wsa
wireless services asia

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

The management of **WIRELESS SERVICES ASIA , INC** is responsible for all information and representations contained in the Annual Income Tax Return for the period ended March 31, 2024 and March 31, 2023. 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 returns, withholding tax returns, documentary stamp tax, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the period year ended March 31, 2024 and March 31, 2023 and the accompanying Annual Income Tax Returns are in accordance with the books and records of **WIRELESS SERVICES ASIA, INC** is complete and correct in all material respects.

Management likewise affirms that:

a) The annual income tax return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;

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

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

MANUEL DELOS SANTOS
Chairman of the Board

BUREAU OF INTERNAL REVENUE
REVENUE REGION NO. 8A - MAKATI
Revenue District Office No. 49
North Makati
RECEIVED
DATE: JUL 29 2024

BENJAMIN R. BUSTOS, JR
President

WILFREDO S. SAGUIPED
Treasurer

July 11, 2024

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

FILING REFERENCE NO.

TIN	: 205-522-020-000
Name	: WIRELESS SERVICES ASIA INC
RDO	: 049
Form Type	: 1702
Reference No.	: 462400060650996
Amount Payable (Over Remittance)	: -8,287,003.00
Accounting Type	: F - Fiscal
For Tax Period	: 03/31/2024
Date Filed	: 07/11/2024
Tax Type	: IT

[BIR Main | eFPS Login | User Menu | Help]

Reference No : 462400060650996
Date Filed : July 11, 2024 04:45 PM
Batch Number : 0

Republic of the Philippines
Department of Finance
Bureau of Internal Revenue

For BIR Use Only: BCS/ Item:

BIR Form No. **1702-RT** January 2018(ENCS) Page 1	**Annual Income Tax Return** **For Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate** *Enter all required information in CAPITAL LETTERS. Mark applicable boxes with an "X". Two Copies MUST be filed with the BIR and one held by the taxpayer.*	1702-RT 01/18ENCS P1

1 For: Calendar / Fiscal 2 Year Ended (MM/20YY): 3/2024	3 Amended Return? Yes / No	4 Short Period Return? Yes / No	5 Alphanumeric Tax Code (ATC): IC055 Minimum Corporate Income Tax (MCIT)

Part I - Background Information

6 Taxpayer Identification Number (TIN)	205 - 522 - 020 - 000
7 RDO Code	049
8 Registered Name *(Enter only 1 letter per box using CAPITAL LETTERS)*	WIRELESS SERVICES ASIA INC
9A Registered Address *(Indicate complete registered address)*	3/FL ITC BLDG 337 SEN GIL PUYAT AVENUE MAKATI CITY CITY OF MAKATI
9B Zipcode	1226
10 Date of Incorporation/Organization (MM/DD/YYYY)	
11 Contact Number	8166441
12 Email Address	vicky.tabanao@wsworldwide.com

13 Method of Deductions: Itemized Deductions [Section 34 (A-J), NIRC] / Optional Standard Deduction (OSD) - 40% of Gross Income [Section 34(L), NIRC as amended by RA No. 9504]

Part II - Total Tax Payable *(Do NOT enter Centavos)*

14 Total Income Tax Due (Overpayment) *(From Part IV Item 43)*		3,243,703
15 Less: Total Tax Credits/Payments *(From Part IV Item 55)*		11,530,706
16 Net Tax Payable (Overpayment) *(Item 14 Less Item 15) (From Part IV Item 56)*		(8,287,003)
Add Penalties		
17 Surcharge	0	
18 Interest	0	
19 Compromise	0	
20 Total Penalties *(Sum of Items 17 to 19)*		0
21 TOTAL AMOUNT PAYABLE (Overpayment) *(Sum of Item 16 and 20)*		(8,287,003)

If Overpayment, mark "X" one box only *(Once the choice is made, the same is irrevocable)*

To be refunded / To be issued a Tax Credit Certificate (TCC) / To be carried over as tax credit next year/quarter

We declare under the penalties of perjury, that this annual return has been made in good faith, verified by us, and to the best of our knowledge and belief, is true and correct pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof. *(If Authorized Representative, attach authorization letter and indicate TIN)*

Signature over printed name of President/Principal Officer/Authorized Representative	MARIA VICTORIA TABANAO Signature over printed name of Treasurer/Assistant Treasurer	22 Number of Attachments
Title of Signatory: ___ TIN: ___	Title of Signatory: ACCOUNTING HEAD TIN: 110056064	4

Part III - Details of Payment

Particulars	Drawee Bank/Agency	Number	Date *(MM/DD/YYYY)*	Amount
23 Cash/Bank Debit Memo				0
24 Check				0
25 Tax Debit Memo				0
26 Others *(Specify Below)*				
				0

Machine Validation/Revenue Official Receipts Details *(if not filed with an Authorized Agent Bank)*	*Stamp of receiving Office/AAB and Date of Receipt (RO's Signature/Bank Teller's Initial)*

BIR Form No. **1702-RT** January 2018(ENCS) Page 2	**Annual Income Tax Return** Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	1702-RT 01/18ENCS P2

Taxpayer Identification Number (TIN)	**Registered Name**
205 - 522 - 020 - 000	WIRELESS SERVICES ASIA INC

Part IV - Computation of Tax *(Do NOT enter Centavos)*

27 Sales/Receipts/Revenues/Fees		249,788,478
28 Less: Sales Returns, Allowances and Discounts		0
29 Net Sales/Receipts/Revenues/Fees *(Item 27 Less Item 28)*		249,788,478
30 Less: Cost of Sales/Services		202,328,679
31 Gross Income from Operation *(Item 29 Less Item 30)*		47,459,799
32 Add: Other Taxable Income Not Subjected to Final Tax		199,207
33 **Total Taxable Income** *(Sum of Items 31 and 32)*		47,659,006
Less: Deductions Allowable under Existing Law		
34 Ordinary Allowable Itemized Deductions *(From Part VI Schedule I Item 18)*	34,684,193	
35 Special Allowable Itemized Deductions *(From Part VI Schedule II Item 5)*	0	
36 NOLCO *(only for those taxable under Sec. 27(A to C); Sec. 28(A)(1) & (A)(6)(b) of the tax Code) (From Part VI Schedule III Item 8)*	0	
37 Total Deductions *(Sum of Items 34 to 36)*	34,684,193	
***OR** [in case taxable under Sec 27(A) & 28(A)(1)]*		
38 Optional Standard Deduction *(40% of Item 33)*	0	
39 **Net Taxable Income/(Loss)** *(If Itemized: Item 33 Less Item 37; If OSD: Item 33 Less Item 38)*		12,974,813
40 **Applicable Income Tax Rate**		25 %
41 Income Tax Due other than Minimum Corporate Income Tax (MCIT) *(Item 39 x Item 40)*		3,243,703
42 MCIT Due *(2% of Item 33)*		949,196
43 **Tax Due** *(Normal Income Tax Due in Item 41 OR the MCIT Due in Item 42, whichever is higher) (To Part II Item 14)*		3,243,703
Less: Tax Credits/Payments (attach proof)		
44 Prior Year's Excess Credits Other Than MCIT		6,688,327
45 Income Tax Payment under MCIT from Previous Quarter/s		93,760
46 Income Tax Payment under Regular/Normal Rate from Previous Quarter/s		0
47 Excess MCIT Applied this Current Taxable Year *(From Part VI Schedule IV Item 4)*		0
48 Creditable Tax Withheld from Previous Quarter/s per BIR Form No. 2307		0
49 Creditable Tax Withheld per BIR Form No. 2307 for the 4th Quarter		4,748,619
50 Foreign Tax Credits, if applicable		0
51 Tax Paid in Return Previously Filed, if this is an Amended Return		0
52 Special Tax Credits *(To Part V Item 58)*		0
Other Credits/Payments *(Specify)*		
53		0
54		0
55 Total Tax Credits/Payments *(Sum of Items 44 to 54) (To Part II Item 15)*		11,530,706
56 **Net Tax Payable / (Overpayment)** *(Item 43 Less Item 55)) (To Part II Item 16)*		(8,287,003)

Part V - Tax Relief Availment

57 Special Allowable Itemized Deductions *(Item 35 of Part IV x Applicable Income Tax Rate)*	0
58 Add: Special Tax Credits *(From Part IV Item 52)*	0
59 **Total Tax Relief Availment** *(Sum of Items 57 and 58)*	0

BIR Form No. **1702-RT** January 2018(ENCS) Page 3	**Annual Income Tax Return** **Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate**	1702-RT 01/18ENCS P3

Taxpayer Identification Number (TIN)	**Registered Name**
205 - 522 - 020 - 000	WIRELESS SERVICES ASIA INC

Schedule I - Ordinary Allowable Itemized Deductions *(Attach additional sheet/s, if necessary)*

1 Amortizations	0
2 Bad Debts	0
3 Charitable Contributions	0
4 Depletion	0
5 Depreciation	1,927,597
6 Entertainment, Amusement and Recreation	0
7 Fringe Benefits	0
8 Interest	0
9 Losses	0
10 Pension Trust	0
11 Rental	2,091,422
12 Research and Development	0
13 Salaries, Wages and Allowances	4,702,475
14 SSS, GSIS, Philhealth, HDMF and Other Contributions	1,505,127
15 Taxes and Licenses	2,569,839
16 Transportation and Travel	1,047,107
17 Others (Deductions Subject to Withholding Tax and Other Expenses) *[Specify below; Add additional sheet(s), if necessary]*	
a Janitorial and Messengerial Services	0
b Professional Fees	4,120,824
c Security Services	0
d MEETING AND CONFERENCES	5,183,709
e INSURANCE EXPENSE	1,318,841
f OFFICE SUPPLIES AND SUBSCRIPTION	156,554
g UTILITIES	1,507,672
h EMPLOYEE'S BENEFIT	2,461,245
i OTHERS	6,091,781
i.1 REPAIRS AND MAINTENANCE	352,889
i.2 SEMINARS AND TRAINING	75,411
i.3 RETIREMENT EXPENSE	450,240
i.4 MEMBERSHIP AND ASSOCIATION DUES	417,724
i.5 LEGAL AND NOTARIAL	3,974,280
i.6 GENERAL	549,277
i.7 INTEREST EXPENSE	102,708
i.8 OTHER EXPENSES	169,252
18 Total Ordinary Allowable Itemized Deductions *(Sum of Items 1 to 17i) (To Part IV Item 34)*	34,684,193

Schedule II - Special Allowable Itemized Deductions *(Attach additional sheet/s, if necessary)*

Description	Legal Basis	Amount
1		0
2		0
3		0
4		0
5 Total Special Allowable Itemized Deductions *(Sum of Items 1 to 4) (To Part IV Item 35)*		0

BIR Form No. **1702-RT** January 2018(ENCS) Page 4	**Annual Income Tax Return** Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	1702-RT 01/18ENCS P4

Taxpayer Identification Number (TIN)	**Registered Name**
205 - 522 - 020 - 000	WIRELESS SERVICES ASIA INC

Schedule III - Computation of Net Operating Loss Carry Over (NOLCO)

1 Gross Income *(From Part IV Item 33)*	0
2 Less: Ordinary Allowable Itemized Deductions *(From Part VI Schedule I Item 18)*	0
3 Net Operating Loss*(Item 1 Less Item 2) (To Schedule IIIA, Item 7A)*	0

Schedule IIIA - Computation of Available Net Operating Loss Carry Over (NOLCO) *(DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)*

Net Operating Loss		B) NOLCO Applied Previous Year
Year Incurred	A) Amount	
4	0	0
5	0	0
6	0	0
7	0	0

Continuation of Schedule IIIA (Item numbers continue from table above)

	C) NOLCO Expired	D) NOLCO Applied Current Year	E) Net Operating Loss (Unapplied) *[E = A Less (B + C + D)]*
4	0	0	0
5	0	0	0
6	0	0	0
7	0	0	0
8 **Total NOLCO** *(Sum of Items 4D to 7D) (To Part IV, Item 36)*		0	

Schedule IV - Computation of Minimum Corporate Income Tax (MCIT)

Year	A) Normal Income Tax as adjusted	B) MCIT	C) Excess MCIT over Normal Income Tax
1	0	0	0
2	0	0	0
3	0	0	0

Continuation of Schedule IV *(Item numbers continue from table above)*

	D) Excess MCIT Applied/Used in Previous Years	E) Expired Portion of Excess MCIT	**F) Excess MCIT Applied this Current Taxable Year**	G) Balance of Excess MCIT Allowable as Tax Credit for Succeeding Year/s [G = C Less (D + E + F)]
1	0	0	0	0
2	0	0	0	0
3	0	0	0	0
Total Excess MCIT Applied *(Sum of Items 1F to 3F) (To Part IV Item 47)*			0	

Schedule V - Reconciliation of Net Income per Books Against Taxable Income *(attach additional sheet/s, if necessary)*

1 Net Income/(Loss) per books	12,024,098
Add: Non-deductible Expenses/Taxable Other Income	
2 RETIREMENT PROVISION	997,189
3	0
4 Total *(Sum of Items 1 to 3)*	13,021,287
Less: A) Non-Taxable Income and Income Subjected to Final Tax	
5 INTEREST INCOME SUBJECTED TO FINAL TAX	46,474
6	0
B) Special Deductions	
7	0
8	0
9 Total (Sum of Items 5 to 8)	46,474
10 Net Taxable Income/(Loss) (Item 4 Less Item 9)	12,974,813

ARTURO D. SABINO Certified Public Accountant

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

The Stockholders and Board of Directors
WIRELESS SERVICES ASIA INC.
3rd Floor, Room 301 ITC Building
Sen. Gil Puyat Avenue
Makati City

Opinion

I have audited the financial statements of Wireless Services Asia Inc. (the Corporation) which comprise the statements of financial position as at March 31, 2024 and 2023, and the statements of income, and statements of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Philippine Standards on Auditing (PSAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Corporation 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 my audit of financial statements in the Philippines, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

The Management and those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

M 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 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 Management's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

Report on the Supplementary Information Under Revenue Revenue Regulation 15-2010 and Other Legal and Regulatory Requirements

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes, duties and license fees in Note 17 to the financial statements is presented for purposes of additional analysis and for filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements prepared in accordance with Philippine Financial Reporting Standards. Such information is the responsibility of Management. The information has been subjected to the auditing procedures applied in my audit of the basic financial statements. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as whole.

ARTURO D. SABINO
CPA Certificate No. 91333
BOA Accreditation No. 9745
Effective until September 30, 2026
BIR Accreditation No. 07-100647-002-2023
Effective until May 4, 2026

TIN No. 175-119-851-000
PTR NO. 21428784, February 23, 2024, Rizal

July 11, 2024
Angono, Rizal

WIRELESS SERVICES ASIA INC.

STATEMENTS OF FINANCIAL POSITION

	Notes	March 31 2024	 2023
ASSETS			
Current assets			
Cash	4	₱ **40,506,296**	₱ 14,011,556
Receivables	5,6	**93,102,625**	102,434,862
Other current assets	7	**72,591,698**	22,796,639
TOTAL CURRENT ASSETS		**206,200,619**	139,243,056
Non-current assets			
Investment in non-proprietary shares	9	**3,000,000**	1,900,000
Property & Equipment	8	**240,617**	1,992,274
Other non-current assets	7,14	**57,086,992**	126,866,242
TOTAL NON-CURRENT ASSETS		**60,546,713**	130,758,516
TOTAL ASSETS		₱ **266,747,332**	₱ 270,001,572
LIABILITIES AND OWNER'S CAPITAL			
LIABILITIES			
Current liabilities			
Trade payables	10	**44,907,778**	23,297,018
Income tax payable	17	**3,243,704**	3,735,208
Loans payable - current portion	11	**12,172,744**	9,752,679
Other current liabilities	10,17	**18,394,950**	20,250,238
TOTAL CURRENT LIABILITIES		**78,719,175**	57,035,143
Non-Current liabilities			
Advances from Stockholder	6	**21,810,579**	28,927,669
Long-term liabilities	11	**13,000,000**	-
Other long-term liabilities	12	**7,176,268**	46,018,833
TOTAL NON-CURRENT LIABILITIES		**41,986,847**	74,946,502
TOTAL LIABILITIES		**120,706,022**	131,981,645
EQUITY			
Share capital	13	**45,667,200**	45,667,200
Additional paid-in capital	13	**15,833,600**	15,833,600
Cummulative earnings, appropriated	13	**40,000,000**	60,000,000
Cummulative earnings (deficit)	13	**44,675,911**	17,396,953
Gain (Loss) on fair value of Asset held for sale	13	**2,570,000**	1,470,000
Treasury Shares	13	**(2,705,400)**	(2,347,826)
TOTAL EQUITY (DEFICIT)		**146,041,311**	138,019,927
TOTAL LIABILITIES AND EQUITY (DEFICIT)		₱ **266,747,332**	₱ 270,001,572

WIRELESS SERVICES ASIA INC.

STATEMENTS OF OPERATIONS

	Notes		For the years ended March 31 2024		2023
REVENUE	16	₱	**249,788,478**	₱	292,800,617
COST OF SALES	16		**202,328,679**		246,283,513
GROSS PROFIT			**47,459,800**		46,517,104
GENERAL & ADMIN EXPENSES	16		**35,409,424**		35,413,180
NET OPERATING INCOME (LOSS)			**12,050,376**		11,103,924
OTHER INCOME (EXPENSES)	16		**(26,278)**		4,036,523
NET INCOME (LOSS) BEFORE TAX			**12,024,098**		15,140,447
INCOME TAX EXPENSE	17		**3,243,704**		3,735,208
NET INCOME (LOSS) AFTER INCOME TAX			**8,780,395**		11,405,239
OTHER COMPREHENSIVE INCOME					
GAIN (LOSS) ON FAIR VALUE OF ASSET HELD FOR SALE	9		**1,100,000**		(3,515,320)
TOTAL COMPREHENSIVE INCOME (LOSS)		₱	**9,880,395**	₱	7,889,919

BUREAU OF INTERNAL REVENUE
RECEIVED
JUL 29 2024

WIRELESS SERVICES ASIA INC.

STATEMENTS OF CHANGES IN EQUITY

	Notes		For the years ended March 31	
			2024	2023
Share Capital	13	₱	**45,667,200** ₱	45,667,200
Additional Pai-In Capital	13		**15,833,600**	15,833,600
Cumulative earnings, beg.	13		**77,396,953**	96,015,096
Net income (loss)	13		**8,780,395**	11,405,239
Prior period adjustments	13		**(1,501,437)**	(27,523,195)
Dividends	13		**-**	(2,500,187)
Cumulative earnings, end	13		**84,675,911**	77,396,953
Cumulative earnings, appropriated	13		**(40,000,000)**	(60,000,000)
Cumulative earnings (deficit)	13		**44,675,911**	17,396,953
Gain (Loss) on fair value of Asset held for sale	13		**2,570,000**	1,470,000
Treasury Shares	13		**(2,705,400)**	(2,347,826)
TOTAL EQUITY (DEFICIT)			**146,041,311**	138,019,927

Note 1 – CORPORATE INFORMATION

Wireless Services Asia Inc. was incorporated and registered in the Philippines Securities and Exchange Commission (SEC) on September 9, 1999, under the name Wireless Sales & Services Asia Inc., primarily to engage in the business of trading of goods such as computer software and hardware on wholesale/retail basis.

On October 19, 1999, the SEC approved the amendment of the Company's Article of Incorporation to change its corporate name to Wireless Services Asia Inc., and to include in the primary purpose to engage in business of systems research and development of computer software.

On April 18, 2006, the SEC approved the amendment of the Company's By-Laws amending its accounting period from calendar year January 1 to December 31 to fiscal year April 1 to March 31 and the articles of incorporation's primary purpose to engage in the business of developing, maintaining and hosting wireless services and applications for delivery primarily over telecom networks utilizing the messaging and data communication capabilities of these networks and providing a suite of applications and services within the area of entertainment, information and e-commerce.

On December 3, 2008, the SEC approved the amendment of the Company's articles of incorporation to include in the primary purpose the importation of machineries, equipment and such other items as may be necessary to implement the conduct of business.

On September 12, 2011, the Board of Directors approved the amendment that the place where the principal office of the Company is to be established is at 3rd Floor, ITC Bldg., Gil Puyat Avenue, Makati City.

On September 16, 2011, the Board of Directors approved the amendment that the number of directors of the Company is SEVEN (7).

On May 22, 2017, the Board of Directors approved the amendment of annual meeting of the Company from "any date in March" to "any date in May" of each year.

On May 15, 2018, the SEC approved the amendment of the Company's articles of incorporation's primary purpose to include the selling/trading of goods such as computer software/hardware/services on wholesale/retail basis.

On January 19, 2023, the SEC approved the amendment of the Company's By-Laws amending the date of annual meeting to "the first Monday of May" of each year, as well as the manner of sending the notice of meeting and the conduct of the meeting and the articles of incorporation increasing the Company's authorized capital stock to P100,000,000.00 divided by into 1,000,000 Common Shares with the par value of P100.00.

Currently, the Company engaged in the business of selling/trading of goods such as computer software/hardware/services on wholesale/retail basis and also of developing, maintaining and hosting wireless services and other services and applications for delivery primarily over telecom networks utilizing the video, voice messaging and data communication capabilities of these networks and providing a suite of applications and services, including but not limited to enterprise data installation, repair and maintenance, and other related services, within the area of entertainment, information and e-commerce and importation of machineries, equipment and such other items as may be necessary to implement the conduct of business.

The Company adopted a fiscal year starting April 1 and ending March 31 accounting period. The Company was a registered Value Added Taxpayer with the Bureau of Internal Revenue and was assigned Taxpayer Identification No. 205-522-020-000 at Revenue District Office No. - 049.

The Company's principal and current address is at 3rd Floor ITC Building, Gil Puyat Avenue, Makati City.

The financial statements of the Company for the fiscal year ended March 31, 2024 (including the comparatives for the year ended March 31, 2023) were authorized for issue by the Board of Directors on July 10, 2023.

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS. This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretation from International Financial Reporting Interpretations Committee (IFRIC) issued by the Philippine Financial and Sustainability Reporting Standards Council (formerly Financial Reporting Standards Council) and adopted by the SEC, including SEC pronouncements.

Basis of Measurement

The financial statements are presented in Philippine Peso (Peso), which is the Company's functional currency. All values are rounded to the nearest Peso, unless otherwise indicated.

The financial statements of the Company have been prepared under the historical cost basis, except for the following accounts:

- investment in proprietary shares measured at fair value;
- lease liabilities measured at present value of future lease payments; and
- retirement liability measure at present value of estimated future cash outflows.

Historical cost is generally based on the fair value of the consideration given in exchange for an asset and the fair value of consideration received in exchange for incurring a liability.

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

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

The principal or the most advantageous market must be accessible to the Company.

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

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

For all financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, options pricing models, and other relevant valuation models.

The fair value for any financial instruments traded in active markets at the reporting period is based on their quoted market price or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. When current bid and asking prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction.

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

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

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

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

Further information about the assumptions made in measuring fair value is included in Note 19.

Adoption of Amended PFRS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amended PFRS:

Effective for annual periods beginning on or after January 1, 2023:

- Amendments to PAS 1, *Presentation of Financial Statements*, and PFRS Practice Statement 2, *Making Materiality Judgments - Disclosure Initiative - Accounting Policies* – The amendments require an entity to disclose its material accounting policies, instead of its significant accounting policies and provide guidance on how an entity applies the concept of materiality in making decisions about accounting policy disclosures. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and its nature. The amendments clarify (1) that accounting policy information may be material because of its nature, even if the related amounts are immaterial, (2) that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements, and (3) if an entity discloses immaterial accounting policy information, such information should not obscure material accounting policy information. In addition, PFRS Practice Statement 2 is amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information. The amendments should be applied prospectively. Earlier application is permitted.

- Amendments to PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates* – The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies, and the correction of errors. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". An entity develops an accounting estimate if an accounting policy requires an item in the financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not a correction of an error, and that the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. A change in an accounting estimate may affect only the profit or loss in the current period, or the profit or loss of both the current and future periods. Earlier application is permitted.

- Amendments to PAS 12, *Income Taxes - Deferred Tax Related Assets and Liabilities from a Single Transaction* – The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The amendments should be applied on a modified retrospective basis. Earlier application is permitted.

- Amendments to PAS 1, Classification of Liabilities as Current or Noncurrent – The amendments clarify the requirements for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also specify and clarify the following: (i) an entity's right to defer settlement must exist at the end of the reporting period, (ii) the classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement, (iii) how lending conditions affect classification, and (iv) requirements for classifying liabilities where an entity will or may settle by issuing its own equity instruments.

- Amendment to PAS 12, International Tax Reform - Pillar Two Model Rules – The amendments provide a mandatory temporary exemption for the accounting of the deferred taxes arising from the implementation of the Organization for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting Pillar Two model rules (Pillar Two income taxes). The amendments also introduce the disclosure requirements for the affected entities to enable users of the financial statements understand the extent to which an entity will be affected by the Pillar Two income taxes, particularly before its effectivity date.

The adoption of the amended PFRS did not materially affect the financial statements of the Company. Additional disclosures were included in the financial statements, as applicable.

Effective for annual periods beginning on or after January 1, 2024:

- Amendments to PFRS 16, *Lease - Lease Liability in a Sale and Leaseback* – The amendments clarify that the liability that arises from a sale and leaseback transaction, that satisfies the requirements in PFRS 15, Revenue from Contracts with Customers, to be accounted for as a sale, is a lease liability to which PFRS 16 applies and give rise to a right-of-use (ROU) asset. For the subsequent measurement, the seller-lessee shall determine 'lease payments' or 'revised lease payments' in 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 this subsequent measurement does not prevent the seller-lessee from recognizing any gain or loss relating to the partial or full termination of a lease. Any gain or loss relating to the partial or full termination of the lease does not relate to the right of use retained but to the right of use terminated. The amendments must be applied retrospectively. Earlier application is permitted.

- Amendments to PAS 1, *Presentation of Financial Statements - Classification of Liabilities as Current or Noncurrent* – The amendments clarify the requirements for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also specify and clarify the following: (i) an entity's right to defer settlement must exist at the end of the reporting period, (ii) the classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement, (iii) how lending conditions affect classification, and (iv) requirements for classifying liabilities where an entity will or may settle by issuing its own equity instruments. The amendments must be applied retrospectively.

Under prevailing circumstances, the adoption of the foregoing amended PFRS is not expected to have any material effect on the financial statements of the Company. Additional disclosures will be included in the financial statements, as applicable.

Amended PFRS in Issue But Not Yet Effective or Adopted

Relevant amended PFRS, which are not yet effective as at March 31, 2024 and have not been applied in preparing the financial statements, are summarized below.

Effective for annual periods beginning on or after January 1, 2025 - • Amendments to PAS 21, The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability – The amendments clarify when a currency is considered exchangeable into another currency and how an entity determines the exchange rate for currencies that lack exchangeability. The amendments also introduce new disclosure requirements to help users of financial statements assess the impact when a currency is not exchangeable. An entity does not apply the amendments retrospectively. Instead, an entity recognizes any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings when the entity reports foreign currency transactions. When an entity uses a presentation currency other than its functional currency, it recognizes the cumulative amount of translation differences in equity. Earlier application is permitted.

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 a conflicting provision under the two standards. It clarifies that a gain or loss shall be recognized fully when the transaction involves a business, and partially if it involves assets that do not constitute a business. The effective date of the amendments, initially set for annual periods beginning on or after January 1, 2016, was deferred indefinitely in December 2015 but earlier application is still permitted.

Under prevailing circumstances, the adoption of the foregoing amended PFRS is not expected to have any material effect on the financial statements of the Company. Additional disclosures will be included in the financial statements, as applicable.

Financial Assets and Liabilities

Date of Recognition. Financial assets and liabilities are recognized in the statements of financial position when the Company becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

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

"Day 1" Difference. Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss. In cases where there is no observable data on inception, the Company deems the transaction price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the "Day 1" difference.

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

As at March 31, 2024 and 2023, the Company does not have financial assets and liabilities at FVPL.

Financial Assets at Amortized Cost. A financial asset 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 impairment, 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 or impaired and through the amortization process.

Cash, trade and other receivables (excluding advances to officers and employees), contract assets, amounts due from related parties and security deposits (included as part of "Other noncurrent assets" account) are classified under this category.

Financial Assets Designated at FVOCI. The Company may irrevocably designate an equity instrument that is not held for trading to be measured at FVOCI.

Financial assets at FVOCI are initially measured at fair value plus transaction costs.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Unrealized gains or losses from equity instruments are recognized in OCI and presented in the equity section of the statements of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent periods. On disposal of these equity instruments, any cumulative valuation gains or losses will be reclassified to retained earnings.

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.

Accounts payable and other current liabilities (excluding statutory payables and deferred output VAT), due to related parties, short-term loans, long-term loans and lease liabilities are classified under this category.

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 FVPL, 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 OCI.

A financial asset that has been designated at FVOCI may no longer be reclassified to a different category.

Impairment of Financial Assets at Amortized Cost

The Company recognizes an allowance for expected credit loss (ECL) 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 trade receivables and contract assets, the Company has applied the simplified approach in measuring ECL. Simplified approach requires that ECL should always be based on the lifetime ECL. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For other financial assets at amortized cost, which mainly comprise of cash in banks, due from related parties and security deposits (included as part of "Other noncurrent assets" account), the Company applies the general approach in measuring the ECL. The ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECL 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 considers reasonable and supportable information, that is available without undue cost or effort, and that is indicative of significant increases in credit risk since initial recognition.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event - instead, the combined effect of several events may have caused financial assets to become credit-impaired.

The Company shall directly reduce the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

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 profit or loss.

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.

Cost to Obtain a Contract with a Customer

The Company recognizes an asset for the incremental cost of obtaining a contract with a customer if the Company expects to recover those costs. Otherwise, those costs are recognized as expense when incurred. The incremental costs of obtaining a contract are those costs that the Company incurs to obtain a contract.

Contract Balances

Contract Assets. A contract asset represents the Company's right to consideration in exchange for goods or services that the Company has transferred to a customer when that right is conditioned on something other than a passage of time. Contract assets are reclassified to trade receivables when payment is due from the customers.

Contract Liabilities. A contract liability represents the Company's obligation to transfer goods to a customer for which the Company has received consideration from the customer. Contract liabilities are recognized as revenue when the Company performs its obligations under the contract.

Other Current Assets

Other current assets mainly include creditable withholding taxes (CWT), inventories, prepayments, and input VAT and deferred input VAT.

Creditable Withholding Tax (CWT). CWT represents the amount withheld by the Company's customer in relation to its income. CWT can be utilized as payment for income taxes provided that these are properly supported by certificates of creditable tax withheld at source subject to the rules on Philippine income taxation.

Prepayments. Prepayments represent expenses not yet incurred but already paid in cash or advance payment to a Supplier for a certain project. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to expense as these are consumed in operations or expire with the passage of time or cost when the project is finished. Prepayments that are expected to be incurred no more than 12 months after the reporting date are classified as current assets. Otherwise, these are classified as noncurrent assets.

Inventories. Inventories are valued at the lower of cost and NRV. Cost is determined using the weighted average method. All costs directly attributable to acquisition such as the purchase price, transport cost and taxes that are not subsequently recoverable from tax authorities are included as part of the cost of inventories.

The NRV of inventories is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. In determining the NRV, the Company considers any adjustment necessary for obsolescence.

When the NRV of inventories is lower than its cost, the inventories are written down to its NRV and the excess of the cost over the NRV is charged to profit or loss.

Value-Added Tax (VAT)

VAT represents the net amount of VAT recoverable from or payable to the tax authorities. Revenues, expenses and assets are recognized net of the amount of VAT, except:

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

The net amount of VAT recoverable from or payable to the tax authorities is presented either as part of "Other current assets" or "Statutory payables" line item under "Accounts payable and other current liabilities" accounts in the statements of financial position.

Deferred Input VAT. Deferred input VAT represents the unamortized amount of input VAT on capital goods with an aggregate acquisition cost in each of the calendar months exceeding P=1.0 million claimed and credit against output VAT over 60 months or the estimated useful lives of capital goods, whichever is shorter.

Deferred input VAT on capital goods is classified as current assets if it is expected to be claimed against output VAT over no more than 12 months after the reporting date. Otherwise, these are classified as noncurrent assets.

Where the aggregate acquisition cost (exclusive of VAT) of the existing or finished depreciable capital goods purchased or imported during any calendar month does not exceed P=1.0 million or if the purchase was made on or after April 1, 2022, the total input VAT will be allowable as credit against output VAT in the month of acquisition.

Deferred input VAT also represents the unpaid portion of availed services.

Deferred Output VAT. Deferred output VAT represents the VAT amount on credit sales that is not due to the tax authority until the corresponding amount of receivable is collected. This is recorded under "Other current liabilities" account in the statements of financial position.

Property and Equipment

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

The initial cost of property and equipment comprises its purchase price, including nonrefundable purchase taxes and any directly attributable costs of bringing the property and equipment to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operations, such as repairs and maintenance, are normally charged to expense in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated and amortized separately.

Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets as follows:

Category	Number of Years
Condominium unit	10
Leasehold improvement	5 or lease term, whichever s shorter
Communication equipment	5
Office equipment	3 to 5
Tools and equipment	1 to 2
Transportation equipment	3 to 5

The estimated useful lives and depreciation and amortization method are reviewed periodically to ensure that the periods and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

When assets are retired or otherwise disposed of, both the cost and related accumulated depreciation amortization are removed from the accounts and any resulting gain or loss is recognized in profit or loss.

Fully-depreciated and amortized assets are retained as property and equipment until these are no longer in use.

Computer Software

Computer software is stated at cost less accumulated amortization and any impairment in value. The Company capitalizes computer software licensing costs which are being amortized, once available for its intended use, using the straight-line method over three years, the estimated finite useful life of the computer software. The amortization of the computer software is included under "Depreciation and amortization" account in the statements of comprehensive income.

The estimated useful life and amortization method are reviewed regularly to ensure that the period and method of amortization are consistent with the expected pattern of economic benefits from the computer software.

An item of computer software is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in profit or loss in the year the asset is derecognized.

The carrying amount of the computer software is recognized as part of "Other noncurrent assets" account in the statements of financial position.

In the coming fiscal year, the Company intends to purchase a new computer software as its current computer software can no longer serve the need of the Company.

Impairment of Nonfinancial Assets

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

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

Deposits for Stock Subscriptions

Deposits for stock subscriptions represent funds received from existing or potential stockholders to be applied as payment for future issuance of capital stock. Deposits for stock subscriptions are recognized as equity if and only if, all of the following elements forth by the SEC are present as of end of the reporting period:

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

If any or all of the foregoing elements are not present, the deposits for stock subscriptions are recognized as liability.

Equity

Capital Stock and APIC. Capital stock is measured at the par value for all shares issued. Proceeds or fair value of consideration received in excess of par value are recognized as APIC. Incremental costs, net of tax, incurred that are directly attributable to the issuance of new shares are recognized in equity as a reduction from related APIC.

Treasury Shares. Treasury shares are shares re-acquired by the Company recorded at cost and upon sale or re-issuance are credited to the capital stock.

Revaluation Reserve. Revaluation reserve is the gain or loss arising revaluation or re-measurement of non-proprietary shares or club shares.

Retained Earnings (Deficit). Retained Earnings (Deficit) represents the cumulative balance of the net income or loss and prior period results as disclosed in the Statements of Comprehensive Income, net of any dividend declaration.

Prior Period Adjustments. Prior Period Adjustments can arise from errors 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 on a 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.

As at reporting period, there are prior period adjustments recognized amounting to P1,501,434.37, which are related to the cost and expenses and payment of tax deficiencies for taxable fiscal year 2022.

Other Comprehensive Income (Loss). OCI comprises of items of income and expenses that are not recognized in profit or loss. OCI represents cumulative unrealized gains on fair value changes on investment in non-proprietary shares, cumulative remeasurement losses on retirement liability and cumulative translation adjustments.

Revenue Recognition

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

The Company's revenue from contracts with customers generally include reselling of integrated technology and business solutions and support services contracts.

Revenue from reselling of integrated technology and business solutions are based on a fixed sales price and are recognized over time as the customer simultaneously receives and consumes the benefits provided by the Company.

Revenue from support services contracts on installation of software licenses are recognized at the point in time when substantial control on the goods or service is transferred to the customer. The revenue from these contracts are based on a fixed sales price.

Revenue from integrated technology and business solutions contracts bundled with software licenses comprises two performance obligations, the promise to provide support services and transfer software licenses, which are distinct and separately identifiable. Accordingly, the Company allocates the transaction price based on the relative stand-alone selling prices of the integrated technology and business solutions and the software license. The Company recognizes revenue from integrated technology and business solutions over time as the customer simultaneously receives and consumes the benefits provided by the Company. Revenue from the transfer of software licenses is recognized at a point in time, generally upon the delivery of the software licenses when the control of the goods is transferred to the customers.

Revenue is disaggregated and presented as "Service fees" and "Sale of goods" accounts, respectively, in the statements of income.

Service Fees. Fees are recognized when the related services have been rendered.

Sale of Goods. Sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably. Revenue from sale of goods is measured at the fair value of the consideration received, excluding sales taxes, and net of discounts, returns and rebates, if any.

The Company also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Company has assessed that it acts as a principal in all of its revenue sources.

Revenue outside the scope of PFRS 15 is recognized as follows:

Interest Income. Income is recognized as the interest accrues taking into account the effective yield on the assets.

Other Income. Income from other sources is recognized when earned.

Cost and Expense Recognition

Costs and expenses are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability, other than distributions to equity participants, has arisen that can be measured reliably.

Cost of Services. Cost of services mainly pertains to the salaries of manpower rendering the support services and installation of licenses. These are recognized as the services are rendered.

Cost of Sales. Cost of sales mainly pertains to purchase cost of integrated technology and business solutions and the software licenses. These are generally recognized when related goods are sold.

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

Interest Expense. Interest expense arising from borrowed funds are recognized in profit or loss using the effective interest method.

Employee Benefits

Short-term Benefits. Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employees and the obligation can be estimated reliably.

Retirement Benefits. The Company has an unfunded, noncontributory defined benefit plan covering all qualified employees in compliance with RA No. 7641. The retirement liability is determined using the projected unit credit method which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

The Company recognizes service costs, comprising of current service costs and interest costs in profit or loss.

Current service costs pertain to the increase in the present value of a defined benefit obligation resulting from employee service in the current period.

Interest on the retirement liability is the change during the period in the retirement liability that arises from the passage of time which is determined by applying the discount rate based on government bonds to the retirement liability. Interest is calculated by applying the discount rate to the retirement liability.

Remeasurements comprising actuarial gains and losses are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

The present value of the defined benefit liability is determined by discounting the estimated future cash outflows using interest rate on government bonds that have terms to maturity approximating the terms of the related retirement liability.

Actuarial valuations are made with sufficient regularity that the amounts recognized in the financial statements do not differ materially from the amounts that would be determined at the reporting date.

Leases

The Company assesses whether the contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified assets for a period of time, the Company assesses whether, throughout the period of use, it has both of the following:

a) the right to obtain substantially all of the economic benefits from the use of the identified asset; and
b) the right to direct the use of the identified asset.

If the Company has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term. The Company also assesses whether a contract contains a lease for each potential separate lease component.

The Company as a Lessee. At the commencement date, the Company recognizes ROU assets and lease liabilities for all leases, except for leases with lease terms of 12 months or less (short-term leases) and leases for which the underlying asset is of low value, in which case the lease payments associated with those leases are recognized as an expense in profit or loss on a straight-line basis.

For leases with lease terms of 12 months or less but with an option to extend the lease, the management assesses whether there is reasonable certainty that the Company will extend the lease, by considering all relevant facts and circumstances that create an economic incentive for the lessee to extend or terminate the lease, to determine the appropriate lease term.

ROU Assets. At commencement date, the Company measures ROU assets at cost, which is comprised of the following:

a) the amount of the initial measurement of lease liabilities;

b) any lease payments made at or before the commencement date less any lease incentives received;
c) any initial direct costs; and d) an estimation of costs to be incurred by the Company in dismantling and removing the underlying asset, when applicable.

After the commencement date, the ROU assets are carried at cost less accumulated amortization and any accumulated impairment losses, and adjusted for any remeasurement of the related lease liabilities. The ROU assets are amortized over the shorter of the lease terms or the useful lives of the underlying assets.

Lease Liabilities. At commencement date, the Company measures a lease liability at the present value of future lease payments using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of a lease liability consist of the following:

a) fixed payments, including in-substance fixed payments;
b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
c) amounts expected to be payable by the lessee under residual value guarantees; and
d) the exercise price under a purchase option that the Company is reasonably certain to exercise; lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option; and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

A lease liability is subsequently measured at amortized cost. Interest on the lease liability and any variable lease payments not included in the measurement of lease liability are recognized in profit or loss unless these are capitalized as costs of another asset. Variable lease payments not included in the measurement of the lease liability are recognized in profit or loss when the event or condition that triggers those payments occurs.

If there is a change in the lease term or if there is a change in the assessment of an option to purchase the underlying asset, the lease liability is remeasured using a revised discount rate after considering the revised lease payments on the basis of the revised lease term or reflecting the change in amounts payable under the purchase option. The lease liability is also remeasured using the revised lease payments if there is a change in the amounts expected to be payable under a residual value guarantee or a change in future lease payments resulting from a change in an index or a rate used to determine those payments.

Income Taxes

Current Tax. Current tax is the expected tax payable on the taxable income for the year, using the tax rate 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 purposes.

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

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

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rate and tax laws in effect at the reporting date.

Deferred tax is recognized in profit or loss, except to the extent that it relates to items directly recognized in OCI.

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

Earnings Per Share (EPS)

Basic EPS is computed by dividing net income for the year attributable to common shareholders by the weighted average number of common stock outstanding during the year with retroactive adjustments for any stock dividends declared and stock split.

Related Party Relationships and Transactions

A related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting entity, or between, and/or among the reporting entity and its key management personnel, directors or its stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely to the legal form.

A related party transaction is a transfer of resources, services or obligation between a reporting entity and a related party.

A related party transaction is considered material if the transaction/s, either individually, or in aggregate over a twelve-month period with the same related party, amounts to ten percent (10%) or higher of a Company's total assets based on its latest financial statements.

Foreign Currency Translations

Transactions in foreign currencies are recorded using the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are restated using the rate of exchange prevailing at the reporting date. Foreign exchange differences between the rate at transaction date and the rate at settlement date or financial statement date are credited to or charged against current operations.

Provisions and Contingencies

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are not recognized in the financial statements. These are disclosed in the notes to 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 when an inflow of economic benefits is probable.

Events After the Reporting Date

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

Note 3 – SIGNIFICANT JUDGMENTS, ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements in accordance with PFRS requires management to make judgments, accounting estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses reported in the financial statements at the reporting date. The judgments and accounting estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the financial statements. While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates. Such estimates will be adjusted accordingly when the results become determinable.

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

Judgments

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:

Recognition of Revenue. The Company applied the following judgments that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- *Identification of Performance Obligations*. The Company identifies performance obligations by considering whether the promised goods or services in the contract are distinct goods or services. A good or service is distinct when the customer can benefit from the good or service on its own or together with other resources that are readily available to the customer and the Company's promise to transfer the good or service to the customer is separately identifiable from the other promises in the contract.

  The Company provides integrated technology and business solutions that are either sold separately or bundled with software licenses. The sale of integrated technology and business solutions and the software licenses contains a promise to transfer goods which are part of the negotiated exchange between the Company and the customer.

  The Company determined that both the sale of integrated technology and business solutions and the software licenses are capable of being distinct. The fact that the Company regularly sells both integrated technology and business solutions and the software licenses on a stand-alone basis indicates that the customer can benefit from both products on their own. The Company allocates a portion of the transaction price to the integrated technology and business solutions and the software licenses based on relative stand-alone selling prices.

- *Timing of Revenue Recognition*. The Company recognizes revenue when it satisfies an identified performance obligation by transferring a promised good or service to a customer. A good or service is considered to be transferred when the customer obtains control.

  The Company determines, at contract inception, whether it will transfer control of a promised good or service over time. If the Company does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time. The Company concluded that revenue from integrated technology and business solutions are to be recognized over time, since the customers simultaneously receive and consume the benefits as the Company provides the services. Other revenue sources are recognized at a point in time.

- *Identification of the Methods for Measuring Progress of Revenue Recognized Over Time*. The Company determines the appropriate method of measuring progress which is either through the use of input or output methods. Input method recognizes revenue on the basis of the efforts or inputs to the satisfaction of a performance obligation while output method recognizes revenue on the basis of direct measurements of the value to the customer of the goods or services transferred to date.

  Revenue from integrated technology and business solutions are recognized through the use of input method wherein recognition is over time based on the customer subscription period since the customer simultaneously receives and consumes the benefits as the Company renders the services.

Classification of Lease Commitments – the Company as a Lessee. The Company has entered into leases for office spaces and parking spaces. The Company recognized lease liabilities on the Company's noncancellable leases, based on the present value of lease payments over the lease term using the Company's incremental borrowing rate, and ROU assets based on the amount of lease liabilities, adjusted by the amount of any prepaid or accrued rent.

The Company availed the exemption for short-term leases on its lease of office space and parking spaces with terms of 12 months or less. Accordingly, lease payments on these short-term leases are recognized as expense on a straight-line basis over the lease term. The carrying amounts of the Company's ROU asset and lease liability as at March 31, 2024 and 2023 are disclosed in Note 8. Rent expense on short-term leases amounted to P2,376,389, and 2,091,422 in 2024 and 2023, respectively (see Note 14).

Classifying Financial Instruments. The Company exercises judgment in classifying a financial instrument, or its component parts, on initial recognition as either a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the consolidated statements of financial position. Management has assessed that the financial assets and liabilities of the Company are classified as financial instruments at amortized cost.

Estimates and Assumptions

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

Assessment of the ECL on Financial Assets at Amortized Cost. The Company estimates ECL on trade receivables and contract assets using a provision matrix that is based on days past due for groupings of various customer segments that have similar loss patterns. Depending on the diversity of its debtor's base, the Company uses its historical credit loss experience adjusted for forward-looking factors, as appropriate.

For other financial assets at amortized cost, the Company applies the general approach in measuring the ECL. The Company assessed that cash in banks are deposited with reputable counterparty banks that possess good credit ratings. For security deposits on lease contracts, the Company considered the financial capacity of the lessors to refund the deposits once the lease agreement has been terminated. For related party transactions, the Company considered the available liquid assets of the related parties, letter of support from the stockholders and the mitigation of credit exposure through legally enforceable rights.

The Company assesses that a financial asset is considered credit impaired when one or more events that have a detrimental effect on the estimated future cash flows of the asset have occurred, such as significant financial difficulty of the borrower.

No provision for impairment loss on trade and other receivables were recognized by the Company as of the reporting date as the Management is confident that all the receivables will be collected (see Note 5).

The carrying amounts of financial assets at amortized cost are as follows:

	2024	2023
Cash in bank	**P 40,451,296**	P 13,881,556
Trade receivable	**81,270,979**	78,519,947
Refundable deposits	**316,999**	316,999
	P 122,039,275	P 92,718,501

Determination of the Fair Value of Financial Instruments. PFRS requires certain financial assets to be carried at fair value which requires extensive use of accounting estimates. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Company utilized different valuation methodologies. Any changes in fair value of these financial assets would affect profit or loss or OCI. The valuation technique, assumptions and key inputs used by the Company in determining the fair value of the investment as at March 31, 2024 are disclosed in Note 19.

Determination of the NRV of Inventories. The Company estimates the allowance for inventory losses related to telecommunication tools and supplies whenever the NRV of these inventories becomes lower than cost due to damage, physical deterioration or obsolescence.

Estimation of the Useful Lives of Property and Equipment, ROU Assets, and Computer Software. The useful lives of the Company's property and equipment, ROU assets, and computer software are estimated based on the period over which the assets are expected to be available for use. The estimated useful lives are reviewed and updated if expectations differ from previous estimates. There were no changes in the useful lives of the Company's property and equipment, ROU assets, and computer software in 2024 and 2023.

Depreciation and amortization recognized in 2024 and 2023 are disclosed in Notes 8 and 16. The carrying amounts of property and equipment, ROU assets and computer software as at March 31, 2024 and 2023 are disclosed in Notes 8.

Assessment for the Impairment of Nonfinancial Assets. The Company assesses impairment on its nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. The factors that the Company considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

Management has assessed that there are no indications of impairment on the nonfinancial assets in 2024 and 2023.

The carrying amounts of the nonfinancial assets are as follows:

		2024	2023
Other current assets	**P**	**72,591,698**	P 22,796,639
Investment in Non-Proprietary Shares		**3,000,000**	1,900,000
Property and equipment		**240,617**	1,992,274
	P	**75,832,314**	P 26,688,913

Estimation of the Retirement Liability. The determination of the liability and costs of retirement benefits is dependent on the assumptions used by the actuary in calculating such amounts. Actual results that differ from the Company's assumptions are accumulated and recorded in OCI. While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the retirement liability.

Retirement expense amounted to P1,447,431 and P1,104,965 in 2024 and 2023, respectively. The retirement liability, which was in accordance with RA No. 7641, "*The Retirement Pay Law*" amounted to P7,176,268 and P6,179,078 as at March 31, 2024 and 2023, respectively (see Note 12).

Assessment of the Realizability of Deferred Tax Assets. The carrying amount of deferred tax assets at each reporting date are reviewed and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The Company's assessment on the recognition of deferred tax assets on deductible temporary differences is based on the forecasted taxable income of the subsequent reporting periods. This forecast is based on the Company's past results and future expectations on revenue and expenses.

The Company has no deferred tax assets to be recognized as at March 31, 2024 and 2023, respectively.

Note 4 – CASH

This account composed of the following:

		2024	2023
Cash on hand	**P**	**55,000**	P 130,000
Cash in bank		**40,451,296**	13,881,556
	P	**40,506,296**	P 14,011,556

Cash in bank earns interest based on the bank's deposit rate and readily available without restriction.

Interest income for the years 2024 and 2023 amounts to P46,474 and P1,066, respectively. (Note 16).

Note 5 – RECEIVABLES

This account consists of:

		2024		2023
Trade receivables	P	**81,270,979**	P	78,519,947
Advances to officers and employees		**11,831,646**		23,914,915
	P	**93,102,625**	P	102,434,862

Trade receivables are non-interest-bearing receivable from its clients in the ordinary course of the Company's business operations. The Management did not provide allowance for doubtful accounts in the financial statements as it was confident that all receivables will be collected in the near future.

Advances to officers and employees are subject to salary deductions and cash advances for use in day-to-day operations, which are liquidated within one month from the date of grant of cash advance.

Note 6 – RELATED PARTY TRANSACTIONS

Parties are considered related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions and the parties are subject to common control or common significant influence. Related parties may be individuals or corporation.

The transactions of the Company with related parties in the normal course of business as at March 31, are as follows:

2024	Volume	End	Terms	Conditions
Advances to				
Stockholders, Note 5	219,105	219,105	Non-interest bearing	Unsecured, no impairment, payable upon demand
Officers, Note 5	1,432,372	11,486,876	Non-interest bearing	Unsecured, no impairment, payable upon demand
Advances from				
Stockholders, Note 6	-	(16,192,474)	Non-interest bearing	Unsecured, no impairment, payable upon demand
Officers, Note 6	-	(811,705)	Non-interest bearing	Unsecured, no impairment, payable upon demand
Others, Note 6	(150,000)	(4,806,400)	Non-interest bearing	Unsecured, no impairment, payable upon demand

2023	Volume	End	Terms	Conditions
Advances to				
Officers, Note 5	9,653,785	22,478,235	Non-interest bearing	Unsecured, no impairment, payable upon demand
Others, Note 7	4,397,285	4,397,285	Non-interest bearing	Unsecured, no impairment, payable upon demand
Advances from				
Stockholders, Note 6	(16,642,474)	(16,642,474)	Non-interest bearing	Unsecured, no impairment, payable upon demand
Officers, Note 6	(1,873,795)	(1,873,795)	Non-interest bearing	Unsecured, no impairment, payable upon demand
Others, Note 6	(10,411,400)	(10,411,400)	Non-interest bearing	Unsecured, no impairment, payable upon demand

Advances refers to the advances made by the stockholders, directors, officers and other related parties to the Company, which is subject to liquidation, salary deductions, and other forms of benefits and the advances that are payable upon demand.

Note 7 – OTHER ASSETS

The other current assets account consists of:

		2024	2023
Accounts receivable - Others	P	-	P 4,397,285
Prepaid tax credits		**11,530,706**	10,214,377
Prepaid service fees		**23,847,648**	7,868,152
Advances to contractors		**36,883,318**	-
Advances to BIR		**316,826**	316,826
Advances to BIR		**13,200**	-
	P	**72,591,698**	P 22,796,639

Accounts receivable – others are receivables that are not categorized as trade receivables and those that cannot be specifically identified as advances.

Input taxes are value added tax from purchases, which are claimed against output tax from revenue collected.

Prepaid tax credits are creditable taxes withheld by customers, which are available for deduction against income taxes.

Prepaid service fees are costs paid in advance to the vendors and suppliers which are charged against project costs upon completion of the projects.

Advances to contractors are amount advanced to contractors.

Advances to BIR are excess payment to BIR.

The other non-current assets account consists of:

		2024	2023
Other receivables	**P**	**56,769,993**	P 126,549,243
Rental deposits		**316,999**	316,999
	P	**57,086,992**	P 126,866,242

Other receivables is the account used to record the identified amount allegedly embezzled from 2021 to 2022 by the former Financial Comptroller by the Company, which appropriate cases were filed against him in the proper forum. To date, the balance reported is the net amount of the compromise agreement and possible amount that can still be collected, which is based on additional review of the account that revealed the portion of said account were from advance payments to the contractors and vendors and suppliers on the contracted projects entered into by the Company.

Rental deposits and refundable deposits from contract of lease on the Company's office space stated in the lease agreement stated in Note 14.

Note 8 – PROPERTY AND EQUIPMENT

A reconciliation of the carrying amounts at the beginning and end of the fiscal year 2024 and 2023 of property and equipment are shown below:

2024

Cost		April	Additions		Disposal		March
Condominium Unit	P	-	-		-	Php	-
Leasehold Improvement		8,103,984	-		-		8,103,984
Office Furniture and fixtures		388,720	-		-		388,720
Office equipment		4,364,041	175,939		-		4,539,980
Transportation equipment		35,650,031	-		-		35,650,031
Tools and equipment		297,406	-		-		297,406
Total	P	48,804,181	P 175,939	P	-	P	48,980,120
Accumulated Depreciation		(46,811,907)	(1,927,597)		-		(48,739,504)
Carrying Amount	P	1,992,274	Php (1,751,658)	Php	-	P	240,617

2023

Cost		April	Additions		Disposal		March
Condominium Unit	P	9,894,643	-		(9,894,643)	Php	-
Leasehold Improvement		8,103,984	-		-		8,103,984
Office Furniture and fixtures		388,720	-		-		388,720
Office equipment		4,364,041	-		-		4,364,041
Transportation equipment		35,650,031	-		-		35,650,031
Tools and equipment		297,406	-		-		297,406
Total	P	58,698,824	P -	P	(9,894,643)	P	48,804,181
Accumulated Depreciation		(45,578,394)	(3,501,035)		2,267,522		(46,811,907)
Carrying Amount	P	13,120,430	Php (3,501,035)	Php	(7,627,121)	P	1,992,274

The Company acquired CPU Units during the fiscal year totaling P175,939. The property and equipment's carrying value is equivalent to its fair market value. Depreciation is computed on a straight-line basis over the useful life of the property. The total depreciation for the period amounted to ₱1,927,597.

Note 9 – INVESTMENT IN NON-PROPRIETARY SHARES

Investment in non-proprietary shares refers to golf playing rights with Tagaytay Midland recorded at cost, including charges and other cost in their acquisition. Details of fair values are as follows:

		2024		2023
Cost	**P**	**430,000**	P	430,000
Fair value gains (loss)				
Beginning		**1,470,000**		2,184,680
Additions (Deductions)		**1,100,000**		(714,680)
Gain (Loss) on fair value of Asset held for sale		**2,570,000**		1,470,000
Net	**P**	**3,000,000**	P	1,900,000

Note 10 – PAYABLES

Trade payables are the unpaid subcontracted services and the other cost of services and goods from the suppliers. The trade payables are non-interest-bearing and usually paid during the accounting period.

The Trade Payables is as follows:

		2024	2023
Trade payables	P	**44,907,778**	P 23,297,018
	P	**44,907,778**	P 23,297,018

The Other current liabilities consist of:

		2024		2023
Deferred VAT	P	**9,752,518**	P	9,422,394
VAT payable (Note 17)		**7,449,058**		5,479,514
Expanded tax payable (Note 17)		**678,841**		192,507
Withholding tax payable (Note 17)		**176,710**		233,396
SSS, PHIC and HDMF premium payable		**294,462**		127,913
SSS and HDMF loans payable		**43,362**		32,074
Customers' advances		-		4,762,441
	P	**18,394,950**	P	20,250,238

Accrued expenses pertain to accruals for professional fees, outside services and other operating expenses. These are unsecured, noninterest-bearing and are normally settled within the next reporting year.

Deferred VAT represents the VAT amount on credit sales that is not due to the tax authority until the corresponding amount of receivable is collected.

Statutory payables include output VAT payable, withholding taxes payable and payables to various government agencies which are normally settled within the following month.

Customers' advances refer to the collection from customers and will be charged to the project revenues from the clients.

Note 11 – LOANS PAYABLE

Car loans are secured loans obtained from a local bank to by the Company to finance the acquisition of transportation equipment, which bear an average interest rate annually of 5% to 6% (Note 15). The term of the Car loans is 3 years and expected to be fully paid in FY 2024.

Loans acquired from local banks is the result of negotiation with the bank due to the alleged embezzlement of funds by the former Financial Comptroller, the Company came up with a compromise agreement with the bank on unauthorized loans allegedly perpetrated by the former Financial Comptroller through to the revised compromise agreement December 4, 2023. (Note 15).

		2024		2023
Current portion				
Car loans	P	**172,744**	P	946,182
Loans from Local Bank		**12,000,000**		8,806,497
Total current portion		**12,172,744**		9,752,679
Non-current portion				
Loans from Local Bank		**13,000,000**		-
Grand total	P	**25,172,744**	P	9,752,679

The interest expense from loans for the fiscal year ended March 31, 2024 and 2023, amounting to P102,708 and P536,335, respectively. (Note 16).

Note 12 – OTHER LONG-TERM LIABILITIES

Retirement Plan
The Company recognized retirement benefits expense and liability in accordance with the provisions of RA 7641 or The Retirement Pay Law, which provides a normal computation of retirement benefits equal to 50% of the monthly salary for each year of service. Retirement benefits expense and retirement benefits liability are determined annually by the Management.

The unfunded, noncontributory retirement benefits liability of the Company reported in the statements of financial position as at March 31, 2024 and 2023, are as follows:

		2024		2023
Beginning	**P**	**6,179,077**	P	5,074,112
Provision, Note 16		**1,447,431**		1,104,965
Total Retirement Funds Accrued	**P**	**7,626,508**	P	6,179,077
Availments	-	**450,240**		-
Ending	**P**	**7,176,268**	P	6,179,077

During the fiscal, 2 employees availed of the retirement benefit as they reached the mandatory retirement age and they were paid totaled to P450,240.

Key Management Compensation
Short-term salaries and benefits of the key employees amounted to P2.8M and P2.8M for the fiscal year ended March 31, 2024 and 2023, respectively.

The stockholders also received dividends amounting to P0 and P2.5M for fiscal years 2024 and 2023, respectively. (Note 13)

Contingent liability
Due to the compromise agreement with the bank on unauthorized loans allegedly perpetrated by the former Financial Comptroller, the contingent liability has served its purpose and necessary adjustments were implemented. The Contingent liability is as follows:

		2024	2023
Contigent liability	**P**	-	P 39,839,756
	P	-	P 39,839,756

Note 13 – EQUITY

Share Capital and Additional Paid-In Capital

		2024		2023
Number of authorized shares		**1,000,000**		1,000,000
Par value per share	**P**	**100**	P	100
Authorized share capital	**P**	**100,000,000**	P	100,000,000
Number of shares subscribed and fully paid		**456,672**		456,672
Share capital	**P**	**45,667,200**	P	45,667,200
Additional paid-in capital	**P**	**15,833,600**	P	15,833,600

Cumulative earnings

		2024		2023
Cumulative earnings, beg	**P**	**77,396,953**	P	96,015,096
Prior period adjustments		**(1,501,434)**		(27,523,195)
Net income (loss)		**8,780,395**		11,405,239
Dividends		**-**		(2,500,187)
Cumulative earnings, end	**P**	**84,675,913**	P	77,396,953
Cumulative earnings, appropriated		**(40,000,000)**		(60,000,000)
Cumulative earnings (deficit), unappropriated	**P**	**44,675,913**	P	17,396,953

Appropriation of cumulative earnings
As at March 31, 2024 and 2023, the cumulative earnings of the Company is in excess of 100% of its paid up capital by P23.18M and P15.90M, respectively.

Under Section 43 of the Revised Corporation Code, and as clarified by SEC Financial Reporting Bulletin No. 15 dated January 24, 2013, states that "*stock corporations are prohibited from retaining surplus profits in excess of 100 percent of their paid-in capital stock, 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; or (3) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the corporation, such as when there is a need for special reserve for probable contingencies*."

However, the Corporate Recovery and Tax Incentive for Enterprises Act, also known as CREATE Law, which signed into Law on March 26, 2021, that repealed the provisions on improperly accumulated earning tax (IAET), thus, the corporations can no longer be penalized for non-declaration of dividends to its stockholders. Although, this Law has no effect to the Company as to tax penalty, but the Company has to comply with the requirement of the SEC as to the excess cumulative earnings over paid-up capital.

Thus, the Company restated its appropriation of cumulative earnings in FY 2022 from P110M to P90M, cancelling the December 10, 2019, reiteration of the Board of Directors on the increase of authorized capital stock instead from P20M to P200M, but from P20M to P100M and the declaration of stock dividend of P90M.

On March 10, 2023, upon review of company's operations and due to the increase of authorized capital stock from P20M to P100M in August 2022, the appropriation of cumulative earnings was reduced to P60M intended for the purchase of capital equipment and declaration of stock dividend that will be coming from the remaining unissued capital shares of the authorized capital shares of 543,328 shares.

On March 27, 2023, upon review of company's operations, the appropriation of cumulative earnings was set to P40M, intended for the declaration of stock dividend that will be coming from the remaining unissued capital shares of the authorized capital shares of 543,328 shares.

Cash Dividends
On June 1, 2022, the Company distributed cash dividends to its stockholders. The amount of cash distributed as dividends is as follows:

		2024		2023
Cash Dividends	**P**	-	P	2,500,187
	P	-	P	2,500,187

Gain (Loss) on fair value of Asset held for sale

		2024		2023
Fair value gains (loss)				
Beginning	P	**1,470,000**	P	2,185,120
Additions (Deductions)		**1,100,000**		(715,120)
Gain (Loss) on fair value of Asset held for sale	P	**2,570,000**	P	1,470,000

Treasury shares

		2024		2023
Number of shares reacquired		**18,036**		6,048
Cost per share	P	**150**	P	388
Treasury shares	P	**2,705,400**	P	2,347,826

Note 14 – LEASE AGREEMENT

The Company renewed the lease agreement of its office for a period of one year starting March 1, 2024 to February 28, 2025. The lease agreement is renewable every year at the option of both parties.

Deposits for office and parking spaces amounted are as follows:

		2024		2023
Rental deposits	P	**316,999**	P	316,999
	P	**316,999**	P	316,999

Rentals and dues charged to various operating and finance leases are as follows:

		2024		2023
Office and parking	P	**2,091,422**	P	2,736,839
	P	**2,091,422**	P	2,736,839

Note 15 – COMMITMENTS AND CONTIGENCIES

The following are the significant commitments and contingencies involving the sole Company's business:

Operating lease commitments
The Company's lease commitments under non-cancellable operating leases covered the Company's office and parking spaces that will expire on February 28, 2024, the lease commitments were renewed starting March 1, 2024 to February 28, 2025. (Note 14)

Finance lease commitments
The Company has financing obligations covering certain transportation equipment with term for a period of 3 years and 5 years. The Company's car loans that have term of 5 years were fully paid in fiscal year 2022. The remaining term of the Company's car loans will be fully paid until fiscal year 2024.

Loan commitments
Local Bank
Loans acquired from local banks is the result of negotiation with the bank due to the alleged embezzlement of funds by the former Financial Comptroller, the Company came up with a compromise agreement with the bank on unauthorized loans allegedly perpetrated by the former Financial Comptroller through to the revised compromise agreement December 4, 2023. (Note 11)

Due to the compromise agreement with the bank on unauthorized loans allegedly perpetrated by the former Financial Comptroller, the contingent liability has served its purpose and necessary adjustments were implemented. (Note 12)

Finance Company
On October 2020, the Company entered into a PO Financing Agreement with Oracle Finance Division (OFD) for the purchase of hardware and software from Oracle Philippines amounting to P272M in fiscal year 2021, this was fully paid during the fiscal year 2022.

Legal Claims
Due to the compromise agreement with the bank on unauthorized loans allegedly perpetrated by the former Financial Comptroller, the contingent liability has served its purpose and necessary adjustments were implemented. (Note 11)

On the embezzlement of funds, the Company had filed 4 different cases, such as Estafa, Qualified Theft, failure to return the assigned laptop, and Collection of Sum of Money. The litigation of all the cases is on-going and a joint motion to approve compromise agreement dated December 4, 2023, was filed.

Note 16 – REVENUE AND COST AND EXPENSES

Revenue

	2024	2023
Service fees	**P 249,788,478**	P292,800,617
	P 249,788,478	P 292,800,617

Other income (expenses)

	2024	2023
Interest income	**P (46,474)**	P (1,066)
Other income	**(192,365)**	(3,000,011)
Foreign exchange gain (loss)	**(6,842)**	762,894
Gain (Loss) on Sale of Non-Proprietary Shares	**-**	(2,415,120)
Interest expense	**102,708**	536,335
Bank charges	**169,252**	65,661
Other expenses	**-**	14,784
	P 26,278	P (4,036,523)

Cost and Expenses
Project costs

	2024	2023
Material cost	**P 49,422**	P 14,976
Outside services	**179,608,231**	219,068,246
Personnel cost	**20,617,066**	25,705,035
Communication expense	**1,490,639**	720,499
Insurance	**172,158**	527,371
Transportation, travel and delivery	**376,675**	247,386
Repairs and maintenance	**14,487**	-
	P 202,328,679	P 246,283,513

Operating expenses

	2024	2023
Salaries and wages	P 4,702,475	P 1,936,800
Depreciation and amortization (Note 8)	1,927,597	3,501,035
Meetings and conferences	5,183,709	4,590,390
Rents and leases (Note 14)	2,091,422	2,736,839
Taxes and licenses (Note 17)	2,569,839	5,356,076
Insurance expense	1,318,841	366,629
Social statutory expenses	1,505,127	1,717,985
Office supplies and subscriptions	156,554	378,361
Transportation and travel	1,047,107	2,830,558
Utilities	1,507,672	1,779,651
Employees' benefits	2,461,245	2,163,349
Repairs and maintenance	352,889	592,936
Seminars and trainings	75,411	103,104
Retirement (Note 12)	1,447,431	1,104,965
Professional fee	4,120,824	3,281,287
Membership and association dues	417,724	521,140
Legal and notarial	3,974,280	2,038,138
General	549,277	413,935
	P 35,409,424	P 35,413,180

Note 17 – TAXES

Income taxes

RCIT	2024	2023
Accounting income (loss)	P 12,024,098	P 15,140,447
Interest income subjected to final tax	(46,474)	(1,066)
Gain on sale of Non-Proprietary Shares subjected to final capital gain tax	-	(2,415,120)
Reconciling items:		
Foreign exchange difference	-	1,111,606
Retirement provision - net of Retirement Payment	997,191	1,104,965
Total adjustment	950,716	(199,615)
Taxable income (loss)	P 12,974,814	P 14,940,831
Regular Corporate Income Tax Rate	25%	25%
Provision Income Tax (Income Tax Expense)	P 3,243,704	P 3,735,208
Prepaid tax credits applied	(11,530,706)	(10,423,535)
Tax still due (Overpayment)	P (8,287,002)	P (6,688,327)

MCIT	2024	2023
Gross profit	P 47,459,800	P 46,517,104
Minimum Corporate Income Tax Rate	2%	2%
Minimum Corporate Income Tax	P 949,196	P 930,342

Supplementary information

Compliance under RR 19-2011, which the Company is required to use the prescribed new BIR forms for income tax filing covering and starting with the calendar year 2011. The new BIR Form 1702 RT (version of January 2018) requires the attachments to income tax return Account Information Form and/or Financial Statements and Supplementary schedules of taxable revenues and other non-operating income, cost of sales and services and itemized deductions, to be disclosed in the notes to financial statements. The amounts of taxable revenues and income, deductible costs and expenses may not be the same as the amounts reflected in the Statements of Comprehensive Income.

Revenue

	2024	2023
Service fees	**P 249,788,478**	P292,800,617
	P 249,788,478	P 292,800,617

Cost of Services

	2024	2023
Material cost	**P 49,422**	P 14,976
Outside services	**179,608,231**	219,068,246
Personnel cost	**20,617,066**	25,705,035
Communication expense	**1,490,639**	720,499
Insurance	**172,158**	527,371
Transportation, travel and delivery	**376,675**	247,386
Repairs and maintenance	**14,487**	-
	P 202,328,679	P 246,283,513

Operating expenses

	2024	2023
Salaries and wages	**P 4,702,475**	P 1,936,800
Depreciation and amortization	**1,927,597**	3,501,035
Meetings and conferences	**5,183,709**	4,590,390
Rents and leases	**2,091,422**	2,736,839
Taxes and licenses	**2,569,839**	5,356,076
Insurance expense	**1,318,841**	366,629
Social statutory expenses	**1,505,127**	1,717,985
Office supplies and subscriptions	**156,554**	378,361
Transportation and travel	**1,047,107**	2,830,558
Utilities	**1,507,672**	1,779,651
Employees' benefits	**2,461,245**	2,163,349
Repairs and maintenance	**352,889**	592,936
Seminars and trainings	**75,411**	103,104
Retirement	**450,240**	-
Professional fee	**4,120,824**	3,281,287
Membership and association dues	**417,724**	521,140
Legal and notarial	**3,974,280**	2,038,138
General	**549,277**	413,935
	P 34,412,233	P 34,308,215

Other income (expenses)

	2024	2023
Other income	**P 192,365**	P 3,000,011
Foreign exchange gain (loss)	**6,842**	(350,712)
Interest expense	**(102,708)**	(536,335)
Bank charges	**(169,252)**	(65,661)
Other expenses	**-**	(14,784)
	P (72,752)	P 2,032,519

Compliance with RR 15-2010, which mandates to include in the Notes to Financial Statements information on taxes, duties and licenses paid or accrued during the taxable year. The details are as follows:

Value Added Tax

VAT Payable (Apr. 1, 2023)			P 5,479,515
	Sales	*Output VAT*	
Vatable Sales/Receipts for 2024	P 246,366,669	P 29,564,000	
Zero-rated sales/receipts		-	
Exempt sales/receipt	670,776	-	
	247,037,445	29,564,000	
Less:			
Allowable Input Tax:			
Purchases for the year	*Purchases*	*Input VAT*	
Inout Tax Beg	-	P -	
Write-off of input VAT not claimed in VAT return	-	-	
Input Tax Carried from Current period	-	-	
Purchase of capital goods not exceeding P1m	-	-	
Purchase of capital goods exceeding P1m	-	-	
Domestic Purchase of Goods other than capital goods	24,863,845	2,983,661	
Importation of goods other than capital goods	-	-	
Domestic Purchase of Services	60,838,397	7,300,608	
Total current purchases	P 85,702,242	P 10,284,269	
Total Available Input Tax		10,284,269	
Less: Deductions			
Input Tax on capital goods exceeding P1Mdeferred for succeeding period			
Write-off of input VAT not claimed in VAT return			
Input Tax in excess over 70% cap of output VAT carried to next period		-	
Sub-Total		-	
Total Allowable Input Tax		P 10,284,269	
Net VAT Payable (Overpayment) for 2024			P 24,759,246
Less: Payments			
Remittance of VAT Payable, Mar. 31, 2023	5,479,515	-	-
Remittance of 2024 VAT Payable (April to February, 2024)	11,830,673	17,310,188	17,310,188
Tax Still Payable			P 7,449,058

Withholding Taxes

	2024	2023
Expanded withholding taxes	**P 3,811,469**	P 2,869,180
Withholding taxes on compensation	**2,400,518**	2,648,186
	P 6,211,986	P 5,517,365

Taxes and Licenses

	2024	2023
Annual registration	**P -**	P 500
Registration, Clearances and Permits	**2,569,839**	5,355,576
	P 2,569,839	P 5,356,076

Tax Deficiency Assessment Paid

	2024	2023
2020 BIR LOA	**P -**	P 5,017,862
2021 BIR LOA	-	3,000,606
2022 BIR LOA	**1,501,434**	-
	P 1,501,434	P 8,018,467

The Company received Letter of Authority dated May 23, 2024, from the BIR, to examine the books of accounts and other accounting records for all internal revenue taxes for the period from April 1, 2022 to March 31, 2023, except Value Added Tax for the period from April 1, 2022 to March 31, 2023, pursuant to Sec. 6(A) and Sec. 10(C) of the National Internal Revenue Code of 1997, as amended.

Recent Tax Regulation
The new tax regulations relevant to the company:

1) REVENUE MEMORANDUM CIRCULAR NO. 5-2023 states that by January 1, 2023, the BIR no longer requires VAT-Registered Taxpayers to file monthly VAT Declaration or BIR Form 2550M. Now, quarterly VAT return or BIR Form 2550Q should be filed within 25 days of each quarter after the transactions were made.

2) The Ease of Paying Taxes Act (Republic Act No. 11976) signed into law by President Ferdinand Marcos Jr., with a veto message, last January 5, 2024. According to a previous press release from Senator Sherwin Gatchalian, the administrative burden currently being experienced by micro-enterprises in paying taxes will be reduced.

   Listed down the Top 12 Features of the Ease of Paying Taxes Act:

   a. Classification of taxpayers. The new law has provided a new classification of taxpayers as follows:

      1. Micro - with gross sales of less than ₱3,000,000
      2. Small - with gross sales of ₱3,000,000 to less than ₱20,000,000
      3. Medium - with gross sales of ₱20,000,000 to less than ₱1,000,000,000
      4. Large - with gross sales of ₱1,000,000,000 and above

   b. Registration for non-residents. The new law provides for the availability of registration facilities for all taxpayers, including those who are not residing in the country. This may benefit non-residents who are interested to invest in the country.
   c. Removal of the Annual Registration Fee requirement. The annual registration fee of ₱500, which is due every January 31, has been discontinued by the new law.
   d. Simplified registration updates. Any registration information update can be done by merely filing an application manually or electronically. For those who are under audit investigation, the RDO which initiated the audit shall be allowed to continue.
   e. File and pay anywhere. The new law allows the filing and payment of taxes electronically or manually through any of the following: Authorized Agent Bank (AAB), Revenue District Office (RDO), Revenue Collection Officer (RCO) or Authorized Tax Software Provider. Wrong venue filing will be a thing of the past.
   f. Simplified VAT documentation. For both sale of goods and services, invoices shall be the proof of transaction and the related VAT is charged upon issuance of the invoice, effectively adopting accrual method. This will eliminate the need for a reconciliation on sales of services reporting per VAT and income tax purposes. In addition, the business style requirement on the invoices, along issuance of official receipts for sale of services has been removed.
   g. Classification of VAT refund claims. The VAT refund claims shall be classified into low-, medium-, and high-risk claims based on the amount of VAT refund, tax compliance history, and frequency of filing VAT refund claims. Only medium- and high-risk claims will be subject to audit or other verification processes.
   h. Increase in the threshold for duly-registered sales invoice issuance. From ₱100, the new law has increased the threshold for the issuance of a duly-registered sales invoice to ₱500 per transaction.

i. Simplified computation of common carrier taxes. The new law removed the minimum quarterly gross receipts threshold for percentage tax computations of domestic carriers and keepers of garages.
j. Timing of withholding. The new law has stated that the obligation to deduct and withhold the tax arises at the time when the income has become payable. Previously, the rule was whichever comes first, income is paid or payable.
k. Reduced penalties. The new law provided for the following reduction of penalties:
   1. Reduced rate of 10% for civil penalties; 50% reduction on the interest
   2. Reduced fine of ₱500 for failure to file certain information returns
   3. Reduced compromise penalty rate of 50% for violations

l. EOPT and Digitalization Roadmap. The BIR is mandated to develop a roadmap that will prioritize micro and small taxpayers in terms of streamlining tax procedures and documentary requirements according to taxpayer size and capacity to comply, and to ensure the accessibility of BIR's services to different taxpayers particularly micro and small taxpayers so as to improve tax compliance and enhance taxpayer convenience.

It is important to note that the President has vetoed the provision on exempting micro-enterprises from the obligation of withholding taxes, pointing out that the government cannot afford to lose a considerable revenue (from withholding taxes) amid limited fiscal space at a time when the country needs government support to maintain its economic growth momentum.

The law was officially uploaded on the Official Gazette of the Philippines on January 7, 2024 and is expected to take effect after 15 days. The BIR is expected to issue the relevant revenue regulations, memorandum circulars and memorandum orders to ensure its proper implementation.

Note 18 – CAPITAL MANAGEMENT

The Company's capital management primary objective is to ensure that it maintains a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business. The Company considers capital as being comprised of its paid-up capital, additional paid-in capital and retained earnings. In managing capital, the Company safeguard its ability to continue as a going concern, in order to continuously provide returns and benefits to its stakeholders. This is done by means of establishing a sound capital structure, which maximizes returns in the midst of the Company's changing operations and industry.

In order to maintain or adjust the capital structure, the Company may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt, as deemed necessary. The Company's management structure consists of its Directors who are responsible for taking initiative in developing and maintaining a sound capital management system.

Note 19 – FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair Value Information
Presented below are the carrying values and estimated fair values, per category, of the Company's financial assets and liabilities recognized as at March 31, to wit:

	2024		2023	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
Financial Assets				
Cash	**P 40,506,296**	**P 40,506,296**	P 14,011,556	P 14,011,556
Trade receivables	**81,270,979**	**81,270,979**	78,519,947	78,519,947
Advances to officers and employees	**11,831,646**	**11,831,646**	23,914,915	23,914,915
Refundable deposits	**316,999**	**316,999**	316,999	316,999
	P 133,925,920	**P 133,925,920**	P 116,763,416	P 116,763,416

	2024		2023	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
Financial Liabilities				
Accounts and other payables	**P 44,907,778**	**P 44,907,778**	P 23,297,018	P 23,297,018
Loans payable	**25,172,744**	**25,172,744**	9,752,679	9,752,679
	P 70,080,521	**P 70,080,521**	P 33,049,697	P 33,049,697

The methods and assumptions used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value were discussed in Note 2, Fair Value Hierarchy.

Cash, Receivables, Refundable deposits, Accounts and other payables
Due to the nature of being short-term, these financial instruments' carrying values approximates their fair values.

No other financial assets or liabilities are carried at fair value as at March 31, 2024 and 2023. There were no transfers into or out of the Level 1 and Level 2 fair value categories in the same periods.

Note 20 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

General
The Company has risk management policies that systematically view the risks that could prevent the Company from achieving its objectives. These policies are intended to manage risks identified in such a way that opportunities to deliver the Company's objectives are achieved. The Company's risk management takes place in the context of day-to-day operations and normal business processes such as strategic planning and business planning. It is also established to identify and manage the Company's exposure to financial risks, to set appropriate transaction limits and controls, and to monitor and assess risks and compliance to internal control policies.

Management has identified each risk and is responsible for coordinating and continuously improving risk strategies, processes and measures in accordance with the established business objectives. The BOD has overall responsibility for the establishment and oversight of the Company's risk management framework. Risk management policies and structure are reviewed regularly to reflect changes in market conditions and the activities of the Company.

The Company's principal financial instruments comprise of cash, trade and other receivables (excluding advances to officers and employees), contract assets, amounts due from related parties, security deposits (included as part of "Other noncurrent assets"), investment in non-proprietary shares, accounts payable and other current liabilities (excluding statutory payables), due to related parties, loans payable, and lease liabilities.

The main risks arising from the Company's financial instruments are credit risk, liquidity risk and interest rate risk. The BOD reviews and approves policies for managing these risks. These are summarized below.

Credit Risk

Credit risk is the risk that the obligations to the Company will not be repaid on time and in full as contracted, resulting in a financial loss. It is inherent to the business as potential losses may arise due to the failure of its customers and counter parties to fulfill their obligations on maturity dates or due to adverse market conditions. Exposure to credit risk arises primarily from its financing activities.

Generally, the credit risk of the Company is attributable to financial assets at amortized cost. The Company maintains credit policies and continuously monitors defaults of customers and other counter parties, identified either individually or by group, and incorporate this information into its credit risk controls. Managing credit risk has both qualitative and quantitative aspects. Credit officers must evaluate the credit quality of the counterparties and assign internal credit ratings upon this evaluation.

The Company defines credit exposure as all transactions where losses might occur due to the fact that counterparties may not fulfill their contractual payment obligations based on original contractual terms. The Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these financial assets. Credit risk from cash in banks is mitigated by transacting only with reputable banks duly approved by management.

The tables below summarize the analysis of the Company's financial assets as at March 31:

	2024				
	Neither Past Due nor Impaired		**Past due but**		
	High Grade	**Standard Grade**	**not impaired**	**Impaired**	**Total**
Cash in bank	P 40,451,296	P -	P -	P -	P 40,451,296
Trade and other receivables*	-	81,270,979	-	-	81,270,979
Security deposits**	316,999	-	-	-	316,999
	P 40,768,295	**P 81,270,979**	**P -**	**P -**	**P 122,039,274**

**Excluding advances to officers and employees amounting to P11,831,646.*

***Presented under "Other non-current assets" account.*

	2023				
	Neither Past Due nor Impaired		**Past due but**		
	High Grade	**Standard Grade**	**not impaired**	**Impaired**	**Total**
Cash in bank	P13,881,556	P -	P -	P -	P13,881,556
Trade and other receivables*	-	78,519,947	-	-	78,519,947
Security deposits**	316,999	-	-	-	316,999
	P14,198,554	**P 78,519,947**	**P -**	**P -**	**P92,718,501**

**Excluding advances to officers and employees amounting to P23,914,915.*

***Presented under "Other non-current assets" account.*

The Company evaluates credit quality on the basis of the credit strength of the available credit line with the bank and the ability of the shareholders to contribute in times of need. High grade financial assets are those whose collectability is assured based on past experience. Standard grade financial assets are considered moderately realizable, including some accounts which would require some reminder follow-ups to obtain settlement from the counterparty.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objectives to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking adverse effect to the Company's credit standing.

The Company seeks to manage its liquid funds through cash planning on a weekly basis. As part of its liquidity risk management, the Company regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund raising activities.

The table below summarizes the maturity profile of the Company's financial liabilities as at March 31 based on contractual undiscounted payments:

	2024				
	On demand	**Less than 3 month**	**3 to 12 months**	**> 1 to 5 years**	**Total**
Accounts payables and other current liabilities*	P 23,631,864	P 8,859,508	P 6,698	P 12,409,707	P 44,907,778
Loans**	1,172,744	3,000,000	8,000,000	13,000,000	25,172,744
Due to related parties	21,810,579	-	-	-	21,810,579
	P 46,615,187	**P 11,859,508**	**P 8,006,698**	**P 25,409,707**	

**Excluding deferred output VAT and statutory payables aggregating P18,394,950*

***Including future interest payments*

	2023				
	On demand	**Less than 3 month**	**3 to 12 months**	**> 1 to 5 years**	**Total**
Accounts payables and other current liabilities*	P 15,639,264	P 308,539	P 12,111,656	P -	P 28,059,459
Loans**	-	-	10,326,021	-	10,326,021
Due to related parties	28,927,669	-	-	-	28,927,669
	P 44,566,934	**P 308,539**	**P 22,437,677**	**P -**	

**Excluding deferred output VAT and statutory payables aggregating P15,487,797*

***Including future interest payments*

Interest Rate Risk

Interest rate risk is the risk that future cash flows from a financial instrument (cash flow interest rate risk) or its fair value (fair value interest rate risk) will fluctuate because of changes in market interest rates.

The Company's loans payable to local banks and related parties are subject to fixed interest rates and are exposed to fair value interest rate risk.

The Company regularly monitors interest rate movements and on the basis of current and projected economic and monetary data, decides on the best alternative to take. No sensitivity analysis is needed as future interest rate changes are not expected to significantly affect the Company's net income.

Note 21 – EVENTS AFTER REPORTING DATE

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

Note 22 – RECLASSIFICATION OF ACCOUNTS

Certain accounts were reclassified to conform with the current year's presentation.

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ARTURO D. SABINO Certified Public Accountant

The Stockholders and Board of Directors

WIRELESS SERVICES ASIA INC.
3rd Floor, Room 301 ITC Building
Sen. Gil Puyat Avenue
Makati City

I have audited the accompanying financial statements of Wireless Services Asia Inc. (the Company) in accordance with Philippine Standards of Auditing as at and for the fiscal year ended March 31, 2024, on which I have rendered my report dated July 11, 2023. My audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary schedules as at March 31, 2024 are the responsibility of the Company's management. These supplementary schedules include the following:

1. Reconciliation of Retained Earnings Available for Dividend Declaration

These schedules are presented for the purpose of complying with the Revised Securities Regulation Code Rule 68, as amended, and is not part of the basic financial statements. This information has been subject to the auditing procedures applied in the audit of the financial statements, including comparing such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves. In my opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

ARTURO D. SABINO
CPA Certificate No. 91333
BOA Accreditation No. 9745
Effective until September 30, 2026
BIR Accreditation No. 07-100647-002-2023
Effective until May 4, 2026

TIN No. 175-119-851-000
PTR NO. 21428784, February 23, 2024, Rizal

July 11, 2024
Angono, Rizal

WIRELSS SERVICES ASIA INC.
3rd Floor, Room 301 ITC Building
337 Sen. Gil Puyat Avenue
Makati City

SUPPLEMENTARY SCHEDULE OF RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR STOCK DIVIDEND DECLARATION
(SEC Revised Rule SRC 68)

Total Retained Earnings available for Dividend, April 1, 2021	**P**	**121,421,236**
Add (Deduct) Transactions for the fiscal year		
Cash Dividends		(5,090,252)
Net Income (Loss) actually earned / realized during the period		24,412,863
Total Retained Earnings available for Dividend, March 31, 2021	**P**	**140,743,846**
Add (Deduct) Transactions for the fiscal year		
Net Income (Loss) actually earned / realized during the period		(44,728,750)
Total Retained Earnings available for Dividend, March 31, 2022	**P**	**96,015,096**
Add (Deduct) Transactions for the fiscal year		
Cash Dividends		(2,500,187)
Net Income (Loss) actually earned / realized during the period		11,405,239
Prior period adjustments - payment of tax deficiency and others		(27,523,195)
Total Retained Earnings available for Dividend, March 31, 2023	**P**	**77,396,953**
Add (Deduct) Transactions for the fiscal year		
Cash Dividends		-
Net Income (Loss) actually earned / realized during the period		8,780,395
Prior period adjustments - payment of tax deficiency and others		(1,501,434)
Total Retained Earnings available for Dividend, March 31, 2024	**P**	**84,675,913**

ARTURO D. SABINO Certified Public Accountant

TO THE SECURITIES AND EXCHANGE COMMISSION

In connection with my examination of the financial statements of **WIRELESS SERVICES ASIA INC.** (the Company) 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 the 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 may 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 representations in my individual capacity.

ARTURO D. SABINO
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Effective until May 4, 2026

BUREAU OF INTERNAL REVENUE
RECEIVED
JUL 29 2024
INITIAL:

TIN No. 175-119-851-000
PTR NO. 21428784, February 23, 2024, Rizal

July 11, 2024
Angono, Rizal

ARTURO D. SABINO Certified Public Accountant

The Stockholders and Board of Directors

WIRELESS SERVICES ASIA INC.
3rd Floor, Room 301 ITC Building
Sen. Gil Puyat Avenue
Makati City

I have audited the accompanying financial statements of Wireless Services Asia Inc. (the Company) as of March 31, 2024, on which I have rendered our report dated July 11, 2023.

1. In compliance with Revenue Regulation V-20, I am stating that I am 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 17 – Supplementary information in compliance with RR15 – 2010.

2. In compliance with SRC Rule 68, I am stating that said company has a total number of Thirteen (13) stockholders owning one hundred (100) or more shares each.

ARTURO D. SABINO
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