COVER SHEET
for
ANNUAL AUDITED FINANCIAL STATEMENTS

SEC Registration Number

				1	5	0	1	5	3

COMPANY NAME

TRUSTEESHIP PLANS, INC.

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

SUITE 211-212 RICHMARK BLDG.,
NO. 72 MINDANAO AVE.,
PROJECT 6, QUEZON CITY

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	CRMD	PN-2024-05-R

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
trusteeship.plans@yahoo.com	(02) 8927-9314	0923-447-4823

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
9	2nd Tuesday of April	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Albert S. Villanueva	albertsvillanueva.cpa@gmail.com	(02) 7949-2102 / 9279314	NONE

CONTACT PERSON's ADDRESS

Richmark Bldg., #72 Mindanao Ave., Project 6, Quezon City

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

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

TRUSTEESHIP PLANS, INC.

FINANCIAL STATEMENTS AS OF DECEMBER 31, 2024 AND RE-STATED 2023

TRUSTEESHIP PLANS, INC.

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ANNUAL AUDITED FINANCIAL REPORT PACKAGE
DECEMBER 31, 2024

TRUSTEESHIP PLANS, INC.

Main Office: RICHMACK BUILDING
72 MINDANAO AVENUE
PROJECT 6, QUEZON CITY
TEL. NO. 927-9314

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **TRUSTEESHIP PLANS, 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.

KL Siy & Associates and Perez, Sese, Villa & Co., the independent auditors appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

RENE P. ROY
Chairman of the Board

ADRIAN R. CANLAS
President

ROSSAN R. CANLAS
Treasurer

Signed this 15th day of May, 2025

TRUSTEESHIP PLANS, INC.

Main Office: RICHMACK BUILDING
72 MINDANAO AVENUE
PROJECT 6, QUEZON CITY
TEL. NO. 927-9314

Republic of the Philippines)

Quezon City) S.S.

SUBSCRIBED AND SWORN to before me this _________day of MAY 16 2025

2025 at QUEZON CITY, Philippines, affiants exhibited to me their identification cards as follows:

Name	Type of ID	ID Number	Issued by
Rene P. Roy	TIN	146-473-951	Bureau of Internal Revenue
Adrian R. Canlas	TIN	115-322-025	Bureau of Internal Revenue
Rossan R. Canlas	TIN	232-807-966	Bureau of Internal Revenue

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Page No. 128
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Series of 2025

ATTY. [illegible]YAN G. PEKAS
Notary Public for Quezon City
Valid until December 31, 2025
Roll of Attorney No. 86393
IBP No. 491730 ; Jan. 2, 2025, Q.C.
Admin Matter No. NP-317 / TIN 289-467-753
PTR No. 10095447; 01-02-2025, Marikina City
MCLE Compliance No. VII-0025903; 01-30-2023

Member:
PHILIPPINE FEDERATION OF PRE-NEED PLAN COMPANIES, INC.

TRUSTEESHIP PLANS, INC.

Main Office: RICHMACK BUILDING
72 MINDANAO AVENUE
PROJECT 6, QUEZON CITY
TEL. NO. 927-9314

STATEMENT OF MANAGEMENT RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The management of **TRUSTEESHIP PLANS, INC.** is responsible for all information and representations contained in the financial statements for the years ended December 31, 2024 and 2023. The financial statements have been prepared in conformity with rules and regulations of the Commission on accounting and reflect amounts that are based on the best estimates and informed judgment of management with an appropriate consideration to materiality.

In this regard, management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized. The management likewise discloses to the company's audit committee and to its external auditor: (i) all significant deficiencies in the design or operation of internal controls that could adversely affect its ability to record, process, and report financial data; (ii) material weaknesses in the internal controls; and (iii) any fraud that involves management or other employees who exercise significant roles in internal controls.

The Board of Directors reviews the financial statements before such statements are approved and submitted to the stockholders of the company.

KL Siy & Associates and Perez, Sese, Villa & Co., the independent auditors appointed by the stockholders, has examined the financial statements of the company in accordance with generally accepted auditing standards in the Philippines and has expressed its opinion on the fairness of the presentation upon completion of such examination, in its report to the board of directors and stockholders.

RENE P. ROY
Chairman of the Board

ADRIAN R. CANLAS
President

ROSSAN R. CANLAS
Treasurer

Signed this 15th day of May, 2025

TRUSTEESHIP PLANS, INC.

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Valid until December 31, 2025
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IBP No. 491739 ; Jan. 2, 2025, Q.C.
Admin Matter No. NP-317 / TIN 289-467-753
PTR No. 10[illegible]447; 01-02-2025, Marikina City
MCLE Compliance No. VII-0025903; 01-30-2023

TRUSTEESHIP PLANS, INC.

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TEL. NO. 927-9314

STATEMENT OF MANAGEMENT RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

The management of **TRUSTEESHIP PLANS, 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 **TRUSTEESHIP PLANS, INC.** complete and correct in all material respect. 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 issuance 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 requirements of Revenue Regulations No. 8-2007 and other relevant issuances;

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

RENE P. ROY Chairman of the Board	**ADRIAN R. CANLAS** President

ROSSAN R. CANLAS
Treasurer

Signed this 15th day of May, 2025

TRUSTEESHIP PLANS, INC.

Main Office: RICHMACK BUILDING
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TO THE SECURITIES AND EXCHANGE COMMISSION:

In connection with my examination of the financial statements of **Trusteeship Plans, Inc.** which are to be submitted to the Commission, I hereby represent the following:

1. That I am in the active practice of the accounting profession and duly registered with the Board of Accountancy (BOA);

2. That financial statements are presented in conformity with generally accepted accounting principles in the Philippines in all cases where I shall express an unqualified opinion; except that in case of any departure from such principles, I shall indicate the nature of the departure, the effects thereof, and the reasons why compliance with the principles would result in a misleading statement, if such is a fact;

3. That I shall fully meet the requirements of independence as provided under the Code of Professional Ethics for CPAs;

4. That in the conduct of the audit, I shall comply with the generally accepted auditing standards promulgated by the Board of Accountancy; in case of any departure from such standards or any limitation in the scope of my examination, I shall indicate the nature of the departure and the extent of the limitation, the reasons therefore and the effects thereof on the expression of my opinion or which my necessitate the negation of the expression of an opinion;

5. That I shall comply with the applicable rules and regulations of the Securities and Exchange Commission in the preparation and submission of financial statements; and

6. That relative to the expression of my opinion on the said financial statements, I shall not commit any acts discreditable to the profession as provided under the Code of Professional Ethics for CPAs.

As a CPA engaged in public practice, I make these representations in my individual capacity and as managing partner of KL Siy & Associates.

Unit 1104, Prestige Tower Condominium, F. Ortigas Jr. Road, Ortigas Center, Pasig City 1605
Tel: (02) 8634-7685/7758-5173 E-mail: kathleen.l.siy@klsiyassociates.com.ph

KL SIY & ASSOCIATES
BOA Accreditation No. 0668
Effective until January 26, 2027
TIN No. 215-665-658-000
BIR Accreditation No. 07-100649-002-2023
Effective until May 4, 2026
IC Accreditation No. IC-EA-2024-0026-R (Group A)
Effective until December 31, 2027
Bangko Sentral ng Pilipinas (BSP)
Accreditation No. 0668-BSP (Group B)
Effective until December 31, 2025

By:

KATHLEEN MARY L. SIY
Managing Partner
CPA Certificate No. 45337
BOA Accreditation No. 0668/P-001
Effective until January 26, 2027
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Accreditation No. 45337-BSP (Group B)
Effective until December 31, 2025

TIN No. 303-141-768-000
PTR NO. 3041078, January 31, 2025, Pasig City

May 15, 2025
Ortigas Center, Pasig City

SUPPLEMENTAL STATEMENT OF INDEPENDENT AUDITORS

The Board of Directors
TRUSTEESHIP PLANS, INC.
Suite 211-212 Richmark Bldg.,
No. 72, Mindanao Ave.,
Project 6, Quezon City

We have audited the financial statements of **TRUSTEESHIP PLANS, INC.** (the Company) for the year ended December 31, 2024 on which we have rendered the attached report dated May 15, 2025.

1. In compliance with Revenue Regulation V-20, we are stating that we are not related by consanguinity nor affinity to the president, manager or principal stockholder of the Company; and the taxes paid or accrued by the Company during the year are shown in Note 29 – Supplementary information in compliance with RR15 – 2010.

2. In compliance with the Revised Securities Regulation Code (SRC) Rule 68, we are stating that the Company has seven (7) shareholders owning one hundred (100) or more shares each of the Company's capital stock as of December 31, 2024, as disclosed in Note 18 of the Financial Statements.

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By:

Kathleen Siy

KATHLEEN MARY L. SIY
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May 15, 2025
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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

The Board of Directors
TRUSTEESHIP PLANS, INC.
Suite 211-212 Richmark Bldg.,
No. 72, Mindanao Ave.,
Project 6, Quezon City

Opinion

We have audited the financial statements of **TRUSTEESHIP PLANS, INC.** (the Company), which comprise the statements of financial position as at December 31, 2024 and re-stated 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 re-stated 2023, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) and with the accounting standards set forth in the Pre-Need Rule 31, As Amended: Accounting Standards for Pre-need Plans and PNUCA.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS and with the accounting standards set forth in the Pre-Need Rule 31, As Amended: Accounting Standards for Pre-need Plans and PNUCA, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Other Matter

The financial statements of Trusteeship Plans, Inc. for the year ended December 31, 2023 were audited by another independent auditor whose report dated April 25, 2024 expressed as unqualified opinion on those financial statements.

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2024 required by the Bureau of Internal Revenue as disclosed in Note 29 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with PFRS and with the accounting standards set forth in the Pre-Need Rule 31, As Amended: Accounting Standards for Pre-need Plans and PNUCA. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

KL SIY & ASSOCIATES
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By:
Kathleen Siy

KATHLEEN MARY L. SIY
Managing Partner
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PTR NO. 3041078, January 31, 2025, Pasig City

May 15, 2025
Ortigas Center, Pasig City

TRUSTEESHIP PLANS, INC.

STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023

	Notes	**2024**	2023 (As Restated, Note 18)
ASSETS			
Current Assets			
Cash	*5.1,7*	₱ **5,036,236**	₱ 3,019,794
Prepaid income tax	*5.2,6,8*	**70,708**	70,708
Total Current Assets		**5,106,944**	3,090,502
Non-current Assets			
Investment in trust fund	*5.3,9*	**157,496,782**	147,478,822
Investment properties	*5.4,10*	**561,783,000**	561,783,000
Property and equipment-net	*5.5,6,11*	**96,561**	96,561
Insurance premium fund	*5.6,12*	**3,654,098**	3,602,782
Refundable deposit	*13*	**20,706**	20,706
Deferred Tax Asset	*5.16,6,23*	**3,794,648**	2,684,904
Total Non-Current Assets		**726,845,795**	715,666,775
TOTAL ASSETS		₱ **731,952,739**	₱ 718,757,277
LIABILITIES AND EQUITY			
Current Liabilities			
Financial liabilities			
Pre-need reserve	*5.1,5.8,14*	₱ **81,471,102**	₱ 95,088,880
Payables	*5.1,15*	**10,383,360**	10,733,426
Insurance premium reserve	*5.1,5.9,17*	**1,610,060**	1,760,676
Advances from shareholders	*5.1,5.18,19*	**29,231,411**	22,273,373
Non-financial liabilities			
Income tax payable	*5.16,6,23*	**-**	-
Other current liabilities	*5.10,16*	**192,201**	241,824
Total Current Liabilities		**122,888,134**	130,098,179
Non-Current Liabilities			
Non-financial liabilities			
Deferred tax liability	*5.16,6,23*	**121,316,130**	116,967,793
Total Liabilities		**244,204,264**	247,065,972
Equity			
Share capital	*5.11,18.1*	**113,510,000**	113,510,000
Additional paid-in capital	*5.11,18.2*	**2,531,089**	2,531,089
Net unrealized loss on financial assets at FVOCI	*5.14,10*	**(980,353)**	(314,757)
Retained Earnings	*5.12,18.3*	**372,687,739**	355,964,973
Total Equity		**487,748,475**	471,691,305
TOTAL LIABILITIES AND EQUITY		₱ **731,952,739**	₱ 718,757,277

(See accompanying Notes to Financial Statements)

TRUSTEESHIP PLANS, INC.

STATEMENTS OF COMPREHENSIVE INCOME
For The Years Ended December 31, 2024 and 2023

	Notes	2024	2023 (As Restated, Note 18)
REVENUES	*5.13,20*		
Premium revenue		₱ 8,621,655	₱ 8,562,131
Trust fund income	*10*	7,048,630	5,879,227
Other operating income	*21*	755,685	801,225
		16,425,970	15,242,583
COST OF CONTRACT ISSUED AND OTHER DIRECT COST	*5.15,21*		
Decrease in pre-need reserve	*5.9,14,21*	(17,242,683)	(16,542,322)
Decrease in insurance premium reserve		(150,616)	(193,104)
Trust fund contributions	*9,21*	3,625,000	4,070,000
Trust fund drawings	*9,21*	(95)	(60,000)
Plan benefits	*15.1*	5,568,185	5,696,781
Other direct cost		1,151,711	1,048,355
		(7,048,498)	(5,980,290)
GROSS PROFIT		23,474,468	21,222,873
GENERAL AND ADMINISTRATIVE EXPENSES	*5.15,22*	(3,513,109)	(2,854,850)
NET INCOME BEFORE TAX		19,961,359	18,368,023
INCOME TAX EXPENSE	*5.16,23*		
Current		-	-
Deferred		3,238,593	3,121,109
		3,238,593	3,121,109
NET INCOME FOR THE YEAR		16,722,766	15,246,914
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that will not be reclassified subsequently to profit and loss			
Fair value gain (loss) on financial assets at FVOCI	*5.14,10*	(496,478)	14,364
Tax effect		-	-
Items that may be reclassified subsequently to profit and loss			
Fair value gain (loss) on financial assets at FVOCI	*5.14,10*	(169,118)	2,351,372
Tax effect		-	-
OTHER COMPREHENSIVE INCOME (LOSS)		(665,596)	2,365,736
TOTAL COMPREHENSIVE INCOME		₱ 16,057,170	₱ 17,612,650

(See accompanying Notes to Financial Statements)

TRUSTEESHIP PLANS, INC.

STATEMENTS OF CHANGES IN EQUITY
For The Years Ended December 31, 2024 and 2023

	Notes	**2024**	2023 (As Restated, Note 18)
SHARE CAPITAL	*5.11,18.1*		
Balance at beginning of year		**₱ 113,510,000**	₱ 113,510,000
Additional issuance		**-**	-
Balance at end of year		**113,510,000**	113,510,000
ADDITIONAL PAID-IN CAPITAL	*5.11,18.2*	**2,531,089**	2,531,089
NET UNREALIZED GAIN (LOSS) ON FINANCIAL ASSETS AT FVOCI	*5.13,10*		
Balance at beginning of year		**(314,757)**	(2,680,493)
Net unrealized gain (loss) for the year	*5.13,9*	**(665,596)**	2,365,736
Balance at end of year		**(980,353)**	(314,757)
RETAINED EARNINGS	*5.12,18.3*		
Appropriated			
Balance at beginning of year		**62,812,864**	56,933,637
Appropriation		**7,048,630**	5,879,227
Balance at end of year		**69,861,494**	62,812,864
Unappropriated			
Balance at beginning of year		**293,152,109**	289,429,142
Prior period adjustment	*18.3.3*	**-**	(5,644,720)
Appropriation		**(7,048,630)**	(5,879,227)
Net income for the year		**16,722,766**	15,246,914
Balance at end of year		**302,826,245**	293,152,109
TOTAL RETAINED EARNINGS		**372,687,739**	355,964,973
TOTAL EQUITY		**₱ 487,748,475**	₱ 471,691,305

(See accompanying Notes to Financial Statements)

TRUSTEESHIP PLANS, INC.

STATEMENTS OF CASH FLOWS
For The Years Ended December 31, 2024 and 2023

	Notes	2024	2023 (As Restated, Note 18)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income before income tax		₱ **19,961,359**	₱ 18,368,023
Adjustment to reconcile net income to net cash used in operating activities:			
Trust fund income	*5,9,18*	**(7,048,630)**	(5,879,227)
Change in pre-need reserve	*5,6,22*	**(13,627,799)**	(11,747,509)
Change in insurance premium reserve	*5,6,17,21*	**(150,616)**	(193,104)
Interest income	*5,7,12*	**(3,138)**	(4,362)
Operating income before changes in working capital		**(868,823)**	543,821
Changes in operating assets and liabilities:			
Increase (Decrease) in:			
Payables	*5.1,15*	**(350,066)**	814,725
Other current liabilities	*5,16*	**(49,623)**	148,783
Cash generated from operation		**(1,268,512)**	1,507,329
Income taxes paid	*5,6,24*	**-**	-
Interest received	*5,7,12*	**3,138**	4,362
Net cash provided by operating activities		**(1,265,374)**	1,511,691
CASH FLOWS FROM INVESTING ACTIVITIES			
Additional contributions in investment in trust	*5,9,21*	**(3,625,000)**	(4,070,000)
Additional contributions in insurance premium fund	*5,12*	**(51,316)**	(101,774)
Drawings from investment in trust	*5,9*	**95**	60,000
Net cash used in investing activities		**(3,676,221)**	(4,111,774)
CASH FLOWS FROM FINANCING ACTIVITIES			
Additional advances from shareholders	*5,19,27*	**6,958,038**	3,268,824
Payment of advances from shareholders	*5,19,27*	**-**	(253,527)
Net cash provided by (used in) financing activities		**6,958,038**	3,015,297
NET INCREASE IN CASH		**2,016,442**	415,214
CASH AT BEGINNING OF YEAR	*5,7*	**3,019,794**	2,604,580
CASH AT END OF YEAR	*5,7*	₱ **5,036,236**	₱ 3,019,794

(See accompanying Notes to Financial Statements)

TRUSTEESHIP PLANS, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 - GENERAL INFORMATION

TRUSTEESHIP PLANS, INC. (the Company) is a corporation registered with the Philippine Securities and Exchange Commission under registration number 150153 dated April 12, 1988. The Company is engaged in the business of non-traditional securities commonly known as pre-need plans. The products, the Pensioncare Plan and Educare Plan, are savings packages designed to guarantee funds for future financial needs and ensure financial protection for clients and their loved ones.

The Company's registered office, which is also its principal place of business, is located at Suite 211-212 Richmark Building, No. 72 Mindanao Avenue Project 6, Quezon City.

Approval of the Financial Statements

The financial statements of the Company for the year ended December 31, 2024 including its comparative figures for the year ended December 31, 2023 as re-stated were approved and authorized for issue by the Board of Directors (BOD) on May 15, 2025. The Board of Directors are empowered to make revisions even after the date of issue.

NOTE 2 - BASIS OF PREPARATION AND PRESENTATION

Statement of Compliance

The financial statements of the Company have been prepared in accordance with the *Philippine Financial Reporting Standard* in the Philippines for pre-need Companies which include Philippine Financial Reporting Standards (PFRS) Accounting Standards, and the guidelines in determining reserve and liabilities relating to pension and educational plans and contracts, and financial statements presentation set forth in the amended SEC Rule 31, Accounting Standards for Pre-need Plans and Pre-need Uniform Chart of Accounts (PNUCA), as required of the Securities and Exchange Commission (SEC) and adopted by the Insurance Commission (IC). PFRS are adopted by the Philippine Financial and Sustainability Reporting Standards Council (FSRSC) for the pronouncements issued by the International Accounting Standards Board (IASB) and approved by the Philippine Board of Accountancy.

Basis of Preparation and Measurement

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

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

The financial statements have been prepared on historical cost basis, except for certain financial instrument carried at fair value and pre-need reserve carried at present value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

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

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

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

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

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

• Note 6 - Significant Accounting Judgments and Estimates
• Note 32 - Fair Value Measurement

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

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

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

NOTE 3 - ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of certain new PFRS and amendments to existing PFRS and PAS which became effective for the current period on or after January 1, 2024. These standards are as follows:

Effective in 2024

Classification of Liabilities as Current or Noncurrent and Non-current Liabilities with Covenants – Amendments to PAS 1

If an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants only at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. Furthermore, the Board specified that the requirements in paragraph 72B apply only to liabilities arising from loan arrangements.

The amendments also clarify that the requirement for the right to exist at the end of the reporting period applies to covenants which the entity is required to comply with on or before the reporting date regardless of whether the lender tests for compliance at that date or at a later date.

An entity is required to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities as well as any facts and circumstances that indicate the entity may have difficulty complying with the covenants.

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

The amendment to PFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.

After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of PFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of PFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognizing in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of PFRS 16.

The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in Appendix A of PFRS 16. The seller-lessee will need to develop and apply an accounting policy in accordance with PAS 8 that results in information that is relevant and reliable.

The amendment is not applicable to the Company.

Effective January 1, 2023

Disclosure of Accounting Policies – Amendments to PAS 1 and PFRS Practice Statement 2

The amendments aim to help entities provide accounting policy disclosures that are more useful by:

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

Definition of Accounting Estimates - Amendments to PAS 8

The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to PAS 12

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

Future Changes in Accounting Policies

The Company will adopt the following revised standards, interpretations and amendments when these become effective. Except as otherwise indicated, the Company does not expect the adoption of these new and amended standards and interpretations to have a material impact on its financial statements.

Effective in 2025

Lack of exchangeability – Amendments to PAS 21

The amendment to PAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique.

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

The amendment is not applicable to the Company.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to PFRS 10 and PAS 28

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

The amendment is not applicable to the Company.

PFRS 17, 'Insurance contracts'

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which were largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by: A specific adaptation for contracts with direct participation features (the variable fee approach) or A simplified approach (the premium allocation approach) mainly for short-duration contracts.
The amendment is not applicable to the Company.

Effective beginning on or after January 1, 2026

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

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

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

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

- Annual Improvements to PFRS Accounting Standards-Volume 11

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

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

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

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

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

- Amendments to PFRS 9

a) Lessee Derecognition of Lease Liabilities

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

b) Transaction Price

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

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

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

- Amendments to PAS 7, *Cost Method*

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

Effective beginning on or after January 1, 2027

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

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

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

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

- PFRS 19, *Subsidiaries without Public Accountability*

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

Deferred effectivity

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

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

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

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

NOTE 4 - SIGNIFICANT PRE-NEED REGULATIONS

The following are the more significant provisions under RA No. 9829: *An Act Establishing the Pre-need Code of the Philippines*

- *Authority of the Insurance Commission.* All pre-need companies shall be under the primary and exclusive supervision and regulation of the Insurance Commission (IC).

- *Paid-up Capital.* A pre-need company incorporated after the affectivity of the Code shall have a minimum paid-up capital of ₱100 million. Existing pre-need companies shall comply with the following minimum unimpaired paid-up capital:

    a. ₱100 million for companies selling at least three (3) types of plan;
    b. ₱75 million for companies selling two (2) types of plan; and,
    c. ₱50 million for companies selling a single type on plan.

- *Trust Fund.* The trust fund shall at all times be sufficient to cover the required pre-need reserve. The RA specifies the minimum amount corresponding contributions to the trust fund.

- *Limitations on different investments of the trust fund(s).* To ensure the liquidity if the trust fund to guarantee the delivery of the benefits provided for under the plan contract and likewise obtain sufficient capital growth to meet the growing actuarial reserve liabilities, all investments of the trust(s) of a pre-need company shall be limited and subject to limitations specified by the RA.

Under Chapter 11, Section 47 of the Pre-need Code, the IC shall have the authority to make, amend and rescind such accounting rules and regulations applicable for the pre-need companies. In the absence of new accounting rules, amendments to or rescission of the current accounting rules authorized by the IC, the Company continues to follow the amended PNUCA.

<u>Implementing Rules and Regulations (IRR) of RA No. 9829</u>

On March 8, 2010, the Commission issued the IRR of RA No. 9829. The salient provisions of the IRR are the same with that of RA No. 9829.

SEC Memorandum Circular (SMC) No. 6, Series of 2002

The SEC issued SMC No. 6, Standards for Valuation of Actuarial Reserve Liabilities for Pre-need Plans, effective June 27, 2002 (amended April 10, 2003). The Company continues to follow the guidelines in this Circular in calculation the pre-need reserves (PNR) for its life plans.

The following are the more significant provisions of this Circular:

a. Actuarial Reserve Liability (ARL) must be set up for all pre-need benefits guaranteed and payable by the pre-need company as defined in the pre-need contracts;

b. Where insurance coverage is provided in the plan contract, IPR must be set up as a separate liability account;

c. The ARL must be determined by using a prospective method and in accordance with the Guidelines and Standards of the Actuarial Society of the Philippines;

d. Actuarial reserve valuation methods must be consistent with any allowed accounting adjustments for deferred expenses. The net level contribution method of prospective valuation for both pre-need benefits reserve and insurance premium reserves shall be used, when there is deferment of expenses. Only first year commissions, overrides and bonuses may be deferred. Administrative and other marketing expenses shall not qualify for deferral. The period of deferment shall not exceed the installment payment period and shall be in accordance with the New Pre-need Rules which took effect on September 21, 2001;

e. The ARL for a contract that has defaulted in payment of installment of the price, but which may still be reinstated, shall not be less than its reserve minus the uncollected contributions to reserve up to the date of valuation, multiplied by a validated reinstatement factor as determined by the actuary, provided the uncollected contributions to reserve is not reflected as assets;

   The interest rate assumptions in reserve valuation should be reflective of expenses and taxes incurred on investments, but the rate shall in no case exceed 80% of the average interest rate for the longest term Philippine government security traded during the previous three months. If the experience net yield rate of the trust fund is higher than the set maximum, the actuary must show conclusive proof of the contracts whose reserves are being valued, before assuming such experience net yield;

f. Rates of surrender, cancellation, utilization, and inflation, when applied, must consider the actual experience of the Company in the last three (3) years, or the industry, in the absence of a reliable company experience;

g. In determining the ARL of fully paid plans, no decrement rates other than utilization rates for the contingent principal benefits may be used. The actuary shall submit to the SEC for approval the necessary justification for any exception made to this rule; and,

h. The actuary shall validate every year the actuarial assumptions used in the reserve valuation and shall include in the actuarial certification a statement of the validation procedures.

Pre-need Rule 31, As Amended: Accounting Standards for Pre-need Plans and Pre-need Uniform Chart of Accounts (PNUCA)

On May 10, 2007, the SEC issued Pre-need Rule 31, as Amended, which adopted the revised accounting standards and chart of accounts that shall be considered the generally accepted accounting principles for pre-need companies in the Philippines. This Amended Pre-need Rule 31 became effective for interim financial statements covering periods ended June 30, 2007 and onwards, and for annual financial statements for the period ended December 31, 2007 and thereafter.

The following are the more significant provisions under the Amended Pre-need Rule 31:

Trust Funds

a. The net asset value in the trust funds shall be at least equal to the required Pre-need Reserves (PNR) as determined by a qualified actuary using the method prescribed in this Rule.

b. All requirements under the rules and regulations as may be promulgated by the SEC on trust funds shall be complied with.

c. The recognition and measurement of the assets in the trust funds shall be in accordance with Philippine Accounting Standards (PAS) 39, *Financial Instruments: Recognition and Measurement or* PFRS 9 – *Financial Instruments* and PAS 40, *Investment Property* and other applicable standards, depending on the composition of the fund.

d. The component assets and liabilities of the trust funds shall be presented separately in the notes to financial statements.

Pre-need Reserves

a. PNR shall be set up for all pre-need benefits guaranteed and payable by the pre-need Company as defined in the pre-need plan contracts;

b. In recognizing PNR for educational and pension plans, the general requirements of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets,* on provisioning and the specific methodology provided shall be complied with by the Company. For life plans, the requirements of PFRS (Philippine Financial Reporting Standards) 4, *Insurance Contracts* shall be complied with by the Company;

c. The amount recognized as a provision to cover the PNR shall be the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The risks and uncertainties that inevitability surround events and circumstances shall be taken into account in reaching the best estimate of a provision;

d. Since the effect of the time value of money for pre-need plans is material, the amount of provision shall be the present value of the funding expected to be required to settle the obligation with due consideration of the different probabilities as follows:

   1. On Currently-being-paid plans

      i. Provision for termination values applying the surrender rate experience of the Company. The trend of surrender rate experience shall be disclosed in the Company's notes to financial statements; and

      ii. Liability shall be set up for the portion of currently-being-paid plans that will reach full payment, applying the full payment experience of the Company. It shall be equivalent to the present value of future maturity benefits reduced by the present value of future trust fund contributions required per Product Model discounted at the approved hurdle rate per Product Model of the Company.

2. On lapsed Plan within the Allowance Reinstatement Period
   Provision for termination values applying the reinstatement experience of the Company. The trend of reinstatement experience shall be disclosed in the Company's notes to financial statements;

3. Fully-paid Plans

   i. For those due for payment within the next five (5) years, the reserve shall be the present value of the future maturity benefits discounted at the attributable rate, as determined and certified by the Company's trustee using industry best practices and principles which shall be indicated in such certification; and

   ii. For those not yet due for payment within the next five (5) years, the reserves shall be the present value of future maturity benefits discounted at the approved hurdle rate per Product Model of the Company.

e. Future events that may affect the foregoing amounts shall be reflected in the amount of provision for PNR where there is sufficient objective evidence that they will occur;

f. The rates of surrender, cancellation, reinstatement , utilization and inflation when applied, must consider the actual experience of the Company in the last three (3) years, or the industry, in the absence of a reliable Company experience;

g. The computation of the foregoing assumptions shall be validated by the internal qualified actuary of the pre-need Company. His or her validation report shall be provided to its external auditors for purposes of statutory audit of the financial statements of the Company, and shall be submitted to the SEC as a separate report;

h. The probability of pre-termination on surrender of fully paid plans shall be considered in determining the PNR of fully paid plans. A pre-need experience on full paid plans of 10% and below shall be considered insignificant. In such cases, derecognition of liability shall be recorded at pre-termination date;

i. The disclosure requirement under PAS 1 relative to methods and assumptions used to estimate the PNR, including the sensitivity of the PNR amount, shall be complied with; and

j. Any excess in the amount of the trust funds as a result of the revised reserving method shall neither be released from the fund nor be credited to offset against future required contributions.

k. Individual subsidiary accounts for education and for pension plans must be maintained (eg., (1) "Pre-need reserves-Education Plans", (2) "Pre-need reserves-Pension Plans").

Insurance Premium Fund

This represents corporate assets that are restricted to cover the payment of insurance premiums after the paying period of the pre-need plan. This shall be equal to the amount computed for the Insurance Premium Reserves (IPR) under paragraph 13 of Amended Pre-need Rule.

Other Reserves

The Company shall set-up other provisions in accordance with PAS 37 to cover obligations such as Insurance Premium Reserve (IPR).

Unless the SEC shall so specifically require, the Company may, at its option, set up other provisions as a prudent measure.

Premium Revenues

Premium from sale of pre-need plans shall be recognized as revenue when collected. When premiums are recognized as income, the related cost of contracts shall be computed with the result that benefits and expenses are matched with such revenue.

Trust Fund Income

Income generated by the trust fund shall be included in the Investment in Trust Funds account under the asset section of the statement of financial position.

The amount of the trust fund income shall be disclosed in the notes in the financial statements. The portion of the retained earnings representing the trust fund income shall be automatically restricted to payments benefits of plan holders and such other related payments as allowed under Pre-need Rules.

Cost of Contracts Issued

This account pertains to:

a. The increase in PNR as at the current year as compared to the provision for the same period of the previous year. If there is a decrease in the PNR as a result from new information or new developments, the amount shall be deducted from the Cost of Contracts Issued of the current period. In case of material prior period errors. The requirements of PAS 8 shall be complied with the pre-need Company.
b. Amount of trust funds contributed during the year;
c. Documentary stamp tax and SEC registration fees

The foregoing item shall be presented separately on the face of the statement of financial performance.

Other Direct Costs and Expenses

This account includes the following which shall be presented separately in the notes to the financial statements:

a. Basic commissions;
b. Other commissions such as overrides, bonuses;
c. Insurance; and,
d. Other expenses that constitute direct cost of contracts issued.

Individual subsidiary accounts for education plans and for pension plans must be maintained (e.g., (1) "Cost of contracts issued – education plans", (2) "Cost of contract issued – pension plans").

SEC Interpretative Bulletin No. 1, Series of 2008

On January 17, 2008, the SEC issued a bulletin to guide pre-need corporations, pre-need actuaries and pre-need external auditors on the implementation of Amended Pre-need Rule 31 and PNUCA.

The more significant provisions of this bulletin are as follows:

Pre-need Reserves

The PNR or the reserve for education plan, life plan and pension plan, covers the liabilities for education plan, life plan and pension plan. The PNR represents the present value of the future pre-need benefits less the present value of future trust fund contributions. The PNR of the three (3) plan types should be maintained separately as they differ in treatment and assumptions. The amount indicated as PNR shall be the same as that stated in the actuarial valuation report and audited financial statements with the required disclosures.

Discount Rate

The Company should compute the PNR using the SEC approved hurdle rate per product model for Currently Being Paid Plans and Fully Paid Plans whose benefit payments are not due within the next five years.

The Company also may compute the present value of its liabilities using a lower discount rate other than the SEC approved hurdle rate and the difference between the two computations shall be booked under the account "Other Reserves" in the audited financial statements, in accordance with the Amended Pre-Need Rule 31.

Other Reserves

Under the account "Other Reserves," the Company may, at its option and as a prudent measure set up other provisions. Thus, the "Other Reserves" account may include the following items:

- General administrative expense after the paying period;
- Paid-up capital reserves;
- Reserve for the difference in the PNR computation using a rate other than the SEC-approved hurdle rate; and
- Other reserve as may be allowed by the Commission.

<u>SMC No. 1, Series of 2009</u>

The SEC issued the SEC Memorandum Circular No. 1, Multi-year Capital and Trust Fund Build up (SEC Circular No. 1), which became effective February 25, 2009. This Circular discusses the scheme for pre-need companies to address their and trust fund deficiencies. The Company has not applied with the SEC for the Capital and trust fund build up as it is not in a capital deficiency position and its investments in trust funds are sufficient to cover its obligation to planholders.

<u>IC Circular Letter No. 23-2012</u>

On November 23, 2012, the IC has issued Circular Letter 23-2012 relating to the Valuation of Transitory Pre-need Reserves (TPNR). The circular states that in order to provide regulatory leeway for old basket of plans previously approved by SEC, the valuation of PNR shall be governed by the following:

Discount interest rate for the PNR

a. The transitory discount interest rate per year shall be used in the valuation of PNR shall not exceed the lower of the attainable rates as certified by the Trustee and the following rates below:

Year	Discount Rate
2012-2016	8.00%
2017	7.25%
2018	6.50%
2019 and onwards	6.00%

b. Transitory Pre-need Reserve

In effecting the transition in the valuation of reserves for old basket of plans, IC shall prescribe a TPNR with a maximum transition period of ten (10) years.

For each of the pre-need plan categories, the TPNR shall be computed annually on all old basket plans outstanding at the end of each year from 2012 to 2021 using the discount interest rates provided above. If the actual trust fund balance is higher than or equal to the resulting PNR then the liability set-up shall be the PNR. However, if the resulting PNR is greater than the actual trust fund balance at the year end, TPNR shall be computed.

The actual trust fund balance shall be the trust fund balance at the end of the year net of any receivables by the pre-need company from the trustee for the contractual benefits outstanding as of the end of year.

The TPNR liability shall be recognized each year. The trust fund deficiency shall be funded by the pre-need company within sixty (60) days from April 30 following the valuation date.

NOTE 5 - SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

5.1 Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Classification

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

Financial Assets at Amortized Cost

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

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

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for credit losses, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process.

Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets. As at December 31, 2024 and 2023, the Company's cash; cash and accrued interest receivable under investment in trust fund; insurance premium fund and refundable deposits are classified under this category. *(See Notes 8, 10, 11 and 14)*

Financial Assets at FVOCI

For debt instruments that meet the contractual cash flow characteristic and are not designated at FVTPL under the fair value option, the financial assets shall be measured at FVOCI if both of the following conditions are met:

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

For equity instruments, the Company may irrevocably designate the financial asset to be measured at FVOCI as long as these are not held for trading purposes.

After initial recognition, Financial assets at FVOCI are presented in the financial statements at fair value with changes in fair value are recognized in Other Comprehensive Income (OCI).

Interest income on debt instruments is calculated using the effective interest method while credit losses on debt instruments measured at FVOCI are recognized directly in profit or loss. When the financial asset is derecognized, the cumulative gains or losses previously recognized in OCI are reclassified to profit or loss.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established. Cumulative changes in fair value of FVOCI equity instruments are recognized in equity and are not reclassified to profit or loss in subsequent periods.

As at December 31, 2024 and 2023, the Company's financial assets at FVOCI included in the investment in trust fund is classified under this category (Note 10).

Financial Liabilities at Amortized Cost

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

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

As at December 31, 2024 and 2023, the Company's pre-need reserve, payables, insurance premium reserve and advances from shareholders accounts are classified under this category. *(See Notes 15, 16, 18 and 20)*

Reclassification

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

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

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

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

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

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

Impairment of Financial Assets

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

For debt instruments measured at amortized cost and FVOCI, the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

Derecognition of Financial Assets and Liabilities

Financial Assets

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

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

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

Financial Liabilities

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

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

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

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

Offsetting of Financial Assets and Liabilities

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

Classification of Financial Instrument between Liability and Equity

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

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

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

5.2 Other Asset - Prepaid Income Tax

Prepaid income tax are stated in the statements of financial position at cost less any protion that has already been consumed or that has already expired.

5.3 Trust Fund

Trust fund account deposited with the two reputable trustee banks are stated at fair value. Under the Pre-Need Code of the Philippines Sec. 33, the minimum contributions to the Trust fund shall be 45% for life plans which are paid for in full. The Company, in case of installments has adopted the minimum limits, unless the actuary and the commission determines otherwise of the deposit contributions to the trust fund.

Trust fund income is recognized as other operating income, while unrealized gain or loss on investment under the fund is recognized as holding gain or loss in the equity.

No withdrawals shall be made from the Trust fund except for paying benefits such as monetary contribution, the cost of services rendered or property delivered trust fees, bank charges and investment expenses in the operation of the Trust fund, termination values payable to the plan holders, annuities, contributions of cancelled plans to the fund and taxes on Trust fund. Furthermore, only reasonable withdrawals for minor repairs and costs of ordinary maintenance of trust fund assets shall be allowed.

5.4 Investment Property

Investment property is a property (land) held by the entity for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes, or sale in the ordinary course of business. Investment property is initially measured at cost.

Subsequently, investment property is measured in the financial statements at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

Appraisal of investment property (land, building and improvements) are done every three (3) years.

Investment property is derecognized by the Company upon its disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising from derecognition of the investment property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized

5.5 Property and Equipment

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

Items of property and equipment are initially measured at cost. Such cost includes purchase price and all incidental costs necessary to bring the asset to its location and condition. Subsequent to initial recognition, items of property and equipment are measured in the statement of financial position at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation, which is computed on a straight-line basis, is recognized so as to allocate the cost of assets less their residual values over their estimated useful lives.

If there is an indication that there has been a significant change in useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.
When assets are sold, retired or otherwise disposed of, their costs and related accumulated depreciation and impairment losses, if any, are removed from the accounts and any resulting gain or loss is reflected in profit or loss for the period.

5.6 Insurance Premium Fund

This represents corporate assets that are restricted to cover the payment of insurance premiums after the payment period of the pre-need plan.

5.7 Impairment of Non- Financial Assets

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

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not to exceed the amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit and loss.

5.8 Pre-need Reserve

Pre-Need Reserves for Education and Pension Plans

PNR is set up for all pre-need pension and education plan benefits guaranteed and payable by the pre-need company as defined in the plan contracts. PNR is calculated on the basis of the methodology and assumptions as set out below:

The amount of provision is the present value of the funding expected to be required to settle the obligation with due consideration of the different probabilities, as follows:

i. On Currently-Being-Paid Plans

- Provision for termination values applying the surrender rate experience of the Company;
- Liability is set up for the portion of currently-being-paid plans that will reach full payment, applying the full payment experience of the Company. It is equivalent to the present value of future maturity benefits reduced by the present value of future trust fund contributions required per product model discounted at the approved hurdle rate per product model of the Company.

ii. On Lapsed Plans within the Allowable Reinstatement Period

- Provision for termination values applying the reinstatement experience of the Company.

iii. Fully Paid Plans

- For those due for payment within the next five (5) years, the reserve is the present value of future maturity benefits discounted at the attainable rate, as determined and certified by the Company's trustee using industry best practices and principles which shall be indicated in such certification;
- For those not yet due for payment within the next five (5) years, the reserve is the present value of future maturity benefits discounted at the approved hurdle rate per product model of the Company.

The rates of surrender, cancellation, reinstatement, utilization and inflation considered the actual experience of the Company in the last three (3) years.

The computation of the foregoing assumptions shall be validated by the internal qualified actuary of the pre-need company.

Pre-Need Reserves for Life Plans

PNR for life plans is computed using the Company's existing reserving methods which are based on the SEC guidelines:

- The actuarial formula, methods and assumptions used for the valuation of reserves (e.g., interest rate, inflation rate, withdrawal rate, availment rate and other pertinent assumptions) are based on SEC Circular No. 6, and subsequent SEC memoranda on its implementation. These may be different from the reserve formula submitted to the SEC upon the application for product approval, or upon the application for revisions to be done to existing products, which have been subsequently approved by the SEC.
- The PNR for life plans is set up for all pre-need benefits guaranteed and payable by the preneed company as defined in the pre-need plan contracts.

- The PNR for life plans is calculated using the modified premium reserving method for specific plans with actuarial assumptions determined based on the prospective approach, and is in accordance with the Guidelines and Standards of the Actuarial Society of the Philippines.

The actuarial assumptions used in reserve valuation are being validated and the results of the lapse, surrender and reinstatement rates that will emerge in the next three (3) years will be considered in the actual validation. At this time, reasonable and conservative rates were used to reflect such decrements.

5.9 Insurance Premium Reserve

Insurance benefits purchased by the Company, IPR (which represents the cost of purchasing such benefits after installment payment period), are also set up as additional reserves to be held by the Company in accordance with SEC requirement.

5.10 Other current liabilities

Other current liabilities includes government taxes payable and statutory payables. These are presented in the Statements of Financial Position at undiscounted amounts.

5.11 Share Capital

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

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

The difference between the consideration received and the par value of the shares issued is credited to additional paid-in capital.

5.12 Retained Earnings

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

Prior Period Adjustments
Errors can arise in respect of the recognition, measurement, presentation or disclosure of elements of financial statements. Potential current period errors discovered in that period are corrected before the financial statements are authorized for issue. However, material errors are sometimes not discovered until a subsequent period, and these prior period errors are corrected in the comparative information presented in the financial statements for that subsequent period.

The Company corrects a prior period error by retrospective restatement except when it is impracticable to determine either the period-specific effects or the cumulative effect of the error. When it is impracticable to determine the period-specific effects of the error on comparative information for one or more prior periods presented, the restatement of the opening balances of assets, liabilities and equity shall be made for the earliest period for which retrospective restatement is practicable. When it is impracticable to determine the cumulative effect, at the beginning of the current period, of an error on all prior periods, restatement of the comparative information to correct the error prospectively shall be made from the earliest date practicable.

5.13 Revenue

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured by reference to the fair value of consideration received or receivable excluding discounts, returns and sales taxes. Revenue is recognized either at a point in time or over a period of time.

Contract liabilities

A contract liability is recognized if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods and services. Contract liabilities are recognized as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

Revenue is recognized as follows:

Premium revenues

Premium from sale of pre-need plans is recognized as revenue when earned which coincides with the date of collection. When premiums are recognized as income, the related cost of contracts are computed with the result that benefits and expenses are matched with such revenue.

Trust fund income

Income generated by the trust funds is included in the Investments in trust funds account under the asset section of the Company statement of financial position and credited to trust fund income account in the Company profit or loss.

Interest income

Interest income pertains to income on bank deposits. Interest income is recognized in profit and loss as it accrues, using the effective interest method.

Investment income

An interest income shall be recognized in the statement of income as it accrues, taking into account the effective yield of the asset or liability or an applicable floating rate. Interest Income and Expense includes the amortization of any discount or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis.

Rental income

Rental income from investment properties is accounted for on a straight-line basis over the term of the lease.

Unrealized gain on fair value of investment property

This unrealized gain is resulting from change in the fair value of the investment property.

Other operating income

This may include service fee and loading income, surcharges and amendment fees and miscellaneous income.

5.14 Other Comprehensive Income (OCI)

Other components of equity comprise of items of income and expense that are not recognized in profit or loss for the year. OCI pertains to cumulative remeasurement gains (losses) on net retirement asset or liability.

5.15 Expenses

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

Cost of Contract Issued

Cost of Contract Issued pertains to the increase in PNR as at the current year as compared to the provision for the same period of the previous year; amount of trust fund contribution for the year; and, Documentary Stamp Tax and SEC registration fees. If there is a decrease in the PNR as a result from new information or new development, the amount shall be deducted from the cost of Contracts Issued of the current period.

Plan Benefits Expense

Plan benefit expense pertains to benefits availed of by the plan holders/beneficiaries that include memorial services, maturities and termination benefits, except benefits paid from insurance coverage. These benefits are paid by the Company or the trustee banks directly to the plan holders/beneficiaries out of the trust funds maintained for this purpose.

General and administrative expenses

General and administrative expenses represent expenses such as salaries and employee benefits, director's fee, taxes and licenses and other costs that cannot be associated directly to the services rendered.

5.16 Income Tax

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

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

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

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

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

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

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

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

5.17 Employee Benefits

Short-term benefits

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

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

Retirement Benefits

The Company does not have a formal retirement benefit plan and is not covered by RA 7641 since the Company has eight (8) employees in both years 2024 and 2023. No retirement obligations were recognized as of reporting date.

5.18 Related Party Transactions and Relationships

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

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

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

5.19 Leases

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

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

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

Company as Lessee

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

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

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

Company as Lessor

Leases wherein the Company substantially transfers to the lessee all risks and benefits incidental to ownership of the leased items are classified as finance leases and are presented as receivable at an amount equal to the Company's net investment in the lease. Finance income is recognized based on the pattern reflecting a constant periodic rate of return on the Company's net investment outstanding in respect of the finance lease.

Leases which do not transfer to the lessee substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income from operating leases is recognized as income in the statement of comprehensive income on a straight-line basis over the lease term.

5.20 Provisions and contingencies

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

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

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

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

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

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

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

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

5.22 Subsequent events

Subsequent events that provide additional information about conditions existing at period end (adjusting events) are recognized in the financial statements. Subsequent events that provide additional information about conditions existing after period end (non-adjusting events) are disclosed in the notes to the financial statements. *(See Note 33)*

NOTE 6 - MATERIAL ACCOUNTING JUDGEMENTS AND ESTIMATES

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

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

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

Judgement

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

Judgement exercised in assessing whether there are any continuing effects of the COVID 19 pandemic induced recession on the Company's Going Concern

Going concern Issue

The Philippine economy has maintained a steady gross domestic product (GDP) growth of 5.6% in 2024—the second fastest in ASEAN— despite external and local challenges such as extreme weather events, geopolitical tensions, and subdued global demand.

The outlook for 2025 also remains bullish, fueled by lower inflation and higher consumption and more investments materializing due to CREATE MORE Act taking full effect.

In 2024, services and industry remained the main drivers of growth, mainly in wholesale and retail trade, financial and insurance activities and professional and business services. Construction also had a robust full-year growth performance along with the rebound of the manufacturing sector although with slight contraction in the agriculture sector due to the impact of six successive typhoons, which disrupted crop production, livestock, and fisheries.

As domestic and external headwinds persist in 2025, the government will continue implementing growth-enhancing strategies to ensure that the Philippines remains on track with its medium- to long-term goals set under the Philippine Development Plan (PDP) 2023-2028.

Key domestic and external risks in 2025 include weather disturbances, extreme natural disasters, an acute and protracted global economic slowdown in major economies, ongoing geopolitical tensions and conflicts, trade wars, and protectionist trade policies, especially in the US.

The Company exercised judgement in determining whether there are effects/continuing effects of the COVID 19 pandemic induced recession or any of the external, local challenges such as extreme weather events, geopolitical tensions, and subdued global demand on top of limitations put on its primary purpose on the Company's going concern and/or whether such continuing effect will result to an adjusting event. Management also reviewed certain accounts subject to judgement and estimation uncertainty such as impairment of financial and non-financial assets, expected credit losses or recoverability of deferred tax assets or Margin of Solvency or RBC requirements.

The management concluded that the pandemic-induced recession or any of the external and local challenges have no material impact on its financial statements for the reporting period.

Assessment of Impairment of Nonfinancial Assets

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

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

Distinction between Investment Properties and Owner-managed Properties

The Company determines whether a property qualifies as investment property. In making its judgment, the Company considers whether the property generates cash flows largely independent of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to the property but also to other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for use in the production and supply of goods and services or for administrative purposes. If these portions can be sold separately (or leased out separately under finance lease), then the Company accounts for the portions separately. If the portion cannot be sold separately, the property is accounted for as an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Company considers each property separately in making its judgment.

Estimates

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

Estimating useful lives of property and equipment

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

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

Particulars	Useful Lives
Furniture and Fixtures	3-5 years

Office Equipment	5 years

Estimation of Liabilities arising from Claims made under Pre-need Contracts

The estimation of the ultimate liability arising from claims made under pre-need contract is the Company's most critical accounting estimate. These are several sources of uncertainty that need to be considered in the ultimate pay for such claims. The ultimate liability arising from pre-need contacts is largely determined by the face amount of each individual policy.

Claims estimation by the Company considers many factors such as industry average mortality or morbidity experience, with adjustments to reflect Company's historical experience.

Pre-need reserve (PNR) is set up for all pre-need benefits guaranteed and payable by the Company as defined in the pre-need contracts. The Company is guided by the Amended Pre-need Rule 31 in the calculation of the PNR. It uses assumptions based on Company's experience. These assumptions include hurdle rate, attainable rate, inactivity rate, surrender rate and reinstatement rate.
The carrying value of the PNR as of December 31, 2024 and 2023 are disclosed in *Note 15.*

Fair Value Measurement for Financial Instruments

Management applies valuation techniques to determine the fair value of financial instruments where active market quotes are not available. This requires management to develop estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the instrument. Where such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting period.

The fair value of the Company's financial instruments and investment property is disclosed in *Note 7* and *Note 32*, respectively.

Determination of Realizable Amount of Deferred Tax Assets (Liability)

The Company reviews its deferred tax assets (liability) 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 (liability) to be utilized. Details of the Company's deferred tax assets (liability) is shown on *Note 24.*

NOTE 7 - CASH

This account consists of:

		2024		2023
Cash in bank	**₱**	**5,001,236**	₱	2,984,794
Cash on hand		**35,000**		35,000
	₱	**5,036,236**	₱	3,019,794

Included in cash in bank, is a restricted bank account to cover the payment of insurance premiums after the paying period of the pre-need plans. The Insurance Premium Fund amounts to ₱3,654,098 and ₱3,602,782 in 2024 and 2023, respectively. *(See Note 10)*

Cash in banks earned average interest of 0.25% during 2024 and 2023. Interest income earned from bank deposits and cash equivalents amounted to ₱1,317 and ₱2,560 in 2024 and 2023, respectively, presented as part of miscellaneous income under Revenues. *(See Note 20)*

NOTE 8 - PREPAID INCOME TAX

Prepaid income tax pertains to the remaining balance of the income taxes withheld by the company's customers and prior year's excess creditable taxes after applying the total amount to the current income tax due. This amounted to ₱70,708 in both years 2024 and 2023 as re-stated *(see Note 24)*. The balance of the creditable income tax shall be applied against income tax due, if any, in the next accounting period.

NOTE 9 - INVESTMENT IN TRUST FUND

The Company has trust funds which are being administered by two (2) reputable local banks under trust agreements for the fulfillment of the Company's obligations under the pre-need pension and education plan agreements. In compliance with the rules and regulations of the IC and in accordance with the terms of the trust agreements, no withdrawal shall be made from the trust funds except to: (a) pay all costs, expenses and charges incurred in connection with the administration, preservation, maintenance and protection of the trust fund or any part thereof needed for the payment of benefits; (b) settle, compromise or abandon all claims and demands in favor of or against the trust fund, with the prior written consent of the Company; and (c) engage in investing activities.

The Company's operation is governed by the Insurance Commission (IC). To guarantee payment of future liabilities to plan holders, the IC requires the Company to deposit to a trust fund within 60 days from the end of each month, an amount equivalent to 51% of its premium collections. At least 10% of the fund or no less than ₱200,000 shall be set aside by the trustee in cash or short-term liquid investment.

As mandated by the IC, an actuarial valuation of the adequacy of the trust funds shall be submitted to the IC within one hundred twenty (120) days after the end of every fiscal year of the Company. Any deficiency in the trust funds shall be funded within thirty (30) days after receipt of notice of deficiency from the IC.

Annual actuarial valuations of the pre-need contractual commitments are based on the computation prescribed by the IC. Based on the actuarial certification issued by Mr. Panfilo P. De La Paz, a pre-need actuary on April 24, 2025 accredited by the IC, the required balance of the trust funds are ₱81,471,102 and ₱95,088,880 as of December 31, 2024 and 2023, respectively.

The details of the Company's investment in trust funds are as follows:

2024	Total	Pension	Education	Life
ASSETS				
Cash and cash equivalents	₱ 5,376,095	₱ 2,126,663	₱ 1,197,491	₱ 2,051,941
Investments				
Government securities	126,922,487	54,728,113	28,674,878	43,519,496
Shares of stock	6,851,789	1,818,413	1,828,705	3,204,671
Investment in UITF	14,002,041	3,418,269	2,994,939	7,588,833
Other debt securities	2,956,521	923,177	568,259	1,465,085
Accrued interest receivable	2,005,514	834,874	434,228	736,412
	158,114,447	63,849,509	35,698,500	58,566,438
LIABILITIES				
Trust fee payable	434,207	76,897	137,968	219,342
Other payables	183,458	45,224	36,762	101,472
	617,665	122,121	174,730	320,814
	₱ 157,496,782	₱ 63,727,388	₱ 35,523,770	₱ 58,245,624
EQUITY				
Fund balance at the beginning of the year	₱ 75,698,638	₱ 35,942,972	₱ 12,842,599	₱ 26,913,067
Additional contribution	3,625,000	-	-	3,625,000
Withdrawals	(95)	-	-	(95)
Accumulated income	72,142,595	25,419,663	21,178,856	25,544,076
Prior period adj.	(37,633)	(22,962)	(6,419)	(8,252)
Net income for the year *(Notes 18 & 20)*	7,048,630	2,736,944	1,490,846	2,820,840
Net unrealized gain (loss) - FVOCI	(980,353)	(349,229)	17,888	(649,012)
	₱ 157,496,782	₱ 63,727,388	₱ 35,523,770	₱ 58,245,624

2023	Total	Pension	Education	Life
ASSETS				
Cash and cash equivalents	₱ 11,763,728	₱ 3,986,875	₱ 1,805,781	₱ 5,971,072
Investments				
Government securities	108,820,102	49,205,905	26,027,916	33,586,281
Shares of stock	17,354,260	4,595,044	4,124,255	8,634,961
Investment in UITF	161,716	-	129,954	31,762
Other debt securities	8,131,943	2,717,408	1,799,716	3,614,819
Accrued interest receivable	1,628,484	726,414	372,854	529,216
Other assets	-	-	-	-
	147,860,233	61,231,646	34,260,476	52,368,111
LIABILITIES				
Trust fee payable	253,695	63,882	104,944	84,869
Other payables	127,716	34,595	27,553	65,568
	381,411	98,477	132,497	150,437
	₱ 147,478,822	₱ 61,133,169	₱ 34,127,979	₱ 52,217,674
EQUITY				
Fund balance at the beginning of the year	₱ 71,688,637	₱ 35,792,971	₱ 12,842,599	₱ 23,053,067
Additional contribution	4,070,000	150,000	-	3,920,000
Withdrawals	(60,000)	-	-	(60,000)
Accumulated income	66,215,715	22,953,608	20,019,476	23,242,631
Net income for the year *(Notes 17 & 20)*	5,879,226	2,465,972	1,159,338	2,253,916
Net unrealized gain (loss) - FVOCI	(314,756)	(229,382)	106,566	(191,940)
	₱ 147,478,822	₱ 61,133,169	₱ 34,127,979	₱ 52,217,674

As of December 31, 2024, the Trust Fund Equity is sufficient enough to cover the Pre-Need Reserves.

Total contributions made to the trust fund representing at least 15% of the collected premiums amounted to ₱3,625,000 and ₱4,070,000 in 2024 and 2023, respectively. There were no non-cash contributions made in 2024 and 2023.

Total withdrawals from the trust fund amounted to ₱95 and ₱60,000 in 2024 and 2023, respectively. The fair value of investments in trust funds is hereby referenced to published bid-values.

The Company reported in its statements of comprehensive income, net of tax the unrealized gain (loss) on financial asset at FVOCI of (₱665,596) loss and ₱2,365,736 gain in 2024 and 2023, respectively.

As at December 31, 2024 and 2023, net unrealized loss on financial asset at FVOCI reported under equity amounted to ₱980,353 and ₱314,757, respectively.

The Company has complied with the relevant pre-need rules as follows:

a. Company's investments in trust funds are limited only to fixed income instruments, mutual funds and equities;

b. Company's fixed income instruments are limited only to:

    i. Government securities which shall not be less than 10% of the trust fund equity;

    ii. Savings/ time deposits and common trust funds with commercial bank with satisfactory examination ratings as of the last examination by the Bangko Sentral ng Pilipinas;

    iii. Commercial papers duly registered with the SEC with a minimum credit rating of "l" for short term and "AAA" for long term commercial papers, based on the rating scale of an accredited Philippine Rating agency or its equivalent at the time of investment. The maximum exposure to long-term commercial papers does not exceed 15% of the total trust fund equity, while exposure to each commercial paper issuer does not exceed 10% of the allocated amount;

c. Company's investments in equities are limited to stocks listed in the main board of the Philippine Stock Exchange. The amount allocated for this purpose does not exceed 25% of the total trust fund equity while the investment in any particular issue does not exceed 10% of the allocated amount. The investment is recorded at the aggregate of the lower of cost or market;

d. Not less than 10% of the net value of the trust fund assets per type of plan shall be set aside as a liquidity reserve to cover the benefits due to plan holders during the ensuing year unless the actuary determines otherwise; and

e. The SEC may, at its discretion, demand for the conversion to cash or to other near cash assets the investments made by the trustee to protect the interest of the plan holders.

<u>SEC Memorandum Circular No. 4</u>

On September 27, 2007, the SEC issued SEC Memorandum Circular No. 6, *Guidelines on the Management of the Trust Fund of Pre-need Corporations* (SEC Circular No. 4), which became effective November 1, 2007. The following are the more significant provisions of this Circular.

Trust Fund

A trust fund shall be separately established for each type of plan with a trust Company, trust department of a bank or an investment house authorized to perform trust and other fiduciary functions by the Bangko Sentral ng Pilipinas (BSP).

To ensure the liquidity of the Trust Fund and to meet the PNR essential to the delivery of the pre-need benefits under the plan contract, trustees are allowed to invest the Trust fund in the following:

a. Securities

i. Evidence of indebtedness of the Republic of the Philippines and any other evidence of indebtedness or obligations the servicing and repayment of which are fully guaranteed by the Republic of the Philippines (ROP), such as, but no limited to treasury bills, fixed term notes, retail treasury bonds, denominated either in Philippine or foreign currency, and foreign currency linked notes.

ii. Loans, bonds or other evidences of indebtedness issued by the government agencies/ entities and government owned and controlled corporations, and guaranteed by the republic of the Philippines as to the payment of the principal and the interest.

iii. Bonds and other evidence of indebtedness issued by:

a. The government of any foreign country with which the Philippines maintains diplomatic relations, with a credit rating obtained from a reputable international credit rating agency or a credit rating agency acceptable to the Commission that is at least two (2) notches higher than that of the ROP bonds, and

b. Supranationals (or international organizations whose membership transcends national boundaries or interest, e.g., International Bank for Reconstruction and Development, Asian Development Bank).

iv. Corporate bonds of privately-owned domestic corporations duly registered with the Commission with a current credit rating of a least "A" by an accredited Philippine rating agency.

v. Corporate bonds registered in another country with a credit rating obtained from a reputable international credit rating agency that is at least (2) notches higher than that of ROP bonds.

vi. Commercial papers duly registered with the Commission with an investment grade credit rating based on the rating scale of an accredited Philippine rating agency at the time of investment.

vii. Equities listed on a local Stock Exchange.
These shall include stocks issued by companies that are financially table, actively traded, possess good track record of growth and have declared dividends for the past three (3) years.

The trust shall, in no case, be allowed to fully invest the Trust Funds in a single issue.

viii. Savings and/or time deposits (peso or foreign currency denominated) maintained with a universal, commercial of thrift bank passed the Trustee's investment review process.

ix. Loans to private corporation that passed the Trustee's investment review process subject to the following guidelines:

a. If classified as held-to-maturity, the remaining term to maturity shall not exceed ten (10) years unless matched to a liability for a batch of maturing benefits.

b. If collateralized the borrower shall have a credit rating of at least "BAA" or "Average" by the accredited Philippine rating agency.

1. The loan shall be fully secured by any of the following:

   - Assignment of deposits maintained with universal, commercial or thrift bank other than the Trustee's own bank proper provided the financial institution passed the Trustee's investment process;

   - Standby letters of credit for the term of the loan issued by a universal or commercial bank;

   - Real estate mortgage up to the extent of seventy five percent (75%) of the appraised value of the respective real estate security plus sixty percent (60%) of the appraised value of the insured improvements at the time the loan was granted.

   - Mortgage Trust Indenture and Mortgage Participation Certificates.

2 For loans guaranteed by a parent Company, the latter shall have had a net profitable operations for the past three consecutive years or have a credit rating of at least "BAA" or its equivalent by the accredited Philippine rating agency.

If an updated independent third party rating is not available, the parent Company must have an equipment credit rating based on the Trustee's internal rating system.

c. If not collateralized but covered by a negative pledge of the borrower not to permit its properties to be mortgaged to creditors, the borrower corporation shall have obtained a current credit rating of at least "A" or an equivalent rating of "Above Average".

Furthermore, it must show profitable operations for the past three (3) consecutive years preceding the grant of the loan and shall have no accumulated capital deficit immediately preceding the grant of the loan.

x. Senior, subordinate or hybrid debt securities issued by banks other than the Trustee's own bank proper, classified as Tier 1 and Tier 2 in its capital structure provided that the issuer has an investment grade credit rating based on the rating scale of an accredited Philippine rating agency or a rating of at least satisfactory from the BSP at the time of investment.

If an independent third party rating is not available or is not updated, the investment must have an equivalent credit ratings based on the Trustee's internal rating system.

b. Collective Investment Schemes (CIS)

i. CIS duly registered with the Commission
Allowance CIS must have a track record of performance at par with or above the median performance of the pooled funds in the same category.

New CIS may be allowed provided that its fund manager has at least a three (3) year track in managing pooled funds.

ii. Offshore Mutual Funds with positive fund performance as against their benchmark index for the past three (3) consecutive years.

The maximum exposure to CIS shall not exceed ten percent (10%) of the Total Trust Fund equity.

c. Real Estate

Income generating commercial and residential real estate properties, unless otherwise disallowed by the Commission. The real estate property shall be appraised every three (3) years by a licensed real estate appraiser duly accredited by the Commission to reflect the increase or decrease in their value. The total recorded value of the real estate investment shall not exceed fifteen (15%) of the Trust Fund equity.

d. Plan holder Loans

This investment shall be subject to the following conditions:

i. The amount to be invested shall not exceed five percent (5%) of the total Trust Fund equity;

ii. The loan amortization collected by Pre-Need Corporation shall not be used directly to fund the payment of benefits for maturing obligations but shall be deposited to the Trust Fund later than two (2) working days from receipt;

iii. The terms and conditions of the loan and agreement shall be made known to the plan holders; and;

iv. The loan agreement shall comply with the provisions of the Truth in Lending Act.

Transitory Provisions

Within one (1) year from the effectivity of the Memorandum Circular, the following investments of the Trust fund must have been divested, unless otherwise allowed by the Commission:

a. Unlisted shares of stock;
b. Excess from the prescribed limit of the investment portfolio allocation;
c. Non-income generating real estate properties, and
d. Other investments not allowed by Memorandum Circular

NOTE 10 - INVESTMENT PROPERTIES

This represents investments in real property at Batangas Floral Garden with original costs amounted to ₱100,365,400. Batangas Floral Garden is a memorial park described as Lot 5817-B (LRC) Psd-228709 containing an aggregate are of fifty-five thousand (55,000) square meters, or 5.5 hectares, in Transfer Certificate of Title (TCT) No. T6726 of the land records of the City of Batangas.

The memorial park abuts the city commercial road that leads to the Provincial Capitol at the center of Batangas City. The park is less than two (2) kilometers from the city business center.

Investment property is carried at fair value. The fair value of the Investment property, appraised on May 13, 2022 by an independent license appraiser using market approach amounted to ₱561,783,000 *(see Notes 18 & 32)*. No changes in fair value of the investment properties in 2024 and 2023.

The unrealized fair value gains, net of tax, on investment property amounting to ₱346,063,200 as of December 31, 2024 and 2023. *(See Note 18)*

The Company had not entered into contractual commitments for the acquisition, construction, repairs and maintenance or enhancement of investment property as at December 31, 2024 and 2023.

During the year, no real property tax expense was charged to the operations. All real property tax and maintenance costs related to the asset were paid directly by Makati Floral Garden, Inc. (MFGI).

NOTE 11 - PROPERTY AND EQUIPMENT - NET

As at reporting date, the Company has fully depreciated property and equipment that are still in use with original purchase costs of ₱2,914,135, ₱3,657,378 and ₱640,000 for furniture and fixtures, office equipment and transportation equipment and salvage value of ₱7,208, ₱89,353 and nil, respectively.

None of the Company's property and equipment are pledged or used as collateral on loan or any other obligation.

The Company had not entered into contractual commitments for the acquisition of property and equipment.

NOTE 12 - INSURANCE PREMIUM FUND

This represents cash in bank that are restricted to cover the payment of insurance premiums after the paying period of the pre-need plans. The Insurance Premium Fund amounted to ₱3,654,098 and ₱3,602,782 in 2024 and 2023, respectively.

The roll-forward of the account is as follows:

	2024	2023
Beginning	**₱ 3,602,782**	₱ 3,501,008
Additions	**51,316**	101,774
	₱ 3,654,098	₱ 3,602,782

Interest in Insurance Premium Fund (IPF) amounted to ₱1,821 and ₱1,802 in 2024 and 2023, respectively, presented as miscellaneous income under Revenue in the statements of comprehensive income *(see Note 20)*.

NOTE 13 - REFUNDABLE DEPOSIT

Refundable deposit consists of security deposit made by the Company for the faithful compliance with the terms of the lease agreements, refundable upon termination of the lease. These amounted to ₱20,706 in 2024 and 2023. *(See Note 26)*

NOTE 14 - PRE-NEED RESERVE

The Pre-Need Reserve represents the present value of future pre-need benefits less present value of future trust fund contributions as determined and certified by an actuary accredited by the Securities and Exchange Commission in accordance with generally accepted actuarial principles and practices.

Breakdown of the pre-need reserves are as follows:

		2024		2023
Pension	₱	**38,627,401**	₱	44,679,700
Life		**35,960,772**		42,675,294
Education		**6,882,929**		7,733,886
	₱	**81,471,102**	₱	95,088,880

As of December 31, 2024, the Trust Fund Equity is sufficient enough to cover the Pre-Need Reserves.

Details of (Increase) Decrease in pre-need reserves follows:

2024

		Pension		Education		Life - ARL		Total
PNR- 2023	₱	**44,679,700**	₱	**7,733,886**	₱	**42,675,294**	₱	**95,088,880**
Add: Contributions *(Note 9)*		**-**		**-**		**3,625,000**		**3,625,000**
Less: Withdrawals *(Note 9)*		**-**		**-**		**(95)**		**(95)**
Total		**44,679,700**		**7,733,886**		**46,300,199**		**98,713,785**
Required pre-need reserves *(Note 21)*		**38,627,401**		**6,882,929**		**35,960,772**		**81,471,102**
(Over) Under in PNR	₱	**(6,052,299)**	₱	**(850,957)**	₱	**(10,339,427)**	₱	**(17,242,683)**

2023

		Pension		Education		Life - ARL		Total
PNR- 2022	₱	51,283,896	₱	9,750,335	₱	46,586,971	₱	107,621,202
Add: Contributions *(Note 9)*		150,000		-		3,920,000		4,070,000
Less: Withdrawals *(Note 9)*		-		-		(60,000)		(60,000)
Total		51,433,896		9,750,335		50,446,971		111,631,202
Required pre-need reserves *(Note 21)*		44,679,700		7,733,886		42,675,294		95,088,880
(Over) Under in PNR	₱	(6,754,196)	₱	(2,016,449)	₱	(7,771,677)	₱	(16,542,322)

Actuarial Assumptions Used

Pension care

a. Interest rate: 4.72% (4.43% in 2023)
b. Reinstatement rate: 5%
c. Surrender rate: NIL

Education

a. Interest Rate: 4.52% (4.40% in 2023)
b. Inflation Rate: 7%
c. Withdrawal Rates: NIL

Life

a. Interest Rate: 5% (4.11% in 2023)
b. Inflation Rate: 6%
c. Reinstatement Rate 5%

d. Utilization Rate: 1960 CSG Mortality Table, 4%
e. Assumed Issue Age: 40 years old
f. Withdrawal Rate: NIL

NOTE 15 - PAYABLES

This account consists of:

		2024		Re-stated 2023
Plan benefits payable	₱	**10,347,446**	₱	10,600,269
Accrued expense		**35,914**		133,157
	₱	**10,383,360**	₱	10,733,426

15.1 Plan benefits payable

This account pertains to matured plans but not yet availed by the plan holders as of the reporting date.

The movement in this account is as follows:

		2024		Re-stated 2023
Balance, January 1	₱	**10,600,269**	₱	9,627,992
Plan benefits expense *(Note 21)*		**3,624,953**		3,604,601
Payment		**(3,877,776)**		(2,632,324)
Balance, December 31		**10,347,446**	₱	10,600,269

15.2 Accrued expense

Details of accrued expenses are shown below:

		2024		2023
Rent	₱	**20,000**	₱	20,000
Utilities		**15,914**		19,050
Taxes and licenses		-		25,550
Supplies		-		21,440
Others		-		47,117
	₱	**35,914**	₱	133,157

NOTE 16 - OTHER CURRENT LIABILITIES

This account consists of:

		2024		2023
VAT payable	₱	**135,183**	₱	169,626
Statutory payable		**47,038**		44,414
Withholding tax payable		**9,980**		20,234
Documentary stamp tax payable		-		7,550
	₱	**192,201**	₱	241,824

Other current liabilities consist of government dues that are due and payable in the succeeding month.

NOTE 17 - INSURANCE PREMIUM RESERVE

This represents corporate assets that are restricted to cover the payment of insurance premiums after the paying period of the pre-need plan.

The IPR is the present value of all such insurance premiums payable to the insurance company. The calculation uses the same actuarial assumptions and considers the portion of future installments allotted for insurance expenses.

The required insurance premium reserve of the Company is ₱1,610,060 and ₱1,760,676 in 2024 and 2023, respectively.

The roll-forward of the account is as follows:

		2024		2023
Beginning	**₱**	**1,760,676**	₱	1,953,780
Increase (Decrease) *(Note 21)*		**(150,616)**		(193,104)
	₱	**1,610,060**	₱	1,760,676

NOTE 18 - EQUITY

18.1 Share Capital

The total authorized number of shares is One Million Three Hundred (1,300,000) shares with a par value of One Hundred Pesos (₱100) per share. One Million One Hundred Thirty-Five Thousand One Hundred (1,135,100) shares were subscribed and fully paid.

As at December 31, 2024 and 2023, the Company's total subscribed and issued and outstanding capital stock is owned by nine (9) shareholders. Seven (7) shareholders owned more than 100 shares.

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

2024

	Number of Shares		**Amount**
At January 1, 2023	**1,135,100**	**₱**	**113,510,000**
Issuance	**-**		**-**
At December 31, 2023	**1,135,100**		**113,510,000**
Issuance	**-**		**-**
At December 31, 2024	**1,135,100**	**₱**	**113,510,000**

2023

	Number of Shares		Amount
At January 1, 2022	1,135,100	₱	113,510,000
Issuance	-		-
At December 31, 2022	1,135,100		113,510,000
Issuance	-		-
At December 31, 2023	1,135,100	₱	113,510,000

18.2 Additional Paid-in Capital

Additional paid-in capital amounting to ₱2,531,089 in 2024 and 2023 represent amount received in excess of par value on the issuance of shares.

18.3 Retained Earnings

18.3.1 Appropriation

Trust fund income generated by the Company's trust fund are included in the investments in trust fund account under asset section of the statement of financial position and credited to trust fund income. Since this income forms part of the trust fund which shall at all times remain for the sole benefit of the plan holders, the Board of Directors approved that this income be automatically restricted to payments of benefits of plan holders and such other related payments as allowed under the Pre-need Rules and should not form part of the amounts available for dividend declaration of the Company.

Movement of this account is as follows:

	2024	2023
Balance, January 1	**₱ 62,812,864**	₱ 56,933,637
Trust fund income for the year *(Note 20)*	**7,048,630**	5,879,227
	₱ 69,861,494	₱ 62,812,864

18.3.2 Excess Unappropriated Retained Earnings over Paid-up Capital

Pursuant to Section 43 of the Corporation Code of the Philippines, the "Stock Corporation" are prohibited from retained surplus in excess of one hundred percent (100%) of its paid-up capital, except: (1) when justified by definite corporate expansion projects or programs approved by the board of directors; or (2) when the corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its/his consent, and such consent has not yet been secured; (3) when it can be clearly shown that such retention is necessary under special reserve for probable contingencies".

The Company's unappropriated retained earnings as of December 31, 2024 and re-stated 2023 amounting to ₱302,826,245 and ₱293,152,109, respectively, exceeded its paid-up capital. However, no retained earnings available for dividend declaration in 2024 and 2023 since the amount of unappropriated retained includes the unrealized fair value gains, net of tax, on investment property amounting to ₱346,063,200 as of December 31, 2024 and 2023, respectively *(see Note 10)*, as presented in the schedule reconciliation of retained earnings available for dividends declaration.

18.3.3 Correction of Error

The Company failed to recognize plan benefit expense on matured plans in 2022 and 2023. This error was corrected by restating each of the financial statement line items for the prior period as follows:

	2023 (Previously reported)	2023 (After restatement)	Increase (Decrease)
Statements of Financial Position			
Prepaid income tax	₱ 28,034	₱ **70,708**	₱ **42,674**
Total Current Assets	3,047,828	**3,090,502**	**42,674**
Deferred tax asset	1,667,303	**2,684,904**	**1,017,601**
Total non-current assets	714,649,174	**715,666,775**	**1,017,601**
Toal Assets	717,697,002	**718,757,277**	**1,060,275**
Payables	8,584,505	**10,733,426**	**2,148,921**
Advances from shareholders	14,536,473	**22,273,373**	**7,736,900**
Retained Earnings	364,790,519	**355,964,973**	**(8,825,546)**
Total equity	480,516,851	**471,691,305**	**(8,825,546)**
Total Liabilities and Equity	717,697,002	**718,757,277**	**1,060,275**
Statements of Comprehensive Income			
Cost of Contract issued and other direct cost	₱ (10,221,391)	₱ **(5,980,290)**	₱ **4,241,101**
Gross profit	25,463,974	**21,222,873**	**(4,241,101)**
Income tax expense	(4,181,384)	**(3,121,109)**	**1,060,275**
Net income for the year	18,427,740	**15,246,914**	**(3,180,826)**
Total comprehensive income	20,793,476	**17,612,650**	**(3,180,826)**
Statements of Changes in Equity			
Unappropriated retained Earnings			
Net income for the year	₱ 18,427,740	₱ **15,246,914**	₱ **(3,180,826)**
Prior period adjustment	-	**(5,644,720)**	**(5,644,720)**
Balance end of year	301,977,655	**293,152,109**	**(8,825,546)**
Total equity	480,516,851	**471,691,305**	**(8,825,546)**

NOTE 19 - RELATED PARTY TRANSACTION

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

2024

Nature of Relationship/ Category	Nature of Transaction	Amount of Current Transaction	Outstanding Balance	Terms	Conditions
Major Shareholders	Additional Advances	₱ 6,958,038	₱ **29,231,411**	(1)	(2)

(1) Non Interest bearing, payable in cash, no scheduled repayment terms
(2)Unsecured

Re-stated 2023

Nature of Relationship/ Category	Nature of Transaction	Amount of Current Transaction	Outstanding Balance	Terms	Conditions
Major Shareholders	Payments	(₱ 253,527)	₱ 22,273,373	(1)	(2)
	Additional Advances	3,268,824			

(1) Non Interest bearing, payable in cash, no scheduled repayment terms
(2) Unsecured

Cash Advances

Advances from shareholders are cash advances by the Company from its major shareholders for capital expenditures and working capital purposes. At the special meeting of the shareholders and the Board of Directors, it was approved that shareholders will not charge interest on these advances. Outstanding balance of advances from related parties are presented in advances from shareholders account in the statements of financial position

Key Management Compensation

Key management includes the board of directors, Company officers. Details of key management compensation as follow:

	2024	2023
Salaries and wages	₱ **474,750**	₱ 463,200
Directors fee *(Note 22)*	**225,000**	195,000
13^{th} month pay	**40,700**	38,600
	₱ **740,450**	₱ **696,800**

NOTE 20 - REVENUES

Details of the Company's revenues follows:

	2024	2023
Premium revenue	₱ **8,621,655**	₱ 8,562,131
Trust fund revenue *(Notes 9 & 18)*	**7,048,630**	5,879,227
Other operating income		
Rental income *(Note 26.2)*	**639,375**	683,198
Processing and handling fees	**79,267**	82,440
Surcharges and penalties	**26,504**	24,085
Miscellaneous income *(Notes 7 & 12)*	**10,539**	11,502
	₱ **16,425,970**	₱ 15,242,583

NOTE 21 - COST OF CONTRACT ISSUED AND OTHER DIRECT COSTS

Details of the Company's cost of contract issued and other direct costs follows:

	2024	Re-stated 2023
Increase (decrease) in pre-need reserve *(Note 14)*	₱ **(17,242,683)**	₱ (16,542,322)
Decrease in insurance premium reserve *(Note 17)*	**(150,616)**	(193,104)
Trust fund contributions *(Note 9)*	**3,625,000**	4,070,000

Trust fund drawings *(Note 9)*	**(95)**	(60,000)
Plan benefits *(Note 15.1)*	**5,568,185**	5,696,781
Other direct cost		
Commission	**803,531**	699,805
Collection expenses	**228,180**	228,550
Overrides and allowance	**120,000**	120,000
	₱ (7,048,498)	₱ (5,980,290)

NOTE 22 - GENERAL AND ADMINISTRATIVE EXPENSES

Details of the Company's general and administrative expense follows:

	2024	2023
Salaries and employee benefits	**₱ 1,892,300**	₱ 1,602,640
Taxes and licenses *(Note 29)*	**274,819**	313,472
Rent expense *(Note 26.1)*	**240,000**	240,000
Director's fee *(Note 19)*	**225,000**	195,000
Professional fees	**210,000**	205,000
SSS, Philhealth and HDMF contributions	**190,210**	160,520
Insurance	**144,000**	60,355
Utilities	**138,608**	55,048
Maintenance and repairs	**101,400**	820
Office supplies	**52,750**	7,080
Transportation and travel	**15,740**	7,550
Training, seminars and conferences	**11,200**	1,500
Representation and entertainment	**2,660**	1,895
Electronic data processing	**1,755**	1,544
Donation	**1,000**	1,000
Miscellaneous	**11,667**	1,426
	₱ 3,513,109	₱ 2,854,850

NOTE 23 - INCOME TAXES

Income tax expense for the years ended December 31 consists of:

	2024	Re-stated 2023
Current tax benefit:		
MCIT	**₱ -**	₱ -
Deferred tax expense (income) arising from:		
Temporary differences	**3,238,593**	₱ 3,121,109
Income tax expense	**₱ 3,238,593**	₱ 3,121,109

Reconciliation between statutory tax and effective tax follows:

	2024	Re-stated 2023
Income tax at statutory rate	**₱ 4,990,340**	₱ 4,592,006
Tax effect of income subjected to final tax	**(1,762,942)**	(1,470,897)
Tax effect of expired MCIT	**11,195**	-
Effective income tax	**₱ 3,238,593**	₱ 3,121,109

Analysis of income tax payable (prepaid income tax) follows:

		2024		Re-stated 2023
Regular corporate income tax				
Net loss before tax	₱	**19,961,359**	₱	18,368,023
Permanent Differences:				
Income subject to final tax		**(7,051,768)**		(5,883,589)
Temporary Differences:				
Increase in pre-need reserve *(Notes 14 & 21)*		**(17,242,731)**		(16,542,322)
Decrease in insurance premium reserve *(Notes 17 &21)*		**(150,616)**		(193,104)
Taxable income		**(4,483,756)**		**(4,250,992)**
Tax rate		**25%**		**25%**
	₱	**(1,120,939)**	₱	**(1,062,748)**
Minimum corporate income tax				
Gross income	₱	-	₱	-
Tax rate		**2%**		1.5%
	₱	-	₱	-
Tax due (Higher of RCIT and MCIT)	₱	-	₱	-
Less: Tax credits				
Prior years excess tax credits		**(70,708)**		(70,708)
Creditable withholding tax		-		-
Income tax payable (Prepaid income tax – *Note 9*)	₱	**(70,708)**	₱	(70,708)

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

	Statements of Financial Position		Statements of Comprehensive Income			
			Profit or Loss		Other Comprehensive Income	
	2024	2023	**2024**	2023	**2024**	2023
Deferred Tax Asset						
MCIT	₱ **22,113**	₱ 33,308	₱ **(11,195)**	₱ -	₱ -	₱ -
NOLCO	**3,772,535**	2,651,596	**1,120,939**	1,062,748	-	-
	3,794,648	2,684,904				
Deferred Tax Liability						
Insurance premium fund	**(92,592)**	(54,938)	**(37,654)**	(48,276)	-	-
Pre-need reserve	**(5,869,138)**	(1,558,455)	**(4,310,683)**	(4,135,581)	-	-
Fair value changes in investment properties	**(115,354,400)**	(115,354,400)	-	-	-	-
	₱ **(121,316,130)**	₱ (116,967,793)				
Deferred tax expense (income)			₱ **(3,238,593)**	₱ (3,121,109)	₱ -	₱ -

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

Details of NOLCO which can be claimed as deduction from gross income for the next five (5) consecutive taxable years pursuant to Section 4 (bbbb) of Bayanihan II and as implemented under RR No. 25-2020 follows:

Year Incurred	Year of Expiration	Amount	Applied	Expired	Balance
2021	2026	₱ 1,699,160	-	-	₱ 1,699,160
2020	2025	4,046,308	-	-	4,046,308
		₱ 5,745,468	₱ -	₱ -	₱ 5,745,468

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

Year Incurred	Year of Expiration	Amount	Applied	Expired	Balance
2024	2027	₱ 4,483,756	₱ -	₱ -	₱ 4,483,756
2023	2026	4,250,992	-	-	4,250,992
2022	2025	609,925	-	-	609,925
		₱ 9,344,673	₱ -	₱ -	₱ 9,344,673

In pursuant to Revenue regulation 5-2021, the Minimum Corporate Income Tax (MCIT) was reduced to one percent (1%) in July 1, 2020 until June 30, 2023, this was reverted back to two percent (2%) in July 1, 2023.

Deferred tax asset from MCIT, is the carry forward benefit of the excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT). Excess MCIT can be used within three taxable years from the date of payment.

The Company's MCIT is summarized as follows:

Year Incurred	Year of Expiration	Amount	Applied	Expired	Balance
2022	2025	₱ 22,113	-	-	₱ 22,113
2021	2024	11,195	-	(11,195)	-
		₱ 33,308	₱ -	₱ (11,195)	₱ 22,113

NOTE 24 - EMPLOYEES' BENEFITS

Details of employees' benefits follow:

	2024	2023
Salaries and wages	₱ **1,761,050**	₱ 1,476,490
SSS, HDMF and PHIC contributions	**190,210**	160,520
13th month pay & bonuses	**131,250**	126,150
	₱ **2,082,510**	₱ 1,763,160

Employees' benefits are recognized as part of general and administrative expenses in the Statements of Comprehensive Income.

NOTE 25 - COMPLIANCE WITH PNUCA

The Company adopted the Rules and Regulations implementing the PNUCA.

	2024	2023
Total premium collections *(Note 20)*	**₱ 8,622,131**	₱ 8,562,931
Number of lapsed plans (net of reinstatements)	**2,862**	2,531
Contract price of lapsed plans	**124,213,152**	113,928,756

The Company's total paid-up capital as of December 31, 2024 and 2023 amounted to ₱113,510,000 *(see Not 18)*. SEC Circular No. 4 states that the required minimum paid up capital should be ₱50 million and shall be maintained unimpaired.

The licensed and issued contracts of the Company are as follows:

Licensed and issued contracts	Amount Licensed	Amount Issued	Balance
As of January 1, 2023	₱ 2,000,000,000	₱ 1,328,029,004	₱ 671,970,996
Additions during 2023	-	60,312,190	(60,312,190)
As of January 1, 2024	2,000,000,000	1,434,384,594	565,615,406
Additions during 2024	-	20,665,110	(20,665,110)
As of December 31, 2024	**₱ 2,000,000,000**	**₱ 1,455,049,704**	**₱ 544,950,296**

NOTE 26 - LEASE COMMITMENTS

26.1 Company as lessee

The Company has lease for office. With the exception of short-term leases, no right-of-use asset and lease liability were recognized in the statement of financial position in relation to the lease agreement.

Details of these agreements are as follows:

Lessor	Lease Period
GED Realty & Development Corporation	January 1 – December 31, 2024

The expenses relating short-term lease amounted to ₱240,000 in 2024 and 2023 and are presented as Rental expense under General and Administrative Expenses in the Statements of Comprehensive Income *(see Note 22)*. The agreement provides payment of rental deposits amounting ₱20,706 *(see Note 13)*.

26.2 Company as a lessor

The Company entered into lease agreement with Smart Communications Inc. The term of the lease is one (1) year, and renewable thereafter upon the mutual agreement of the parties.

The Company's revenue from these lease agreements amounted to ₱639,375 and ₱683,198 in 2024 and 2023, respectively. This is presented as other operating income under Revenue in the Statements of Comprehensive Income. *(See Note 20)*

NOTE 27 - RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES *(Note 19)*

Present below is the reconciliation of the Company's liabilities arising from financing activities, which includes both cash and non-cash changes.

2024

		Advances from shareholders
Re-stated Balance as of January 1, 2024	**₱**	**22,273,373**
Cash flow from Financing Activities:		
Additional Borrowing		**6,958,038**
Repayment of Borrowing		**-**
Balance, December 31, 2024	**₱**	**29,231,411**

Re-stated 2023

		Advances from shareholders
Re-stated Balance as of January 1, 2023	₱	19,258,076
Cash flow from Financing Activities:		
Additional Borrowing		3,268,824
Repayment of Borrowing		(253,527)
Re-stated Balance, December 31, 2023	₱	22,273,373

NOTE 28 - CONTINGENCIES

The Company has a pending small claims cases filed before the Insurance Commission by Marilou Abrigo and Emelyn Abrigo docketed as IC (CAD) Case No. 4043-SCC, IC (CAD) Case No. 4044-SCC, IC (CAD) Case No. 4045 (SCC) and IC (CAD Case No. 4046-SCC. The Insurance Commission (IC) ruled in favor of the claimants. An appeal was made to the Court of Appeals (CA) but the decision of the Insurance Commission was sustained. The Company filed a Motion for Reconsideration but the Court of Appeals (CA) subsequently denied it. The decision of the Insurance Commission in small claims cases is executory. As of the reporting date, the amount is not yet settled and the Management decided to offset any claims to the outstanding receivable from the claimants to the Company.

NOTE 29 - SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE

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

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

(a) Output VAT

In 2024, the Company declared output VAT as follows:

		Tax Base		Output Vat
Vatable revenue	₱	7,839,089	₱	940,691
Zero rated		831,940		-
	₱	8,671,029	₱	940,691

The tax bases are included as part of Income in the 2024 statement of comprehensive income.

The outstanding output VAT payable amounting to ₱135,183 as at December 31, 2024 is presented as part of Other current liabilities account in the 2024 statements of financial position *(See Note 16).*

(b) Input VAT

The movements in input VAT in 2024 are summarized below.

		Amount
Balance at beginning of the year	₱	-
Goods other than for resale/manufacture		318,244
Services lodged under other accounts		-
Payments made during the year		487,264
Applied against output VAT		(805,508)
Balance at end of year	₱	-

(c) Documentary Stamp Tax

Documentary stamp taxes (DST) paid and accrued in 2024 amounts to ₱47,266.

(d) Taxes and licenses

The details of Taxes and Licenses account *(Note 22)* are broken down as follows:

		Amount
Licensing and pre-need fees	₱	151,500
Business tax		75,553
Documentary stamp		47,266
Annual registration fee		500
	₱	274,819

The amounts of taxes and licenses are presented under operating expenses in the statements of comprehensive income.

(e) Withholding Taxes

		Amount
Expanded	₱	96,411
Compensation and employee benefits		8,000
	₱	104,411

(f) Tax Assessments and Cases

The Company did not receive any Letter of Authority or Tax Verification Notice from the Bureau of Internal Revenue (BIR) during the period.

(g) Related Party Transaction

The Company is covered under Section 2 of the Revenue Regulation No. 34-2020 requirements and procedures for related party transactions, including filing of BIR Form 1709, Information Return on its Transactions with Related Party.

NOTE 30 - CAPITAL MANAGEMENT, POLICIES AND PROCEDURES

Capital Management

The Company maintains a certain level of capital to ensure sufficient solvency margins and to adequately protect the policyholders. The level of capital maintained is usually higher than the minimum capital requirements set by the Insurance Commission (IC) and the amount computed under the Risk-based Capital (RBC) model.

The Company manages capital through a process that determines future projected capital requirements through the development of long-term financial plans and projections that consider the impact of surplus of new business, profitability of in-force business and other major corporate initiatives that will affect capitalization levels.

The IC is interested in protecting the rights of the policyholders and maintaining close vigil to ensure that the Company is satisfactorily managing the affairs for policyholders' benefits.

There were no changes made to its capital base, objectives, policies and processes from previous years.

The Company monitors capital on the basis of the debt-to-equity ratio. This ratio is calculated as total liabilities divided by total equity.

	2024	Re-stated 2023
Total liabilities (a)	**₱ 244,204,264**	₱ 247,065,972
Total equity (b)	**487,748,475**	471,691,305
Debt-to-equity ratio (a/b)	**₱ 0.50:1**	₱ 0.52:1

The Company's goal in capital management is to maintain a debt-to-equity structure ratio of 1:1 to 1:2 on a monthly basis.

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 issue new shares, earn or sell assets to reduce debt.

Margin of Safety

Under the Insurance Code, a life insurance Company doing business in the Philippines shall maintain at all times a margin of solvency (MOS) equal to ₱0.5 million or ₱2 per thousand of the total amount of insurance in force as of the preceding calendar year in all policies (except term insurance), whichever is higher. The margin of solvency shall be the excess value of its admitted assets as defined under the same code, exclusive of its paid-in capital, over the amount of its liabilities, unearned premiums, and reinsurance reserves.

The final amount of the MOS can be determined only after the Company have been examined by the IC, specifically as to admitted and non-admitted assets as defined in the Insurance Code.

The estimated non-admitted assets as defined in the Insurance Code are included in the statements of financial position.

If an insurance Company failed to meet the minimum required MOS, the IC is authorized to suspend or revoke all certificates of authority granted to such companies, officers, agents, agents and no new business shall be done until authority is restored by the IC.

Risk-based Capital (RBC) Requirements

IC Memorandum Circular (IMC) No. 6-2006 provides the risk-based capital framework for the life insurance industry to establish the required amounts of capital to be maintained by the companies is required amounts of capital to be maintained by the companies is required annually to maintain a minimum RBC ratio of 100% and not fail the trend test. Failure to meet the minimum RBC ratio shall subject the insurance Company to corresponding regulatory intervention which has been defined at various levels.

The RBC ratio shall be calculated as networth divided by the RBC requirement. Networth shall include the Companies' paid-up capital, capital in excess of par, contributed and contingency surplus and retained earnings. Revaluation and fluctuation reserve accounts shall form part of net worth only.

Beginning year 2009 and every year thereafter, the Insurance Commission shall assess the performance of the industry to verify if, on the basis of the Industry RBC Ratio Compliance Rate, as may be determined from time to time by the Insurance Commissioner, the industry is stable enough to stop the implementation of fixed capitalization requirement.

NOTE 31 – RISK MANAGEMENT OBJECTIVES AND POLICIES

The following are the risk that the Company may experience:

Insurance Risk

- Nature of Risk

  The risk under any insurance contract is the possibility that the insured event occurs and the uncertainly of the amount of the resulting claim. The principal risk that the Company face under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities, which was the estimate, established using certain assumptions.

- Monitoring and Controlling

  The Company regularly assesses the reserving methodology in accordance with local regulations, subject to minimum liability adequacy test presented by PFRS 4. The Company also reviews the adequacy of its insurance charges and technical provisions. Furthermore, the Company establishes underwriting guidelines and limits for insurance and reinsurance contracts.

The Company issues contracts that transfer insurance risk. This section summarizes these risks and the way the Company manages them.

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount or the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

The main risks that the Company is exposed to are as follows:

- *Mortality Risk* – risk of loss due to policyholder death experience being different from expected.

- *Morbidity Risk* – risk of loss due to policyholder health experience being different from expected.

- *Investment Return Risk* – risk of loss from actual return being different from expected.

- *Persistency Risk* – risk of loss due to policyholder experiences (lapses and surrenders being different from expected.

These risks do not vary significantly in relation to location of the risk insured by the Company, the type of risk insured, or by industry.

The Company manages these risks through its underwriting strategy and reinsurance agreements. The Company's underwriting strategy is designed to ensure that risks are well diversified in terms of the type of risk and level of insured benefits. This is largely achieved through the use of medical screening in order to ensure that pricing takes accounts of current health conditions and family medical history, regular review of actual claims experience and product pricing, as well as detailed claims handling procedures. Underwriting limits are in place to enforce appropriate risk selection criteria.

For contracts where death or disability is the insured risk, the significant factors that could increase the overall frequency of claims are epidemics, widespread changes in lifestyle and natural disasters, resulting in earlier or more claims than expected.

Liquidity Risk

Liquidity or funding risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from either the inability to sell financial assets quickly at their fair values; or counterparty failing on repayment of contractual obligation; or inability to generate cash inflows as anticipated.

The Company maintains adequate highly liquid assets in the form of cash and cash equivalents to assure necessary liquidity.

The Company manages liquidity through a liquidity risk policy which determines what constitutes liquidity risk for the Company; specifies minimum proportion of funds to meet emergency calls; setting up contingency funding plans; specify the sources of funding and the events that would trigger the plan; concentration of funding sources; reporting of liquidity risk exposures and breaches to the monitoring authority; monitoring compliance with liquidity risk policy and review of liquidity risk policy for pertinence and changing environment.

The Company's financial liabilities as of December 31, 2024 and 2023 are all due with the time frame of less than one year or payable on demand.

The Company's compliance to Pre-need Rule to ensure its liquidity was fully disclosed in Note 4 and 10 of the financial statements.

Fair Value Interest Rate Risk

The fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

The Company's market risk policy requires the management of interest rate risk by maintaining appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest-bearing financial assets and interest-bearing financial liabilities.

Financial Instruments

	2024				Re-stated 2023			
		Carrying Value		Fair Value		Carrying Value		Fair Value
Financial Assets:								
Cash	₱	5,036,236	₱	5,036,236	₱	3,019,794	₱	3,019,794
Investment in trust fund		157,496,782		157,496,782		147,478,822		147,478,822
Insurance premium fund		3,654,098		3,654,098		3,602,782		3,602,782
Refundable deposit		20,706		20,706		20,706		20,706
	₱	166,207,822	₱	166,207,822	₱	154,122,104	₱	154,122,104
Financial Liabilities:								
Pre-need reserve	₱	81,471,102	₱	81,471,102	₱	95,088,880	₱	95,088,880
Payables		10,383,360		10,383,360		10,733,426		10,733,426
Insurance premium reserve		1,610,060		1,610,060		1,760,676		1,760,676
Advances from shareholders		29,231,411		29,231,411		22,273,373		22,273,373
	₱	122,695,933	₱	122,695,933	₱	129,856,355	₱	129,856,355

The following table sets forth the carrying values and estimated fair values of financial assets and liabilities recognized as of December 31, 2024 and re-stated 2023.

Due to short-term nature of the items above, except for investments in trust and insurance premium fund, their carrying values approximate fair values at year-end. Because the insurance premium fund account is computed at its present value, the carrying value approximates the fair value at year-end.

For investments in financial assets at FVOCI under investment in trust, fair value is hereby reference to published bid-values.

Interest Rate Risk

There are two types of interest rate risk:

- *Fair Value Interest Rate Risk* – the risk that the value of a financial instrument will fluctuate because of changes in market interest rates; and
- *Cash Flow Interest Rate Risk* – the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has exposure to interest rate risk to its investments in trust fund. The sensitivity on the interest rate risk of the Company follows:

		Impact on Profit Before Tax			
			2024		2023
Increase	+.25%	₱	**393,742**	₱	368,697
Decrease	-.25%		**(393,742)**		(368,697)

The Company's interest rate risk policy requires it to manage the maturities of interest-bearing financial assets and interest-bearing financial liabilities.

Credit Risk

Credit Risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause another party to incur a financial loss. The Company is exposed to credit risk primarily through its cash and cash equivalents, investments in debt securities and loans granted to policyholders. The Company has in place the business credit policy and procedures regarding loan activities from credit initiation approval, documentation, disbursement and loan administration.

The Company manages the level of credit risk it accepts through comprehensive credit risk policy, setting out assessment and determination of what constitutes credit risk for the Company; setting up exposure limits by each counterparty or group of counterparties, geographical and industry segments; guidelines on obtaining collateral and guarantees; reporting of credit risk exposures and breaches to the monitoring authority; monitoring compliance with credit risk policy and review of credit risk policy for pertinence and changing environment.

Except for investments in debt securities which mature on various dates, all of the Company's financial assets are current. The Company's investment in debt securities consist primarily of government treasury securities. Since these are backed by the full faith and credit of their respective governments, these are generally considered to be less of credit risk.

In compliance with Insurance Code, the Company extends loans to its policyholders only upon the security of the value of their policy, pursuant to the provisions of the policy contract.

The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date.

Credit risk arising from transactions with brokers relates to transactions awaiting settlement. Risk relating to unsettled transactions is considered small due to the short settlement period involved and the high credit ratings of the brokers used. The Company monitors the credit ratings of the brokers used to further mitigate this risk.

A substantial portion of the Company's total investment assets, including cash in bank, are held by MBTC and Union Bank. The Company monitors its risks by periodically monitoring the credit rating of both banks.

The table below presents the Company's maximum exposure to credit risk:

	2024	2023
Cash in bank	**₱ 5,001,236**	₱ 2,984,794
Investment in trust		
Cash and cash equivalents	**5,376,095**	11,763,728
Government Securities	**126,922,487**	108,820,102
Other debt securities	**23,810,351**	8,131,943
Accrued interest receivable	**2,005,514**	1,628,484
Insurance premium fund	**3,654,098**	3,602,782
	₱ 166,769,781	₱ 136,931,833

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

(a) Cash and Cash Equivalents

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

While cash and cash equivalents is also subject to the impairment requirements of PFRS 9, the identified expected credit loss was immaterial.

(b) Investment in trust

1. Cash and cash equivalents

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

   While cash and cash equivalents is also subject to the impairment requirements of PFRS 9, the identified expected credit loss was immaterial.

2. Government Securities

   The amount of ECL is not significant due to the fact that the collectability of contractual cash flows expected from these financial instruments is reasonably assured.

3. Other debt securities

   The amount of ECL is not significant due to the fact that the collectability of contractual cash flows expected from these financial instruments is reasonably assured.

4. Accrued interest receivable

   The amount of ECL is not significant due to the fact that the collectability of contractual cash flows expected from these financial instruments is reasonably assured.

5. Other receivables

The amount of ECL is not significant due to the fact that the collectability of contractual cash flows expected from these financial instruments is reasonably assured.

(c) Insurance premium fund

While this is also subject to the impairment requirements of PFRS 9, the identified expected credit loss was immaterial due to the fact that the collectability of contractual cash flows expected from these financial instruments is reasonably assured.

NOTE 32 – FAIR VALUE MEASUREMENT

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

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

		2024			
			Fair Value		
	Note	**Carrying Amount**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Assets for which fair values are disclosed:					
Cash	*7*	**₱ 5,036,236**	**₱ -**	**₱ 5,036,236**	**₱ -**
Investment in trust	*9*	**157,496,782**	**157,496,782**	**-**	**-**
Investment properties	*10*	**561,783,000**		**561,783,000**	**-**
Insurance premium fund	*12*	**3,654,098**		**3,654,098**	
Refundable deposit	*13*	**20,706**	**-**	**20,706**	**-**
		₱727,990,822	**₱157,496,782**	**₱570,494,040**	**₱ -**
Liabilities for which fair values are disclosed:					
Financial liabilities at amortized cost:					
Pre-need reserve	*14*	**₱ 81,471,102**	**₱ 81,471,102**	**₱ -**	**₱ -**
Payables	*15*	**10,383,360**	**10,383,360**	**-**	**-**
Insurance premium reserve	*17*	**1,610,060**	**1,610,060**		
Advances from shareholders	*19*	**29,231,411**	**29,231,411**	**-**	**-**
		₱122,695,933	**₱122,695,933**	**₱ -**	**₱ -**

		Re-stated 2023			
			Fair Value		
	Note	Carrying Amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets for which fair values are disclosed:					
Cash	*7*	₱ 3,019,794	₱ -	₱ 3,019,794	₱ -
Investment in trust	*9*	147,478,822	147,478,822	-	-
Investment properties	*10*	561,783,000		561,783,000	-
Insurance premium fund	*12*	3,602,782		3,602,782	-
Refundable deposit	*13*	20,706	-	20,706	-
		₱719,507,886	₱147,478,822	₱572,029,064	₱ -

		Re-stated 2023			
			Fair Value		
	Note	Carrying Amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities for which fair values are disclosed:					
Financial liabilities at amortized cost:					
Pre-need reserve	*14*	₱ 95,088,880	₱ 95,088,880	₱ -	₱ -
Payables	*15*	10,733,426	10,733,426	-	-
Insurance premium reserve	*17*	1,760,676	1,760,676		
Advances from shareholders	*19*	22,273,373	22,273,373	-	-
		₱129,856,355	₱129,856,355	₱ -	₱ -

Fair Value Hierarchy

The Company uses market observable data to the extent possible when measuring the fair value of an asset or a liability. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

NOTE 33 – EVENTS AFTER REPORTING PERIOD

There were no material events that occurred subsequent to December 31, 2024 that were not reflected in the financial statements for the period.

Trusteeship Plans, Inc.
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION
For the year ended December 31, 2024

		Current Year		Prior Year
Total Audit Fees	**P**	**90,000**	**P**	**80,000**
Non-audit services fees:				
Other assurance services		-		-
Tax services		-		-
All other services		-		-
Total Non-audit Fees		-		-
Total Audit and Non-Audit Fees	**P**	**90,000**	**P**	**80,000**

Note:
Audit and non-audit fees of other related entities is not applicable.

REPORT OF INDEPENDENT PUBLIC AUDITORS TO ACCOMPANY IC SCHEDULES FILED SEPARATELY FROM THE BASIC FINANCIAL STATEMENTS

The Board of Directors
TRUSTEESHIP PLANS, INC.
Suite 211-212 Richmark Bldg.,
No. 72, Mindanao Ave., Project 6, Quezon City

We have audited the financial statements of **TRUSTEESHIP PLANS, INC.** (the Company) for the year ended December 31, 2024, on which we have rendered our report dated May 15, 2025. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The applicable supplementary schedules (enumerated in table of contents) of the Company as of December 31, 2024 and for the year ended, required by the Insurance Commission, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information in such supplementary schedules has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

KL SIY & ASSOCIATES
BOA Accreditation No. 0668
Effective until January 26, 2027
TIN No. 215-665-658-000
BIR Accreditation No. 07-100649-002-2023
Effective until May 4, 2026
IC Accreditation No. IC-EA-2024-0026-R (Group A)
Effective until December 31, 2027
Bangko Sentral ng Pilipinas (BSP) Accreditation No. 0668-BSP (Group B)
Effective until December 31, 2025

By:

KATHLEEN MARY L. SIY
Managing Partner
CPA Certificate No. 45337
BOA Accreditation No. 0668/P-001
Effective until January 26, 2027
BIR Accreditation No. 07-100648-002-2023
Effective until May 4, 2026
IC Accreditation No. IC-EA-2024-0026-R (Group A)
Effective until December 31, 2027
Bangko Sentral ng Pilipinas (BSP) Accreditation No. 45337-BSP (Group B)
Effective until December 31, 2025

TIN No. 303-141-768-000
PTR NO. 3041078, January 31, 2025, Pasig City

May 15, 2025
Ortigas Center, Pasig City

Gmail

Albert Villanueva <albertvillanueva.cpa@gmail.com>

Your BIR AFS eSubmission uploads were received

1 message

eafs@bir.gov.ph <eafs@bir.gov.ph> Mon, May 19, 2025 at 10:05 AM
To: ALBERTVILLANUEVA.CPA@gmail.com
Cc: ALBERTSVILLANUEVA.CPA@gmail.com

Hi TRUSTEESHIP EDUCATION AND PENSION PLANS INC,

Valid files

- EAFS000731737RPTTY122024.pdf
- EAFS000731737ITRTY122024.pdf
- EAFS000731737AFSTY122024.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-6FEC6K690Q1NV3SWPZW431RM0BC7EEJG7**
Submission Date/Time: **May 19, 2025 10:05 AM**
Company TIN: **000-731-737**

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

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