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| **1.A** Section 3.23 (a) | **[*Name of Client*]** | |  |
| **1.B** Section 3.23 (b), (c) | **Is this a paragraph?**  **NOTES TO FINANCIAL STATEMENTS**  **AS AT AND FOR THE YEARS ENDED [*Reporting Date for the Current and Prior Years*]** | |  |
|  | 1. **CORPORATE INFORMATION** | |  |
| 1.C Section 3.24 (a), (b)  1.D | [*Name of Client*], referred to as the “Company” in the foregoing, was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on [*Incorporation date*]. The Company’s principal place of business is located at [*Corporate Address of the Company*].  The Company is [*% of interest*] owned by [*Immediate Parent of Reporting Entity*], a [*Country of incorporation*] Corporation, and [*% of interest*] owned by [*Non-controlling Interest or Minority Interest of Reporting Entity*]. [*If client has an ultimate parent*]The *[Company, Branch, Bank, or any appropriate alternative]* ultimate parent is [*Name of Ultimate Parent*], an entity incorporated under the laws of [*Country of incorporation*].  The principal activities of the Company are [*Indicate Principal Activities of the Company*]. | |  |
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|  | 1. **FINANCIAL REPORTING FRAMEWORK** | |  |
|  | **Statement of Compliance** | |  |
| 1.E Section 3.3 | The financial statements of the Company have been prepared in accordance with the Philippine Financial Reporting Standard for Small and Medium-sized Entities (PFRS for SMEs)issued by the International Accounting Standards Board (IASB) as approved by the Financial Reporting Standards Council (FRSC) and adopted by the SEC. | |  |
|  | **Basis of preparation and presentation** | |  |
| 1.F Section 8.2 (a), 8.5 (a) | These financial statements have been prepared on the historical cost convention | |  |
|  | **Functional and Presentation Currency** | |  |
| 1.G | These financial statements are presented in [*Functional currency of Company*], the currency of the primary economic environment in which the Company operates.All amounts are rounded off to the nearest ones, except when otherwise indicated. | |  |
| Section 3.17 (e) | 1. **SIGNIFICANT ACCOUNTING POLICIES** | |  |
| 1.H Section 11.40 | **Financial Instruments** | |  |
|  | The Company classifies its financial instruments as either basic financial instruments or other financial instruments. Financial instruments are recognized only when the entity becomes a party to the contractual provisions of the instrument. | |  |
|  | *Basic Financial Instruments* | |  |
|  | The Company’s basic financial assets and liabilities are measured initially at transaction price including transaction costs except for those that are measured at fair value through profit or loss. | |  |
|  | *Basic financial instruments at amortized cost* | |  |
|  | The Company’s basic financial instruments other than investments in non-convertible and non-puttable preference shares and non-puttable ordinary shares that are publicly traded or whose fair value can be measured reliably, are subsequently measured at amortized cost less impairment. | |  |
|  | The amortized cost of a financial instrument at the end of each reporting period is computed as the net of the amount at which the financial instrument is measured at initial recognition, minus any repayments of the principal, plus or minus the cumulative amortization using the effective interest method of any difference between the amount at initial recognition and the maturity amount, minus, in the case of a financial asset, any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. | |  |
|  | The carrying amounts of the Company’s basic financial instruments carried at amortized cost at the end of each reporting periods are shown in Note *[note number]* | |  |
|  | *Effective interest method* | |  |
|  | The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the carrying amount of the financial asset or financial liability. The effective interest rate is determined on the basis of the carrying amount of the financial asset or liability at initial recognition. | |  |
|  | Under the effective interest method, the amortized cost of a financial asset (liability) is the present value of future cash receipts (payments) discounted at the effective interest rate; and the interest expense (income) in a period equals the carrying amount of the financial liability (asset) at the beginning of a period multiplied by the effective interest rate for the period. | |  |
|  | *Basic financial instruments at fair value through profit or loss* | |  |
|  | The Company’s investments in non-convertible and non-puttable preference shares and non-puttable ordinary shares that are publicly traded or whose fair value can be measured reliably are subsequently measured at fair value. Gains or losses arising on remeasurement are recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the Company’s *[statement of income, statement of comprehensive income, statement of operations, or other appropriate title used]*. | |  |
|  | If a reliable measure of fair value is no longer available for an asset measured at fair value, its carrying amount at the last date the asset was reliably measurable becomes its new cost. The entity shall measure the asset at this cost amount less impairment until a reliable measure of fair value becomes available. | |  |
|  | The carrying amounts of the *[Company, Branch, Bank, or any appropriate alternative]*’s basic financial instruments carried at fair value through profit or loss at the end of each reporting periods are shown in Note *[note number]* | |  |
|  | *Other financial instruments* | |  |
|  | At the end of each reporting period, the *[Company, Branch, Bank, or any appropriate alternative]* measures other financial instruments at fair value and recognizes changes in fair value in profit or loss, except for any equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably, and contracts linked to such instruments that, if exercised, will result in delivery of such instruments shall be measured at cost less impairment. | |  |
|  | If the reliable measure of fair value is no longer available for an equity instrument that is not publicly traded but is measured at fair value through profit or loss, its fair value at the last date the instrument was reliably measurable is treated as the cost of the instrument. The entity shall measure the instrument at its cost amount less impairment until a reliable measure of fair value becomes available. | |  |
|  | The carrying amounts of the *[Company, Branch, Bank, or any appropriate alternative]*’s other financial instruments at the end of each reporting periods are shown in Note *[note number]* | |  |
|  | *Derecognition of financial assets* | |  |
|  | The *[Company, Branch, Bank, or any appropriate alternative]* derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or are settled, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. | |  |
|  | If the *[Company, Branch, Bank, or any appropriate alternative]*, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer, the *[Company, Branch, Bank, or any appropriate alternative]* derecognizes the asset and recognize separately any rights and obligations retained or created in the transfer. | |  |
|  | Any difference between the consideration received and the amounts recognized and derecognized shall be recognized in profit or loss. | |  |
|  | *Derecognition of financial liabilities* | |  |
|  | Financial liabilities are derecognized only when it is extinguished or when the obligation specified in the contract is discharged, is cancelled or expires. | |  |
|  | Any difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed shall be recognized in profit or loss. | |  |
|  | **Impairment of Financial Assets Measured at Cost or Amortized Cost** | |  |
|  | At the end of each reporting period, an entity shall assess whether there is objective evidence of impairment of any financial assets that are measured at cost or amortized cost. If there is objective evidence of impairment, the entity shall recognize an impairment loss in profit or loss immediately. | |  |
|  | Objective evidence that a financial asset or group of assets is impaired includes:   * significant financial difficulty of the issuer or obligor. * a breach of contract, such as a default or delinquency in interest or principal payments. * the creditor, for economic or legal reasons relating to the debtor’s financial difficulty, granting to the debtor a concession that the creditor would not otherwise consider. * it has become probable that the debtor will enter bankruptcy or other financial reorganization. * observable data indicating that there has been a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, even though the decrease cannot yet be identified with the individual financial assets in the group, such as adverse national or local economic conditions or adverse changes in industry conditions. | |  |
|  | For an instrument measured at amortized cost, the impairment loss is the difference between the asset’s carrying amount and the present value of estimated cash flows discounted at the asset’s original effective interest rate. If such a financial instrument has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. | |  |
|  | For an instrument measured at cost less impairment, the impairment loss is the difference between the asset’s carrying amount and the best estimate of the amount that the entity would receive for the asset if it were to be sold at the reporting date. | |  |
|  | If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the entity shall reverse the previously recognized impairment loss either directly or adjusting the allowance account. The reversal shall not result in a carrying amount of the financial asset (net of allowance account) that exceeds what the carrying amount would have been had the impairment not previously recognized. The entity shall recognize the amount of reversal in profit or loss immediately. | |  |
| Section 13.22 (a) | **Inventories** | |  |
|  | Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost include “select on the applicable” *all cost purchase, cost of conversion and other related cost incurred in bringing the inventories to their present location and condition.* | |  |
|  | The cost of finished goods and work in progress comprises packaging costs, raw materials, direct labor, other direct costs and related production overheads (based on normal operating capacity). At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognized immediately in profit or loss. | |  |
|  | When the circumstances that previously caused inventories to be impaired no longer exist or when there is clear evidence of an increase in selling price less costs to complete and sell because of changed economic circumstances, a reversal of the impairment is recognized so that the new carrying amount is the lower of the cost and the revised selling price less costs to complete and sell. Any impairment reversal in recognized in profit or loss but is limited to the amount of the original impairment loss recognized. | |  |
|  | When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized. | |  |
| Section 14.12 (a) | **Investment in Associates** | |  |
|  | An associate is an entity, including an unincorporated entity such as a partnership, over which the *[Company, Branch, Bank, or any appropriate alternative]* has significant influence and that is neither a subsidiary nor interest in a joint venture. The investment is accounted using the (cost model) other than those for which there is published price quotation which is measured using the fair value model or equity method) | |  |
|  | Under this method, investment in associate is measured at cost less any accumulated impairment losses recognized in profit or loss. The company shall recognize dividends and other distributions as income without regard to whether the distributions are from accumulated profits of the associate arising before or after date of acquisition.  If cost method | |  |
|  | Under this method, an equity instruments is initially recognized at the transaction price (including transaction costs) and is subsequently adjusted to reflect the company’s share of the profit or loss and other comprehensive income of the associate. | | If equity method |
|  | When an investment in an associate is recognized initially, the company shall measure it at the transaction price which do not include transaction cost. | |  |
|  | At each reporting date, an investor shall measure its investment in associate at fair value, with the  changes in fair value recognized in profit or loss. The company shall use the cost model for any  investment in an associate for which it is impracticable to measure fair value without undue cost or  effort. | | If fair value model |
| Section 15.19 (a) | **Investment in joint venture** | |  |
|  | The investment in joint venture is accounted by the company using the (cost model)other than those for which there is published price quotation which is measured using the fair value model or equity method.  Using this method, investment in jointly controlled entities are measured at cost less accumulated impairment losses recognized in profit or loss. The company shall recognize distributions received from the investment as income without regard to whether the distributions are from accumulated profits of the jointly controlled entity arising before or after date of acquisition. | | If cost method |
|  | The company shall measure its investment in a jointly controlled entity initially at transaction price (including transaction costs) and is subsequently adjusted to reflect the company’s share of the profit or loss and other comprehensive income of the venture. | | If equity method |
|  | When an investment in jointly controlled entity is recognized initially, the company shall measure it at the transaction price which does not include transaction cost. | | If fair value model |
|  | At each reporting date, the company shall measure its investment in jointly controlled entity at fair value, with the changes in fair value recognized in profit or loss. The company shall used the cost model for any investment in an associate for which it is impracticable to measure fair value without undue cost or effort. | |  |
|  | Investment in joint venture is derecognized by the *[Company, Branch, Bank, or any appropriate alternative]* upon its disposal or when the investment in joint venture is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss. | |  |
|  | **Investment property** | |  |
| Section 16.10 (a), 16.10 (b) | The Company owns a [state the nature of investment property] that is held to earn long-term rental income and for capital appreciation classified as investment property. Investment property is initially measured at cost. Cost includes [state the items included in cost of investment property]. Subsequent to initial recognition, investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognized in profit or loss. | |  |
|  | If a reliable measure of the fair value of investment property is no longer available without undue cost or effort, investment properties shall be accounted for as property, plant and equipment until a reliable measure of fair value becomes available. The carrying amount of the investment property on that date becomes its cost. | |  |
|  | Investment property is derecognized by the *[Company, Branch, Bank, or any appropriate alternative]* upon its disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss. | |  |
|  | Investment property is derecognized by the *[Company, Branch, Bank, or any appropriate alternative]* upon its disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss. | |  |
|  | **Property Plant and Equipment** | |  |
| Section 17.31 (a) | Property plant and equipment are initially measured at cost. Cost includes purchase price, taxes, installation and estimated dismantling cost. At the end of each reporting period, items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment loss. | |  |
|  | Subsequent expenditures relating to an item of property, plant and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the *[Company, Branch, Bank, or any appropriate alternative]*. All other subsequent expenditures are recognized as expenses in the period in which those are incurred. | |  |
|  | Major spare parts and stand-by equipment qualify as property, plant and equipment when the *[Company, Branch, Bank, or any appropriate alternative]* expects to use them during more than one period.  Similarly, if the spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment | |  |
| Section 17.31 (b) | Estimated future dismantlement costs of items of property, plant and equipment arising from legal or constructive obligations are recognized as part of property, plant and equipment and are measured at present value at the time the obligation was incurred.  Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following annual rates are used for the depreciation of property, plant and equipment: | |  |
| Section 17.31 (c) | P.P.E -years  P.P.E - years  P.P.E – years | |  |
|  | The assets’ residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date. An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount. | |  |
|  | Property, plant and equipment is derecognized by the *[Company, Branch, Bank, or any appropriate alternative]* upon its disposal or when the property, plant and equipment is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss. | |  |
|  | **Biological assets** | |  |
|  | Biological assets comprise (state the items under biological assets). As the fair value of these biological assets can be readily determined without undue cost or effort, the assets are initially recognized and subsequently carried at fair value less costs to sell. Any resultant gain or loss on re-measuring to fair value less costs to sell at each reporting date is recognized in profit or loss. | | If fair value is determinable |
|  | At the time of harvest, (state the items under biological assets) are recognized at fair value less costs to sell and are included in inventory at this amount. They are not subsequently re-measured. | |  |
| Section 34.10 (b) | Biological assets comprise (state the items under biological assets). Biological assets are carried at cost less accumulated depreciation and any accumulated impairment losses, as the fair value of these biological assets cannot be reliably determined without undue cost or effort due to the inexistence of an active market, the lack of reliable evidence about comparable market transactions and the limited availability of historical data about the yields of the Company’s (state the biological assets). Cost represents the historic cost of acquisition. | | If fair value cannot be determined without undue cost or effort |
| Section 34.10 (c) | Depreciation of biological assets is calculated using the (straight-line method) to allocate the cost less its residual value over its estimated useful life of: | |  |
| Section 34.10 (d) | State the biological assets: -years  State the biological assets: - years  State the biological assets: - years | |  |
|  | The residual values, useful lives and depreciation method of the biological assets are reviewed, and adjusted if appropriate, if there is an indication of a change since the last reporting date. | |  |
|  | **Intangible assets** | |  |
|  | 1. *Goodwill* | |  |
| Section 18.27 (a), (b) | Goodwill represents the excess of the cost of a business combination over the fair value of the group’s share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in ‘intangible assets’. Goodwill is carried at cost less accumulated amortization and accumulated impairment losses. Goodwill amortization is calculated by applying the straight-line method to its estimated useful life. If a reliable estimate cannot be made, the useful life of goodwill is presumed to be 10 years. At each reporting date, the group assesses whether there is any indication that goodwill may be impaired. If any such indication exists, the entity estimates the recoverable amount of the asset. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. | |  |
|  | Goodwill is allocated to cash-generating units (CGUs) (or groups of CGUs) for the purpose of impairment testing. The allocation is made to those CGUs units or groups of CGUs that are expected to benefit from the synergies of the business combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. | |  |
|  | 1. *Trademarks, licences and customer related intangible assets* | |  |
| Section 18.27 (b) | Separately acquired trademarks and licences are shown at historical cost. Trademarks, licences (including software) and customer-related intangible assets acquired in a business combination are recognized at fair value at the acquisition date. Trademarks, licences and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortization and any accumulated impairment losses. Amortization is calculated using the straight-line method to allocate the cost of trademarks, licences and customer related intangible assets over their estimated useful lives, as follows: | |  |
| Section 18.27 (a) | – Intangible asset: 10 years  – Intangible asset: 5 years | |  |
|  | Acquired (computer software licences) are capitalized on the basis of the costs incurred to acquire and bring to use the (specific software). These costs are amortized over their estimated useful lives of three to five years. | |  |
|  | *(c) Research and development costs* | |  |
|  | All research and development costs are recognized as an expense unless they form part of the cost of another asset that meets the recognition criteria. | |  |
|  | *Derecognition of intangible asset* | |  |
|  | An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized. | |  |
|  | **Impairment of Tangible and Intangible Assets Other Than Inventories** | |  |
|  | Assets that are subject to depreciation or amortization are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. | |  |
|  | Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. | |  |
|  | If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense. | |  |
|  | Tangible and intangible assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. When an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized as income. | |  |
|  | **Provisions** | |  |
|  | Provisions for restructuring costs and legal claims are recognized when: the group has a present legal or constructive obligation as a result of past events; it is probable that a transfer of economic benefits will be required to settle the obligation; and the amount can be reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognized for future operating losses. Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense. | |  |
|  | **Employee benefit obligations** | |  |
|  | The liability recognized in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets. The defined benefit obligation is measured using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future payments by reference to market yields at the reporting date on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability. | |  |
| Section 28.41 (b) | Actuarial gains and losses are [charged to profit or loss or credited to other comprehensive income] in the period in which they arise. | |  |
|  | Past-service costs are recognized immediately in profit or loss. For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognized as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognized as an asset. | |  |
|  | Retirement benefit costs represents the payments made to state-managed retirement benefit schemes, such as the Philippines Central Provident Fund, are dealt with as payments to defined contribution plans and are charged as an expense as they fall due. | | If simple retirement plan |
|  | Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period. | |  |
|  | The Company maintains a defined contribution (DC) plan that covers all regular full-time employees. Under its DC plan, the Company pays fixed contributions based on the employees‘ monthly salaries. The Company, however, is covered under Republic Act (RA) No. 7641, The Philippine Retirement Law, which provides for its qualified employees a defined benefit (DB) minimum guarantee. The DB minimum guarantee is equivalent to a certain percentage of the monthly salary payable to an employee at normal retirement age with the required credited years of service based on the provisions of RA 7641. | | If the entity has an establish contribution plan |
|  | Accordingly, the Company accounts for its retirement obligation under the higher of the DB obligation relating to the minimum guarantee and the obligation arising from the DC plan. | |  |
| Section 26.18 | **Share-based Payments** | |  |
|  | Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. | |  |
|  | The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company’s estimate of equity instruments that will eventually vest. At each reporting date, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss over the remaining vesting period, with a corresponding adjustment to the equity-settled employee benefits reserve. | |  |
|  | Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods or services received, except when the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. | |  |
|  | The fair value for stock options and ESPP is measured using the [*Black Scholes; Binomial*] pricing model. The expected life used in the model has been adjusted, based on the management’s best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations. | |  |
| Section 26.20 | For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognized at the current fair value determined at each reporting date. | |  |
| Section 23.30 (a) | **Revenue Recognition** | | Choose whichever is applicable |
|  | Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business. | |  |
|  | Revenue from sale of goods is recognized when all the following conditions are satisfied:   1. the Company has transferred to the buyer the significant risks and rewards of ownership of the goods; 2. the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; 3. the amount of revenue can be measured reliably; 4. it is probable that the economic benefits associated with the transaction will flow to the Company; and 5. the costs incurred or to be incurred in respect of the transaction can be measured reliably. | |  |
|  | Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:   1. the amount of revenue can be measured reliably; 2. it is probable that the economic benefits associated with the transaction will flow to the Company; 3. the stage of completion of the transaction can be measured reliably; and 4. the costs incurred for the transaction and the costs to complete the transaction can be measured reliably. | |  |
|  | Revenue from construction contracts is recognized in accordance with the Company’s accounting policy on construction contracts. | |  |
|  | Royalty revenue is recognized on an accrual basis in accordance with the substance of the relevant agreement. Royalties determined on a time basis are recognized on a straight-line basis over the period of the agreement. Royalty arrangements that are based on production, sales and other measures are recognized by reference to the underlying arrangement. | |  |
|  | Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount. | |  |
|  | Dividend income from investments is recognized the shareholders’ rights to receive payment have been established. | |  |
|  | Revenue recognition for rental income is disclosed in the Company’s policy for leases. | |  |
|  | **Expense Recognition** | |  |
|  | Expenses are recognized in profit or loss when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.  Expenses are recognized in profit or loss: on the basis of a direct association between the costs incurred and the earning of specific items of income; on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the statements of financial position as an asset. | |  |
| Section 5.11 (a), (b) | Expenses in the statements of comprehensive income or statements of income and retained earnings are presented using the [*nature of expense method/ function of expense method*].  [*If function of expense method*] Cost of sales are expenses incurred that are associated with the goods sold and includes [*components of cost of sales*].  Operating expenses are costs attributable to [*administrative, marketing, selling and other business*] activities of the Company. | |  |
|  | **Construction Contracts** | |  |
| Section 23.31 (b), (c) | The outcome of a construction contract can be estimated reliably, revenue and costs are recognized by reference to the stage of completion of the contract activity at the reporting date. This is normally measured by the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs, except when this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer. | |  |
|  | If the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized to the extent of recoverable contract costs incurred. Contract costs are recognized as expenses in the period in which they are incurred. | |  |
|  | It is probable that total contract costs will exceed total contract revenue; the expected loss is recognized as an expense immediately. | |  |
|  | The percentage-of-completion method is applied on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs. Any effect of a change in the estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate. | |  |
|  | **Equity Instruments** | |  |
|  | An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. | |  |
|  | Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax. The costs of acquiring Company’s own shares are shown as a deduction from equity attributable to the Company’s equity holders until the shares are cancelled or reissued. Such shares are subsequently sold or reissued, any consideration received, net of directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company’s equity holders.  The Branch classifies home office account as equity since it represents a residual interest in the assets of the Branch after deduction all of its liabilities.  If client is a branch | |  |
|  | The head office account represents a residual interest in the assets of the Branch after deducting all of its liabilities. This includes remittances from head office, unrealized holding gain from investments and the result of operations of the Company. | |  |
|  | **Leases** | |  |
|  | Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. | |  |
|  | *The Company as lessor* | |  |
|  | [If with finance lease] Amounts due from lessees under finance leases are recorded as receivables at the amount of the Company’s net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company’s net investment outstanding in respect of the leases. | |  |
|  | [If with operating lease]Rental income from operating leases is recognized in profit or loss on a straight-line basis over the lease term, unless either another systematic basis is representative of the time pattern of the lessee’s benefit from the leased asset, even if the receipt of payments is not on that basis, or the payments to the lessor are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor’s expected inflationary cost increases. | |  |
|  | *The Company as lessee* | |  |
|  | [If with finance lease]Assets held under finance leases are recognized as assets of the Company at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the statements of financial position as a finance lease obligation. | |  |
|  | Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company’s general policy on borrowing costs. Contingent rentals are recognized as expense in the period in which they are incurred. | |  |
|  | [If with operating lease]Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except when another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred. | |  |
|  | In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except when another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. | |  |
|  | **Foreign Currency Transactions and Translation** | |  |
|  | Transactions in currencies other than [*Functional currency of the Company*] are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. [*If client has non-monetary assets or liabilities that are denominated in foreign currency and are carried at fair value*] Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date the fair value was determined. Gains and losses arising on retranslation are included in profit or loss for the period, [*If client has non-monetary assets or liabilities that are denominated in foreign currency and are carried at fair value*] except for exchange differences arising on non-monetary assets and liabilities when the gains and losses of such non-monetary items are recognized directly in equity. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated. | |  |
|  | **Related Parties** | |  |
|  | A related party transaction is a transfer of resources, services or obligations between the *[Company, Branch, Bank, or any appropriate alternative]* and a related party, regardless of whether a price is charged. | |  |
|  | Parties are considered related if one party has control, joint control, or significant influence over the other party in making financial and operating decisions. An entity that is a post-employment benefit plan for the employees of the *[Company, Branch, Bank, or any appropriate alternative]* and the key management personnel of the *[Company, Branch, Bank, or any appropriate alternative]* are also considered to be related parties. | |  |
|  | **Government Grants** | |  |
|  | The Company recognizes government grants as follows: | |  |
|  | 1. A grant that does not impose specified future performance conditions on the recipient is recognized in income when the grant proceeds are receivable. | |  |
|  | 1. A grant that imposes specified future performance conditions on the recipient is recognized in income only when the performance conditions are met. | |  |
|  | (c) Grants received before the revenue recognition criteria are satisfied are recognized as a liability. | |  |
|  | The Company measure grants at the fair value of the asset received or receivable | |  |
|  | **Taxation** | |  |
|  | Income tax expense represents the sum of the current tax expense and deferred tax. | |  |
| Section 29.30 | The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statements of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company’s liability for current tax is calculated using [*Tax rates for the current and comparative periods e.g. PEZA 5%; ROHQ 10%; Others 35% or 2% MCIT whichever is higher*] tax rate for 2013 and 2012. | |  |
| Section 29.32 (b) | Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. [If applicable] Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition, other than in a business combination, of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. | |  |
|  | [If applicable]Deferred tax liabilities are recognized for taxable temporary differences arising on investments in associates and interests in joint ventures, except when the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. | |  |
|  | The Company reviews the net carrying amount of a deferred tax asset at each reporting date and adjusts the valuation allowance to reflect the current assessment of future taxable profits. Such adjustment shall be recognized in profit or loss, except that an adjustment attributable to an item of income or expense recognized in accordance with this PFRS as other comprehensive income shall also be recognized in other comprehensive income. | |  |
|  | Deferred tax is calculated at the tax rates that are expected to apply in the period the liability is settled or the asset is realized. Deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. | |  |
| Section 29.29 | Deferred tax assets and liabilities are offset there is a legally enforceable right to set off current tax assets against current tax liabilities and they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis. | |  |
|  | **Events after the End of the Reporting Period** | |  |
|  | The Company identifies events after the end of the reporting period as events that occurred after the reporting date but before the date the financial statements were authorized for issue. Any events after the end of each reporting period that provide additional information about the Company’s financial position at the end of each reporting period are reflected in the financial statements. Non-adjusting subsequent events are disclosed in the notes to the financial statements when material. | |  |
|  | 1. **TRANSITION TO THE PFRS FOR SMEs** | |  |
|  | **Basis of Transition** | |  |
|  | *Application of the PFRS for SME* | |  |
|  | The *[Company, Branch, Bank, or any appropriate alternative]*’s financial statements for the year ended [December 31, 2013] are its first annual financial statements prepared under accounting policies that comply with the PFRS for SMEs. | |  |
|  | *[Name of Client]*‘s transition date is *[Date of Transitin]*. The *[Company, Branch, Bank, or any appropriate alternative]* prepared its opening PFRS for SMEs statements of financial position at that date. | |  |
|  | In preparing these financial statements in accordance with the PFRS for SMEs, the *[Company, Branch, Bank, or any appropriate alternative]* has applied all the mandatory exceptions and certain of the optional exemptions from full retrospective application of the PFRS for SMEs. | |  |
|  | **Optional** **Exemptions from Full Retrospective Application** | |  |
|  | The *[Company, Branch, Bank, or any appropriate alternative]* has applied the following optional exemptions from full retrospective application: | |  |
|  | *Business combinations* | |  |
|  | The *[Company, Branch, Bank, or any appropriate alternative]* has elected not to restate business combinations that took place prior to the transition date. The carrying value of goodwill at the date of transition to the PFRS for SMEs is the deemed cost of goodwill under the PFRS for SMEs at that date. | |  |
|  | *Share-based payment transactions* | |  |
|  | The *[Company, Branch, Bank, or any appropriate alternative]* has not applied the provisions of Section 26 of the PFRS for SMEs to equity instruments that were granted before 1 January 2012. | |  |
|  | *Cumulative translation differences* | |  |
|  | The *[Company, Branch, Bank, or any appropriate alternative]* has elected to set the previously accumulated cumulative translation differences for all foreign operations to zero at 1 January 2012. | |  |
|  | *Fair value or revaluation as deemed cost* | |  |
|  | The *[Company, Branch, Bank, or any appropriate alternative]* has elected to use the previous GAAP revaluation of an item of its [property, plant and equipment, investment property and identifiable intangible assets] at , or before the date of transition, as its deemed cost at the revaluation date. | |  |
|  | *Compound financial instruments* | |  |
|  | The *[Company, Branch, Bank, or any appropriate alternative]* has elected not to separate the equity and liability component of a compound instrument since the liability component is no longer outstanding at the date of transition. | |  |
|  | *Deferred tax* | |  |
|  | The *[Company, Branch, Bank, or any appropriate alternative]* has elected not to recognize certain [deferred tax assets or deferred tax liabilities] relating to differences between the tax basis and the carrying amount of any [assets or liabilities] for which recognition of those deferred tax assets or liabilities would involve undue cost or effort. | |  |
|  | *Arrangements containing a lease* | |  |
|  | The *[Company, Branch, Bank, or any appropriate alternative]* has elected to determine whether an arrangement contains a lease based on the facts and circumstances existing at the date of transition rather than on the date when the arrangement where entered into. | |  |
|  | *Decommissioning liabilities included in the cost of property, plant and equipment* | |  |
|  | The *[Company, Branch, Bank, or any appropriate alternative]* has elected to measure thedecommissioning liabilities included in the cost of property plan and equipment are at transition date rather that at the date when the obligation initially arose. | |  |
|  | *Extractive industries* | |  |
|  | The *[Company, Branch, Bank, or any appropriate alternative]* has elected tomeasure its oil and gas assets at the date of transition as the amount determined under previous GAAP net of any impairment losses identified at transition date. | |  |
|  | *Separate financial statements* | |  |
|  | The *[Company, Branch, Bank, or any appropriate alternative]* has elected to measure its investment subsidiaries associate and jointly control entities at *[choose applicable]* [cost in accordance with Section 9.] [deemed cost, which is the (fair value at date of transition) (previous GAAP carrying amount on the date of transition.) | |  |
|  | *Service Concession arrangements* | |  |
|  | The *[Company, Branch, Bank, or any appropriate alternative]* has elected not apply the requirements of Section 34 of the PFRS for SMEs on service concession arrangements entered into before the date of transition. | |  |
|  | 1. **RECONCILIATION** | |  |
|  | The following reconciliations show the effect on the Company’s equity of the transition from [PAS101 or Full PFRS] to the PFRS for SMEs at 1 January 2013 and 31 December 2013, and the Company’s profit for the year ended 31 December 2013. | |  |
| Section 35.13 (b) | |  |  |  | | --- | --- | --- | |  | **December 31** | January 1 | |  | **2013** | 2012 | | **Total equity under (PAS 101 or full PFRS)** |  |  | | Capitalization of costs directly attributable to site preparation |  |  | | Write-off of deferred charges that do not meet the IFRS for SMEs definition of an intangible asset |  |  | | Restatement of provision for post-employment benefits on a projected unit credit method basis |  |  | | Fair value adjustment to biological assets |  |  | | Fair value adjustment to investment property |  |  | | Restatement of investments in associates to cost |  |  | | Deferred tax adjustments |  |  | | **Total equity under PFRS for SME** |  |  | | |  |
| Section 35.13 (c) | |  |  | | --- | --- | |  | **2013** | | **Results for the year under previous GAAP** |  | | Capitalization of costs directly attributable to site preparation |  | | Write-off of deferred charges that do not meet the PFRS for SME definition of an intangible asset |  | | Adjustment in respect of defined benefit pension schemes |  | | Fair value adjustment to biological assets |  | | Fair value adjustment to investment property |  | | Restatement of investments in associates to cost |  | | Deferred tax adjustments |  | | **Result for the year under PFRS for SMEs** |  | | |  |
| Section 35.13 (a) | 1. **EXPLANATION OF TRANSITION TO THE PFRS FOR SMEs** | | Choose if applicable |
|  | 1. *Capitalization of costs attributable to site preparation* | |  |
|  | The costs incurred in relation to the preparation of vineyards were expensed under previous [PAS101 or full PFRS]. Such costs qualify to be recognized as part of the cost of property, plant and equipment under the PFRS for SMEs. | |  |
|  | 1. *Write-off of deferred charges that do not meet capitalization criteria* | |  |
|  | These are Costs in relation to deferred charges do not meet the definition of intangible assets under the PFRS for SMEs and have been included in retained earnings at the Company’s date of transition. | |  |
|  | 1. *Restatement of provision for post-employment benefits* | |  |
|  | Under [PAS101 or full PFRS] the Company’s defined benefit pension scheme liabilities were not calculated on the basis of the projected unit credit method, as they excluded the impact of future salary increases. | |  |
|  | 1. *Fair value adjustment of biological assets* | |  |
|  | Under [PAS101 or full PFRS], biological assets were stated at cost less accumulated depreciation. This adjustment reflects the measurement of the Company’s biological assets to fair value. | |  |
|  | 1. *Fair value adjustment to investment property* | |  |
|  | Under [PAS101 or full PFRS], investment properties were stated at cost less accumulated depreciation. This adjustment reflects the uplift of the Company’s investment properties to fair value. | |  |
|  | 1. *Investment in associates accounted for at cost* | |  |
|  | Under [PAS101 or full PFRS] the Company accounted for its investment in associates using the equity method of accounting. On adoption of the PFRS for SMEs, the Company has elected to account for its investments in associates at cost.  *(g) Deferred tax adjustments* | |  |
|  | This adjustment reflects the deferred tax impact of the other adjustments recognized on transition. The adjustment also reflects the impact of recognizing deferred tax on the basis of temporary differences between the carrying amounts of assets and liabilities and their tax bases, compared to deferred tax calculated on the difference between items included in the income for accounting purposes and items included in the tax return. | |  |
| Section 8.6 | 1. **CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY** | |  |
|  | In the application of the Company’s accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on the historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. | |  |
| Section 8.6 | **Critical Judgments in Applying Accounting Policies** | | Choose the applicable provisions |
|  | The following are the critical judgments, apart from those involving estimations, that management have made in the process of applying the entity’s accounting policies and that have the most significant effect on the amounts recognized in financial statements. | |  |
|  | *Revenue recognition* | |  |
|  | [*Example: Note 13 describe the expenditure required in the year for rectification work carried out on goods supplied to one of the Company’s major customers. These goods were delivered to the customer in the months of January to July 2013, and shortly thereafter the defects were identified by the customer. Following negotiations, a schedule of works was agreed, which will involve expenditure by the Company until 2013. In the light of the problems identified, the Directors were required to consider whether it was appropriate to recognize the revenue from these transactions of P19 million in the current period, in line with the Company’s general policy of recognizing revenue goods are delivered, or whether it was more appropriate to defer recognition until the rectification work was complete.*  *In making the judgment, management considered the detailed criteria for the recognition of revenue from the sale of goods set out in PAS 18 Revenue and in particular, whether the Company had transferred to the buyer the significant risks and rewards of ownership of the goods. Following the detailed quantification of the Company’s liability in respect of rectification work and the agreed limitation on the customer’s ability to require further work or to require replacement of the goods, the Directors are satisfied that the significant risks and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate provision for the rectification costs.*] | |  |
| Section 8.7 | **Key Sources of Estimation Uncertainty**  Choose the applicable provisions | |  |
|  | The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. | |  |
|  | *Estimating useful lives of assets* | |  |
|  | [*Example: The useful lives of the Company’s assets with definite life are estimated based on the period over which the assets are expected to be available for use. The estimated useful lives of are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the Company’s assets. In addition, the estimation of the useful lives is based on the Company’s collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property, plant and equipment would increase the recognized operating expenses and decrease non-current assets.*] | |  |
|  | *Asset impairment* | |  |
|  | [*Example: The Company performs an impairment review when certain impairment indicators are present. Purchase accounting requires extensive use of accounting estimates and judgment to allocate the purchase price to the fair market values of the assets and liabilities purchased.* | |  |
|  | *Determining the fair value of property, plant and equipment, investments and intangible assets, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions that can materially affect the financial statements. Future events could cause the Company to conclude that property, plant and equipment, investments and intangible assets associated with an acquired business is impaired. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations.* | |  |
|  | *The preparation of the estimated future cash flows involves significant judgment and estimations. While the Company believes that its assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under PFRS/ GAAP in the Philippines.*] | |  |
|  | *Deferred tax* | |  |
|  | *An entity shall recognize a valuation allowance against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit. However, this involves accounting estimates that may not be the same when actual event related to deferred tax will occur.* | |  |
|  | *Financial assets and liabilities* | |  |
|  | [*Example:* *The Company carries some of its financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgment. In addition, certain liabilities acquired through debt exchange and restructuring are required to be carried at fair value at the time of the debt exchange and restructuring. While significant components of fair value measurement were determined using verifiable objective evidence, i.e., foreign exchange rates, interest rates, volatility rates, the amount of changes in fair value would differ if the Company utilized different valuation methodology. Any changes in fair value of these financial assets and liabilities would affect directly the profit or loss and equity.*] | |  |
|  | *Estimating allowances for doubtful accounts* | |  |
|  | [*Example: The Company estimates the allowance for doubtful accounts related to its trade receivables based on assessment of specific accounts when the Company has information that certain customers are unable to meet their financial obligations. In these cases judgment used was based on the best available facts and circumstances including but not limited to, the length of relationship with the customer and the customer’s current credit status based on third party credit reports and known market factors. The Company used judgment to record specific reserves for customers against amounts due to reduce the expected collectible amounts. These specific reserves are re-evaluated and adjusted as additional information received impacts the amounts estimated.* | |  |
|  | *The amounts and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized. An increase in the allowance for doubtful accounts would increase the recognized operating expenses and decrease current assets.*] | |  |
|  | *Revenue recognition* | |  |
|  | *Revenues under a multiple element arrangement were split into separately identifiable components and recognized the related components were delivered in order to reflect the substance of the transaction. The fair value of components was determined using verifiable objective evidence.*] | |  |
|  | *Post-employment and other employee benefits* | |  |
|  | [*Example: The determination of the retirement obligation cost and other retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include among others, discount rates, expected returns on plan assets and rates of compensation increase. In accordance with PFRS for SMEs, actual results that differ from the assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded obligation in such future periods. 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 pension and other retirement obligations.*] | |  |
|  | *Contingencies* | |  |
|  | [*Example: The Company is currently involved in various legal proceedings and tax assessments]. Estimates of probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense in these matters and is based upon an analysis of potential results. The Company currently does not believe these proceedings will have a material adverse effect on the financial position. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the Company’s strategies relating to these proceedings.*] | |  |
|  | 1. **CATEGORIES OF FINANCIAL INSTRUMENTS** | |  |
| Section 11.41 (a) | |  |  |  | | --- | --- | --- | |  | **2012** | 2008 | | **Financial Assets at Fair Value Through Profit or Loss** |  |  | | *Asset 1* | **P** | P | | *Asset 2* |  |  | | *Asset 3* |  |  | |  |  |  | | |  |
| Section 11.41 (b) | |  |  |  | | --- | --- | --- | | **Financial Assets at Amortized Cost** |  |  | | *Asset 1* |  |  | | *Asset 2* |  |  | | *Asset 3* |  |  | |  |  |  | | |  |
| Section 11.41 (c) | |  |  |  | | --- | --- | --- | | **Financial Assets at Cost less Impairment** |  |  | | *Asset 1* |  |  | | *Asset 2* |  |  | | *Asset 3* |  |  | |  |  |  | | |  |
| Section 11.41 (d) | |  |  |  | | --- | --- | --- | | **Financial Liabilities at Fair Value Through Profit or Loss** |  |  | | *Asset 1* |  |  | | *Asset 2* |  |  | | *Asset 3* |  |  | |  |  |  | | |  |
| Section 11.41 (e) | |  |  |  | | --- | --- | --- | | **Financial Liabilities at Amortized Cost** |  |  | | *Asset 1* |  |  | | *Asset 2* |  |  | | *Asset 3* |  |  | |  |  |  | | |  |
| Section 11.41 (f) | |  |  |  | | --- | --- | --- | | **Loan Commitments at Cost less Impairment** |  |  | | *Asset 1* |  |  | | *Asset 2* |  |  | | *Asset 3* |  |  | |  |  |  | | |  |
| Section 7.20 | 1. **CASH AND CASH EQUIVALENTS** | |  |
|  | |  |  |  | | --- | --- | --- | |  | **2012** | 2008 | | Cash on hand and in banks | **P** | P | | Cash equivalents |  |  | |  | **P** | P | | |  |
|  | Cash in banks earned average interest of [*Interest Rate for the current and comparative periods*] during 2013 and 2012, respectively. Cash equivalents represent money market placements, with annual interest of [*Interest rate*] % and [*Interest rate*] % in 2013 and 2012, respectively. | |  |
| Section 7.21 | The Company holds cash and cash equivalents amounting to [*Amounts of restricted cash for the current and comparative periods*] in 2013 and 2012, respectively, which are not available for use by the Company. [*Disclose reason for the restriction*]. The restricted cash and cash equivalents are presented under [*Account title for restricted cash*] as disclosed in [*Note number for restricted cash*] | |  |
| Section 4.11 (b) | 1. **TRADE AND OTHER RECEIVABLES** – net | |  |
|  | |  |  |  | | --- | --- | --- | |  | **2013** | 2012 | | Trade receivable | **P** | P | | [*Others*] |  |  | |  |  |  | | Less: Allowance for doubtful accounts |  |  | |  | **P** | P | | |  |
|  | The average credit period taken on sales of goods is [*Number of days*] days. No interest is charged on the receivables for the first [*Number of days*] days from the date of the invoice. Thereafter, interest is charged at [*Interest rate*] % on the outstanding balance. [*Disclose the manner of providing for allowance, following is an example: The Company has provided an allowance in full for all receivables over 120 days because historical experience is such that receivables that are past due beyond 120 days are generally not recoverable. Trade receivables between 60 days and 120 days are provided for based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.*] | |  |
|  | Movements in the allowance for doubtful accounts: | |  |
|  | |  |  |  | | --- | --- | --- | |  | **2013** | 2012 | | Balance, [*Beginning of accounting period*] |  |  | | Impairment losses |  |  | | Amounts written off as uncollectible |  |  | | Amounts recovered during the year |  |  | | Impairment losses reversed |  |  | | Unwinding of discount |  |  | | Balance, [*Reporting date*] |  |  | | |  |
|  | In determining the recoverability of trade receivables, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the Directors believe that there is no further credit provision required in excess of the allowance for doubtful debts. | |  |
| Section 11.45 (a), (b), (c) | [*For transfers that do not meet derecognition requirements*]During 2013 and 2012, the Company transferred [*Balances of trade receivables individually identified to be impaired as at reporting date for the current and previous year*] of trade receivables to an [*unrelated/ related*] entity. As part of the transfer, [*State the reason why the financial asset should not be derecognize*]. Accordingly, the Company continues to recognize the full carrying amount of the receivables and has recognized the cash received on the transfer as a secured borrowing. At the reporting date, the carrying amount of the transferred short-term receivables [*Carrying amount of receivables transferred as at reporting date for the current and previous year*]. The carrying amount of the associated liability is [*Carrying amount of the liability recognized as at reporting date for the current and previous year*]. | |  |
|  | 1. **INVESTMENT MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS** | |  |
|  | The movements in the investment measured at fair value through profit or loss are summarized as follows: | |  |
|  | |  |  |  | | --- | --- | --- | |  | **2013** | 2012 | | Balance, beginning |  |  | | Additions |  |  | | Disposals |  |  | | Fair value adjustments |  |  | | Exchange differences |  |  | |  |  |  | | Accrued interest |  |  | | Balance, end |  |  | | |  |
|  | The account is composed of the following securities: | |  |
| Section 11.48(a) | |  |  |  | | --- | --- | --- | |  | **2013** | 2012 | | Cost |  |  | | [*Securities 1*] |  |  | | [ *Securities 2*] |  |  | | [*Securities 3*] |  |  | |  |  |  | | Fair value adjustments |  |  | |  |  |  | | Accrued interest |  |  | |  |  |  | | |  |
|  | Debt securities classified at fair value carry effective interest rates of: | |  |
|  | |  |  |  | | --- | --- | --- | |  | **2013** | 2012 | | [*Debt Securities 1*] |  |  | | [ *Debt Securities 2*] |  |  | | |  |
| Section 11.43 | The fair values of the equity and debt securities are determined based on their prevailing market price as at December 31, 2013 and 2012 reporting period. Or using the valuation technique which is the recent arm’s length market transactions for an identical asset between knowledgeable, willing parties, if available, reference to the current fair value of another asset that is substantially the same as the asset being measured, discounted cash flow analysis and option pricing models. | |  |
| Section 11.48 (c) | During 2013 and 2012, the Company recognized an impairment loss on its investment amounting to [*Amount of impairment loss for the current and comparative periods*], respectively. | |  |
|  | 1. **FINANCE LEASE RECEIVABLE** | |  |
| Section 20.23 (a)  Section 20.23 (b)  Section 20.23 (d) | |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | Minimum Lease Receivable | | Present Value of Minimum  Lease Receivable | | |  | **2013** | 2012 | **2013** | 2012 | | Amounts receivable under finance leases: |  |  |  |  | | Not later than one year | **P** | P | **P** | P | | Later than one year but not later than five years |  |  |  |  | | Later than five years |  |  |  |  | |  |  |  |  |  | | Unearned finance income |  |  |  |  | | Present value of minimum lease payments receivable |  |  |  |  | | Less: Allowance for uncollectible lease payments |  |  |  |  | | Less: Current finance lease receivables |  |  |  |  | | Non-current finance lease receivables | **P** | P | **P** | P | | |  |
| Section 20.23 (f) | The Company enters into finance leasing arrangements for its [*Assets subject to finance lease*]. The average term of finance leases entered into is [*Number of years*] years. [*Disclose additional description of significant leasing arrangements*] | |  |
| Section 20.23 (c) | Unguaranteed residual values of assets leased under finance leases at the reporting date are estimated at [*Unguaranteed residual value as at reporting date in the current and comparative periods*] as at [*Reporting Date for Current and Comparative periods*], 2013 and 2012, respectively. | |  |
|  | The interest rate inherent in the leases is fixed at the contract date for all of the lease term. The average effective interest rate contracted approximates [*Interest rate during the current and comparative periods*] per annum during 2013 and 2012, respectively. | |  |
| Section 20.23 (e) | The Company recognized as income contingent rents arising from the finance lease agreements amounting to [*Amount of contingent rents earned during the current and comparative periods*] during 2013 and 2012, respectively. | |  |
|  | The carrying amount of the Company’s finance lease receivable approximates their fair values. [*Or*] The fair value of the Company’s finance lease receivables as at [*Reporting Date for Current and Comparative periods*], 2013 and 2012, is estimated to be [*Fair value of finance lease receivable as at reporting date for the current and comparative periods*], respectively, based on [*Basis for determining fair value*]. | |  |
|  | 1. **INVENTORIES** – net | |  |
|  | |  |  |  |  | | --- | --- | --- | --- | |  | **Note** | **2013** | 2012 | | Finished goods |  |  |  | | Allowance for the decline in value |  |  |  | |  |  |  |  | | Work-in-progress |  |  |  | | Allowance for the decline in value |  |  |  | |  |  |  |  | | Raw materials |  |  |  | | Allowance for inventory obsolescence |  |  |  | |  |  |  |  | |  |  |  |  | | |  |
| Section 13.22 (c)  13.22 (d) | The cost of inventories recognized as an expense during the period was [*Amount of cost of sales in the current and comparative periods*] in 2013 and 2012, respectively. This amount includes impairment loss (reversal of impairment) of inventory amounting to ­­­­­\_\_\_\_ in 2013. | | If entity has inventories carried at fair value less cost to sell |
| Section 13.22 (e) | Inventories with a carrying amount of [*Amount of inventories pledged in current and comparative periods*] have been pledged as security for the Company’s [*Liability secured*] in 2013 and 2012, respectively. | |  |
|  | 1. **CONSTRUCTION CONTRACTS** | |  |
| Section 23.32 (a)  Section 23.32 (b) | |  |  |  | | --- | --- | --- | |  | **2013** | 2012 | | Contracts in progress at reporting date: | **P** | P | | Amounts due from contract customers included in trade and other receivables |  |  | | Amounts due to contract customers included in trade and other payables |  |  | | Contract costs incurred plus recognized profits |  |  | | Recognized losses to date |  |  | | Progress billings |  |  | |  | **P** | P | | |  |
|  | Advances received from customers for contract work amounted to [*Amount of advances in the current and comparative periods*] in 2013 and 2012, respectively. Retentions held by customers for contract work amounted to [*Amount of retentions in the current and comparative periods*] in 2013 and 2012, respectively. | |  |
|  | Construction contracts due for settlement after more than 12 months amounted to [*Amounts included in trade and other receivables which are collectible beyond 12 months for the current and comparative periods*] were included in the Trade and other receivables as at [*Reporting Date for Current and Comparative periods*], 2013 and 2012, respectively. | |  |
| Section 23.31 (b)  23.31 (c)  23.31 (a) | Revenue from construction contract is recognized based on [percentage completion method or up to the amount of cost recognized since percentage of completion cannot be determined]. Percentage of completion method is determined [in proportion of cost incurred for work performed to date bear to the estimated total cost Or based on survey of work performed Or completion of a physical proportion of the service transaction or contract work]. Revenue recognized during the year amounted to \_\_\_\_\_ and \_\_\_\_ in 2013 and 2012, respectively. | |  |
|  | 1. **PREPAYMENTS AND OTHER CURRENT ASSETS** | |  |
|  | |  |  |  | | --- | --- | --- | |  | **2013** | 2012 | | [*Prepayments and other current assets 1*] |  |  | | [*Prepayments and other current assets 2*] |  |  | | [*Prepayments and other current assets 3*] |  |  | |  |  |  | | |  |
|  | 1. **LONG-TERM RECEIVABLES** | |  |
|  | The movements in long-term receivables are summarized as follows:   |  |  |  | | --- | --- | --- | |  | **2013** | 2012 | | Balance, beginning |  |  | | Additions |  |  | | Maturities |  |  | | Amortization of discount (premium) |  |  | | Exchange differences |  |  | |  |  |  | | Accrued interest |  |  | | Provision for impairment |  |  | | Reversal of impairment |  |  | | Balance, end |  |  | | |  |
|  | The account is composed of the following securities: | |  |
|  | |  |  |  | | --- | --- | --- | |  | **2013** | 2012 | | Cost |  |  | | [*LTR 1*] |  |  | | [*LTR 2*] |  |  | | [*LTR 3*] |  |  | |  |  |  | | Unamortized discount/premium |  |  | | Allowance for impairment |  |  | |  |  |  | | |  |
|  | Long-term receivables carry effective interest rates of: | |  |
|  | |  |  |  | | --- | --- | --- | |  | **2013** | 2012 | | [*LTR1*] |  |  | | [*LTR 2*] |  |  | | |  |
|  | During 2013 and 2012, the Company recognized an impairment loss on its long-term receivables amounting to [*Amount of impairment loss for the current and comparative periods*], respectively. | |  |
|  | 1. **INVESTMENTS IN ASSOCIATES-cost** | |  |
|  | Details of the Company’s associates are as follows: | |  |
| Section 14.12 (b) | |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | **Cost of investment** | | **Interest Ownership** | | |  | **2013** | **2012** | **2013** | 2012 | | [*Associate 1*] |  |  | [*%*] | [*%*] | | [*Associate 2*] |  |  | [*%*] | [*%*] | | **Balance, December 31** |  |  |  |  |   **Disposal**   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | **Cost of investment disposed** | | **Interest Ownership** | | |  | **2013** | **2012** | **2013** | 2012 | | [*Associate 1*] |  |  | [*%*] | [*%*] | | [*Associate 2*] |  |  | [*%*] | [*%*] | | **Balance, December 31** |  |  |  |  |   **Carrying amount:**   |  |  |  |  |  | | --- | --- | --- | --- | --- | | **Balance, December** |  |  |  |  | | |  |
| Section 14.13 | **Associate1 declared dividend amounting to ­­­\_\_\_ and \_\_\_ in 2013 and 2012, respectively.** | |  |
|  | Details of the investment in associates are as follows: | | If Equity Method |
| Section 14.14 | |  |  |  | | --- | --- | --- | |  | **Cost of investment** | | |  | **2013** | **2012** | | Balance, January 1, 2012 |  |  | | Share in profit or loss of associates |  |  | | **Balance December 31, 2013** |  |  | | |  |
| Section 14.12 (c) | A detail of the Company’s associates which has published price quotation is as follows: | |  |
|  | |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | **Interest Ownership** | | **Published Fair Value** | | |  | **2013** | 2012 | **2013** | 2012 | | [*Associate 1*] | [*%*] | [*%*] |  |  | | [*JAssociate 2*] | [*%*] | [*%*] |  |  | | |  |
|  | 1. **INTERESTS IN JOINT VENTURES** | |  |
|  | The details and movements of the Company’s investments in associates and joint ventures follow: | | If equity Method |
| Section 15.20  Section 15.19 (b) | |  |  |  | | --- | --- | --- | |  | **Cost of investment in Joint Venture** | | |  | **2013** | **2012** | | Balance, January 1, 2012 |  |  | | Share in profit or loss of joint venture |  |  | | **Balance December 31, 2013** |  |  | | |  |
| Section 15.19 (c) | A detail of the Company’s joint ventures which has published price quotation is as follows | |  |
|  | |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | **Interest Ownership** | | **Published Fair Value** | | |  | **2013** | 2012 | **2013** | 2012 | | [*Joint Venture 1*] | [*%*] | [*%*] |  |  | | [*Joint Venture 2*] | [*%*] | [*%*] |  |  | | |  |
|  | Details of the Company’s joint ventures are as follows: | | If Cost Method |
|  | |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | **Cost of investment** | | **Interest Ownership** | | |  | **2013** | **2012** | **2012** | 2008 | | [*Joint Venture 1*] |  |  | [*%*] | [*%*] | | [*Joint Venture 2*] |  |  | [*%*] | [*%*] | | **Balance, December 31** |  |  |  |  | | |  |
|  | **Disposal** | |  |
|  | |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | **Cost of investment disposed** | | **Interest Ownership** | | |  | **2013** | **2012** | **2012** | 2008 | | [*JV 1*] |  |  | [*%*] | [*%*] | | [*JV 2*] |  |  | [*%*] | [*%*] | | **Balance, December 31** |  |  |  |  |   **Carrying amount:**   |  |  |  |  |  | | --- | --- | --- | --- | --- | | **Balance, December** |  |  |  |  | | |  |
|  | 1. **BIOLOGICAL ASSETS** | |  |
| Section 34.7 (c) | The movements of the carrying amounts of the biological assets are shown below: | | If Fair value Model |
| 34.7 (c) (ii)  34.7 (c) (iii)  37.7 (c) (iv)  34.7 (c) (i)  34.7 (c) (v)  34.7 (c) (ii)  34.7 (c) (iii)  34.7 (c) (i)  34.7 (c) (v) | |  |  |  |  | | --- | --- | --- | --- | |  | Consumable | Bearer | Total | | Balance, beginning | P | P | **P** | | Increase due to purchases |  |  |  | | Decrease due to harvest |  |  |  | | Increase due to business combination |  |  |  | | Gain or loss from changes in fair value less estimated point of sale costs |  |  |  | | Translation adjustments |  |  |  | | Balance, beginning |  |  |  | | Increase due to purchases |  |  |  | | Decrease due to harvest |  |  |  | | Gain or loss from changes in fair value less estimated point of sale costs |  |  |  | | Translation adjustments |  |  |  | | Balance, end | P | P | **P** | | |  |
|  | Fair values of biological assets are determined based on : the quoted price in the market or the most recent market transaction price, or market prices for similar assets with adjustment to reflect differences; or sector benchmarks such as the value of an orchard expressed per export tray, bushel, or hectare, and the value of cattle expressed per kilogram of meat. | |  |
|  | Consumable biological assets include [*livestock intended for the production of mea; livestock held-for-sale; fish in farms; crops such as maize and wheat; and trees being grown for lumber*]. [*Disclose agricultural activities of the Company relating to consumable biological assets*]. | |  |
|  | The Company’s bearer biological assets include [e*.g. livestock from which milk is produced; grape vines; fruit trees; and trees from which firewood is harvested while the tree remains*]. [*Disclose agricultural activities of the Company relating to bearer biological assets*]. | |  |
|  | The movements of the carrying amounts of the biological assets are shown below:  If Cost Method | |  |
| Section 34.10 (e) | **Cost** | |  |
|  | |  |  |  |  | | --- | --- | --- | --- | |  | Consumable | Bearer | Total | | Balance, beginning | P | P | **P** | | Increase due to purchases |  |  |  | | Decrease due to harvest |  |  |  | | Translation adjustments |  |  |  | | Balance, beginning |  |  |  | | Increase due to purchases |  |  |  | | Decrease due to harvest |  |  |  | | Translation adjustments |  |  |  | | Balance, end | P | P | **P** | | |  |
|  | **Accumulated depreciation** | |  |
|  | |  |  |  |  | | --- | --- | --- | --- | |  | Consumable | Bearer | Total | | Balance, beginning | P | P | **P** | | Depreciation |  |  |  | | Disposal |  |  |  | | Translation adjustments |  |  |  | | Balance, beginning |  |  |  | | Depreciation |  |  |  | | Disposal |  |  |  | | Translation adjustments |  |  |  | | Balance, end | P | P | **P** | | |  |
| Section 34.7 (a) | Consumable biological assets include [*livestock intended for the production of mea; livestock held-for-sale; fish in farms; crops such as maize and wheat; and trees being grown for lumber*]. [*Disclose agricultural activities of the Company relating to consumable biological assets*]. | |  |
| Section 34.10 (a) | The Company’s bearer biological assets include [e*.g. livestock from which milk is produced; grape vines; fruit trees; and trees from which firewood is harvested while the tree remains*]. [*Disclose agricultural activities of the Company relating to bearer biological assets*]. | |  |
|  | *[Briefly discuss biological assets recorded at cost];* these are recorded at cost since [explain why fair value less estimated point of sale cost cannot be determined without undue cost or effort.] | |  |

|  |  |  |
| --- | --- | --- |
|  | 1. **PROPERTY, PLANT AND EQUIPMENT** – net |  |
| Section 17.31(d) | |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | |  | [*PPE 1*] | [*PPE 2*] | [*PPE 3*] | [*PPE 4*] | [*PPE 5*] | [*PPE 6*] | Total | | **Cost** | |  |  |  |  |  |  | | Balance, [*Beginning of accounting period*], 2012 | P | P | P | P | P | P | P | |  |  |  |  |  |  |  |  | | Balance, [*Reporting Date*], 2012 |  |  |  |  |  |  |  | | Additions |  |  |  |  |  |  |  | | Acquisition through business combination |  |  |  |  |  |  |  | | Disposals |  |  |  |  |  |  |  | | Reclassifications |  |  |  |  |  |  |  | | Net foreign currency exchange differences |  |  |  |  |  |  |  | | Balance, [*Reporting Date*], 2013 |  |  |  |  |  |  |  | | **Accumulated Depreciation** |  |  |  |  |  |  |  | | Balance, [*Reporting Date*], 2012 |  |  |  |  |  |  |  | | Provision |  |  |  |  |  |  |  | | Disposals |  |  |  |  |  |  |  | | Reclassifications |  |  |  |  |  |  |  | | Net foreign currency exchange difference |  |  |  |  |  |  |  | | Balance, [*Reporting Date*], 2013 |  |  |  |  |  |  |  | | **Impairment Loss** |  |  |  |  |  |  |  | | Balance, [*Reporting Date*], 2012  Impairment loss  Reversal of impairment loss |  |  |  |  |  |  |  | | Balance, [*Reporting Date*], 2013 |  |  |  |  |  |  |  | | **Carrying Amount**  [*Reporting Date*], 2013 | |  |  |  |  |  |  | |  | **P** | **P** | **P** | **P** | **P** | **P** | **P** | |  |
|  | The Company’s [*PPE Item*] include carrying amounts of [*Carrying amounts of assets under finance lease for the current and comparative periods*] in respect of assets held under finance leases as at [*Reporting Date for Current and Comparative periods*] 2013 and 2012, respectively. |  |
| Section 17.32(a) | The Company has pledged [*Items of PPE*] having a carrying amount of [*Amount of PPE items pledged as at reporting date in the current and comparative periods*] as at [*Reporting Date for Current and Comparative periods*] 2013 and 2012, respectively, to secure banking facilities granted to the Company. | If Co. has firm commitment to purchase PPE item/s |
| Section 17.32(b) | The Company had entered into contractual commitments for the acquisition of property, plant and equipment amounting to [*Amounts of contractual commitments in the current and comparative periods*] as at [*Reporting Date for Current and Comparative periods*], 2013 and 2012, respectively. | If Additions were not fully paid in cash |
|  | Of the total amount of additions to property, plant and equipment, during the year [*Amount of portion paid*] were paid for in cash while the balance is supported by a [*Short-term loan; Long-term loan; Promissory note*]. |  |
|  | Management believes that there is no indication that an impairment loss has occurred on its property, plant and equipment. | If there is no impairment loss recognized during the year |
|  | 1. **INVESTMENT PROPERTIES** |  |
| Section 16.10(e) | The fair value of the Company’s investment properties follows: | If Fair value Method was used |
|  | |  |  |  |  | | --- | --- | --- | --- | |  | [*Invst Prop 1*] | [*Invst Prop 2*] | Total | | Fair value, [*Beginning of accounting period*], 2012 | P | P | **P** | | Additions |  |  |  | | Disposals |  |  |  | | Reclassifications |  |  |  | | Increase (Decrease) in fair value during 2013 |  |  |  | | Fair value, [*Reporting Date*], 2013 | P | P | **P** |   If there is only one investment property item   |  |  | | --- | --- | |  | 2013 | | Fair value, [*Beginning of accounting period*] |  | | Additions |  | | Disposals |  | | Reclassifications |  | | Increase (Decrease) in fair value during 2012 |  | | Fair value, [*Reporting Date*] | **P** | | If there are two or more investment property item |
|  | The fair value of the Company’s investment properties at [*Report date for the current and comparative periods*] has been arrived at on the basis of a valuation carried out at that date by [*Name of appraiser*]. The valuation, which conforms to International Valuation Standards, was arrived at by reference to market evidence of transaction prices for similar properties. | If fair value of investment property cannot be determined |
|  | The company transferred some of its investment property to property plant and equipment since the reliable fair value of this investment cannot be determined without undue cost or effort. |  |
|  | The Company has pledged its investment property to secure general banking facilities granted to the Company. | If applicable |
|  | 1. **INTANGIBLE ASSETS** |  |
|  | Intangible assets pertain to *[computer software, patent, trademark, etc.]* The carrying amounts of the Company’s intangible assets follow: |  |
| Section 18.27(c) | |  |  |  |  | | --- | --- | --- | --- | |  | [*Int Asset 1*] | [*Int Asset 2*] | Total | | **Cost** |  |  |  | | Balance, [*Beginning of accounting period*], 2012 | P | P | P | |  |  |  |  | | Additions |  |  |  | | Disposals |  |  |  | | Acquistion through business combination |  |  |  | | Reclassifications |  |  |  | | Balance, [*Reporting Date*], 2013 |  |  |  | | **Accumulated Amortization and Impairment Loss** |  |  |  | | Balance, [*Beginning of accounting period*], 2012 |  |  |  | | Provision |  |  |  | | Impairment loss |  |  |  | | Reversal of impairment loss |  |  |  | | Disposals |  |  |  | | Reclassifications |  |  |  | | Balance, [*Reporting Date*], 2013 |  |  |  | | **Carrying Amount** |  |  |  | | Balance, [*Reporting Date*]**, 2013** | **P** | **P** | P |     If there is only one intangible asset item   |  |  | | --- | --- | |  | 2012 | | **Cost** |  | | Balance, [*Beginning of accounting period*] |  | | Additions |  | | Disposals |  | | Reclassifications |  | | Balance, [*Reporting Date*] |  | | **Accumulated Amortization and Impairment Loss** |  | | Balance, [*Beginning of accounting period*] |  | | Provision |  | | Impairment loss |  | | Reversal of impairment loss |  | | Disposals |  | | Reclassifications |  | | Balance, [*Reporting Date*] |  | | **Carrying Amount,**[*Reporting Date*] | P | | If there are two or more intangible asset items |
|  | Of the total amount of additions to property, plant and equipment, during the year [*Amount of portion paid*] were paid for in cash while the balance is supported by a [*Short-term loan; Long-term loan; Promissory note*]. | If additions were not fully paid in cash |
| Section 18.28(c) | The Company has pledged its {state the intangible asset} with the carrying amount of \_\_\_\_ to secure general banking facilities granted to the Company.  If applicable |  |
| Section 18.28(d) | The Company had entered into contractual commitments for the acquisition of an intangible asset amounting to [*Amounts of contractual commitments in the current and comparative periods*] as at [*Reporting Date for Current and Comparative periods*], 2013 and 2012, respectively. | If the Co. has a firm commitment to purchase intangible item/s |
| Section 18.27(d) | Of the total amount of depreciation, [*Amount of loss recognized in profit or loss* *in the current and comparative periods*] was recognized in 2013 and 2012 as disclosed in note\_\_\_ under *[state the line item where it is presented]*, and in note\_\_\_ under *[state the line item where it is presented]*, respectively. | If the Co. has individual intangible asset that is material to FS |
| Section 18.28(a) | The *[Company, Branch, Bank, or any appropriate alternative]* has *[describe any individual intangible asset that is material to the entity’s financial statements]*, with a carrying amount of \_\_\_\_\_ and remaining amortization period of \_\_\_\_\_\_\_. |  |
| Section 18.28(b) | The following intangible assets are acquired through government grant that are initially recognized at fair value:   |  |  |  |  | | --- | --- | --- | --- | | Class of Intangible Asset | **Carrying Amount** | |  | |  | **2013** | **2012** | **Initial Fair Value** | | *[Intangible Asset 1]* |  |  |  | | *[Intangible Asset 2]* |  |  |  | | Total |  |  |  | |  |
|  | Management believes that there is no indication that an impairment loss has occurred on its intangible assets. | If there is no impairment loss recognized during the year |
|  | 1. **TRADE AND OTHER PAYABLES** |  |
|  | |  |  |  | | --- | --- | --- | |  | **2013** | 2012 | | Trade payable | **P** | P | | Amounts due to customers under construction contracts |  |  | | Accrued expenses |  |  | | Withholding and other taxes |  |  | | Social Security System and other contributions |  |  | | Unearned income |  |  | | [*Others*] |  |  | |  | **P** | P | | **P** | P | | | | |
| Section 11.42 | The average credit period on purchases of certain goods from suppliers is [*Average credit period*]. [Choose applicable statements] No interest is charged on the trade payables for the first [*number of days*] days from the date of the invoice. Thereafter, interest is charged at [*interest rate*] % per annum on the outstanding balance. The company recognized interest expense amounting to \_\_\_\_ and \_\_\_ in 2013 and 2012, respectively. |  |
|  | Details of accrued expenses as follow: [Show separately significant accruals for payrolls, taxes other than income taxes, interest and other material items] |  |
|  | |  |  |  | | --- | --- | --- | |  | **2013** | 2012 | | Salaries and employee benefits | **P** | P | | Retirement benefits |  |  | | Rentals |  |  | | Utilities |  |  | | Taxes and licenses |  |  | | Interest |  |  | | Others |  |  | |  | **P** | P | |  | 2012 | | |
|  | 1. **BANK OVERDRAFTS AND LOANS** |  |
|  | |  |  |  | | --- | --- | --- | |  | 2013 | 2012 | | Unsecured - at amortized costs |  |  | | Bank overdrafts | P | P | | Bank loans |  |  | | Loans from: |  |  | | Related parties |  |  | | Other entities |  |  | | Redeemable preferred shares |  |  | | Convertible notes |  |  | | [*Others*] |  |  | |  |  |  | | Secured - at amortized costs |  |  | | Bank overdrafts | P | P | | Bank loans |  |  | | Loans from other entities |  |  | | Transferred receivables |  |  | | Finance lease liabilities |  |  | | [*Others*] |  |  | |  |  |  | |  | 2012 |
| Section 11.47(a) (b) (c) | [*Disclose any breach of or default on loan agreements during the year and any remedies made before FS were authorized for issue: During 2013, the Company was late in paying interest for the first quarter on one of its loans with a carrying amount of P5 million. The delay arose because of a temporary lack of funds on the date interest was payable due to a technical problem on settlement. The interest payment outstanding of P107,500 was repaid in full on the following day, including the additional interest and penalty. The lender did not request accelerated repayment of the loan and the terms of the loan were not changed. Management has reviewed the Company’s settlement procedures to ensure that such circumstances do not recur.* ] |  |  |
| Section 11.28(b) | The Company incurred \_\_\_\_ and \_\_\_ finance cost in 2013 and 2012, respectively, for these loans. |  |
|  | 1. **CONVERTIBLE LOAN NOTES** |  |
|  | The convertible loan notes were issued by the Company on [*Date of issuance*]. The notes are convertible into ordinary shares of the Company at any time between the date of issue of the notes and their settlement date. On issue, the loan notes were convertible at [*Number of shares*] shares per every P[*Denomination*] denomination of the notes. |  |
|  | If the notes have not been converted, they will be redeemed on [*Settlement date*] at face value. Interest of [*Interest rate*]% will be paid annually up until that settlement date. |  |
|  | The net proceeds received from the issue of the convertible loan notes have been split between the liability element and an equity component, representing the fair value of the embedded option to convert the liability into equity of the Company, as follow: |  |
|  | |  |  |  |  | | --- | --- | --- | --- | |  | **Classified as** | |  | |  | **Liability** | **Equity** | **total** | | Share of the proceed before transaction cost(FV of liability, residual will be for equity) |  |  |  | | Prorated share in transaction cost(based on FV of both equity and liability component) |  |  |  | | Total |  |  |  |   The equity component has been credited to option premium on convertible notes as disclosed in note [*Note number for reserves*].  Movements in the liability component of the Convertible loan notes follow   |  |  |  | | --- | --- | --- | |  | **2013** | 2012 | | Balance, beginning |  |  | | Interest charged |  |  | | Interest paid |  |  | | Balance, end |  |  | |  |
|  | The interest charged for the year is calculated by applying an effective interest rate of [*Effective interest rate*]. The amount of finance cost for this convertible notes amounted to \_\_\_ and \_\_\_ in 2013 and 2012, respectively. The liability component is measured at amortized cost. |  |
|  | 1. **RETIREMENT BENEFIT PLANS** |  |
|  | The Company has defined contribution retirement plans for all qualifying employees. The assets of the plans are held separately from those of the Company in funds under the control of trustees. When there are employees who leave the plans prior to vesting fully in the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions. The only obligation of the Company with respect to the retirement benefit plans is to make the specified contributions. | If defined contribution plan |
| Section 28.40 | The total retirement expense charged to profit or loss amounted to [*Amounts of retirement expenses in the current and comparative periods*] for the years 2013 and 2012, respectively. [*If applicable*] As at [*Reporting date*], 2013, required contributions of [*Amount of contributions not yet made in the current period*] due in respect of the current reporting period had not been paid over to the plans. |  |
|  | The Company operates defined benefit plans for qualifying employees. Under the plans, the employees are entitled to retirement benefits varying between [*Range of percentage to final salary*] of final salary on attainment of a retirement age of [*Retirement age*]. | If defined benefit plan |
| Section 28.41(d) | The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at [*Date of valuation*] by an independent actuary. The present value of the defined benefit obligation, and the related expenses, were measured using the Projected Unit Credit Method. |  |
| Section 28.41(k) | The principal assumptions used for the purposes of the actuarial valuations were as follows: |  |
|  | |  |  |  | | --- | --- | --- | |  | Valuation at | | |  | 2013 | 2012 | | Discount rate | % | % | | Expected return on plan assets | % | % | | Expected rate of salary increases | % | % | |  | 2012 | |
|  | Amounts recognized in profit or loss in respect of these defined benefit plans are as follows: |  |
|  | |  |  |  | | --- | --- | --- | |  | 2013 | 2012 | | Current service cost | P | P | | Interest cost |  |  | | Expected return on plan assets |  |  | | Actuarial loss (gains) recognized in the year |  |  | | Effects of increase (decrease) on plan liability |  |  | | Losses (gains) arising from curtailments |  |  | |  | P | P | |  | 2012 | | |
| Section 28.41(g)(i) | The Company recognized in [profit or loss or other comprehensive income actuarial gain or loss] for the years 2013 and 2012 amounting to \_\_\_ and\_\_\_\_ respectively. | P | P | | |
| Section 28.41(g)(ii) | Of the total retirement expense recognized, [*Amount of expense included in cost for sales during current and comparative periods*] has been included in cost of sales in 2013 and 2012, respectively, and [*Amount of expense included in operating expenses during current and comparative periods*] has been included in operating expense *0r included as part of the cost of an \_\_\_asset* in 2013 and 2012, respectively. |  |
|  | The amount included in the statements of financial position arising from the Company’s obligations in respect of its defined benefit retirement benefit plans as follows: |  |
|  | |  |  |  | | --- | --- | --- | |  | 2013 | 2012 | | Present value of defined benefit obligations | P | P | | Fair value of plan assets |  |  | | Net liability arising from defined benefit obligation | P | P | |  | 2012 | | | |
| Section 28.41(e) | Movements in the present value of defined benefit obligations in the current period are as follows: |  |  | | | |
|  | |  |  | | --- | --- | |  | 2013 | | Balance, [*Beginning of accounting period*] | P | | Current service cost |  | | Interest cost |  | | Contributions from plan members |  | | Actuarial loss (gains) |  | | Losses (gains) on curtailments |  | | Liabilities extinguished on settlements |  | | Exchange difference |  | | Benefits paid |  | | [*Others*] |  | | Balance, [*Reporting date*] | P | |  |  | | | |
| Section 28.41(f) | Movements in the fair value of plan assets in the current period as follow: |  |  | | | |
|  | |  |  | | --- | --- | |  | 2013 | | Balance, [*Beginning of accounting period*] | P | | Expected return on plan assets |  | | Actuarial gains (losses) |  | | Exchange difference |  | | Contributions from the employer |  | | Contributions from plan members |  | | Benefits paid |  | | Assets distributed on settlements |  | | [*Others*] |  | | Balance, [*Reporting date*] | P | |  |  | | | |
| Section 28.41(h)  (i) | The analysis of the fair value of plan assets and the expected rate of return at the reporting date was as follows: |  |  | | | |
|  | |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | Fair Value | | Weighted Average  Expected Rate of Return | | |  | 2012 | 2008 | 2012 | 2008 | | Equity instruments | P | P | % | % | | Debt instruments |  |  | % | % | | Property |  |  | % | % | | [*Others*] |  |  | % | % | |  | P | P | % | % | |  |  | | | |
| Section 28.41(j) | The actual return on plan assets was \_\_\_ and \_\_\_\_ in 2013 and 2012, respectively. |  |  | | | |
| Section 28.41(c) | Since the Company where not able to use projected unit method without undue cost or effort, the Company [chose the applicable simplification] ignore estimated future salary increases, ignore future service of current employees, ignore possible in-service mortality of current employees between then reporting date and the date employees are expected to begin receiving post-employment benefits. However, mortality after service is still considered. | If simplification is used instead of projected unit credit method |  | | | |
|  | 1. **OBLIGATIONS UNDER FINANCE LEASES** |  |  | | | |
| Section 20.13(b) | |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | Minimum Lease Payable | | Present Value of Minimum  Lease Payable | | |  | 2013 | 2012 | 2013 | 2012 | | Amounts payable under finance leases: | P | P | P | P | | Not later than one year |  |  |  |  | | Later than one year but not later than five years |  |  |  |  | | Later than five years |  |  |  |  | |  |  |  |  |  | | Future finance charges |  |  |  |  | | Present value of lease obligations |  |  |  |  | | Less: Current obligations under finance lease |  |  |  |  | | Non-current obligations under finance lease | P | P | P | P | |  |  | | | |
| Section 20.13(c) | It is the Company’s policy to lease [*Assets subject to finance lease*]. The average lease term is [*Number of years*] years. [*Disclose additional description of significant leasing arrangements*] |  |  | | | |
|  | Interest rates are fixed at the contract date. The average effective interest rate contracted approximates [*Interest rate during the current and comparative periods*] per annum during 2013 and 2012, respectively. Finance costs for these lease mount to \_\_\_ and \_\_\_ in 2013 and 2012, respectively. |  |  | | | |
| Section 20.13(c) | The Company recognized as expense contingent rents arising from the finance lease agreements amounting to [*Amount of contingent rents incurred during the current and comparative periods*] during 2013 and 2012, respectively. |  |  | | | |
|  | The Company’s obligations under finance leases are secured by the lessors’ charges over the leased assets. |  |  | | | |
|  | 1. **PROVISIONS** |  |  | | | |
| Section 21.14(a) | |  |  | | --- | --- | |  | 2013 | | Balance, beginning | P | | Additions provisions during the year |  | | Reductions arising from settlements |  | | Reduction resulting from remeasurement |  | | Reduction through reversals |  | | Unwinding of discount |  | | Effects of changes in estimates |  | | Balance, end | P | | Analyzed as: |  | | Short-term provisions | P | | Long-term provisions |  | |  | P | |  |  | | | |
|  | The provisions are broken down as follows: |  |  | | | |
|  | |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | |  | Current | | Non-Current | | Total | |  |  | 2013 | 2013 | | 2013 | | [*Provision 1*] |  | P |  | P | P | | [*Provision 1*] |  |  |  |  |  | | [*Provision 1*] |  |  |  |  |  | |  |  | P |  | P | P | |  |  | | | |
|  | [*Describe the nature of each provision including the estimate of financial effect and any possible reimbursements.*] |  |  | | | |
|  | 1. **ASSET RETIREMENT OBLIGATION** |  |  | | | |
|  | Movements in the asset retirement obligation follow: |  |  | | | |
| Section 8.7(b) | |  |  |  | | --- | --- | --- | |  | 2013 | 2012 | | Balance, beginning | P | P | | Additions during the year |  |  | | Accretion expense |  |  | | Balance, end | P | P | |  |  | | | |
|  | 1. **CONTINGENT LIABILITIES AND ASSETS** |  |  | | | |
|  | **Contingent Liabilities** |  |  | | | |
| Section 21.15 (a) (b) (c) | [*Describe the nature of each contingent liability including the estimate of financial effect, uncertainties on the timing of cash flow and possibility of reimbursement if estimation is possible.*] |  |  | | | |
|  | **Contingent Assets** |  |  | | | |
|  | [*Describe the nature of each contingent asset including the estimate of financial effect.*] |  |  | | | |
|  | 1. **DERIVATIVE FINANCIAL INSTRUMENTS** |  |  | | | |
|  | **Currency Derivatives** |  |  | | | |
|  | The Company utilizes currency derivatives to hedge significant future transactions and cash flows. The Company is a party to a variety of foreign currency forward contracts and options in the management of its exchange rate exposures. The instruments purchased are primarily denominated in the currencies of the Company’s principal markets. |  |  | | | |
|  | At the reporting date, total notional amount of outstanding forward foreign exchange contracts that the Company has committed are as below. |  |  | | | |
|  | |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | | Outstanding Contracts | Average Exchange Rate | | Foreign Currency | | Contract Value | | Fair Value | | |  | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | | Buy [*Currency*] |  |  |  |  |  |  |  |  | | Less than three months |  |  |  |  |  |  |  |  | | Three to six months |  |  |  |  |  |  |  |  | | Sell [*Currency*] |  |  |  |  |  |  |  |  | | Less than three months |  |  |  |  |  |  |  |  | | Buy [*Currency*] |  |  |  |  |  |  |  |  | | Less than three months |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  |  | |  |  | | | |
|  | In addition, the Company had options to purchase US dollars [*Or other foreign currency*] equivalent to an amount of approximately [*Exchange amount in Pesos*] as a hedge against exchange losses on future purchases of goods. |  |  | | | |
|  | Amounts of [*Amounts of gain/ loss and inventory during the current year*] respectively have been transferred to *[profit or loss or other comprehensive income]* and inventories in respect of contracts matured during the period. |  |  | | | |
|  | Changes in the fair value of currency derivatives amounting to [*Amount change in fair value during the current and comparative periods*] have been charged to profit or loss in 2013 and 2012, respectively. |  |  | | | |
|  | **Interest Rate Swaps** |  |  | | | |
|  | The Company uses interest rate swaps to manage its exposure to interest rate movements on its bank borrowings. Contracts with nominal values of [*Amount of contracts*] have fixed interest payments at an average rate of [*Interest rate*] % for periods up until [*Year of maturity*] and have floating interest receipts at [*Interest rate*] % plus LIBOR [*Or other basis for interest rates*]. |  |  | | | |
|  | The fair value of swaps entered into at [*Report date*], 2013 and 2012 is estimated at [*Fair value as at reporting date for current and comparative periods*], respectively. These amounts are based on market values of equivalent instruments at the reporting date. All of these interest rate swaps are designated and effective as cash flow hedges and the fair value thereof has been deferred in equity. Amounts of [*Fair value as at reporting date for current and comparative periods*] have been offset against hedged interest payments made during 2013 and 2012, respectively. |  |  | | | |
|  | The following table details the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at reporting date:   |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | Outstanding Contracts | Average Contracted Fixed Interest Rate | | Notional Principal Amount | | Fair Value | | |  | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | | Less than one year |  |  |  |  |  |  | | One to two years |  |  |  |  |  |  | | Two to five years |  |  |  |  |  |  | | Beyond five years |  |  |  |  |  |  | |  |  |  |  |  |  |  | |  |  | | | |
|  | 1. **RELATED PARTY TRANSACTIONS** |  |  | | | |
|  | The summary of the *[Company, Branch, Bank, or any appropriate alternative]*)’s transactions and outstanding balances with related parties as at and for the year ended December 31, 2013 is as follows: |  |  | | | |
| Section 33.8  Section 33.9  Section 33.10  Section 33.12 | |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | | **Category** | **Amounts** | **Outstanding Balance** | | | **Terms** | **Conditions** | **Notes** | | **Receivable** | | **Payable** | | **Ultimate/Senior Parent** | | |  |  |  |  |  | | Sales of goods |  |  | |  |  |  |  | | Purchases of goods |  |  | |  |  |  |  | | Loans |  |  | |  |  |  |  | | Administrative services |  |  | |  |  |  |  | | **Subsidiaries** | | | |  |  |  |  | | Sales of goods |  |  | |  |  |  |  | | Purchases of goods |  |  | |  |  |  |  | | **Associate** |  | | |  |  |  |  | | Sales of goods |  |  | |  |  |  |  | | **Key management personnel** | | |  |  |  |  |  | | Loans |  |  | |  |  |  |  | | **Retirement Fund** | | |  |  |  |  |  | | Contributions from the employer |  | |  |  |  |  |  | |  |  | | | |
|  | The summary of the *[Company, Branch, Bank, or any appropriate alternative]*)’s transactions and outstanding balances with related parties as at and for the year ended December 31, 2012 is as follows: |  |  | | | |
| Section 33.8  Section 33.9  Section 33.10  Section 33.12 | |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | | **Category** | **Amounts** | **Outstanding Balance** | | | **Terms** | **Conditions** | **Notes** | | **Receivable** | | **Payable** | | **Ultimate/Senior Parent** | | |  |  |  |  |  | | Sales of goods |  |  | |  |  |  |  | | Purchases of goods |  |  | |  |  |  |  | | Loans |  |  | |  |  |  |  | | Administrative services |  |  | |  |  |  |  | | **Subsidiaries** | | | |  |  |  |  | | Sales of goods |  |  | |  |  |  |  | | Purchases of goods |  |  | |  |  |  |  | | **Associate** |  | | |  |  |  |  | | Sales of goods |  |  | |  |  |  |  | | **Key management personnel** | | |  |  |  |  |  | | Loans |  |  | |  |  |  |  | | **Retirement Fund** | | |  |  |  |  |  | | Contributions from the employer |  | |  |  |  |  |  | |  |  | | | |
|  | **Remuneration of Key Management Personnel**  The remuneration of the Directors and other members of key management personnel of the *[Company, Branch, Bank, or any appropriate alternative]*) are set out below in aggregate for each of the categories specified in Section 33, “Related Party Disclosures”: |  |  | | | |
| Section 33.7 | |  |  |  | | --- | --- | --- | |  | 2013 | 2012 | | Short-term employee benefits | P | P | | Post-employment benefits |  |  | | Other long-term benefits |  |  | | Termination benefits |  |  | | Share-based payments |  |  | |  | P | P | |  |  | | | |
|  | 1. **CAPITAL STOCK** |  |  | | | |
| Section 4.12(a)(i)  Section 4.12(a)(ii)  (iii) | |  |  |  | | --- | --- | --- | |  | 2013 | 2012 | | Authorized: |  |  | | [*Number of shares, par value per share*] |  |  | | Issued and fully paid: |  |  | | At January 1, [*Number of shares, par value per share*] |  |  | | Distributions during the year |  |  | | Reacquisition’s during the year |  |  | | Conversions during the year |  |  | | Cancellations during the year |  |  | | At December 31[*Number of shares, par value per share*] |  |  | |  |  | | | |
|  | [*Disclose any significant transactions during or after the reporting period e.g. subsequent events, application to increase number of shares, etc*] |  |  | | | |
|  | Details about the Company’ treasury shares as follow:   |  |  |  | | --- | --- | --- | |  | **2012** | 2008 | | Balance, beginning |  |  | | Acquired in the period |  |  | | Reissuance |  |  | | Cancellations |  |  | | Disposed of on exercise of options |  |  | | Balance, end |  |  | |  |  | | | |
|  | [*Disclose the nature of and other details on treasure stocks*] |  |  | | | |
|  | The preferred shares are redeemable at the option of the Company and there is no defined period or date over which redemption can take place. In the event of redemption, if there are insufficient funds available, the redeemable preference shareholders may require the Company to issue ordinary shares at part of equal aggregate nominal value to that of the shares which are requested to be redeemed. The preferred shares should be classified as equity as there are no defined period over which redemption can take place and the Company has control that no preferred shareholders will redeem the shares in the foreseeable future. |  |  | | | |
|  | **Deposit for Future Stock Subscription** |  |  | | | |
| **SEC Financial Reporting Bulletin 6-2013, as revised** | On [Date] the [*Company, Branch, Bank, or any appropriate alternative]* received from its *[stockholder, investor, or other related party (indicate relationship)][* *the value received and nature of such consideration]* accounted for as deposit for future stock subscription. |  |  | | | |
|  | On [date of BOD’s approval and date of stockholder’s approval], the Board of Directors and stockholders of [*Company, Branch, Bank, or any appropriate alternative]* approved the increase in authorized capital stock from P[*Total amount of original authorized share capital*] (divided into *[Number of shares]* with par value of *[par value]* per share) to P[*Total amount of original authorized share capital*] (divided into *[Number of shares]* with par value of *[par value]* per share). The related application was filed with the SEC on [*date of filing with the SEC*]. As at [*date of report*], *[disclose the status of the application if any]* |  |  | | | |
|  | The [*Company, Branch, Bank, or any appropriate alternative*] has received [*disclose the consideration received whether cash or noncash and if noncash, the basis of measurement*] from [i*ndicate the relationship (i.e. stockholder, investor, or other related party)]* in relation to application of increase in authorized capital stock. |  |  | | | |
|  | This deposit for future stock subscription is recognized in equity since the [*Company, Branch, Bank, or any appropriate alternative*] has met all of the conditions required for such recognition as at the reporting date. | If the Company classified as equity |  | | | |
|  | The [*Company, Branch, Bank, or any appropriate alternative*] recognized the deposit for future stock subscription as liability since the [*Company, Branch, Bank, or any appropriate alternative*] has not met all of the conditions required for recognition to equity as at the reporting date, particularly [*Indicate which condition was not met*]. | If the Company classified as liability |  | | | |
|  | 1. **RESERVES** |  |  | | | |
|  | |  |  |  | | --- | --- | --- | |  | 2013 | 2012 | | Additional paid-in capital |  |  | | Revaluation surplus |  |  | | Investment revaluation |  |  | | Equity compensation |  |  | | Hedging |  |  | | Appropriated retained earnings |  |  | | Option premium on convertible notes |  |  | | [*Others*] |  |  | |  |  |  | |  |  | | | |
| Section 4.12(b) | The revaluation surplus arises on the revaluation of [*PPE or Intangible Asset Items that are carried at revalued amounts*]. [*If applicable*] When revalued assets are sold, the portion of the revaluation surplus reserve that relates to that asset is transferred directly to retained earnings. |  |  | | | |
|  | The investments revaluation reserve arises on the revaluation of available-for-sale financial assets. The Company transferred [*Amount of reserve recycled to profit or loss during the current and previous years*] to profit or loss in 2013 and 2012, respectively. These amounts pertain to the portion of the reserve relating to the available-for-sale financial assets derecognized during 2013 and 2012. |  |  | | | |
|  | The equity-settled employee benefits reserve arises on the grant of share options to employees under the employee share option plan. Further information about share-based payments to employees is set out in note [*Note number for Share-based payments*]. |  |  | | | |
|  | The hedging reserve represents hedging gains and losses recognized on the effective portion of cash flow hedges. The cumulative deferred gain or loss on the hedge is recognized in other comprehensive income; the hedged transaction impacts the profit or loss, or is included as a basis adjustment to the non-financial hedged item, consistent with the applicable accounting policy. |  |  | | | |
|  | |  |  |  | | --- | --- | --- | |  | 2013 | 2012 | | Balance, [*Beginning of accounting period*] |  |  | | Gain (loss) recognized on cash flows hedges: |  |  | | Foreign currency forward exchange contracts |  |  | | Interest rate swaps |  |  | | Currency swaps |  |  | | Income tax related to gains losses recognized in equity |  |  | | Transferred to net income or loss: |  |  | | Foreign currency forward exchange contracts |  |  | | Interest rate swaps |  |  | | Currency swaps |  |  | | Income tax related to amounts transferred to net income or loss |  |  | | Transferred to initial carrying amount of hedged item: |  |  | | Foreign currency forward exchange contracts |  |  | | Currency swaps |  |  | | Income tax related to amounts transferred to initial carrying amount of hedged item |  |  | | [*Others*] |  |  | | Balance, [*Reporting date*] |  |  | |  |  | | | |
|  | Gains and losses transferred from equity to profit or loss during the period are included in the following line items in the statement of comprehensive income. |  |  | | | |
|  | |  |  |  | | --- | --- | --- | |  | 2013 | 2012 | | Revenue |  |  | | Other income |  |  | | Finance costs |  |  | | Other expenses |  |  | | Income tax expense |  |  | | [*Others*] |  |  | |  |  |  | |  |  | | | |
|  | The option premium on convertible notes represents the equity component, i.e. conversion rights, of the [*Description of the note: Face amount and/ or interest rate*] convertible as discussed in note [*Note number for Share-based payments*]. |  |  | | | |
|  | [*Disclose any appropriations made and reversals of appropriation during the current and comparative periods*] |  |  | | | |
|  | 1. **DIVIDENDS DECLARED** |  |  | | | |
|  | The Company has declared the following dividends to its equity holders:   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | **Dividends Per Share** | | **Total Dividends** | | |  | **2013** | 2012 | **2013** | 2012 | | Cash dividends | **P** | P | **P** | P | | Property dividends |  |  |  |  | | Stock dividends |  |  |  |  | |  | **P** | P | **P** | P | |  |  | | | |
|  | [*Additional information if necessary e.g. date of declaration, payments, and/ or subsequent payment of dividends payable*] |  |  | | | |
|  | 1. **SHARE-BASED PAYMENTS** |  |  | | | |
|  | *Employee stock purchase plan*  The Employee Stock Purchase Plan (ESPP) gives benefit-eligible employees an opportunity to purchase the common stock of the [*Company, Name of Ultimate parent of the company; Grantor of the ESPP*] at a price lower than the fair market value of the stock at grant date. There are designated ESPP purchase periods and an employee may elect to contribute an allowable percentage of the base pay through salary deduction. During the years 2013 and 2012, employees purchased [*Number of shares purchased by employees during the current year*] shares at an average price of [*Average price per share during the current year*] per share and [*Number of shares purchased by employees during the comparative year*] shares at an average price of [*Average price per share during the comparative year*] per share, respectively. Total incentive compensation related to the purchased plans are [*Amount of compensation expense arising form ESPP for the current period and comparative periods*] for fiscal years 2013 and 2012, respectively.  *Stock options*  Share options are granted to employees and Directors at an exercise price less than the fair market value of the shares at grant date. Generally, these options vest for [*Vesting period*]. [*Disclose nature of and policies on stock options*] |  |  | | | |
| Section 26.18(b) (i)  (ii)  (iv)  (iii)  (v)  (vi)  (vii) | Movements in the number of share options outstanding and their related weighted average exercise prices as follow:   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | **2013** | | 2012 | | |  | **Shares** | **Weighted Average Exercise Price** | Shares | Weighted Average Exercise Price | | Options outstanding, [*Beginning of accounting period*] |  |  |  |  | | Options granted |  |  |  |  | | Options exercise |  |  |  |  | | Options forfeited |  |  |  |  | | Options expired |  |  |  |  | | Options transferred |  |  |  |  | | Options outstanding, end |  |  |  |  | | Options exercisable, [*Reporting date*] |  |  |  |  | |  |  | | | |
|  | The information about share options outstanding as at [*Reporting date*]:   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | **2013** | | | 2012 | | | | **Shares Outstanding** | **Weighted Average Remaining Life in Years** | **Exercise Price** | Shares Outstanding | Weighted Average Remaining Life in  Years | Exercise Price | |  |  |  |  |  |  | |  |  |  |  |  |  | |  |  |  |  |  |  | |  |  |  |  |  |  | |  |  |  |  |  |  | |  |  |  |  |  |  | |  |  | | | |
|  | Fair value of each share option is estimated on the date of grant using Black-Scholes pricing model with the following assumptions:   |  |  |  | | --- | --- | --- | |  | 2013 | 2012 | | Dividend yield |  |  | | Risk free interest rate |  |  | | Expected life |  |  | | Volatility |  |  | | If black-Scholes model |  | | | |
| Section 26.19 | Options were priced using a binomial option pricing model. When relevant, the expected life used in the model has been adjusted based on management’s best estimate for the effects of non-transferability, exercise restrictions, including the probability of meeting market conditions attached to the option, and behavioral considerations. Expected volatility is based on the historical share price volatility over the past five (5) years. To allow for the effects of early exercise, it was assumed that executives and senior employees would exercise the options after vesting date the share price was two and a half times the exercise price.  If binomial model |  |  | | | |
|  | |  |  |  | | --- | --- | --- | |  | 2013 | 2012 | | Grant date share price |  |  | | Exercise price |  |  | | Expected volatility |  |  | | Option life |  |  | | Dividend yield |  |  | | Risk-free rate |  |  | | [*Others*] |  |  | |  |  | | | |
| Section 26.23(a) | The compensation expense recognized by the Company arising from stock option grants amounted to [*Amount of compensation expense for the current and comparative periods*] during 2013 and 2012, respectively. |  |  | | | |
|  | The following share options granted under the employee share option plan were exercised during the financial year:   |  |  |  |  | | --- | --- | --- | --- | | **2013 Option Series** | **Number Exercised** | **Exercise Date** | **Share price at Exercise Date** | | Issued [*Issue date*] |  |  |  | | Issued [*Issue date*] |  |  |  | | Issued [*Issue date*] |  |  |  | | Issued [*Issue date*] |  |  |  | | Issued [*Issue date*] |  |  |  | | Issued [*Issue date*] |  |  |  | |  |  |  |  | |  |  | | | |
|  | [*Describe option series*] |  |  | | | |
| Section 26.23(a) | During the period, *[Company, Branch, Bank, or any appropriate alternative]* modified its share-based payment arrangement from *[previous share-based payment arrangement]* to *[current share-based payment arrangement]* because *[disclose an explanation of the modification]* | If the company modified its share-based payment arrangement for the current period |  | | | |
|  | 1. **REVENUE** |  |  | | | |
| Section 23.30(b)(i)  (ii)  (iii)  (v) | An analysis of the Company’s revenue is as follows:   |  |  |  | | --- | --- | --- | |  | **2013** | 2012 | | **Continuing Operations** |  |  | | Sales of goods | **P** | P | | Revenue from rendering of services |  |  | | Revenue from construction contracts |  |  | | Property rental income |  |  | | [*This is the total revenue as presented in the Profit or Loss Statement*] |  |  | | Interest income |  |  | | Dividends income |  |  | | Other income |  |  | | [*This is the total revenue from continuing operations*] |  |  | | **Discontinued Operations** |  |  | | Sales of goods |  |  | | Revenue from rendering of services |  |  | | [*This is the total revenue from discontinued operations*] |  |  | | [*This is the total revenue from all operations*] | **P** | P | |  |  | | | |
|  | 1. **RESTRUCTURING COSTS** |  |  | | | |
|  | In [*Date of disposal*], the Company disposed of [*Name of division*]. Certain of the non-cash assets of the [*Specific segment/activity*] division were retained by the Company. The assets retained were scrapped, and an impairment loss recognized in respect of their previous carrying amount. To the extent that workers could not be redeployed, termination terms were agreed. The impairment loss recognized amounted to [*Amount of impairment loss*] |  |  | | | |
|  | 1. **EMPLOYEE BENEFITS** |  |  | | | |
|  | Aggregate employee benefits expense comprised:   |  |  |  |  | | --- | --- | --- | --- | |  | **Notes** | **2013** | 2012 | | Short-term benefits |  | **P** | P | | Post-employment benefits |  |  |  | | Other long-term benefits |  |  |  | | Termination benefits  Share-based payments |  |  |  | |  | | **P** | P | |  |  | | | |
|  | 1. **DEPRECIATION AND AMORTIZATION**   If the client has assets that are depreciated or amortized other than PPE |  |  | | | |
| Section  27.33(b)  27.33(b)  18.27(d)  27.33(d) | |  |  |  |  | | --- | --- | --- | --- | |  | **Notes** | **2013** | 2012 | | Depreciation of property, plant and equipment |  | **P** | P | | Impairment of property, plant and equipment |  |  |  | | Depreciation of investment property [*If carried at cost*] |  |  |  | | Impairment of investment property |  |  |  | | Amortization of intangible assets |  |  |  | | Impairment of intangible assets |  |  |  | |  | | **P** | P | |  |  | | | |
|  | Attributable to:   |  |  |  | | --- | --- | --- | |  | **2013** | 2012 | | Continuing operations | **P** | P | | Discontinued operations |  |  | |  | **P** | P | | If client has discontinued operations |  | | | |
| Section 25.3 | 1. **FINANCE COSTS** |  |  | | | |
| Section 12.28(a)(b)  ; | |  |  |  | | --- | --- | --- | |  | **2013** | 2012 | | Interest on bank overdrafts and loans | **P** | P | | Interest on convertible loan notes |  |  | | Interest on perpetual notes |  |  | | Interest on obligations under finance leases |  |  | | Dividends on redeemable cumulative preferred shares |  |  | | Other interest expense |  |  | | Total borrowing costs |  |  | | Less: Amounts included in the cost of qualifying assets |  |  | |  |  |  | | Loss arising on derivatives in a designated fair value hedge |  |  | | Loss arising on adjustment for hedged items in a designated fair value hedge |  |  | |  |  |  | | Unwinding of discounts on provisions |  |  | | Unwinding of discount on costs to sell non-current assets classified as held for sale |  |  | | Other finance costs |  |  | |  |  |  | |  | **P** | P | |  |  | | | |
|  | Borrowing costs included in the cost of qualifying assets during the year arose on the general borrowing pool and are calculated by applying a capitalization rate of [*Capitalization rate*] % to expenditure on such assets. |  |  | | | |
|  | 1. **OTHER GAINS AND LOSSES** |  |  | | | |
| Section  11.48(a)  Section 11.48(a) | |  |  |  | | --- | --- | --- | |  | **2013** | 2012 | | **Other Gains** |  |  | | Gain on property, plant and equipment |  |  | | Gain on disposal of investments |  |  | | Government grants received for staff re-training |  |  | | Foreign exchange gains |  |  | | Change in fair value of financial assets designated at fair value through profit or loss |  |  | | Change in fair value of financial assets classified as held for trading |  |  | | Change in fair value of financial liabilities designated at fair value through profit or loss |  |  | | Change in fair value of financial liabilities classified as held for trading |  |  | | Change in fair value of investment property |  |  | | Hedge ineffectiveness on cash flows hedges |  |  | |  |  |  | | **Other Losses** |  |  | | Loss on property, plant and equipment |  |  | | Loss on disposal of investments |  |  | | Foreign exchange losses |  |  | | Change in fair value of financial assets designated at fair value through profit or loss |  |  | | Change in fair value of financial assets classified as held for trading |  |  | | Change in fair value of financial liabilities designated at fair value through profit or loss |  |  | | Change in fair value of financial liabilities classified as held for trading |  |  | | Change in fair value of investment property |  |  | | Hedge ineffectiveness on cash flows hedges |  |  | |  |  |  | |  |  |  | |  |  | | | |
|  | 1. **OPERATING LEASE AGREEMENTS** |  |  | | | |
| Section 20.16(a) | **The Company as Lessee**   |  |  |  | | --- | --- | --- | |  | 2013 | 2012 | | Minimum lease payments under operating |  |  | | leases recognized in net income or loss for the year | P | P |   At the reporting date, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:   |  |  |  | | --- | --- | --- | |  | 2013 | 2012 | | Not later than one year | P | P | | Later than one year but not later than five years |  |  | | Later than five years |  |  | |  | P | P | |  |  | | | |
| Section 20.16(c) | Operating lease payments represent rentals payable by the Company for [*Office space, Plant site, Vehicles, Warehouse, etc.*]. Leases are negotiated for an average term of [*Number of years*] years. [*Disclose additional description of significant leasing arrangements*] |  |  | | | |
| Section 20.16(b) | Total rent expense recognized during the year amounted to \_\_\_ and \_\_\_ in 2013 and 2012, respectively. |  |  | | | |
| Section 20.30(c) | **The Company as Lessor**  Property rental income earned during 2013 and 2012 amounted to [*Amount of rental income during the current and comparative periods*]. [*Disclose additional description of significant leasing arrangements*] |  |  | | | |
| Section 20.30(a) | At the reporting date, the Company had contracted with tenants for the following future minimum lease payments:   |  |  |  | | --- | --- | --- | |  | 2013 | 2012 | | Not later than one year | P | P | | Later than one year but not later than five years |  |  | | Later than five years |  |  | |  | P | P | |  |  | | | |
| Section 29.30 | 1. **INCOME TAXES** |  |  | | | |
| Section 29.27 | Components of income tax expense are as follows:   |  |  |  |  | | --- | --- | --- | --- | |  | **Notes** | **2013** | 2012 | | Current tax expense |  | **P** | P | | Adjustments recognized in the year in relation to the tax of prior years |  |  |  | | Effects of deferred tax |  |  |  | |  |  | **P** | P |   [*If Client has discontinued operations*] Attributable to:   |  |  |  | | --- | --- | --- | |  | **2013** | 2012 | | Continuing operations | **P** | P | | Discontinued operations |  |  | |  | **P** | P | | If client has discontinued operations |  | | | |
|  | A numerical reconciliation between tax expense (benefit) and the product of accounting profit (loss) multiplied by 30% in 2013 and 2012 follows:   |  |  |  | | --- | --- | --- | |  | 2013 | 2012 | | Accounting profit(loss) | P | P | | Tax expense (benefit) at 30% |  |  | | Tax effect of expenses that are not deductible: |  |  | | Net operating loss carry-over (NOLCO) |  |  | | Equity share in net income/loss |  |  | | Unrealized foreign exchange gain/loss |  |  | | Allowance for loss on investment |  |  | | Expired/Provision for minimum  corporate income tax (MCIT) |  |  | | Allowance for doubtful accounts |  |  | | Allowance for impairment loss |  |  | | Provision for claims |  |  | | Accrued retirement cost |  |  | | Allowance for inventory obsolescence |  |  | | Accrued business taxes |  |  | | Non-deductible other expenses |  |  | | Tax effect of income that is subject to lower rate: |  |  | | Income exempt from taxation |  |  | | Interest income subject to final tax |  |  | | Effect on deferred tax balances due to the change in income tax rate |  |  | |  | P | P | |  |  | | | |
|  | Details of NOLCO are as follows:   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | **Year of Incurrence** | **Year of Expiry** | **2012**  **Balance** | **Additions** | **Applied** | **2013 Balance** | | **2006** | **2012** |  |  |  |  | | **2007** | **2013** |  |  |  |  | | **2012** | **2012** |  |  |  |  | |  |  |  |  |  |  |   Details of MCIT are as follows:   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | **Year of Incurrence** | **Year of Expiry** | **2012**  **Balance** | **Additions** | **Applied** | **2013**  **Balance** | | **2007** | **2013** |  |  |  |  | |  |  | | | |
|  | 1. **DEFERRED INCOME TAX** |  |  | | | |
| Section 29.32 (a) | The following are the composition of deferred tax assets recognized by the Company:   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | [*DTA 1*] | [*DTA 2*] | [*DTA 3*] | Total | | Balance, [*Beginning of accounting period*], 2012 |  |  |  |  | | Charged to income |  |  |  |  | | Charged to equity |  |  |  |  | | Recycled from equity to income |  |  |  |  | | Acquisitions/ disposals |  |  |  |  | | Exchange differences |  |  |  |  | | Changes in tax rate |  |  |  |  | | Balance, [*Report Date*], 2012 |  |  |  |  | | Charged to income |  |  |  |  | | Charged to equity |  |  |  |  | | Recycled from equity to income |  |  |  |  | | Acquisitions/ disposals |  |  |  |  | | Exchange differences |  |  |  |  | | Changes in tax rate |  |  |  |  | | **Balance, [*Report Date*], 2013** |  |  |  |  | |  |  |  |  |  | | **Carrying amounts** |  |  | **2013** | **2012** | | **Balance,** |  |  |  |  | | **Valuation allowance** |  |  |  |  | |  |  |  |  |  | |  |  | | | |
| Section 29.32 (d) (i) (ii) | The following are the composition of deferred tax liabilities recognized by the Company:   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | [*DTL 1*] | [*DTL 2*] | [*DTL 3*] | Total | | Balance, [*Beginning of accounting period*], 2012 |  |  |  |  | | Charged to income |  |  |  |  | | Charged to equity |  |  |  |  | | Recycled from equity to income |  |  |  |  | | Acquisitions/ disposals |  |  |  |  | | Exchange differences |  |  |  |  | | Changes in tax rate |  |  |  |  | | Balance, [*Report Date*], 2012 |  |  |  |  | | Charged to income |  |  |  |  | | Charged to equity |  |  |  |  | | Recycled from equity to income |  |  |  |  | | Acquisitions/ disposals |  |  |  |  | | Exchange differences |  |  |  |  | | Changes in tax rate |  |  |  |  | | **Balance, [*Report Date*], 2013** |  |  |  |  | |  |  | | | |
| Section 29.32 (d) (i) (ii) | The following are the deferred tax assets not recognized by the Company:   |  |  |  | | --- | --- | --- | |  | 2013 | 2012 | | [*Unrecognized* *DTA 1*] |  |  | | [*Unrecognized* *DTA 2*] |  |  | | [*Unrecognized* *DTA 3*] |  |  | |  | P | P | |  |  | | | |
|  | 1. **DISCONTINUING OPERATIONS** |  |  | | | |
| Section 4.14 (a) (b) (c) | On [*Date of agreement to dispose the segment*] 2013, the Company entered into a sale agreement to dispose [*Name of discontinued division/segment*], which carried out all of the Company’s [*Business operation*] operations. [*State reason for the disposal, e.g. The disposal was effected in order to generate cash flow for the expansion of the Company’s other businesses*] The disposal was completed on [*Date of completion of disposal*], on which date control of [*Name of acquirer*] passed to the acquirer. |  |  | | | |
| Section 29.27  Section 29.27 | The results of the discontinued operations which have been included in the profit or loss were as follows:   |  |  |  | | --- | --- | --- | |  | 2013 | 2012 | | Revenue |  |  | | Other income |  |  | |  |  |  | | Expenses |  |  | | Income before tax |  |  | | Attributable tax expense |  |  | | Gain (Loss) on discontinued operations-net |  |  | | Gain (Loss) on disposal of discontinued operations |  |  | | Attributable tax expense |  |  | | Loss on disposal of discontinued operations-net |  |  | | Net loss attributable to discontinued operations |  |  | |  |  | | | |
|  | During 2013 and 2012, [*Name of discontinued division/segment*] contributed the following cash flows to the Company:   |  |  |  | | --- | --- | --- | |  | 2013 | 2012 | | Net operating activities |  |  | | Investing activities |  |  | | Financing activities |  |  | |  |  |  | |  |  | | | |
|  | A loss of [*Amount of loss on disposal*] arose on the disposal of [*Name of discontinued division/segment*], being the proceeds of disposal less the carrying amount of the division’s net assets. |  |  | | | |
|  | The effect of discontinued operations on segment results is disclosed in Note [*Note number of disclosure for segment reporting*]. |  |  | | | |
|  | 1. **EVENTS AFTER THE END OF THE REPORTING PERIOD** |  |  | | | |
|  | In a meeting held on [*Date of meeting*], the Board of Directors declared cash dividend in the amount of [*Amounts of dividends declared*] payable on [*Date of payment*] to stockholders of record as at [*Date of record*] based on the number of shares held by them as at the same date. | If dividends were declared after reporting period |  | | | |
|  | (Disclose the nature of non adjusting events and an estimate of its financial effect, or a statement that such an estimate cannot be made.) |  |  | | | |
| Section 17.32 (b) | 1. **COMMITMENT FOR EXPENDITURE**  |  |  |  | | --- | --- | --- | |  | 2013 | 2012 | | Commitments for the acquisition of property plant and equipment |  |  | | Commitment to purchase raw materials |  |  | |  |  |  | |  |  | | | |
|  | [*Disclose details of the commitments*] |  |  | | | |
|  | 1. **CORRECTION OF PRIOR PERIOD ERROR** |  |  | | | |
| Section 10.23(a) (b) (c) (d) | [*Disclose 1. nature of error,* (2) for each prior period presented, to the extent practicable, the amount of the correction for each financial statement line item affected, (3) to the extent practicable, the amount of the correction at the beginning of the earliest prior period presented and (4) an explanation if it is not practicable to determine the amounts to be disclosed in (b) or (c) above. |  |  | | | |
|  | 1. **RECLASSIFICATION OF COMPARATIVE AMOUNTS** |  |  | | | |
|  | The comparative amount of [item or class of item reclassified] amounting to [*Amount*] previously presented in the Company’s financial statements as part of [*Old line item*] was reclassified to [*New line item*]. *[State the reason for reclassification]* |  |  | | | |
|  | *If impractical to reclassify comparative amounts [*disclose why reclassification was not practicable] |  |  | | | |
|  | 1. **SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE (BIR) UNDER REVENUE REGULATIONS NOS. 15-2010 AND 19-2011** |  |  | | | |
|  | The following supplementary information are presented for purposes of filing with the BIR and are not a required part of the basic financial statements. |  |  | | | |
|  | **Revenue Regulations No. 15-2010** | Check what is applicable to the entity |  | | | |
|  | Output VAT |  |  | | | |
|  | Details of the [*Company, Branch, Bank, or any appropriate alternative*]’s output VAT declared during the year are as follows: |  |  | | | |
|  | |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | |  |  | **Vatable** |  | **Zero-rated** |  | **VAT-exempt** |  | **Total** | | Revenue | **P** |  | **P** |  | **P** |  | **P** |  | | *Account title for income 1* |  |  |  |  |  |  |  |  | | *Account title for income 2* |  |  |  |  |  |  |  |  | | *Account title for income 3* |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  |  | | Output VAT rate |  | 12% |  | 0% |  | - |  |  | |  |  |  |  |  |  |  |  |  | |  |  | | | |
|  | [*Disclose the nature and legal basis for zero-rated and exempt transactions*] |  |  | | | |
|  | Input VAT |  |  | | | |
|  | Details of the [*Company, Branch, Bank, or any appropriate alternative*]’s input VAT claimed are as follows: |  |  | | | |
|  | |  |  |  | | --- | --- | --- | | Balance, January 1 | **P** |  | | Add: Current year’s domestic purchases/payments for: |  |  | | Goods for resale/manufacture or further processing |  |  | | Goods other than for resale or manufacture |  |  | | Capital goods subject to amortization |  |  | | Capital goods not subject to amortization |  |  | | Services lodged under cost of goods sold |  |  | | Services lodged under other accounts |  |  | | Total available input VAT |  |  | | Less: Claims for: |  |  | | Tax credit |  |  | | Tax refund |  |  | | Other adjustments |  |  | |  |  |  | | **Balance, December 31** | **P** |  | |  |  | | | |
|  | Taxes on importation of goods |  |  | | | |
|  | Total landed cost of imports in *[Current year]* and *[Prior year]* amounted to *[Amount of landed cost of imported goods for the current year]* and *[Amount of landed cost of imported goods for the prior year]*, respectively. Total custom duties and tariff fees paid and accrued in relation to the imports amounted to *[Amount of landed cost of imported goods for the current year]* and *[Amount of landed cost of imported goods for the prior year]*, in *[Current year]* and *[Prior year],* respectively. |  |  | | | |
|  | Excise tax |  |  | | | |
|  | Details of the [*Company, Branch, Bank, or any appropriate alternative*]’s excise taxes paid or accrued per major product category are classified as follows: |  |  | | | |
|  | |  |  |  | | --- | --- | --- | | **Locally Produced Excisable Items** | **P** |  | | Alcohol products |  |  | | Tobacco products |  |  | | Oil and petroleum products |  |  | | Mineral products |  |  | | Automobiles |  |  | | Non-essential goods |  |  | |  |  |  | | **Imported Excisable Items** |  |  | | Alcohol products |  |  | | Tobacco products |  |  | | Oil and petroleum products |  |  | | Mineral products |  |  | | Automobiles |  |  | | Non-essential goods |  |  | |  |  |  | |  | **P** |  | |  |  | | | |
|  | Documentary stamp tax |  |  | | | |
|  | Details of the [*Company, Branch, Bank, or any appropriate alternative*]’s documentary stamp tax paid or accrued are as follows: |  |  | | | |
|  | |  |  |  | | --- | --- | --- | | Loan agreements, instruments and papers | **P** |  | | Original issue of shares of stock |  |  | | Sales, agreements to sell, memoranda of sales, deliveries or transfer of shares or certificates of stock |  |  | | Bonds, debentures certificates of stock or indebtedness issued in foreign countries |  |  | | Certificates of profits or interest in property or accumulations |  |  | | Bank checks, drafts, certificates of deposit not bearing interest, and other instruments |  |  | | Debt instruments |  |  | | Bills of exchange or drafts |  |  | | Acceptance of bills of exchange and others |  |  | | Foreign bills of exchange and letters of credit |  |  | | Life insurance policies |  |  | | Policies of insurance upon property |  |  | | Fidelity bonds and other insurance policies |  |  | | Policies of annuities and pre-need plans |  |  | | Indemnity bonds |  |  | | Certificates |  |  | | Warehouse receipts |  |  | | Jai-Alai, horse race tickets, lotto or other authorized number games |  |  | | Bills of lading or receipts |  |  | | Proxies |  |  | | Powers of attorney |  |  | | Lease and other hiring agreement |  |  | | Mortgages, pledges and deeds of trust |  |  | | Deeds of sale and conveyance of real property |  |  | | Charter parties and similar instruments |  |  | | Assignments and renewals of certain instruments |  |  | |  | **P** |  | |  |  | | | |
|  | Other taxes and licenses |  |  | | | |
|  | Details of the [*Company, Branch, Bank, or any appropriate alternative*]’s other taxes and licenses and permit fees paid or accrued are as follows: |  |  | | | |
|  | |  |  |  | | --- | --- | --- | | **Charged to Cost of Sales** | **P** |  | | Donor’s tax |  |  | | Other percentage tax |  |  | | Real property tax |  |  | | Residence or community tax |  |  | | Permit fees |  |  | | Others |  |  | |  |  |  | | **Charged to Operating Expenses** |  |  | | Donor’s tax |  |  | | Other percentage tax |  |  | | Real property tax |  |  | | Residence or community tax |  |  | | Permit fees |  |  | | Others |  |  | |  |  |  | |  | **P** |  | |  |  | | | |
|  | *Withholding taxes* |  |  | | | |
|  | Details of the [*Company, Branch, Bank, or any appropriate alternative*]’s withholding taxes paid or accrued during the year is as follows: |  |  | | | |
|  | |  |  |  | | --- | --- | --- | | Withholding tax on compensation and benefits | **P** |  | | Expanded withholding taxes |  |  | | Final withholding taxes |  |  | |  | **P** |  | |  |  | | | |
|  | [*Disclose the nature of final withholding taxes*]  *Deficiency tax assessments and tax cases*  [*Disclose period covered and amounts of deficiency tax assessments whether protested or not.*]  [*Disclose tax cases, and amount involved under preliminary investigation, litigation and/or prosecution in courts or bodies outside the BIR.*] |  |  | | | |
|  | **Revenue Regulations No. 19-2011** |  |  | | | |
|  | Net sales/Revenues/Receipts/Fees |  |  | | | |
|  | Details of the *[Company, Branch, Bank, or any appropriate alternative]’*s net sales/revenues/receipts/fees earned during the year are as follows: |  |  | | | |
|  | |  |  |  |  | | --- | --- | --- | --- | |  | **Exempt** | **Special Rate** | **Regular Rate** | | Sale of Goods/Properties | **Xx** | **xx** | **Xx** | | Sale of Services | **Xx** | **xx** | **Xx** | | Lease of Properties | **Xx** | **xx** | **Xx** | | Total | **Xx** | **xx** | **Xx** | | Less: Sales Returns/Discounts | **Xx** | **xx** | **Xx** | |  | **Xx** | **xx** | **Xx** | |  |  | | | |
|  | *[Disclose the nature and legal basis for exempt and special rate transactions]* |  |  | | | |
|  | *Cost of sales* |  |  | | | |
|  | Details of the [*Company, Branch, Bank, or any appropriate alternative*]’s cost of sales incurred during the year are as follows: |  |  | | | |
|  | |  |  |  |  | | --- | --- | --- | --- | |  | **Exempt** | **Special Rate** | **Regular Rate** | | Merchandise/Finished Goods Inventory, Beginning | **xx** | **xx** | **xx** | | Add: Purchases, net/Cost of Goods  Manufactured | **xx** | **xx** | **xx** | | Total Goods Available for Sale | **xx** | **xx** | **xx** | | Less: Merchandise/Finished Goods  Inventory, End | **xx** | **xx** | **xx** | |  | **xx** | **xx** | **xx** | |  |  | | | |
|  | *Cost of Services [if applicable]* |  |  | | | |
|  | Details of the *[Company, Branch, Bank, or any appropriate alternative]*’s cost of services incurred during the year are as follows: |  |  | | | |
|  | |  |  |  |  | | --- | --- | --- | --- | |  | **Exempt** | **Special Rate** | **Regular Rate** | | Direct Charges - Salaries, Wages and Benefits | **xx** | **xx** | **xx** | | Direct Charges - Materials, Supplies, and Facilities | **xx** | **xx** | **xx** | | Direct Charges – Depreciation | **xx** | **xx** | **xx** | | Direct Charges – Rental | **xx** | **xx** | **xx** | | Direct Charges - Outside Services | **xx** | **xx** | **xx** | | Direct Charges – Others | **xx** | **xx** | **xx** | |  | **xx** | **xx** | **xx** | |  |  | | | |
|  | *Other Income [if applicable]* |  |  | | | |
|  | Details of the *[Company, Branch, Bank, or any appropriate alternative]*’s other income earned during the year are as follows: |  |  | | | |
|  | |  |  |  |  | | --- | --- | --- | --- | |  |  | | | |  | **Exempt** | **Special Rate** | **Regular Rate** | | Interest Income | **xx** | **xx** | **xx** | | Trading Gain – net | **xx** | **xx** | **xx** | | Foreign Exchange Gain - net | **xx** | **xx** | **xx** | | Gain on Sale of Assets - net | **xx** | **xx** | **xx** | |  | **xx** | **xx** | **xx** | |  |  | | | |
|  | [*Disclose the nature and legal basis for exempt and special rate transactions]* |  |  | | | |
|  | Itemized deductions |  |  | | | |
|  | Details of the *[Company, Branch, Bank, or any appropriate alternative]*’s itemized deductions incurred during the year are as follows: |  |  | | | |
|  | |  |  |  |  | | --- | --- | --- | --- | |  | **Exempt** | **Special Rate** | **Regular Rate** | | Salaries, Allowances and Fringe Benefits | **xx** | **xx** | **xx** | | Rental | **xx** | **xx** | **xx** | | Director's Fees | **xx** | **xx** | **xx** | | Management and Consultancy Fee | **xx** | **xx** | **xx** | | Janitorial, Messengerial and Security Services | **xx** | **xx** | **xx** | | Other Outside Services | **xx** | **xx** | **xx** | | Advertising | **xx** | **xx** | **xx** | | Commissions | **xx** | **xx** | **xx** | | Repairs and Maintenance | **xx** | **xx** | **xx** | | Research and Development | **xx** | **xx** | **xx** | | Office Supplies | **xx** | **xx** | **xx** | | Royalties | **xx** | **xx** | **xx** | | Interest Expense | **xx** | **xx** | **xx** | | Insurance Expense | **xx** | **xx** | **xx** | | Representation and Entertainment | **xx** | **xx** | **xx** | | Transportation and Travel | **xx** | **xx** | **xx** | | Fuel and Oil | **xx** | **xx** | **xx** | | Communication, Light and Water | **xx** | **xx** | **xx** | | Losses | **xx** | **xx** | **xx** | | Bad Debts | **xx** | **xx** | **xx** | | Depreciation | **xx** | **xx** | **xx** | | Amortization of Intangibles | **xx** | **xx** | **xx** | | Depletion | **xx** | **xx** | **xx** | | Charitable Contributions | **xx** | **xx** | **xx** | | Amortization of Pension Trust Contribution | **xx** | **xx** | **xx** | | NOLCO | **xx** | **xx** | **xx** | | Miscellaneous | **xx** | **xx** | **xx** | |  | **xx** | **xx** | **xx** | |  |  | | | |
|  |  |  |  | | | |
|  | 1. **SUPPLEMENTARY INFORMATION REQUIRED BY SEC UNDER SEC MEMO NO. 2 – SERIES OF 2012**   This is only applicable for branch with securities deposits complying with Section 4.2d of SEC Memo No. 2-2012 |  |  | | | |
|  | The following are the required information under SEC Memo No. 2 – Series of 2012 for the year ended *[Date]* is presented for purposes of filing with the SEC and is not a required part of the basic financial statements. |  |  | | | |
|  | |  |  |  | | --- | --- | --- | | Revenue from sale of goods |  | **Pxx** | | Revenue from sale of services |  | **xx** | |  |  | **xx** | | Less: Sales discounts, returns and allowances |  | **xx** | |  |  | **xx** | | Direct cost and expenses from foreign entities:  Cost of Sales |  |  | | Professional services |  | **xx** | | Commission charges |  | **xx** | | Transportation |  | **xx** | | Consultancy fees |  | **xx** | | Postage and communication |  | **xx** | | Depreciation and Amortization[[1]](#footnote-1) |  | **xx** | | Security services |  | **xx** | | Miscellaneous expenses |  | **xx** | |  |  | **xx** | | Direct cost and expenses from foreign related parties: |  |  | | Professional services |  | **xx** | | Commission charges |  | **xx** | | Transportation |  | **xx** | | Consultancy fees |  | **xx** | | Postage and communication |  | **xx** | | Depreciation and Amortization1 |  | **xx** | | Security services |  | **xx** | |  |  | **xx** | | **Gross Income** |  | **Pxx** | |  |  | | | |
|  | 1. **APPROVAL OF FINANCIAL STATEMENTS** |  |  | | | |
| Section 32.9 | The financial statements of the Company have been approved and authorized for issuance by [*Appropriate approving body, e.g. Management, BOD, BOT or Committee*] on [*Date the FS were authorized for issuance (should be after the completion of the EQAR process*]. |  |  | | | |

1. [↑](#footnote-ref-1)