencies which are remitted at an average term of 10-15 days after end of the financial reporting period.

14. REVENUES

The Company's revenue consists mainly of commission income amounting to P41,860,231 and P69,638,099 in 2024 and 2023, respectively.

Lease Liabilities

The lease liabilities are presented in the statements of financial position as at December 31 is as follows:

	2024	2023
Current	P -	P 688,248
Non-current	-	-
	P -	P 688,248

The undiscounted maturity analysis of lease liabilities as at December 31, 2023 is as follows:

	Within 1 year	1 to 2 years	Total
Lease payment	P 688,248	P -	P 688,248

Additional Profit and Loss and Cash Outflow Information

The total cash outflow with respect to leases amounted to P688,248 and P917,664 in 2024 and 2023, respectively. Interest expense in relation to lease liabilities amounted to nil and P49,599 and is presented as part of Finance cost in the statements of comprehensive income *(see Note 17)*.

Lease Payments Not Recognized as Liabilities

The Company has elected not to recognize lease liability for short-term leases or leases of low-value assets. Payments made under such leases are expensed on a straight-line basis.

The expenses relating to short-term leases and low-value assets amounted to P465,123 and P224,357 in 2024 and 2023, respectively and are presented as Rentals under administrative expenses in the statements of comprehensive income *(see Note 15)*.

12. LONG-TERM INVESTMENTS

This account pertains to time deposits placement with a bank amounting to P8,300,000 as at December 31, 2024 and 2023, respectively. The long-term placements have an annual effective interest ranging from 3.75% to 6% in 2024 and 2023 and with terms ranging from more than one year to five years in 2024 and 2023. Total interest earned amounted to P459,979 and P37,117 in 2024 and 2023, respectively, which are presented as part of Finance income in the statements of comprehensive income *(see Note 17)*.

10. INTANGIBLE ASSET

This account includes mainly acquired computer software licenses. The details of this account are shown in the reconciliation presented below:

	2024	2023
Cost		
Balance at beginning of year	P 457,875	P 457,875
Additions	-	-
Balance at end of year	457,875	457,875
Accumulated amortization		
Balance at beginning of year	414,276	369,023
Amortization for the year *(see Note 15)*	43,599	45,253
Balance at end of year	457,875	414,276
Carrying amount at end of year	P -	P 43,599

All of the Company's intangible assets have been reviewed for indicators of impairment. Based on management's evaluation, no impairment losses on intangible asset need to be recognized in 2024.

11. LEASES

The Company leases properties for its office space. With the exception of short-term lease and leases of low-value underlying assets, each lease is reflected in the statements of financial position as a right-of-use asset and a lease liability. The number of right-of-use assets leases by the Company is one property.

Right-of-use Asset

	2024	2023
Cost		
Balance at beginning of year	P 3,482,610	P 3,482,610
Additions	-	-
Balance at end of year	3,482,610	3,482,610
Accumulated amortization		
Balance at beginning of year	2,819,162	1,934,564
Amortization for the year *(see Note 15)*	663,448	884,598
Balance at end of year	3,482,610	2,819,162
Carrying amount at end of year	P -	P 663,448

9. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization at the beginning and end of 2024 and 2023 are shown below:

	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Transportation Equipment	Total
December 31, 2024, net of accumulated depreciation					
Cost	P 1,882,680	P 289,390	P 1,293,109	P 2,286,486	P 5,751,665
Accumulated depreciation	(1,465,644)	(252,901)	(998,422)	(420,541)	(3,137,508)
Net carrying amount	**P 417,036**	**P 36,489**	**P 294,687**	**P 1,865,945**	**P 2,614,157**
December 31, 2023 net of accumulated depreciation					
Cost	P 1,621,629	P 268,052	P 1,293,109	P 1,183,807	P 4,366,598
Accumulated depreciation	(1,239,781)	(219,653)	(886,902)	-	(2,346,336)
Net carrying amount	P 381,848	P 48,399	P 406,207	P 1,183,807	P 2,020,262
January 1, 2023					
Cost	P 1,459,113	P 257,449	P 1,293,109	P -	P 3,009,671
Accumulated depreciation	(995,123)	(188,670)	(775,382)	-	(1,959,175)
Net carrying amount	P 463,990	P 68,779	P 517,727	P -	P 1,050,496

A reconciliation of the carrying amounts of property and equipment at the beginning and end of 2024 and 2023 is shown below.

	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Transportation Equipment	Total
Balance at January 1, 2024	P 381,848	P 48,400	P 406,207	P 1,183,807	P 2,020,262
Additions	261,051	21,337	-	1,102,679	1,385,067
Depreciation for the year *(see Note 15)*	(225,863)	(33,248)	(111,520)	(420,541	(791,172)
Balance at December 31, 2024 net of accumulated depreciation	**P 417,036**	**P 36,489**	**P 294,687**	**P 1,865,945**	**P 2,614,157**
Balance at January 1, 2023	P 463,990	P 68,779	P 517,727	P -	P 1,050,496
Additions	162,516	10,603	-	1,183,808	1,356,927
Depreciation for the year *(see Note 15)*	(244,658)	(30,983)	(111,520)	-	(387,161)
Balance at December 31, 2023 net of accumulated depreciation	P 381,848	P 48,399	P 406,207	P 1,183,808	P 2,020,262

None of the property and equipment is used as collateral in 2024 and 2023. All of the Company's property and equipment have been reviewed for indicators of impairment by the management. Based on management evaluation, no impairment losses need to be recognized in 2024 and 2023.

The Company's fair value gain amounted to P45,600 in 2024 and loss P65,400 in 2023, and dividend income received amounted to P97,640 in 2024 and P81,564 in 2023 are presented as part of Finance income and cost in the statements of comprehensive income *(see Note 17)*.

8. PREPAYMENTS AND OTHER CURRENT ASSETS

This account is composed of the following:

		2024		2023
Prepaid income tax	P	**9,213,186**	P	-
Creditable withholding tax (CWTs)		**4,983,928**		4,893,475
Prepaid expenses		**133,938**		151,562
Prepaid insurance		**102,189**		19,834
	P	**14,433,241**	P	5,064,871

Prepaid tax is claimed against income tax due, are carried over in the succeeding period for the same purpose.

CWTs, which are claimed against income tax due, are carried over in the succeeding period for the same purpose.

Prepaid insurance and prepaid expenses are expected to be amortized within 12 months after the end of the financial reporting period.

No provision for impairment losses on prepayments and other current assets was recognized in both years.

The movement of premium receivables is shown below:

	2024	2023
Balance at beginning of year	P 242,887,525	P 76,631,082
Additions	448,238,566	446,555,663
Collections	(543,543,359)	(280,299,220)
Balance at end of year	P 147,582,732	P 242,887,525

Premium and commission receivables are generally unsecured, non-interest bearing and are normally within 30 days to 90 days credit term. Premium and commission receivables arise from the sale of insurance policies. These are generally collected within one to three months after the end of the financial reporting period.

Others consist of advances to employees pertain to short-term non-interest-bearing cash advances made for business purposes. Advances for business purposes are generally liquidated within 30 to 60 days from the date the advances were made.

No additional provision for impairment losses on trade and other receivables was recognized in 2024 and 2023.

7. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS (FVPTL)

The Company's financial asset at FVTPL pertains to equity securities. The carrying amounts of these equity securities are as follows:

	2024	2023
Cost	P 1,120,000	P 1,120,000
Accumulated Fair value loss	(92,800)	(138,400)
	P 1,027,200	P 981,600

The reconciliation of the carrying amount of the equity securities are as follows:

	2024	2023
Balance at beginning of year	P 981,600	P 1,047,000
Fair value gain (loss) *(see Note 17)*	45,600	(65,400)
Balance at end of year	P 1,027,200	P 981,600

The breakdown of the cost of equity securities are as follows:

	2024	2023
Listed equity securities in:		
Double Dragon	P 1,000,000	P 1,000,000
D.M. Wenceslao	120,000	120,000
	P 1,120,000	P 1,120,000

Cash on hand pertains to petty cash fund and client's money on hand.

Cash in banks generally earns interest at rates based on daily bank deposit rates. Short- term placements are made for varying periods ranging from 30 to 90 days and earn effective interest ranging from 1.75% to 5.1% per annum in 2024 and 2023. The interest income earned from cash in banks amounted to P56,321 in 2024 and P35,885 in 2023. While the total interest earned on short-term placements amounted to P867,022 and P14,618 in 2024 and 2023, respectively. The total interest income earned is presented as part of Finance income in the statements of comprehensive income *(see Note 17)*.

5. SHORT-TERM INVESTMENT

This account pertains to the time deposit placement amounted to P14,194,116 and P9,467,414 as at December 31, 2024 and 2023, respectively. This placement has an annual interest rate ranging from 2.25% to 4% per annum in 2024 and 2023 and with terms of more than 90 days but less than one year. Total interest earned amounted to P471,292 and P68,517 in 2024 and 2023, respectively and is presented as part of Finance income in the statements of comprehensive income *(see Note 17)*.

6. TRADE AND OTHER RECEIVABLES

The components of trade and other receivables are as follows:

	2024	2023
Premium receivable	**P 147,582,732**	P 242,887,525
Commission receivable	**31,045,895**	65,266,571
Others	**238,930**	389,887
	178,867,557	308,543,983
Allowance for impairment loss	**(1,067,717)**	(1,067,717)
	P 177,799,840	P 307,476,266

The analysis of allowance for impairment loss is shown below:

	2024	2023
Balance at beginning of year	**P 1,067,717**	P 1,067,717
Impairment loss for the year	**-**	-
Balance at end of year	**P 1,067,717**	P 1,067,717

The movement of trade and other receivables is shown below:

	2024	2023
Balance at beginning of year	**P 307,476,266**	P 111,627,161
Additions	**480,535,926**	526,935,278
Collections	**(610,212,352)**	(331,086,173)
Balance at end of year	**P 177,799,840**	P 307,476,266

d. Determining Realizable Amount of Deferred Tax Assets

The Company reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Management assessed that the deferred tax assets recognized as at December 31, 2024 and 2023 will be fully utilized in the coming years.

e. Impairment of Non-financial Assets

PFRS Accounting Standards requires that an impairment review be performed when certain impairment indicators are present. The Company's policy on estimating the impairment of non-financial assets is discussed in detail in Note 2. Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

It should be noted that accounting estimates and assumptions are used in preparing the financial statements. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

f. Valuation of Post-employment Benefit Obligation

A defined benefit plan is a post-employment plan that defines an amount of post-employment benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and salary. As at December 31, 2024 and 2023, the Company does not have a formal post-employment benefit plan; however, it computes post-employment benefit obligation based on the provisions of R.A. No. 7641 which covers all regular full-time employees. Management believes that the obligation computed under R.A. No. 7641 will not materially differ had it been actuarially determined.

The retirement benefits recognized for the years ended December 31, 2024 and 2023 amounts to P1,920,000 and P420,000, respectively. As at December 31, 2024 and 2023, the Company's retirement benefit obligation amounts to P3,880,783 and P1,960,783, respectively *(see Note 16)*.

4. CASH AND CASH EQUIVALENTS

This account consists of:

		2024		2023
Cash on hand	**P**	**430,062**	P	22,000
Cash in bank		**13,546,460**		17,678,333
Short-term placements		**21,064,547**		1,637,662
	P	**35,041,069**	P	19,337,995

Leases

For any new contracts entered into, the Company considers whether a contract is, or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. To apply this definition, the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company;

- the Company has the right to obtain substantially all of the economic benefits from the use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and,

- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At the lease commencement date, the Company recognizes a right-of-use asset and a lease liability in the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). Subsequently, the Company depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

On the other hand, the Company measures the lease liability at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments include fixed payments (including in-substance fixed) less lease incentives receivable if any, variable lease payments based on an index or rate', amounts expected to be payable under a residual value guarantee'', and payments arising from options (either renewal or termination) reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero. The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset, and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term. On the statement of financial position, right-of-use assets and lease liabilities have been presented separately from property and equipment and other liabilities, respectively.

Income Taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity, if any.

For Step 1 to be achieved, the following five gating criteria must be present:

(i) the parties to the contract have approved the contract either in writing, orally or in accordance with other customary business practices;
(ii) each party's rights regarding the goods or services to be transferred or performed can be identified;
(iii) the payment terms for the goods or services to be transferred or performed can be identified;
(iv) the contract has commercial substance (i.e., the risk, timing or amount of the future cash flows is expected to change as a result of the contract); and,
(v) collection of consideration in exchange of the goods and services is probable.

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

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

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

The Company act as broker in a sale of insurance product. The significant judgments used in determining the transaction price and the amounts allocated to the performance obligations. The transaction price allocated to performance obligations satisfied at a point in time is recognized as revenue when control of the services transfers to the customer. If the performance obligation is satisfied over time, the transaction price allocated to that performance obligation is recognized as revenue as the performance obligation is satisfied. The Company uses the practical expedient in PFRS 15 with respect to non-disclosure of the aggregate amount of the transaction price allocated to unsatisfied or partially satisfied performance obligations as at the end of the reporting period and the explanation of when such amount will be recognized as revenue as the Company's contracts with customers have an original expected duration of one year or less.

In addition, the following specific recognition criteria must also be met before revenue is recognized:

a. *Commission income* – revenue is recognized when there is no unfulfilled performance obligation that could affect the customers' acceptance of the insurance products.

b. *Interest income* – revenue is recognized as it accrues taking into account the effective yield on the asset.

Cost and expenses are recognized in the profit or loss upon utilization of the service or at the date they are incurred. Finance costs are reported on an accrual basis.

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

Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources, and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. When the time value of money is material, long-term provisions are discounted to their present values using a pre-tax rate that reflects market assessments and the risks specific to the obligation. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements. Similarly, possible inflows of economic benefits that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, they are not recognized in the financial statements.

Revenue and Cost Recognition

Revenue is measured by reference to the fair value of the consideration received or receivable by the Company for services provided, excluding value-added tax.

To determine whether to recognize revenue, the Company follows a five-step process:

(1) identifying the contract with a customer;
(2) identifying the performance obligation;
(3) determining the transaction price;
(4) allocating the transaction price to the performance obligations; and,
(5) recognizing revenue when/as performance obligations are satisfied.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further charge for depreciation is made in respect of those assets.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The residual values and estimated useful life of property and equipment are reviewed, and adjusted if appropriate, at each date.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statements of comprehensive income in the year the item is derecognized.

Intangible Asset

Intangible asset is acquired software that is stated at cost less accumulated amortization and any accumulated impairment losses. These are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. It is amortized over its estimated useful life of three years using the straight-line method. Any change in the useful life of the assets is recognized prospectively.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset and is recognized in profit or loss.

Impairment of Non-financial Assets

At each reporting date property and equipment, intangible assets and right-of-use asset are reviewed to determine whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is calculated as the higher of the asset's or cash-generating unit's fair value less costs to sell and its value in use or its net selling price and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. Impairment losses are recognized in the profit or loss in those expense categories consistent with the function of the impaired asset.

f. Offsetting Financial Instruments

Financial assets and liabilities are set-offs and the resulting net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statements of financial position. The right of set-off must be available at the end of the reporting period, that is, it is not contingent on a future event. It must also be enforceable in the normal course of business, in the event of default, and the event of insolvency or bankruptcy; and must be legally enforceable for both entity and all counterparties to the financial instruments.

Prepayments and Other Assets

Prepayments and other current assets pertain to other resources controlled by the Company as a result of past events. They are recognized in the financial statements when it is probable that the future economic benefits will flow to the entity and the asset has a cost or value that can be measured reliably.

Prepayments and other current assets include prepaid expenses which are paid in advance and recorded as assets before these are utilized, prepaid tax is claimed against income tax due are carried over in the succeeding period for the same purpose, and CWTs which are claimed against income tax due, are carried over in the succeeding period for the same purpose. Prepaid expenses are amortized over time and recognized as an expense as the benefit is derived from the asset. Prepayments and other current assets are recognized and measured at transaction costs, or the amount of cash paid. Subsequently, these are charged to income as they are consumed in operations or expire over time.

Other recognized assets of similar nature, where future economic benefits are expected to flow to the Company beyond one year after the end of the reporting period or in the normal operating cycle of the business if longer is classified as non-current assets.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment in value.

The cost of an asset comprises its purchase price and directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, major improvements and renewals are capitalized. Expenditures for repairs and maintenance are charged to expense as incurred. When assets are sold, retired or otherwise disposed of, their cost and related accumulated depreciation and impairment losses are removed from the accounts and any resulting gain or loss is reflected in income for the period.

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

Office equipment	3-5 years
Furniture and fixtures	3-5 years
Leasehold improvements	5 years
Transportation equipment	5 years

c. Items of Income and Expense Related to Financial Assets

All income and expenses, including impairment losses, relating to financial assets that are recognized in profit or loss are presented as part of Interest Income or Interest Expense, Impairment Losses, Gain on Disposal of Financial Assets, Dividend Income and Recoveries from Accounts Written-off (presented as part of Other income) in the profit or loss.

Non-compounding interest, dividend income and other cash flows resulting from holding financial assets are recognized in profit or loss when earned, regardless of how the related carrying amount of financial assets is measured.

d. Derecognition of Financial Assets

The financial assets (or where applicable, a part of a financial asset or part of a group of financial assets) are derecognized when the contractual rights to receive cash flows from the financial instruments expire, or when the financial assets and all substantial risks and rewards of ownership have been transferred to another party. 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.

e. Financial Liabilities

Financial liabilities, which include trade and other payables [except output value-added tax (VAT) and other taxes payable], due to related parties and lease liabilities are recognized when the Company becomes a party to the contractual terms of the instrument.

Trade and other payables and due to related parties are recognized initially at their fair values and subsequently measured at amortized cost, using effective interest method for maturities beyond one year, less settlement payments.

Lease liabilities is discussed in the succeeding pages under Lease section.

Financial liabilities are classified as current liabilities if payment is due to be settled within one year or less after the end of the reporting period (or in the normal operating cycle of the business, if longer), or the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. Otherwise, these are presented as non-current liabilities.

Financial liabilities are derecognized from the statement of financial position only when the obligations are extinguished either through discharge, cancellation or expiration. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable is recognized in profit or loss.

b. *Impairment of Financial Assets*

The Company assesses its ECL on a forward-looking basis associated with its financial assets carried at amortized cost and debt instruments measured at FVOCI. Recognition of credit losses is no longer dependent on the Company's identification of a credit loss event. Instead, the Company considers a broader range of information in assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the collectability of the future cash flows of the financial assets.

The Company applies the simplified approach in measuring ECL, which uses a lifetime expected loss allowance for all trade and other receivables and contract assets. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. To calculate the ECL, the Company uses its historical experience, external indicators and forward-looking information to calculate the ECL using a provision matrix. The Company also assesses the impairment of trade receivables on a collective basis as they possess shared credit risk characteristics and have been grouped based on the days past due.

For debt instruments measured at FVOCI and amortized cost, the allowance for credit losses is based on the ECL associated with the probability of default of a financial instrument in the next 12 months, unless there has been a significant increase in credit risk since the origination of the financial asset, in such case, a lifetime ECL for a purchased or originated credit-impaired, the allowance for credit losses is based on the change in the ECL over the life of the asset. The Company recognized a loss allowance for such losses at each reporting date.

The key elements used in the calculation of ECL are as follows:

- *Probability of default* – It is an estimate of the likelihood of default over a given time horizon.

- *Loss given default* – It is an estimate of loss arising in the case where default occurs at a given time. It is based on the difference between the contractual cash flows of a financial instrument due to a counterparty and those that the Company would expect to receive, including the realization of any collateral.

- *Exposure at default* – It represents the gross carrying amount of the financial instruments subject to the impairment calculation.

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

The Company considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

iii. Financial Assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets that are held within a different business model other than "hold to collect" or "hold to collect and sell" are categorized at FVTPL. Further, irrespective of the business model, financial assets whose contractual cash flows are not SPPI are accounted for at FVTPL. Also, equity securities are classified as financial assets at FVTPL, unless the Company designates an equity investment that is not held for trading as at FVOCI at initial recognition. The Company's financial assets at FVTPL include equity securities which are held for trading purposes and designated as at FVTPL.

Financial assets at FVOCI are initially measured at fair value. Subsequently, they are measured at fair value with gains or losses recognized in profit or loss as part of Finance Income in the statements of comprehensive income.

Interest income on financial assets measured at amortized cost and debt financial assets measured at FVOCI is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The Company calculates interest income by applying the effective interest rate to the gross carrying amount of the financial assets, except for those that are subsequently identified as credit-impaired and or are purchased or originated credit-impaired assets.

For financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the net carrying amount of the financial assets (after deduction of the loss allowance). If the asset is no longer credit-impaired, the calculation of interest income reverts to a gross basis. For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying a credit-adjusted effective interest rate to the amortized cost of the asset. The calculation of interest income does not revert to a gross basis even if the credit risk of the asset subsequently improves.

Interest income earned is recognized in the statement of comprehensive income as part of Finance Income. The Company can only reclassify financial assets if the objective of its business model for managing those financial assets changes. Accordingly, the Company is required to reclassify financial assets: (i) from amortized cost to FVTPL, if the objective of the business model changes so that the amortized cost criteria are no longer met; and, (ii) from FVTPL to amortized cost, if the objective of the business model changes so that the amortized cost criteria start to be met and the characteristic of the instrument's contractual cash flows meet the amortized cost criteria.

A change in the objective of the Company's business model will take effect only at the beginning of the next reporting period following the change in the business model.

As at December 31, 2024 and 2023, the Company’s Financial Assets at Fair Value Through Profit or Loss (FVTPL) is presented in Note 7.

ii. Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)

The Company accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective is to hold to collect the associated cash flows and sell ("hold to collect and sell"); and,
- the contractual terms of the financial assets give rise to cash flows that are SPPI on the principal amount outstanding.

At initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate equity investments as at FVOCI; however, such designation is not permitted if the equity investment is held by the Company for trading or as mandatorily required to be classified as fair value through profit or loss (FVTPL). The Company has designated certain equity instruments as at FVOCI on initial recognition.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value, with no deduction for any disposal costs. Gains and losses arising from changes in fair value, including the foreign exchange component, are recognized in other comprehensive income, net of any effects arising from income taxes, and are reported as part of the Revaluation Reserves accounts in equity. When the asset is disposed of, the cumulative gain or loss previously recognized in the Revaluation Reserves account is not reclassified to profit or loss but is reclassified directly to Retained Earnings account, except for those debt securities classified as FVOCI wherein cumulative fair value gains or losses are recycled to profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial assets except for those that are subsequently identified as credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance). The interest earned is recognized in the statement of profit or loss as part of Finance Income.

Any dividends earned on holding equity instruments are recognized in profit or loss as part of Miscellaneous under the Other Operating Income account, when the Company's right to receive dividends is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and, the amount of the dividend can be measured reliably unless the dividends dearly represent the recovery of a part of the cost of the investment.

As at December 31, 2024 and 2023, the Company does not have financial assets designated at FVOCI.

Financial Instruments

a. Financial Assets

Financial assets are recognized when the Company becomes a party to the contractual terms of the financial instrument. For purposes of classifying financial assets, an instrument is considered as an equity instrument if it is non-derivative and meets the definition of equity for the issuer in accordance with the criteria of PAS 32, Financial Instruments: Presentation. All other non-derivative financial instruments are treated as debt instruments.

The foregoing categories of financial instruments of the Company are more fully described below:

i. Financial Assets at Amortized Cost

A financial asset is classified as subsequently measured at amortized cost if it meets both of the following criteria:

- hold to collect business model test – the asset is held within a business model whose objective is to hold the financial asset in order to collect contractual cash flows; and

- solely payments of principal and interest (SPPI) contractual cash flow characteristics test – the contractual terms of the financial asset give rise to cash flows that are SPPI on the principal amount outstanding on a specified date.

Except for trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with PFRS 15, all financial assets meeting these criteria are measured initially at fair value plus transaction costs. These are subsequently measured at amortized cost using the effective interest method, less allowance for expected credit loss (ECL).

Financial assets measured at amortized cost are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets.

The Company's financial assets measured at amortized cost comprise of Cash and cash equivalents, short-term investments, trade and other receivables and long-term investments in the statements of financial position. Cash and cash equivalents include demand deposit and short-term placement, highly liquid investments with original maturities of three months or less, readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Short-term investments are investments with original maturities of more than three months to one year. Investments with maturities of more than one year are classified as long term investments.

vi. PFRS 18, *Presentation and Disclosure in Financial Statements* (effective from January 1, 2027). The new standard impacts the classification of profit or loss items (i.e., into operating, investing and financing categories) and the presentation of subtotals in the statement of profit or loss (i.e., operating profit and profit before financing and income taxes). The new standard also changes the aggregation and disaggregation of information presented in the primary financial statements and in the notes. It also introduces required disclosures about management-defined performance measures. The amendments, however, do not affect how an entity recognizes and measures its financial condition, financial performance and cash flows.

vii. PFRS 19, *Subsidiaries without Public Accountability: Disclosures* (effective from January 1, 2027) The new standard reduces the disclosure requirements prescribed by other standards for subsidiaries without public accountability. It changes disclosure requirements prescribed by other standards as the reporting entity will instead refer to PFRS 19 for required disclosures.

viii. PFRS 10 and PAS 28 (Amendments), *Consolidated Financial Statements and Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (effective date deferred indefinitely)

Current versus Non-Current Classification

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

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after the reporting period; or,
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Deferred income tax assets and liabilities are classified as non-current assets and liabilities.

ii. PAS 1 (Amendments), *Presentation of Financial Statements – Non-current Liabilities with Covenants.* The amendments specifies that if the right to defer settlement for at least 12 months is subject to an entity complying with conditions after the reporting period, then those conditions would not affect whether the right to defer settlement exists at the end of the reporting period for the purposes of classifying a liability as current or non-current. For non-current liabilities subject to conditions, an entity is required to disclose information about the conditions, whether the entity would comply with the conditions based on its circumstances at the reporting date and whether and how the entity expects to comply with the conditions by the date on which they are contractually required to be tested. The application of these amendments had no significant impact on the Company's financial statements.

iii. PAS 7 and PFRS 7 (Amendments), *Statement of Cash Flows, 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 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 application of these amendments had no significant impact on the Company's financial statements.

b. Effective in 2024 that is not Relevant to the Company

Among the amendments to PFRS Accounting Standards, which are mandatorily effective for annual periods beginning on or after January 1, 2024, amendments to PFRS 16 – Lease Liability in a Sale and Leaseback is not relevant to the Company's financial statements.

c. Effective Subsequent to 2024 but not Adopted Early

There are amendments to existing standards effective for annual periods subsequent to 2024, which are adopted by the FSRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and unless otherwise indicated, none of these are expected to have significant impact on the Company's financial statements:

i. PFRS 17, *Insurance Contracts – Insurance Contracts* (effective from January 1, 2025)

ii. PFRS 17 (Amendments), *Insurance Contracts – Initial Application of PFRS 17 and PFRS 9 – Comparative Information* (effective from January 1, 2025)

iii. PAS 21 (Amendments), *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability* (effective from January 1, 2025)

iv. *Annual Improvements to PFRS Accounting Standards* – Volume 11 (effective from January 1, 2026)

v. PFRS 9 and PFRS 7 (Amendments), *Financial Instruments, and Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments* (effective from January 1, 2026)

The Company presents the third statement of financial position as at the beginning of the preceding period when it applies an accounting policy retrospectively or makes a retrospective restatement or reclassification of items that have a material effect on the information in the statement of financial position at the beginning of the preceding period. The related notes to the third statement of financial position are not required to be disclosed.

c. *Functional and Presentation Currency*

These financial statements are presented in Philippine peso, the Company's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the financial statements of the Company are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Company operates.

Adoption of Amended PFRS Accounting Standards

a. *Effective in 2024 that are Relevant to the Company*

The Company adopted for the first time the following amendments to PFRS Accounting Standards, which are mandatorily effective for annual periods beginning on or after January 1, 2024:

PAS 1 (Amendments)	:	Presentation of Financial Statements – Classification of Liabilities as Current or Non-current, and Non-current Liabilities with Covenants
PAS 7 and PFRS 7 (Amendments)	:	Statement of Cash Flow, and Financial Instruments: Disclosures – Supplier Finance Arrangements

Discussed below are the relevant information about these pronouncements.

i. PAS 1 (Amendments), *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current.* The amendments provide guidance on whether a liability should be classified as either current or non-current. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and that the classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The application of these amendments had no significant impact on the Company's financial statements.

UNIGUARANTEE INSURANCE BROKERAGE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023
(Amounts in Philippine Peso)

1. GENERAL INFORMATION

Corporate Information

Uniguarantee Insurance Brokerage, Inc. (the "Company") was registered with the Securities and Exchange Commission (SEC) on April 5, 2011, with SEC Registration No. CS201106043. The Company was incorporated primarily to act as an insurance broker or representative for and on behalf of an insured other than itself and/or to act in any manner in negotiating contracts of insurance for any insurance company.

The registered office of the Company is located at 2nd Floor Majalco Building, Benavidez Cor. Trasierra Sts., Legaspi Village, Makati City.

Approval of Financial Statements

The financial statements of the Company as at and for the year ended December 31, 2024 (including the comparatives as at and for the year ended December 31, 2023) was authorized for issue by the Company's Board of Directors (BOD) on April 7, 2025.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information that have been used in the preparation of these financial statements are summarized below and in the succeeding pages. These policies have been consistently applied in the period presented unless otherwise stated.

Basis of Preparation of Financial Statements

a. *Statement of Compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards*

The financial statements of the Company have been prepared in accordance with PFRS Accounting Standards. PFRS Accounting Standards are adopted by the Financial and Sustainability Reporting Standards Council (FSRSC) from the pronouncements issued by the International Accounting Standards Board (IASB) and approved by the Philippine Board of Accountancy (BOA).

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

b. *Presentation of Financial Statements*

The financial statements are presented in accordance with Philippine Accounting Standard PAS 1, *Presentation of Financial Statements*. The Company presents all items of income and expenses in a single statement of comprehensive income.

UNIGUARANTEE
INSURANCE BROKERAGE, INC.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

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

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

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

AMC & Associates, the independent auditor appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

JOEL MARCELO G. JIMENEZ
Chairman

JOSETTE ANNE TALAN PACHO
Chief Executive Officer

ANNA LIZA MARTIREZ SIAPNO
Treasurer

Aquino, Mata, Calica & Associates
Certified Public Accountants
Suite 1805 - 1807 Cityland Condominium 10 Tower 2
H.V. Dela Costa St., Makati City, 1227 Philippines
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In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders
Uniguarantee Insurance Brokerage, Inc.
2nd Floor Majalco Building
Benavidez cor. Trasierra Sts.
Legaspi Village, Makati City

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

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

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

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS TO ACCOMPANY INCOME TAX RETURN

The Board of Directors and Stockholders
Uniguarantee Insurance Brokerage, Inc.
2nd Floor Majalco Building
Benavidez cor. Trasierra Sts.
Legaspi Village, Makati City

We have audited the financial statements of **Uniguarantee Insurance Brokerage, Inc.** for the year ended December 31, 2024, on which we have rendered the attached report dated April 7, 2025.

In compliance with Revenue Regulations V-20, we are stating that no partner of our Firm is related by consanguinity or affinity to the president, manager or principal stockholders of the Company.

AMC & ASSOCIATES

By: Joseph Cedric V. Calica
Partner
CPA Cert. No. 94541
TIN 163-257-226-000
PTR No. 10469766, Jan. 7, 2025, Makati City
BIR Accreditation No. 08-002582-001-2023
(issued on Oct. 12, 2023 valid until Oct. 11, 2026)
SEC Accreditation No. 94541-SEC (Group A)
(valid to audit 2023 to 2027 financial statements)
IC Accreditation No. 94541-IC (Group A)
(valid to audit 2020 to 2024 financial statements)
BSP Accreditation No. 94541-BSP (Group B)
(valid to audit 2021 to 2025 financial statements)

April 7, 2025

Aquino, Mata, Calica & Associates
Certified Public Accountants
Suite 1805 - 1807 Cityland Condominium 10 Tower 2
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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information for the year ended December 31, 2024 required by the Bureau of Internal Revenue as disclosed in Note 26 of the financial statements is presented for purposes of additional analysis and is not a required part of the financial statements prepared in accordance with PFRS Accounting Standards. Such supplementary information is the responsibility of the management. The supplementary information has been subjected to the auditing procedures applied in the audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

AMC & ASSOCIATES

By: Joseph Cedric V. Calica
Partner
CPA Cert. No. 94541
TIN 163-257-226-000
PTR No. 10469766, Jan. 7, 2025, Makati City
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(valid to audit 2023 to 2027 financial statements)
IC Accreditation No. 94541-IC (Group A)
(valid to audit 2020 to 2024 financial statements)
BSP Accreditation No. 94541-BSP (Group B)
(valid to audit 2021 to 2025 financial statements)

April 7, 2025

UNIGUARANTEE INSURANCE BROKERAGE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Amounts in Philippine Peso)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	P 8,079,912	P 38,856,208
Adjustments for:		
Retirement expense *(Note 16)*	1,920,000	420,000
Depreciation *(Note 9)*	791,172	387,161
Amortization of right-of-use asset *(Note 11)*	663,448	884,598
Amortization of intangible asset *(Note 10)*	43,599	45,253
Fair value loss (gain) *(Note 7)*	(45,600)	65,400
Dividend income *(Note 7)*	(97,640)	(81,564)
Interest income *(Notes 4, 5 and 12)*	(1,854,614)	(156,137)
Interest on lease liabilities *(Note 11)*	-	49,599
Operating profit before working capital changes	9,500,277	40,470,518
Decrease (increase) in trade and other receivables	129,676,426	(195,849,105)
Decrease (increase) in prepayments and other current assets	(9,380,450)	3,048,065
Increase (decrease) in trade and other payables	(100,329,960)	167,781,668
Cash generated from operations	29,466,293	15,451,146
Interest received on bank deposits *(Note 4)*	56,321	35,885
Cash paid for income taxes *(Note 18)*	(3,510,456)	(8,907,658)
Net Cash From Operating Activities	26,012,158	6,579,373
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,798,293	120,252
Dividend received *(Note 7)*	97,640	81,564
Acquisitions of property and equipment *(Note 9)*	(1,385,067)	(1,356,927)
Additions to short-term investment	(4,726,702)	(2,407,076)
Proceeds from long-term investments	-	1,504,073
Net Cash Used in Investing Activities	(4,215,836)	(2,058,114)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments from related parties *(Note 20)*	(340,000)	(115,875)
Repayments of lease liabilities *(Note 11)*	(688,248)	(917,664)
Dividend paid *(Note 19)*	(5,065,000)	(1,817,000)
Net Cash Used in Financing Activities	(6,093,248)	(2,850,539)
NET INCREASE IN CASH AND CASH EQUIVALENTS	15,703,074	1,670,720
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	19,337,995	17,667,275
CASH AND CASH EQUIVALENTS AT END OF YEAR *(Note 4)*	P 35,041,069	P 19,337,995

See Notes to Financial Statements.

UNIGUARANTEE INSURANCE BROKERAGE, INC.
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Amounts in Philippine Peso)

	Capital Stock *(Note 19)*	Appropriated Retained Earnings *(Note 19)*	Unappropriated Retained Earnings *(Note 19)*	Total
Balance at January 1, 2024	P 20,000,000	P -	P 70,025,561	P 90,025,561
Appropriations for the year		55,000,000	(55,000,000)	-
Cash dividend	-	-	(5,000,000)	(5,000,000)
Total comprehensive income for the year	-	-	6,093,411	6,093,411
Balance at December 31, 2024	**P 20,000,000**	**P 55,000,000**	**P 16,118,972**	**P 91,118,972**
Balance at January 1, 2023	P 20,000,000	P 16,000,000	P 27,383,660	P 63,383,660
Transfer to unappropriated	-	(16,000,000)	16,000,000	-
Cash dividend	-	-	(2,000,000)	(2,000,000)
Total comprehensive income for the year	-	-	28,641,901	28,641,901
Balance at December 31, 2023	P 20,000,000	P -	P 70,025,561	P 90,025,561

See Notes to Financial Statements.

UNIGUARANTEE INSURANCE BROKERAGE, INC.
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Amounts in Philippine Peso)

	2024	2023
REVENUES *(Note 14)*	P 41,860,231	P 69,638,099
COST AND OPERATING EXPENSES *(Note 15)*		
Cost of services	20,695,135	17,775,425
Administrative expenses	14,022,756	12,263,822
Other expenses	1,060,282	865,346
	35,778,173	30,904,593
OPERATING PROFIT	6,082,058	38,733,506
FINANCE INCOME (COST) *(Note 17)*		
Finance income	1,997,854	237,701
Finance cost	-	(114,999)
	1,997,854	122,702
PROFIT BEFORE TAX	8,079,912	38,856,208
TAX EXPENSE *(Note 18)*	1,986,501	10,214,307
NET PROFIT	6,093,411	28,641,901
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME	P 6,093,411	P 28,641,901

See Notes to Financial Statements.

UNIGUARANTEE INSURANCE BROKERAGE, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023
(Amounts in Philippine Peso)

		2024		2023
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents *(Note 4)*	P	35,041,069	P	19,337,995
Short-term investment *(Note 5)*		14,194,116		9,467,414
Trade and other receivables *(Note 6)*		177,799,840		307,476,266
Financial asset at fair value through profit or loss *(Note 7)*		1,027,200		981,600
Prepayments and other current assets *(Note 8)*		14,433,241		5,064,871
Total Current Assets		242,495,466		342,328,146
NON-CURRENT ASSETS				
Property and equipment *(Note 9)*		2,614,157		2,020,262
Intangible asset *(Note 10)*		-		43,599
Right-of-use asset *(Note 11)*		-		663,448
Long-term investments *(Note 12)*		8,300,000		8,300,000
Deferred tax assets *(Note 18)*		1,260,325		797,925
Other non-current asset		207,744		195,664
Total Non-current Assets		12,382,226		12,020,898
TOTAL ASSETS	P	254,877,692	P	354,349,044
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Trade and other payables *(Note 13)*	P	159,235,520	P	259,630,480
Due to related parties *(Note 20)*		642,417		982,417
Current portion of lease liabilities *(Note 11)*		-		688,248
Income tax payable		-		1,061,555
Total Current Liabilities		159,877,937		262,362,700
NON-CURRENT LIABILITY				
Retirement benefit obligation *(Note 16)*		3,880,783		1,960,783
Total Liabilities		163,758,720		264,323,483
EQUITY				
Capital stock *(Note 19)*		20,000,000		20,000,000
Appropriated retained earnings *(Note 19)*		55,000,000		-
Unappropriated retained earnings *(Note 19)*		16,118,972		70,025,561
Total Equity		91,118,972		90,025,561
TOTAL LIABILITIES AND EQUITY	P	254,877,692	P	354,349,044

See Notes to Financial Statements.