

# COVER SHEET

## for AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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Company Name

S	A	B	E	R	O		O	R	G	A	N	I	C	S		P	H	I	L	I	P	P	I	N	E	S			
A	S	I	A		I	N	C	.																					

Principal Office ( No./Street/Barangay/City/Town)Province)

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P	H	I	L	I	P	P	I	N	E		S	T	O	C	K		E	X	C	H	A	N	G	E				
C	E	N	T	R	E		E	X	C	H	A	N	G	E		R	O	A	D		O	R	T	I	G	A	S	
C	E	N	T	E	R		S	A	N		A	N	T	O	N	I	O		P	A	S	I	G		C	I	T	Y

Form Type

1	7	-	A
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Department requiring the report

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Secondary License Type, If Applicable

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### COMPANY INFORMATION

Company's Email Address

Company's Telephone Number/s

Mobile Number

No. of Stockholders

Annual Meeting  
Month/Day

Fiscal Year  
Month/Day

### CONTACT PERSON INFORMATION

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

Name of Contact Person

Email Address

Telephone Number/s

Mobile Number

Contact Person's Address

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



**SISON CORILLO PARONE & CO.**  
ACCOUNTANTS • CONSULTANTS

 (+632)86876649

 09277745258

 [www.scp-ph.com](http://www.scp-ph.com)

BOA Registration No. 0235,  
February 8, 2021 valid until November 26, 2024  
SEC Accreditation No. 0235-SEC  
September 16, 2020 valid until September 17, 2024

**CERTIFICATE ON THE COMPILATION SERVICES FOR THE PREPARATION OF THE FINANCIAL  
STATEMENTS AND NOTES TO THE FINANCIAL STATEMENTS**

On the basis of information provided by management we have compiled, in accordance with the Philippine Standard on Auditing applicable to compilation engagements, the statement of financial position of **SABERO ORGANICS PHILIPPINES ASIA INC** as at December 31, 2023 the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including summary of significant accounting policies.

We performed compilation engagement in accordance with Philippine Standard on Related Services 4410 (Revised) Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statement in accordance with the Philippine Financial Reporting standards for Small Entities (PFRS for SEs). We have complied with the relevant ethical requirements, including principles of integrity, professional competence, and due care.

The financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with PFRSs.

**SISON CORILLO PARONE & CO.**

  
**NEIL U. SISON**

Partner

CPA Certificate No. 89997

SEC Accreditation No. 89997-SEC

September 16, 2020 valid until September 15, 2024

Tax Identification No. 163257522

BIR Accreditation No. 07-100501-002-2022,

July 20, 2020, valid until July 20, 2025

PTR No. 174012AA January 17, 2024 Pasig City

April 24, 2024

 A Participating Firm of  
**Moores Rowland**  
in the Asia Pacific

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR ANNUAL INCOME TAX RETURN**

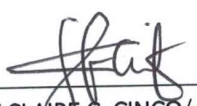
The Management of **SABERO ORGANICS PHILIPPINES ASIA INC** is responsible for all information and representations contained in the **Annual Income Tax Return** for the years ended **December 31, 2023 and 2022**. Management is likewise responsible for all information and representations contained in the amended financial statements accompanying the Amended Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited to, the value-added tax returns and/or percentage tax returns, withholding tax returns, documentary tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the years ended **December 31, 2023 and 2022** and the accompanying Annual Income Tax Return are in accordance with the books and records of **SABERO ORGANICS PHILIPPINES ASIA INC**, complete and correct in all material respects. Management likewise affirms that:

- (a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- (b) any disparity of figures in the submitted reports arising from the preparation of amended financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the company's books and records in accordance with the requirements of Revenue Regulation No. 8-2007 and other relevant issuances;
- (c) **SABERO ORGANICS PHILIPPINES ASIA INC** has filed all applicable tax returns, reports, and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

Signed by the following:

  
\_\_\_\_\_  
**ALINA C. SISON** / President, Chairman of the Board

  
\_\_\_\_\_  
**MARY CLAIRE C. CINCO** / Treasurer

  
\_\_\_\_\_  
**NEIL U. SISON** / Corporate Secretary

Signed this 24<sup>th</sup> day of **APRIL, 2024**

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL STATEMENTS**

The Management of **SABERO ORGANICS PHILIPPINES ASIA INC** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein for the years ended **December 31, 2023 and 2022**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of amended financial statements that are free from material misstatement, whether due to fraud or error.

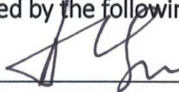
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or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

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

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

**Mary Ellen Gail S. Azafra, CPA**, the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signed by the following:

  
\_\_\_\_\_  
**ALINA C. SISON** / President, Chairman of the Board

  
\_\_\_\_\_  
**MARY CLAIRE C. CINCO** / Treasurer

  
\_\_\_\_\_  
**NEIL U. SISON** / Corporate Secretary

Signed this 24<sup>th</sup> day of **APRIL, 2024**



# Mary Ellen Gail S. Azaña, CPA

Address: 16 10th Avenue, Barangay Socorro, Cubao, Quezon City

Email Address: mazana@wlpaccountingservices.com

Mobile Nos. 0915-252-1496 Office Landlines: (02) 937-6139 / (02) 8522-5704

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## REPORT OF INDEPENDENT AUDITOR

To the Board of Directors and Stockholders of

**SABERO ORGANICS PHILIPPINE ASIA INC.**

2005B WEST TOWER, PSE CENTRE, EXCHANGE RD., ORTIGAS CENTER, BRGY. SAN ANTONIO PASIG CITY

### Report on the Audit of the Financial Statements

#### Opinion

I have audited the financial statements of **SABERO ORGANICS PHILIPPINE ASIA INC.** which comprise the statements of financial condition as at December 31, 2023, and the statements of operations, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **SABERO ORGANICS PHILIPPINE ASIA INC.** as at December 31, 2023, and of its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Framework for Small-Medium sized Entities (PFRS for SMEs).

#### Basis for Opinion

I conducted my audit in accordance with Philippine Standards on Auditing (PSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Corporation in accordance with the *Code of Ethics for Professional Accountants in the Philippines*, and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Philippine Financial Reporting Framework for Small-Medium sized Entities (PFRS for SMEs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

#### Auditor's Responsibilities for the Audit of the Financial Statements

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



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

- ☐ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ☐ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- ☐ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ☐ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- ☐ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves the fair presentation.

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

**Report on the Supplementary Information Required Under Revenue Regulations 15-2010**

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

  
**Mary Ellen Gay S.V. Azafia**

CPA Certificate #0142159 issued November 18, 2011 / Valid Until July 08, 2025

PTR #5567867 issued January 10, 2024/Quezon City

TIN # 410-438-129-000

BOA Accreditation # 9052, Issued November 29, 2023/ Valid until July 31, 2026

BIR Accreditation # 07-000136-002-2023, Issued December 27, 2020/Valid until Dec. 27, 2026

CDA Accreditation # 1706 Issued December 16, 2022/ Valid until December 15, 2025

**April 24, 2024**

# Mary Ellen Gail S. Azaña, CPA

Address: 16 10th Avenue, Barangay Socorro, Cubao, Quezon City

Email Address: mazana@wlpaccountingservices.com

Mobile Nos. 0915-252-1496 Office Landlines: (02) 937-6139 / (02) 8522-5704

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## "TO THE SECURITIES AND EXCHANGE COMMISSION"

In connection with my examination of the financial statements of **SABERO ORGANICS PHILIPPINE ASIA INC.** which are to be submitted to the Commission, I hereby represent the following:

1. The said financial statements are presented in conformity with the generally accepted accounting principles in all cases where I express an unqualified opinion, except that in the case of any departure from such principles, I shall indicate the nature of the departure, the effects thereof, and the reasons why compliance with the principles would result in a misleading statement, if such is a fact;
2. That I shall fully meet the requirements of independence as provided for in Section 14 of the Code of Professional Ethics for CPA's;
3. That in the conduct of the audit, I shall comply with the generally accepted auditing standards promulgated by the Board of Accountancy. In case of the departure from such standards or limitation in the scope of my examination, I shall indicate the nature of departure and extent of the limitation, the reason thereof;
4. The relative to the expression of my opinion of the said financial statements, I shall not commit any act discreditable to the profession as provided for in Section 23 of the Code of Professional Ethics for CPA's.

As a CPA engaged in public practice, I make these representations in my individual capacity.

  
**Mary Ellen Gail S.V. Azaña**

CPA Certificate # 0142159 issued November 18, 2011 / Valid Until July 08, 2025

PTR# 5567867 issued January 10, 2024/Quezon City

TIN # 410-438-129-000

BOA Accreditation # 9052, Issued November 29, 2023/ Valid until July 31, 2026

BIR Accreditation # 07-000136-002-2023, Issued December 27, 2020/Valid until Dec. 27, 2026

CDA Accreditation # 1706 Issued December 16, 2022/ Valid until December 15, 2025

**April 24, 2024**



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Mobile Nos. 0915-252-1496 Office Landlines: (02) 937-6139 / (02) 8522-5704

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## Report of Independent Auditor To Accompany Income Tax Returns

To the Board of Directors and Stockholders of

### **SABERO ORGANICS PHILIPPINE ASIA INC.**

2005B WEST TOWER, PSE CENTRE, EXCHANGE RD., ORTIGAS CENTER, BRGY.  
SAN ANTONIO PASIG CITY

I have audited the financial statements of **SABERO ORGANICS PHILIPPINE ASIA INC.** for the year ended December 31, 2023, on which I rendered the attached report dated **April 24, 2024**.

In compliance with Revenue Regulations V-20, I am stating the following:

- 1.) The taxes paid or accrued by the above company for the year ended December 31, 2023, are disclosed in the financial statements.
- 2.) I am not related by consanguinity or affinity to you or the manager.

  
**Mary Ellen Gail S.V. Azaña**

CPA Certificate # 0142159 issued November 18, 2011 / Valid Until July 08, 2025

PTB # 5567867 issued January 10, 2024/Quezon City

TIN # 410-438-129-000

BOA Accreditation # 9052, Issued November 29, 2023/ Valid until July 31, 2026

BIR Accreditation # 07-000136-002-2023, Issued December 27, 2020/Valid until Dec. 27, 2026

CDA Accreditation # 1706 Issued December 16, 2022/ Valid until December 15, 2025

**April 24, 2024**



# Mary Ellen Gail S. Azaña, CPA

Address: 16 10th Avenue, Barangay Socorro, Cubao, Quezon City

Email Address: mazana@wlpaccountingservices.com

Mobile Nos. 0915-252-1496 Office Landlines: (02) 937-6139 / (02) 8522-5704

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## SUPPLEMENTAL WRITTEN STATEMENT OF EXTERNAL AUDITOR

To the Board of Directors and Stockholders of

**SABERO ORGANICS PHILIPPINE ASIA INC.**

2005B WEST TOWER, PSE CENTRE, EXCHANGE RD., ORTIGAS CENTER, BRGY.  
SAN ANTONIO PASIG CITY

I have audited the accompanying financial statements of **SABERO ORGANICS PHILIPPINE ASIA INC.** as of and for the year ended December 31, 2023, on which we have rendered our report dated **April 24, 2024**.

In compliance with SRC Rule 68, we are stating that said company has **five (5)** stockholders owning **ten (10)** or more shares each.

  
**Mary Ellen Gail S.V. Azaña**

CPA Certificate # 0142159 issued November 18, 2011 / Valid Until July 08, 2025

PTR #/5567867 issued January 10, 2024/Quezon City

TIN # 410-438-129-000

BOA Accreditation # 9052, Issued November 29, 2023/ Valid until July 31, 2026

BIR Accreditation # 07-000136-002-2023, Issued December 27, 2020/Valid until Dec. 27, 2026

CDA Accreditation # 1706 Issued December 16, 2022/ Valid until December 15, 2025

**April 24, 2024**

SEC Number

CS200712233

**Sabero Organics Philippines Asia Inc.**

(Company's Full Name)

**Unit 2005B Tektite West Tower PSEC  
Exchange Road Ortigas Center  
San Antonio Pasig City 1605, Philippines**

(Company's Address)

**8687- 6649**

(Telephone Number)

**2023**

(Calendar Year Ended)

**Annual Audited Financial Statements**

Form Type

Amendment Designation (if applicable)

**December 31, 2023**

Period Ended Date

(Secondary License Type and File Number)

**SABERO ORGANICS PHILIPPINES ASIA INC.**

**FINANCIAL STATEMENTS  
DECEMBER 31, 2023 and 2022**

**SABERO ORGANICS PHILIPPINES ASIA INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**as of December 31, 2023**  
*(Amounts in Philippine Peso)*

	As at December 31	
	2023	2022
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents (Note 5)	₱85,112	₱682,214
Prepayments and Other Current Assets (Note 6)	266,302	369,463
	<b>351,414</b>	<b>1,051,677</b>
<b>Non-current Assets</b>		
Non-Current Asset (Note 7)	422,563	580,016
	<b>422,563</b>	<b>580,016</b>
<b>TOTAL ASSETS</b>	<b>₱773,977</b>	<b>₱1,631,693</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Trade and Other Payables (Note 8)	₱296,559	₱49,854
	<b>296,559</b>	<b>49,854</b>
<b>Non-current Liabilities</b>		
Share Application Money Pending Allotment (Note 9)	—	389,174
Share Capital Application	—	145,941
	<b>—</b>	<b>535,115</b>
<b>Equity</b>		
Share Capital (Note 13)	587,115	52,000
Retained Earnings (Deficit)	(109,697)	994,724
	<b>477,418</b>	<b>1,046,724</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>₱773,977</b>	<b>₱1,631,693</b>

*See accompanying Notes to the Financial Statements.*



**SABERO ORGANICS PHILIPPINES ASIA INC.**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
For the years ended December 31, 2023 and 2022  
*(Amounts in Philippine Peso)*

	2023	2022
REVENUE (Note 10)	₱3,101,048	₱9,930,710
GENERAL AND ADMINISTRATIVE EXPENSES (Note 11)	4,103,930	9,399,563
FINANCIAL EXPENSES (Note 12)	55,023	116,432
INCOME (LOSS) BEFORE INCOME TAX	(1,057,905)	414,715
INCOME TAX EXPENSE (BENEFIT) (Note 15)	46,516	99,307
<b>NET INCOME (LOSS) FOR THE YEAR</b>	<b>(₱1,104,421)</b>	<b>₱315,408</b>

*See accompanying Notes to the Financial Statements*

**SABERO ORGANICS PHILIPPINES ASIA INC.**  
**STATEMENTS OF CHANGES IN EQUITY**  
**For the years ended December 31, 2023 and 2022**  
*(Amounts in Philippine Peso)*

	Share Capital	Deficit	Total
Beginning Balance	₱52,000	₱994,724	₱1,046,724
Additions	535,115	—	535,115
Net Income (loss) for the year		(1,104,421)	(1,104,421)
<b>Balance as of December 31, 2023</b>	<b>₱587,115</b>	<b>(₱109,697)</b>	<b>₱477,418</b>

Beginning Balance	₱52,000	₱679,316	₱731,316
Net Income (loss) for the year		315,408	315,408
<b>Balance as of December 31, 2022</b>	<b>₱52,000</b>	<b>₱994,724</b>	<b>₱1,046,724</b>

*See accompanying Notes to the Financial Statements*

**SABERO ORGANICS PHILIPPINES ASIA INC.**  
**STATEMENTS OF CASH FLOW**  
**For the years ended December 31, 2023 and 2022**  
*(Amounts in Philippine Peso)*

	2023	2022
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Income (loss)	(P1,057,905)	P315,408
Operating Income (loss) before working capital changes	(1,057,905)	315,408
Increase/Decrease in Prepayments and Other Current Assets (Note 6)	103,161	(212,012)
Increase/Decrease in Other Non-Current Assets (Note 7)	157,453	187,372
Increase/Decrease in Accounts Payable (Note 8)	246,705	(149,977)
Cash used in operations	(550,586)	140,791
Interest Received	—	—
Income Tax Paid	(46,516)	—
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(597,102)</b>	<b>140,791</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Share Application Money Pending Allotment (Note 9)	(389,174)	—
Share Capital Application	(145,941)	—
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(535,115)</b>	<b>—</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase (decrease) in Share Capital (Note 13)	535,115	—
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>535,115</b>	<b>—</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(597,102)</b>	<b>140,791</b>
<b>CASH AT THE BEGINNING OF THE YEAR</b>	<b>682,214</b>	<b>541,423</b>
<b>CASH AT THE END OF THE YEAR</b>	<b>P85,112</b>	<b>P682,214</b>

*See accompanying Notes to the Financial Statements*



**SABERO ORGANICS PHILIPPINES ASIA INC.****NOTES TO THE FINANCIAL STATEMENTS***(Amounts in Philippine Peso)***1. Corporate Information**

Sabero Organics Philippines Asia Inc. (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on August 3, 2007. Its primary purpose is to engage in the marketing, trading, on a wholesale basis, of agricultural farm supplies and equipment. The office address of the Company is Unit 2005B Tektite West Tower, PSEC, Exchange Road, Ortigas Center, Barangay San Antonio, Pasig City 1605.

The Company has registered chemical brands which it plans to launch in the Philippines in the near future.

The Company's management has been undertaking measures to improve its operations and cash flows to strengthen its overall financial viability. The effects of the foregoing conditions will be recorded in the financial statements as they become known and estimable. The financial statements were prepared on a going concern basis and the assets were presented at net realizable values.

The financial statements for the year ended December 31, 2023 were approved and authorized for issue by the management on **April 24, 2024**.

**2. Basis of Preparation**Statement of Compliance

The financial statements have been prepared in compliance with Philippine Financial Reporting Standards for Small Entities (PFRS for SEs).

Basis of Measurement

The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

Functional and Presentation Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Philippine Peso (₱), which is also the Company's functional currency.

Use of Estimates and Judgments

The preparation of financial statements in conformity with the PFRS for SEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

**3. Summary of Significant Accounting Policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Cash

Cash includes cash on hand and cash in bank that are subject to an insignificant risk of changes in value.

Basic Financial Liabilities



This category pertains to financial liabilities that are not held for trading or not designated at FVPL upon the inception of the liability. These include liabilities arising from operations or borrowings.

The liabilities are recognized initially at fair value and are subsequently carried at amortized cost.

Included under this category are the Company's accounts payable.

#### Capital Deficiency

Share capital is classified as equity.

Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### Related Parties

Parties are considered as related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. Transactions between related parties are based on terms similar to those offered to non-related parties.

#### Income Tax

##### *Current tax*

Current tax assets or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the statements of financial position date. They are calculated according to tax rates and tax laws applicable to fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in the income statement.

Currents tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted at the date of statement of financial position.

##### *Deferred Income Tax*

Deferred income tax is provided, using the balance sheet liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits from excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is

probable that taxable profit will be available against which the deductible temporary differences and carry forward of unused tax credits form excess credits and unexpired NOLCO can be utilized.

Deferred income tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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



Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance sheet date.

Income tax relating to items recognized directly in equity is recognized and not in the statement of comprehensive income.

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

#### Events After the End of the Reporting Period

Events after the end of the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue.

Any post year-end up to the date of approval of the Board of Directors (BOD) of the financial statements that provides additional information about the Branch's position at the end of reporting date (adjusting event) is reflected in the financial statements. Any post year-end event that is not an adjusting event is disclosed in the notes to the financial statements, when material.

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#### **4. Significant Judgment and Estimates**

The preparation of the financial statements in compliance with PFRS for SEs requires the Company to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the financial statements as they become reasonably determinable.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### *Judgments*

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

##### *Classification of financial instruments*

The Company exercises judgment in classifying a financial instrument, or its component parts, on initial recognition as either a financial asset, a financial liability, or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability or equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the statements of financial position.

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#### **5. Cash and Cash Equivalents**

This account consists of:

	2023	2022
Petty Cash Fund	<b>P50,000</b>	<b>P—</b>
Cash in Bank	<b>35,112</b>	682,214
	<b>P85,112</b>	<b>P682,214</b>

**6. Prepayments and Other Current Assets**

This account consists of:

	2023	2022
Deferred tax assets	<b>₱252,149</b>	<b>₱298,665</b>
Deferred input tax	<b>12,000</b>	<b>70,798</b>
Prepaid expenses	<b>1,799</b>	<b>—</b>
Advances - Country Manager	<b>354</b>	<b>—</b>
	<b>₱266,302</b>	<b>₱369,463</b>

**7. Non-Current Assets**

Details of Non-Current Assets as of December 31, 2023, are as follows:

	Vehicle Equipment	Office & Communication Equipment	Total
Cost, Balance at January 1, 2023	<b>₱842,992</b>	<b>₱74,624</b>	<b>₱917,616</b>
Additions during the year		<b>26,786</b>	<b>26,786</b>
<b>Balance at December 31, 2023</b>	<b>₱842,992</b>	<b>₱101,410</b>	<b>₱944,402</b>
Accumulated Depreciation			
Balance at January 1, 2023	<b>₱292,844</b>	<b>₱44,756</b>	<b>₱337,600</b>
Depreciation	<b>172,358</b>	<b>11,881</b>	<b>184,239</b>
<b>Balance at December 31, 2023</b>	<b>₱465,202</b>	<b>₱56,637</b>	<b>₱521,839</b>
<b>Net Carrying Amount, December 31, 2023</b>	<b>₱377,790</b>	<b>₱44,773</b>	<b>₱422,563</b>

The Non-Current Assets are not used as collateral for any loan.

Management believes that there is no indication of impairment to the Company's property and equipment and that its net carrying amount can be recovered through use in operations.

The gross carrying amount of fully depreciated non-current assets still in used in operations amounted to **₱944,402** as of December 31, 2023.

**8. Trade and Other Payables**

This account consists of:

	2023	2022
Accounts Payables	<b>₱215,094</b>	<b>₱31,640</b>
Payroll liabilities	<b>50,000</b>	<b>—</b>
Output Vat	<b>17,522</b>	<b>—</b>
SSS Payable	<b>4,230</b>	<b>—</b>
Withholding Tax Compensation	<b>4,112</b>	<b>—</b>
Phil Health Payable	<b>3,200</b>	<b>—</b>
Withholding Tax Payable	<b>2,201</b>	<b>18,214</b>



Pag-ibig Payable	200	—
	<b>P296,559</b>	<b>P49,854</b>

Statutory compliances have been activated since this year ended 2023.

#### 9. Share Application Money Pending Allotment

As at December 31, 2023, the Share application money pending allotment amounting to P389,174 was reclassified into Equity as an Increase to Share Capital for the years ended December 31, 2023. The transaction is purely related to the equity contribution made by Coromandel International Limited in Sabero Organics Philippines Asia Inc.

#### 10. Revenue

This account consists of Commissions Income received from Coromandel Intl Ltd. Amounting to P3,101,048 and P9,930,710 for the year ended December 31, 2023 and 2022, respectively.

#### 11. General and Administrative Expenses

This account consists of:

	2023	2022
Salaries, Wages and Allowances	<b>P1,381,250</b>	<b>P5,107,036</b>
Professional fees	<b>1,091,492</b>	<b>1,138,361</b>
Taxes and Licenses (Note 14)	<b>432,208</b>	<b>400,937</b>
Transportation and Travel	<b>238,549</b>	<b>146,087</b>
Insurance Expense	<b>210,354</b>	<b>139,371</b>
Representation Expense	<b>194,423</b>	<b>90,409</b>
Rental	<b>190,228</b>	<b>187,500</b>
Depreciation	<b>184,239</b>	<b>192,071</b>
Office Supplies	<b>71,558</b>	<b>18,643</b>
Financial Expenses (Note 12)	<b>55,023</b>	<b>116,432</b>
Miscellaneous Expense	<b>34,148</b>	<b>99,438</b>
SSS, GSIS, Philhealth, HDMF and Other Contributions	<b>32,060</b>	<b>—</b>
Repairs and Maintenance	<b>25,802</b>	<b>—</b>
Communication Expense	<b>16,499</b>	<b>19,275</b>
Freight	<b>1,120</b>	<b>—</b>
Research and Development	<b>—</b>	<b>1,860,435</b>
	<b>P4,158,953</b>	<b>P9,515,995</b>

#### 12. Financial Expenses

This account consists of:

	2023	2022
Foreign Exchange Loss (Income)	<b>P53,633</b>	<b>P115,962</b>
Bank charges	<b>1,390</b>	<b>470</b>
	<b>P55,023</b>	<b>P116,432</b>



### 13. Share Capital

On July 8, 2017, the Board of Directors has approved the increase in the authorized capital stock amounting One Million One Hundred Twenty Thousand Pesos (Php 1,120,000.00) divided into Eleven Thousand Two Hundred (11,200) shares with a par value of One Hundred Peso (Php 100) per share.

Out of the increase of One Million One Hundred Twenty Thousand Pesos (Php 1,120,000.00) in capital stock, Nine Thousand Seven Hundred Thirty pesos (9,730) shares with a total par value of Nine Hundred Seventy -Three Thousand Pesos (Php 973,000.00) will be subscribed and Five Hundred Thirty-Five Thousand One Hundred Fifteen Pesos (Php 535,115.00) has been paid by way of conversion of advances into equity.

All the other stockholders of the Corporation have waived their pre-emptive rights to subscribe to this increase in favor of the Corporation.

The reason for the increase in the authorized capital stock is to finance the operations of the Corporation.

That no bonded indebtedness has been created, incurred, or increased as of the date of the meetings of the stockholders and of the Board of Directors on July 8, 2017; furthermore, the Corporation does not have any actual indebtedness as of July 8, 2017.

### 14. Supplementary Information Required in Taxes and Licenses under Revenue Regulations No. 15-2010 (RR No. 15-2010)

On November 25, 2010, the BIR promulgated Revenue Regulation No. 15-2010 prescribing additional information on taxes, duties and license fees paid or accrued during the taxable year to be disclosed.

#### *Value Added Tax Output (VAT Output)*

The Company has VAT Output declarations during the year.

<b>VAT Output Tax</b>	
Beginning Balance, net of VAT	
Add: Service Income	₱3,101,048
Less: Ending Balance, net of VAT	—
Total Gross Receipts	3,101,048
Add: Foreign Exchange loss on collection	—
Total Vatable Gross Receipts	3,101,048
Multiply by: Tax rate	12%
<b>Total Output Tax for the year</b>	<b>₱372,126</b>

#### *Value Added Tax (VAT) Input*

The amount of VAT Input taxes claimed is broken down into:

Current year's purchases/payments for:	₱203,575
Goods other than resale or manufacture	—
<b>Total input tax at the end of the year</b>	<b>₱203,575</b>
Vat output tax declared for the year	₱372,126
Less: Balance of VAT input tax at the end of the year	82,798

Value Added Tax Payable for the year 2022	85,752
Less: VAT payments for the current year	
1st Quarter	—
2nd Quarter	80,230
3rd Quarter	—
4th Quarter	17,522
<b>VAT Payable</b>	<b>(P12,000)</b>

*Withholding Taxes*

The Company's withholding taxes are as follows:

i. *Withholding tax on compensation*

Total withholding tax payable for the year	P212,006
Less: Payments made from January to November 2023	207,894
<b>Withholding tax still due and payable</b>	<b>P4,112</b>

ii. *Expanded Withholding Tax*

	2023
Total withholding tax payable for the year	P20,514
Less: Payments made from January to November 2023	18,313
<b>Withholding tax still due and payable</b>	<b>P2,201</b>

*Other Taxes*

This account consists of taxes and licenses paid as follows:

	2023
Licenses/Registration	P271,519
Renewal Business Permit	157,472
Vehicle Company Insurance	1,983
Additional Payment for Processing of Business Permit	734
Annual Registration Fee	500
<b>Total</b>	<b>P432,208</b>

*Net Operating Loss Carry-over*

The details of the Company's NOLCO that can be claimed as deduction from normal taxable income and against regular corporate income tax due and their respective an ailment period are as follows:

NOLCO							
Year Incurred	Amount	Non-deductible expense	Applied in previous year	Expired in current year	Applied in current year	Balance	Available Until
2023	P1,055,448	—	—	—	—	P1,055,448	2026



2021	₱269,543	—	₱269,543	—	—	—	2024
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The company recognized deferred tax asset on NOLCO, from prior years, amounting to ₱1,055,448 as at the year ended December 31, 2023.

*Statement on Disclosure of Supplementary Information*

The additional information discussed above on taxes and licenses is presented as compliance with the requirement of BIR and is not a required part of the basic financial statements. Said information has been subjected to the auditing procedures performed in our audit with applied materiality to the basic financial statements taken as a whole.

**15. Income Taxes**

This account consists of current income tax expenses amounting to ₱46,516 and ₱99,307 for the year ended December 31, 2023, and 2022, respectively.

Computation under Normal Income Tax Rate:

	2023	2022
Revenue	₱3,101,048	₱9,930,710
Cost of Services	—	—
Gross Income	3,101,048	9,930,710
Operating Expenses	4,156,496	9,515,995
Net Taxable Income before Difference	(1,055,448)	414,715
Add: Non-deductible expenses		
Expenses from FPA		
Less: Non-taxable Income		
NOLCO applied		(269,543)
Net Taxable Income after Difference	(1,055,448)	145,172
Income Tax Due (20%)	(₱211,090)	₱36,293

Computation under MCIT:

	2023	2022
Gross Income	₱3,101,048	₱9,930,710
MCIT Rate (January to December 2023)	1.5%	1.0%
<b>Total</b>	<b>₱46,516</b>	<b>₱99,307</b>

Computation of Income Tax Payable:

	2023	2022
Income Tax Still Due (Normal or MCIT whichever is higher)	₱46,516	₱99,307
Less: Total Tax Credits	298,665	397,972
<b>Net Income Tax Payable/(Overpayment)</b>	<b>(₱252,149)</b>	<b>(₱298,665)</b>