SECURITIES AND EXCHANGE COMMISSION

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Company Information

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Company Name: PLANTERS PRODUCTS INC.
Industry Classification: D24210
Company Type: Stock Corporation

Document Information

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Acceptance of this document is subject to review of forms and contents

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

2	1	3	5	7						

COMPANY NAME

PLANTERS PRODUCTS, INC.

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

109 PPI BUILDING, ESTEBAN ST.,
LEGASPI VILLAGE, MAKATI CITY

Form Type	Department requiring the report	Secondary License Type, If Applicable
AASFS	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
kdhaloc@plantersproducts.com	8818-2332	0917-120-1268

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
812,476	3rd Tuesday of October	April 30

CONTACT PERSON'S INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Carlwin Thomson U. Ong	ctong@plantersproducts.com	8818-2332	0917-863-2984

CONTACT PERSON'S ADDRESS

PPI Building, 109 Esteban St., Legaspi Village, Makati City

NOTE 1: *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.*

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

"STATEMENT OF MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS"

The management of **Planters Products, Inc.** (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the year ended April 30, 2024, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

Signature: ______________________________
Maria Zenaida B. Angping, President

Signature: ______________________________
Maria Zenaida B. Angping, Chairman

Signature: ______________________________
Zenaida M. Vail, Treasurer

Signed this 06 day of August 2024

BOA/PRC Accreditation No. 4782
April 14, 2024, valid until June 6, 2026
SEC Registration No. PP201007009

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8741 Paseo de Roxas
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INDEPENDENT AUDITORS' REPORT

The Stockholders and Board of Directors
Planters Products, Inc.
109 PPI Building, Esteban St., Legaspi Village
Makati City

Report on the Audit of the Separate Financial statements

Opinion

We have audited the accompanying separate financial statements of Planters Products, Inc. (the Company), which comprise the separate statement of financial position as at April 30, 2024, and the separate statement of comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and notes to separate financial statements, including a summary of material accounting policy information.

In our opinion, the separate financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2024, and its financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

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

Other Matter

The separate financial statements of the Company as at and for the year ended April 30, 2023 were audited by another auditor who expressed an unmodified opinion for those financial statements on August 7, 2023.

As part of our audit of the separate financial statements as at and for the year ended April 30, 2024, we also audited the adjustments described in Note 5 that we applied to adjust the opening balance of retained earnings. In our opinion, such adjustments are appropriate and have been properly applied. We are not engaged to audit, review, or apply any procedures to the separate financial statements of the Company as at and for the year ended April 30, 2023, other than with respect to the adjustments and, accordingly, we do not express opinion or any other form of assurance on the separate financial statements as at April 30, 2023 taken as a whole.

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

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

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

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

Auditors' Responsibilities for the Audit of the Separate Financial Statements

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

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

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

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

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

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

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

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

Report on the Supplementary Information Required under Revenue Regulations No. 15-2010 of the Bureau of Internal Revenue

Our audit was conducted for the purpose of forming an opinion on the basic separate financial statements taken as a whole. The supplementary information on taxes and licenses in Note 27 to the separate financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic separate financial statements. Such information is the responsibility of the management of the Company. This information has been subjected to the auditing procedures applied in our audit of the basic separate financial statements and in our opinion, the information is fairly stated in all material respects in relation to the basic separate financial statements taken as a whole.

REYES TACANDONG & CO.

JOSEPH C. BILANGBILIN
Partner
CPA Certificate No. 102884
Tax Identification No. 210-181-965-000
BOA Accreditation No. 4782/P-010; Valid until June 6, 2026
BIR Accreditation No. 08-005144-011-2023
Valid until January 24, 2026
PTR No. 10072411
Issued January 2, 2024, Makati City

August 6, 2024
Makati City, Metro Manila

PLANTERS PRODUCTS, INC.

SEPARATE STATEMENT OF FINANCIAL POSITION

APRIL 30, 2024

(With Comparative Figures for April 30, 2023)

	Note	2024	2023 (As Restated - Note 5)
ASSETS			
Current Assets			
Cash and cash equivalents	4	**₱144,012,237**	₱52,795,246
Trade and other receivables	5	**106,690,945**	127,916,810
Inventories	6	**90,173,349**	111,571,931
Other current assets	7	**10,091,201**	13,497,477
Total Current Assets		**350,967,732**	305,781,464
Noncurrent Assets			
Financial assets at fair value through other comprehensive income (FVOCI)	8	**15,000,000**	10,820,000
Property, plant and equipment	10	**55,166,659**	62,546,841
Investment properties	11	**381,895,700**	384,211,097
Net deferred tax assets	24	**16,332,568**	18,022,685
Investments in subsidiaries	9	**–**	625,000
Other noncurrent assets	12	**6,236,496**	2,935,867
Total Noncurrent Assets		**474,631,423**	479,161,490
		₱825,599,155	₱784,942,954
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	13	**₱82,397,369**	₱56,524,983
Current portion of loans payable	14	**2,500,000**	2,500,000
Income tax payable		**130,648**	–
Total Current Liabilities		**85,028,017**	59,024,983
Noncurrent Liabilities			
Loans payable - net of current portion	14	**145,250,000**	147,750,000
Lease liabilities - net of current portion	23	**17,936,027**	24,454,096
Net retirement benefit liability	22	**21,608,636**	27,021,950
Other noncurrent liabilities	15	**9,273,047**	8,672,073
Total Noncurrent Liabilities		**194,067,710**	207,898,119
Total Liabilities		**279,095,727**	266,923,102
Equity			
Capital stock	16	**300,000,000**	300,000,000
Additional paid-in capital		**794,417,076**	794,417,076
Deficit		**(550,802,970)**	(568,501,458)
Treasury stock	16	**(553,172)**	(553,172)
Other equity reserves		**3,442,494**	(7,342,594)
Total Equity		**546,503,428**	518,019,852
		₱825,599,155	₱784,942,954

See accompanying Notes to Separate Financial statements.

PLANTERS PRODUCTS, INC.

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED APRIL 30, 2024

(With Comparative Figures for 2023)

	Note	2024	2023 (As Restated - Note 5)
REVENUES	18	**₱557,345,890**	₱631,688,898
COST OF SALES AND SERVICES	19	**318,596,968**	408,984,969
GROSS PROFIT		**238,748,922**	222,703,929
GENERAL AND ADMINISTRATIVE EXPENSES	20	**(198,325,391)**	(278,866,856)
INTEREST EXPENSE	14	**(15,865,334)**	(11,865,498)
INTEREST INCOME	4	**2,064,111**	50,142
OTHER INCOME - Net	21	**6,168,202**	5,798,590
INCOME (LOSS) BEFORE INCOME TAX		**32,790,510**	(62,179,693)
INCOME TAX EXPENSE (BENEFIT)	24		
Current		**9,910,277**	11,543,432
Deferred		**5,181,745**	(1,684,726)
		15,092,022	9,858,706
NET INCOME (LOSS)		**17,698,488**	(72,038,399)
OTHER COMPREHENSIVE INCOME (LOSS)			
Not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gains (losses) on net retirement benefit liability - net of deferred tax	22	**3,096,075**	(8,688,237)
Unrealized gains on fair value changes of financial assets at FVOCI	8	**7,689,013**	4,365,000
		10,785,088	(4,323,237)
TOTAL COMPREHENSIVE INCOME (LOSS)		**₱28,483,576**	(₱76,361,636)

See accompanying Notes to Separate Financial statements.

PLANTERS PRODUCTS, INC.

SEPARATE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED APRIL 30, 2024

(With Comparative Figures for 2023)

					Other Equity Reserves			
	Capital Stock	Additional Paid-in Capital	Deficit	Treasury Stock	Cumulative Remeasurement Gains (Losses) on Net Retirement Benefit Liability -Net of deferred tax (see Note 22)	Cumulative Unrealized Gains on Financial Assets at FVOCI (see Note 8)	Total Other Equity Reserves	Total Equity
Balances at beginning of year, as previously reported	**₱300,000,000**	**₱794,417,076**	**(₱469,117,943)**	**(₱553,172)**	**(₱13,111,385)**	**₱5,768,791**	**(₱7,342,594)**	**₱617,403,367**
Prior period adjustments (see Note 5)	**–**	**–**	**(99,383,515)**	**–**	**–**	**–**	**–**	**(99,383,515)**
Balances at beginning of year, as restated	**300,000,000**	**794,417,076**	**(568,501,458)**	**(553,172)**	**(13,111,385)**	**5,768,791**	**(7,342,594)**	**518,019,852**
Net income	**–**	**–**	**17,698,488**	**–**	**–**	**–**	**–**	**17,698,488**
Other comprehensive income	**–**	**–**	**–**	**–**	**3,096,075**	**7,689,013**	**10,785,088**	**10,785,088**
Balances at end of year	**₱300,000,000**	**₱794,417,076**	**(₱550,802,970)**	**(₱553,172)**	**(₱10,015,310)**	**₱13,457,804**	**₱3,442,494**	**₱546,503,428**
Balances at beginning of year	₱300,000,000	₱794,417,076	(₱496,463,059)	(₱553,172)	(₱4,423,148)	₱1,403,791	(₱3,019,357)	₱594,381,488
Net loss	–	–	(72,038,399)	–	–	–	–	(72,038,399)
Other comprehensive income (loss)	–	–	–	–	(8,688,237)	4,365,000	(4,323,237)	(4,323,237)
Balances at end of year	₱300,000,000	₱794,417,076	(₱568,501,458)	(₱553,172)	(₱13,111,385)	₱5,768,791	(₱7,342,594)	₱518,019,852

See accompanying Notes to Separate Financial statements.

PLANTERS PRODUCTS, INC.

SEPARATE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED APRIL 30, 2024
(With Comparative Figures for 2023)

	Note	2024	2023 (As Restated - Note 5)
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax		**₱32,790,510**	(₱62,179,693)
Adjustments for:			
Depreciation and amortization	10	**19,001,334**	19,400,896
Interest expense	14	**15,865,334**	11,865,498
Provisions for:			
Expected credit loss on trade and other receivables	5	**15,863,758**	99,814,013
Inventory obsolescence	6	**2,962,224**	3,921,792
Impairment on investments in subsidiaries	9	**625,000**	–
Retirement benefits expense	22	**7,559,686**	5,670,188
Loss (gain) on:			
Disposal of investment property	11	**(5,273,352)**	–
Disposal of property, plant and equipment	10	**(485,060)**	(180,169)
Interest income	4	**(2,064,111)**	(50,142)
Net unrealized foreign exchange losses		**1,129,828**	40,960
Operating income before working capital changes		**87,975,151**	78,303,343
Decrease (increase) in:			
Inventories		**19,686,440**	9,417,703
Trade and other receivables		**2,790,217**	(97,217,487)
Other noncurrent assets		**434,258**	527,258
Other current assets		**(124,163)**	(3,573,908)
Increase (decrease) in:			
Trade and other payables		**25,768,377**	(19,666,065)
Other noncurrent liabilities		**600,974**	405,184
Net cash generated from (used in) operations		**137,131,254**	(31,803,972)
Contribution to plan asset	22	**(9,000,000)**	(2,000,000)
Income tax paid		**(6,037,594)**	(8,192,411)
Interest income received		**76,593**	42,469
Benefits paid from book reserve	22	**–**	(284,983)
Net cash provided by (used in) operating activities		**122,170,253**	(42,238,897)

(Forward)

	Note	2024	2023 (As Restated - Note 5)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Property, plant and equipment	10	**(₱10,679,170)**	(₱6,932,938)
Loans receivable		**(6,450,000)**	(7,314,167)
Advances to related parties	17	**(5,725,028)**	(3,746,055)
Intangible assets	12	**(2,520,509)**	(193,991)
Investment properties	11	**(647,320)**	(1,541,250)
Collections of:			
Loans receivable		**12,408,854**	–
Advances to related parties		**2,757,875**	–
Bonds receivable		**1,974,052**	–
Interest		**1,962,518**	7,673
Proceeds from sale of:			
Investment properties	11	**2,615,864**	–
Property, plant and equipment	10	**485,060**	214,428
Net cash used in investing activities		**(3,817,804)**	(19,506,300)
CASH FLOWS FROM FINANCING ACTIVITIES	14		
Payments of:			
Interest		**(14,779,460)**	(9,029,555)
Lease liabilities		**(9,451,872)**	(9,121,531)
Loans		**(2,500,000)**	(2,500,000)
Proceeds from loans payable		**–**	55,000,000
Net cash provided by (used in) financing activities		**(26,731,332)**	34,348,914
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**91,621,117**	(27,396,283)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**(404,126)**	(40,960)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**52,795,246**	80,232,489
CASH AND CASH EQUIVALENTS AT END OF YEAR		**₱144,012,237**	₱52,795,246

See accompanying Notes to Separate Financial statements.

NOTES TO SEPARATE FINANCIAL STATEMENTS
AS AT AND FOR THE FISCAL YEAR ENDED APRIL 30, 2024
(With Comparative Information for 2023)

1. Corporate Information

Planters Products, Inc. (the Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on September 10, 1962. The Company is primarily engaged in trading, manufacturing (reformulation), importation, and distribution of goods such as agricultural chemicals, fertilizers, and other farm inputs on wholesale or retail basis.

The Company is a public company as defined in the Revised Securities Regulation Code Rule 68, having more than 200 stockholders owning at least 100 shares.

The Company's registered office address is 109 PPI Building, Esteban St., Legazpi Village, Makati City.

Approval of Separate Financial Statements

The separate financial statements of the Company as at and for the year ended April 30, 2024, were approved and authorized for issuance by the Board of Directors (BOD) on August 6, 2024.

2. Summary of Material Accounting Policy Information

Basis of Preparation and Statement of Compliance

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

The Company also prepares, and issues consolidated financial statements for the same period as the separate financial statements presented in accordance with PFRS. The consolidated financial statements may be obtained at the SEC or at the Company's registered office address.

Measurement Basis

The separate financial statements are presented in Philippine Peso, which is the Company's functional currency. All values are stated in absolute amounts, unless otherwise stated.

The separate financial statements of the Company have been prepared on a historical cost basis except for financial assets at fair value through other comprehensive income (FVOCI) which are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for an asset and fair value of the consideration received in exchange for incurring a liability. Fair value is the price that would have been received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values are included in Note 26 to the separate financial statements.

Adoption of Amendments to PFRS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of Amendments to PAS 1, *Presentation of Financial Statements,* and PFRS Practice Statement 2, *Making Materiality Judgments - Disclosure Initiative - Accounting Policies which the Company adopted effective May 1, 2023.* The amendments require an entity to disclose its material accounting policies, instead of its significant accounting policies and provide guidance on how an entity applies the concept of materiality in making decisions about accounting policy disclosures. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and its nature. The amendments clarify:

- That accounting policy information may be material because of its nature, even if the related amounts are immaterial;
- That accounting policy information is material if users of an entity's separate financial statements would need it to understand other material information in the separate financial statements; and
- If an entity discloses immaterial accounting policy information, such information should not obscure material accounting policy information.

In addition, PFRS Practice Statement 2 is amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information. Disclosures of the accounting policies in the separate financial statements were updated in accordance with the definition of "material information" in the Amendments to PAS 1 and PFRS Practice Statement 2.

Amendments to PFRS in Issue But Not Yet Effective or Adopted

There are no amendments to PFRS issued which are not effective as at April 30, 2024 that will have an impact on the Company's separate financial statements.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Date of Recognition. The Company recognizes a financial asset or a financial liability in the separate statement of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

Financial Assets

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

As at April 30, 2024 and 2023, the Company does not have financial assets at FVPL.

Financial Assets at Amortized Cost. Financial assets are measured at amortized cost if both of the following conditions are met:

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

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

As at April 30, 2024 and 2023, the Company's cash and cash equivalents, trade and other receivables (except advances to officers and employees), bonds receivable and security deposits are classified under this category (see Notes 4, 5 and 12).

Financial Assets at FVOCI. Financial assets at FVOCI pertain to equity instruments. For equity instruments that are not held for trading, the Company may irrevocably designate, at initial recognition, a financial asset to be measured at FVOCI when it meets the definition of equity under PAS 32, *Financial Instruments: Presentation.*

Dividends from financial assets at FVOCI are recognized in profit or loss when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. All other gains or losses from equity instruments are recognized in other comprehensive income (OCI) and presented in the equity section of the separate statement of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent periods, instead, these are transferred directly to retained earnings.

As at April 30, 2024 and 2023, the Company irrevocably designated its investment in quoted equity securities as financial assets at FVOCI because the Company considers its investment to be strategic in nature (see Note 8).

Impairment of Financial Assets at Amortized Cost. The Company recognizes an allowance for expected credit loss (ECL) based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Company has applied the simplified approach and calculated ECL based on the lifetime ECL. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to its customers and the economic environment.

For other debt instruments measured at amortized cost, the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECL that result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. The Company also considers reasonable and supportable information, that is available without undue cost or effort, which is indicative of significant increases in credit risk since initial recognition.

The Company considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before considering any credit enhancements held by the Company.

A financial asset is written off when there is no reasonable expectation of recovering the financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the counterparty does not have assets or source of income that could generate sufficient cash flows to repay the amount of financial asset for write-off. This assessment is carried out at the individual financial asset level.

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

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

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

Financial Liabilities at Amortized Cost

Initial Recognition and Measurement. Financial liabilities at amortized cost are recognized initially at fair value, which is the fair value of the consideration received, net of any directly attributable transaction costs.

As at April 30, 2024 and 2023, the Company does not have financial liabilities at FVPL.

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

After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by considering any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process.

As at April 30, 2024 and 2023, the Company's trade and other payables (excluding nonfinancial liabilities), loans payable, lease liabilities, and deposits from lessees are classified under this category (see Notes 13, 14, 23 and 15).

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

<u>Inventories</u>
Inventories are valued at the lower of cost and net realizable value (NRV). Costs of raw materials, and operating supplies comprise all purchase price and other costs incurred in bringing the inventories to its present location and condition. Cost of finished goods comprises raw materials, direct labor and related manufacturing overheads.

Costs of raw materials and operating supplies are calculated using first-in and first-out (FIFO) method while cost of finished goods is calculated using standard costing method. Standard cost is subsequently adjusted to reflect actual cost which is determined using the FIFO method.

NRV of raw materials and finished goods are the estimated selling price in the ordinary course of business, less the estimated costs of completion and of marketing and distribution while NRV of operating supplies are their current replacement costs.

When NRV of the inventories is lower than its cost, the Company provides an allowance for inventory obsolescence and recognizes the write-down as an expense in profit or loss. Any amount of reversal for write-down of inventories, arising from an increase in NRV, is recognized in profit or loss in the period in which the reversal occurs.

Investments in Subsidiaries

The Company's investments in subsidiaries are carried at cost, less any impairment loss.

Subsidiaries are entities controlled by the Company. The Company controls a subsidiary if it is exposed or has the rights to variable returns from its involvement with the subsidiary and the ability to affect those returns through its power over the subsidiary. In assessing control, the Company takes into consideration potential voting rights that are currently exercisable.

Under the cost method, dividend income from the investment is recognized in profit or loss when the Company's right to receive the dividend is established. Distributions received in excess of investment's profit are regarded as a recovery of investment and recognized as a reduction of the cost of investment.

When shares in a subsidiary are sold or otherwise disposed of, the cost of the shares is removed from the account and any gain or loss arising from the transaction is recognized in profit or loss.

Property, Plant and Equipment

Property, plant and equipment, except right-of-use (ROU) assets, are stated at cost less accumulated depreciation and amortization, and any impairment losses. Initial cost of property, plant and equipment comprises its purchase price (after deducting trade discounts and rebates) including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditures incurred after the property, plant and equipment have been put into operation, such as repairs, maintenance and overhaul costs, are normally recognized in profit or loss in the year the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property, plant and equipment. The cost of replacing a component of an item of property, plant and equipment is recognized if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized.

When parts of an item of property, plant and equipment have different useful lives, these are accounted for as separate items, as major components, of property, plant and equipment.

Depreciation and amortization of property, plant and equipment begin when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management. Depreciation and amortization are calculated on a straight-line basis over the following estimated useful lives of the property, plant and equipment:

	Number of Years
Transportation equipment	3 to 20
Machineries and equipment	3 to 20
Aircraft and vehicles held for leasing	3 to 20
Furniture, fixture and office equipment	2 to 10
Building and improvements	2 to 40

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

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

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

Investment Properties

Investment properties pertain to land, building and improvements, condominium units, and construction in progress held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business or for administrative purposes.

Investment properties are accounted for using cost model. Under the cost model, investment properties, except land and construction in progress, are measured at cost less accumulated depreciation and amortization and any impairment loss. Land is measured at cost while construction in progress is measured at cost less any impairment loss.

Depreciation and amortization of investment properties begins when it is in the location and condition necessary for it to be utilized in the manner intended by the management. Depreciation and amortization are calculated on a straight-line basis over the following estimated useful lives of the investment properties:

	Number of Years
Building and improvements	5 to 40
Condominium units	5 to 40

The estimated useful lives and depreciation and amortization methods are reviewed periodically to ensure that these are consistent with the expected pattern of economic benefits from items of investment properties.

An investment property is derecognized either when the asset has been disposed of or when the investment property has been permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use, evidenced by the ending of owner-occupation, commencement of an operating lease to another party or ending of the construction or development. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Construction in Progress. Construction in progress, includes costs of construction and other direct costs which are not depreciated until such time that the relevant assets are completed and ready for operational use.

Intangible Assets
Intangible assets pertain to computer software.

Computer software is stated at cost, which includes purchase price and other direct costs, less accumulated amortization and any impairment in value.

The useful life of intangible asset arises from the contractual rights and should not exceed the period of those rights but may be shorter depending on the period over which the intangible asset is expected to be used by the Company. These are reviewed at each reporting date to ensure that these are consistent with the expected pattern of economic benefits for the intangible asset. Changes in the expected useful life or the expected pattern or consumption of future economic benefits embodied in the intangible assets with finite useful life are recognized in profit or loss.

Depreciation and amortization of intangible asset is calculated on a straight-line basis over five (5) years.

Impairment of Nonfinancial Assets
The carrying amounts of property, plant and equipment and other nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists and when the carrying amounts exceed the estimated recoverable amounts, the assets or cash-generating units (CGU) are written down to their recoverable amounts. The recoverable amount of the asset is the greater of the fair value less cost to sell or value in use. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's-length transaction. 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 an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Impairment losses are recognized in profit or loss.

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

<u>Other Nonfinancial Assets</u>
Other nonfinancial assets include advances to officers and employees, advances to suppliers, prepayments and excess tax credits.

Advances to Officers and Employees. Advances to officers and employees pertain to cash advances and carried at face amount.

Advances to Suppliers. Advances to suppliers are carried at cost less any impairment loss in the statement of financial position and are reclassified to appropriate asset or expense account when the services or materials for which the advances were made are received and delivered.

Prepayments. Prepayments are expenses paid in advance and are recorded as assets before these are amortized. These are recorded at costs and are apportioned over the period covered by the payment and included in profit or loss when incurred.

Excess Tax Credits. Excess tax credits pertain to creditable withholding tax (CWT) and prepaid income tax. CWT pertains to tax on the Company's income withheld and remitted to the Bureau of Internal Revenue (BIR) by customers and deducted from income tax payable on the same year the income was recognized. Prepaid income tax pertains to excess income tax payments of the Company over the amount due. Unapplied or excess income tax payments are carried forward and can be utilized in succeeding years.

<u>Value-Added Tax (VAT)</u>

VAT. VAT is a tax on consumption levied on the sale, barter, exchange or lease of goods, or properties and services, and on importation of goods in the Philippines. It is an indirect tax, which may be shifted or passed on to the buyer, transferee or lessee of goods, properties or services.

Revenue, expenses and assets, except for receivables, are generally recognized net of the amount of VAT. The net amount of VAT payable to the taxation authority is recognized as "Statutory payables" under "Trade and other payables" account in the separate statement of financial position.

Deferred Input VAT. Deferred input VAT represents the unamortized amount of input VAT on capital goods. In accordance with Revenue Regulations (RR) No. 16-2005, input VAT on purchases or imports of capital goods (depreciable assets for income tax purposes) with an aggregate acquisition cost (exclusive of VAT) in each of the calendar month exceeding ₱1.0 million is claimed as credit against output VAT over 60 months or the estimated useful lives of capital goods, whichever is shorter.

Where the aggregate acquisition cost (exclusive of VAT) of the existing or finished depreciable capital goods purchased or imported during any calendar month does not exceed ₱1.0 million, the total input VAT will be allowable as credit against output VAT in the month of acquisition.

Based on Revenue Memorandum Circular (RMC) 21-2022, effective January 1, 2022, all input tax on purchases of capital goods shall no longer be deferred but allowed to be claimed upon purchase or payment. Remaining unutilized input VAT shall be allowed to be amortized as scheduled until fully utilized.

Deposits from Lessees
Deposits from lessees consist of deposits received by the Company as security for possible damage on the leased spaces or assets. These are recorded at face amount in the separate statement of financial position and are refundable to the lessee or applied within one (1) year from end of the lease term.

Equity
Equity includes capital stock, additional paid-in capital, deficit, treasury stock and other equity reserves.

Capital Stock. Capital stock is measured at par value for all shares issued.

Additional Paid-in Capital (APIC). APIC represents the proceeds or fair value of consideration received more than the par value of the shares issued. Incremental costs directly attributable to the issuance of new common stock are recognized as a deduction from APIC, net of any tax effects.

Deficit. Deficit represents the cumulative balance of net income or losses of the Company. At each reporting date, net income or loss of the Company is transferred to this account.

Treasury Stock. Treasury stock represents issued shares repurchased by the Company. The consideration paid, including any directly attributable incremental costs, net of related taxes, is deducted from equity until the shares are cancelled, reissued or disposed of.

Other Equity Reserves. Other equity reserves comprise items of income and expense that are not recognized in profit or loss in accordance with PFRS. Other equity reserves of the Company pertain to cumulative remeasurement gains or losses on net retirement benefit liability (net of deferred tax) and cumulative unrealized gains on financial assets at FVOCI.

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

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

Revenues from contracts with customers are recognized as follows:

Sale of Goods. Sale of goods are recognized at a point in time when control of goods has been transferred, when the products are delivered to the customer, and the Company has no obligation that could affect the customer's acceptance of goods.

Other Income. Income from other sources is recognized when earned during the period.

The following specific recognition criteria are outside the scope of PFRS 15, *Revenue from Contracts with Customers:*

Interest Income. Interest income is recognized as the interest accrues, net of final tax.

Rental Income. Rental income is recognized on a straight-line basis over the lease term.

Cost and Expense Recognition

Costs and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

Cost of Sales and Services. Cost of sales and services are recognized as expense when the related goods are delivered to and accepted by customers.

General and Administrative Expenses. General and administrative expenses constitute costs of administering the business and costs incurred to sell and market the goods. These include advertising and freight and handling, among others. These are recognized in profit or loss as incurred.

Interest Expense. Interest expense is recognized in profit or loss using the effective interest method.

Employee Benefits

Short-term Employee Benefits. The Company recognizes short-term employee benefits based on contractual arrangements with employees. Unpaid portion of the short-term employee benefits are measured on an undiscounted basis and is included as part of "Trade and other payables" account in the separate statement of financial position.

Retirement Benefits. Retirement benefits costs are actuarially determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries. The calculation of defined benefit obligations is performed annually by a qualified actuary.

When the calculation results in a potential asset for the Company, the required asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in the future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

The Company recognizes retirement benefit expense, comprising of current service cost and interest cost, in profit or loss.

The Company determines the interest cost or income by applying the discount rate to the net defined benefit liability at the beginning of the annual period, considering any changes in the net defined benefit liability during the period because of the benefit payments.

Remeasurements of the net retirement benefit liability, which comprise actuarial gains and losses, are recognized immediately in OCI. Remeasurements are not reclassified to profit or loss in subsequent periods. Cumulative remeasurement gains or losses are presented in the equity section of the separate statement of financial position.

The net retirement benefit liability recognized by the Company is the aggregate of the present value of the defined benefit obligation reduced by the fair value of plan assets out of which the obligations are to be settled directly. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using risk-free interest rates of government bonds that have terms to maturity approximating the terms of the related net retirement benefit liability.

Leases

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

- The right to obtain substantially all of the economic benefits from use of the identified asset; and
- The right to direct the use of the identified asset.

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

Company as Lessor. Leases where the Company retains substantially all the risks and rewards of ownership of the asset are classified as operating leases.

Initial direct costs incurred in negotiating an operating lease, if any, are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rent income.

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

ROU Assets. ROU assets, presented under "Property, plant and equipment" account, are measured at cost, less any accumulated depreciation and amortization, and impairment losses, and adjusted for any remeasurement of the related lease liabilities. The cost of ROU assets include:

- The amount of the initial measurement of lease liabilities;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- An estimation of costs to be incurred by the Company in dismantling and removing the underlying asset, when applicable.

After the commencement date, ROU assets are carried at cost less any accumulated amortization and any accumulated impairment losses, and adjusted for any remeasurement of the related lease liabilities. The ROU assets are amortized over their related lease terms ranging from one (1) to ten (10) years, or the remaining useful lives of the underlying assets at the commencement date, whichever is shorter.

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

Lease payments included in the measurement of lease liabilities comprise the following:

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

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

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

<u>Foreign Currency-denominated Transactions</u>

Transactions denominated in foreign currencies are recorded using the exchange rate at the date of the transaction. Outstanding monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rate at reporting date. Differences arising on settlement or translation of monetary assets and liabilities are recognized in profit or loss.

<u>Income Taxes</u>

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

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

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

Deferred tax assets and liabilities are measured at the tax 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 substantively enacted at the reporting date.

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

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

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

Related party relationships exist when one party can control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between entities which are under common control with the reporting enterprise, or between the Company and its key management personnel, directors, or its stockholders.

Provisions
Provisions are recognized when the Company has a present obligation (legal or constructive) because of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting year and adjusted to reflect the current best estimate.

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

Events After the Reporting Date
Post year-end events that provide additional information about the Company's financial position at reporting date (adjusting events) are reflected in the separate financial statements. Post year-end events that are non-adjusting events are disclosed in the notes to separate financial statements when material.

3. Judgments, Accounting Estimates and Assumptions

The preparation of the separate financial statements in compliance with PFRS requires management to exercise judgments and make accounting estimates and assumptions that affect the amounts reported in the separate financial statements and related notes. The judgment, accounting estimates and assumptions used in the separate financial statements are based upon management's evaluation of relevant facts and circumstances as at the reporting date.

While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

Judgments, accounting estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The following are the material judgments, accounting estimates and assumptions made by the Company:

Judgments

Determining Operating Lease – Company as Lessor. The Company, as a lessor, has entered into various lease arrangements for use of its land and building, classified under "Investment properties" account, and, aircraft and vehicles, classified under "Property, plant and equipment" account.

The Company has determined that it retains all the significant risks and rewards of ownership of these properties. Accordingly, the lease arrangements are accounted for as operating leases.

Details of the Company's lease arrangements, as lessor, are discussed in Note 23 to the separate financial statements.

Determining Lease Term of Contracts with Renewal and Termination Options – Company as Lessee. The Company determines the lease term as the noncancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease arrangements that include extension and termination options. The Company applies judgment in evaluating whether it is reasonably certain whether to exercise the option to renew or terminate the lease, considering all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

The management assessed that the option to extend or terminate the lease is not reasonably certain to be exercised. Accordingly, lease term does not include the period covered by the extension or termination option.

Classifying Financial Assets. Classification and measurement of financial assets depends on the results of the contractual cash flow and the business model tests. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated, the risks that affect the performance of the assets, and how these risks are managed.

Investments in equity securities, at initial recognition, were irrevocably designated as financial assets at FVOCI because the Company considers these investments to be strategic in nature. While bonds receivable and other financial assets are classified as financial assets at amortized cost since the Company's primary business model in relation to these assets is to hold the financial assets to collect contractual cash flows solely for principal and interest.

Measuring Financial Assets at FVOCI. The fair values of securities that are actively traded in organized financial markets are determined by reference to unadjusted quoted market prices at the close of business on the reporting date. As at April 30, 2024 and 2023, the Company determined that these fair values used in measuring financial assets at FVOCI are appropriate.

Assumptions and methods of determining the fair values are presented in Note 26 to the separate financial statements.

Classifying Investment Properties. The Company determines whether a land or building qualifies as an investment property or an item of property, plant and equipment. In making its judgment, the Company considers whether the property is held primarily to earn rentals or capital appreciation or used for operations and administrative purposes by the Company.

The Company classifies land, building and improvements, and construction in progress, held to earn rentals and for capital appreciation, as investment properties.

Details of Company's investment properties as at April 30, 2024 and 2023 are disclosed in Note 11 to the separate financial statements.

Accounting Estimates and Assumptions

Assessing ECL on Trade Receivables. The Company, applying the simplified approach in the computation of ECL, initially uses a provision matrix based on historical default rates for trade receivables. The provision matrix specifies provision rates depending on the number of days that a trade receivable is past due.

The Company then adjusts the historical credit loss experience with forward-looking information based on current observable data to reflect the effects of current and forecasted economic conditions. The Company adjusts historical default rates if forecasted economic conditions such as gross domestic product is expected to deteriorate. The Company regularly reviews the methodology and assumptions used for estimating ECL to reduce any differences between estimates and actual credit loss experience.

The determination of the relationship between historical default rates and forecasted economic conditions is a material accounting estimate. Accordingly, the provision for impairment loss on trade receivables is sensitive to changes in assumptions about forecasted economic conditions.

The Company recognized provision for ECL on trade receivables in 2024 and 2023.

Details of the Company's allowance for ECL on trade receivables as at April 30, 2024 and 2023 are disclosed in Note 5 to the separate financial statements.

Assessing ECL on Other Financial Assets at Amortized Cost. The Company determines the allowance for ECL using general approach based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL are provided for credit losses that result from possible default events within the next 12 months unless there has been a significant increase in credit risk since initial recognition in which case ECL are provided based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Company considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the financial instrument being assessed such as, but not limited to, the following factors:

- Actual or expected external and internal credit rating downgrade;
- Existing or forecasted adverse changes in business, financial or economic conditions; and
- Actual or expected significant adverse changes in the operating results of the borrower.

The Company also considers financial assets that are more than 30 days past due to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent a significant risk in credit risk such as when non-payment was an administrative oversight rather than resulting from financial difficulty of the borrower.

For cash in banks and cash equivalents, bonds receivable, interest receivable and security deposits, the Company has assessed that ECL is not material because the transactions with respect to these financial assets were entered into by the Company only with reputable banks and companies with good credit standing and relatively low risk of defaults. For advances to related parties, nontrade receivables and loans receivable, the Company has provided allowance for ECL as at April 30, 2024 and 2023.

Details of Company's allowance for ECL on other financial assets at amortized cost as at April 30, 2024 and 2023 are disclosed in Note 5 to the separate financial statements.

Determining NRV of Inventories. The Company writes down its inventories to NRV whenever the selling price less costs to complete and sell inventories becomes lower than cost due to usability in the production, damage, physical deterioration, obsolescence, changes in price levels or other causes. However, when the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in NRV because of changed economic circumstances, the amount of the write-down is reversed. These are being reviewed by the Company on a regular basis.

Details of the Company's inventories as at April 30, 2024 and 2023 are disclosed in Note 6 to the separate financial statements.

Estimating Useful Lives of Property, Plant and Equipment, Investment Properties (Except Land and Construction in Progress) and Intangible Assets. The Company estimates the useful lives of property, plant and equipment, investment properties and intangible assets based on the period over which the assets are expected to be available for use 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 assets. The estimated useful lives and depreciation and amortization methods are reviewed periodically to ensure that these are consistent with the expected pattern of economic benefits from individual items.

In 2024 and 2023, there is no change in the estimated useful lives and, depreciation and amortization methods for property, plant and equipment, investment properties and intangible assets.

Assessing Other Nonfinancial Assets for Impairment. The Company assesses impairment on other nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The relevant factors that the Company considers in deciding whether to perform an asset impairment review include, among others, the following:

- Significant under performance of a business in relation to expectations;
- Significant negative industry or economic trends; and
- Significant changes or planned changes in the use of the assets.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs.

Recoverable amount of the asset is the greater of the fair value less cost of disposal or value in use. The fair value less cost to sell is the amount obtainable from sale of an asset in an arm's-length transaction. 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.

In 2024 and 2023, the Company did not recognize impairment loss on nonfinancial assets, except for investments in subsidiaries. Details of advances to officers and employees, other current assets, investments in subsidiaries, property, plant and equipment, investment properties and other noncurrent assets (except security deposits and bonds receivable) as at April 30, 2024 and 2023 are disclosed in Notes 5, 7, 9, 10, 11 and 12 to the separate financial statements.

Estimating IBR on Lease Liabilities. The Company determines lease payments, lease term and discount rate at the commencement date of a lease. The lease term comprises noncancellable period of a lease contract. The Company uses its IBR as basis for the discount rate which is the rate that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the ROU assets in a similar economic environment. The Company estimates the IBR using available observable inputs (such as the prevailing Bloomberg Valuation interest rates) adjusted for entity-specific estimates, to reflect the terms and conditions of the lease.

The Company has applied IBR of 8.15% for the computation of lease liabilities and ROU assets. Carrying amounts of lease liabilities and ROU assets are disclosed in Note 23 to the separate financial statements.

Estimating Retirement Benefits. Estimation of the obligation and cost of retirement benefits are dependent on the assumptions used by the actuary in calculating such amounts. These assumptions include discount rates and salary increase rates. Where actual results differ from the Company's assumptions, these are recognized in OCI and are generally affect the recorded obligation in such future periods.

Details of net retirement benefit liability are disclosed in Note 22 to the separate financial statements.

Recognizing Deferred Tax Assets. The Company reviews the carrying amounts of deferred tax assets at each reporting date and reduces the deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

Details of recognized deferred tax assets as at April 30, 2024 and 2023 are disclosed in Note 24 to the separate financial statements.

4. Cash and Cash Equivalents

This account consists of:

	2024	2023
Cash on hand	**₱75,623**	₱78,030
Cash in banks	**143,817,143**	52,597,866
Cash equivalents	**119,471**	119,350
	₱144,012,237	₱52,795,246

Cash in banks earn interest at the prevailing bank deposit rates and are readily available for use in the Company's current operations.

Cash equivalents earn annual interest rates ranging from 5.05% to 5.65% and 1.15% to 5.05% in 2024 and 2023, respectively.

Interest income is recognized from the following:

	Note	2024	2023
Cash and cash equivalents		**₱76,593**	₱42,469
Trade and other receivables	5	**1,987,518**	7,673
		₱2,064,111	₱50,142

5. Trade and Other Receivables

This account consists of:

	Note	2024	2023 (As restated)
Trade receivables:			
Third parties		**₱107,881,774**	₱107,012,194
Related parties	17	**44,153,838**	42,781,046
Advances to related parties	17	**468,445,272**	465,478,119
Loans receivables		**8,984,907**	14,943,761
Nontrade receivables		**2,971,915**	7,008,293
Advances to officers and employees		**1,538,643**	2,534,854
Bonds receivable		**394,811**	–
Interest receivable		**25,000**	–
		634,396,160	639,758,267
Less allowance for expected credit losses on:			
Advances to related parties	17	**468,445,272**	464,140,894
Trade receivables		**49,288,028**	45,685,603
Loans receivable		**7,000,000**	–
Nontrade receivables		**2,971,915**	2,014,960
		527,705,215	511,841,457
		₱106,690,945	₱127,916,810

Trade receivables are generally unsecured, noninterest-bearing and are on a 30-day credit term.

Loans receivables pertain to loans to third parties which are unsecured, to be collected in cash, and bear interest rate of 10% and collectible within one (1) year.

Nontrade receivables are generally collectible within one (1) year.

Advances to officers and employees are subject to liquidation within seven (7) days after the transaction occurred.

Bonds receivable pertains to government serial bonds with principal payments that are collectible annually until 2028. These are interest-bearing based on the average 91-day Philippine Government treasury bill rates of the preceding semester and the interests are payable every six (6) months.

As discussed in Note 11 to the separate financial statements, the Company recognized bonds receivable amounting to ₱3.9 million as part of the consideration to the sale of investment properties in 2024. This transaction is considered as noncash financial information in the separate statement of cash flows.

Bonds receivable is presented in the statement of financial position as follows:

	Note	Amount
Current		₱394,811
Noncurrent	12	1,579,243
		₱1,974,054

Details of interest income recognized from trade and other receivables are as follows:

	Note	**2024**	2023
Loans receivable		**₱1,629,928**	₱7,673
Bonds receivable		**357,590**	–
	4	**₱1,987,518**	₱7,673

Other receivables are generally unsecured, noninterest-bearing and collectible within one (1) year.

The balance and movements in allowance for ECL on trade and other receivables are as follows:

		2024				
	Note	**Advances to Related Parties**	**Trade Receivables**	**Loans Receivables**	**Nontrade Receivables**	**Total**
Balance at beginning of year, as previously reported		**₱394,850,968**	**₱15,592,014**	**₱–**	**₱2,014,960**	**₱412,457,942**
Prior period adjustments		**69,289,926**	**30,093,589**	**–**	**–**	**99,383,515**
Balance at beginning of year, as restated		**464,140,894**	**45,685,603**	**–**	**2,014,960**	**511,841,457**
Provision	**20**	**4,304,378**	**3,602,425**	**7,000,000**	**956,955**	**15,863,758**
Balance at end of year		**₱468,445,272**	**₱49,288,028**	**₱7,000,000**	**₱2,971,915**	**₱527,705,215**

		2023 (As restated)			
	Note	Advances to Related Parties	Trade Receivables	Nontrade Receivables	Total
Balance at beginning of year		₱394,351,601	₱15,710,883	₱2,014,960	₱412,077,444
Provision	20	69,789,293	30,024,720	–	99,814,013
Write-off		–	(50,000)	–	(50,000)
Balance at end of year		₱464,140,894	₱45,685,603	₱2,014,960	₱511,841,457

Prior Period Adjustments

Asian Institute of Aviation - Planters Aviation Corporation (AIA-PAC), a subsidiary, has encountered difficulties in sustaining its operations and has struggled to generate cash flows to meet its financial obligations. Since 2023, management has assessed that there is a remote possibility of collecting these receivables from AIA-PAC because of its plan to cease operations and continuous losses.

In 2023, however, these receivables were not provided with allowance for ECL. Accordingly, these have been adjusted to the separate financial statements as at and for the year ended April 30, 2023. The affected line items in the separate financial statements are summarized as follows:

	As at and for the year ended April 30, 2023		
	As Previously Reported	Effect of Restatement	As Restated
Trade and other receivables	₱227,300,325	(₱99,383,515)	₱127,916,810
Deficit	(469,117,943)	(99,383,515)	(568,501,458)
General and administrative expenses	179,483,341	99,383,515	278,866,856

6. Inventories

This account consists of:

	2024		2023	
	At Cost	**At Lower of Cost and NRV**	At Cost	At Lower of Cost and NRV
Raw materials	**₱43,563,098**	**₱43,563,098**	₱74,526,381	₱74,526,381
Finished goods	**40,604,528**	**39,094,085**	35,475,921	31,541,705
Operating supplies	**7,516,166**	**7,516,166**	5,503,845	5,503,845
	₱91,683,792	**₱90,173,349**	₱115,506,147	₱111,571,931

The cost of inventories sold amounted to ₱310.2 million and ₱402.2 million in 2024 and 2023, respectively (see Note 19).

The balance and movements in allowance for inventory obsolescence are as follows:

	Note	**2024**	2023
Balance at beginning of year		**₱3,934,216**	₱12,424
Provision	20	**2,962,224**	3,921,792
Write-off		**(5,385,997)**	–
Balance at end of year		**₱1,510,443**	₱3,934,216

7. Other Current Assets

This account consists of:

	2024	2023
Advances to suppliers	**₱7,079,634**	₱7,254,872
Prepayments	**2,577,309**	1,916,044
Deferred input VAT	**434,258**	584,526
Excess tax credits	**–**	3,742,035
	₱10,091,201	₱13,497,477

Advances to suppliers pertain to advance payments for purchases of goods and services.

Prepayments pertain to advance payments of insurance and short-term rent.

Deferred input VAT pertains to purchase of capital goods. Deferred input VAT is presented in the separate statement of financial position as follows:

	Note	2024	2023
Current		**₱434,258**	₱584,526
Noncurrent	12	**275,875**	710,133
		₱710,133	₱1,294,659

8. Financial Assets at FVOCI

This account pertains to investments in quoted equity securities which include golf and sports club shares. The balance and movement in this account are as follows:

	2024	2023
Balance at beginning of the year	**₱10,820,000**	₱5,000,000
Fair value adjustment	**4,180,000**	5,820,000
Balance at end of the year	**₱15,000,000**	₱10,820,000

No dividend income was earned by the Company in 2024 and 2023.

The Company's quoted financial assets at FVOCI are carried at fair value based on quoted market prices or bidding dealer price quotations from active markets as at April 30, 2024 and 2023 classified under Level 1 category (see Note 26).

The balance and movements in cumulative fair value changes on financial assets at FVOCI are as follows:

	Note	2024	2023
Balance at beginning of the year		**₱5,768,791**	₱1,403,791
Fair value adjustment		**5,229,410**	5,820,000
Deferred tax benefit (expense)	24	**2,459,603**	(1,455,000)
Balance at end of year		**₱13,457,804**	₱5,768,791

9. Investments in Subsidiaries

The balance and movement in this account are as follows:

	Note	2024	2023
Cost			
Balance at beginning and end of year		**₱4,312,380**	₱4,312,380
Allowance for Impairment Losses			
Balance at beginning of year		**3,687,380**	3,687,380
Impairment	20	**625,000**	–
Balance at end of year		**4,312,380**	3,687,380
Carrying Amount		**₱–**	₱625,000

As at April 30, 2024 and 2023, the details of the Company's subsidiaries, which are all incorporated in the Philippines and registered with the SEC, are as follows:

Subsidiaries	% of ownership	Principal activities	Status of operation
AIA-PAC	100.00%	Pilot training services	Has commercial operations
Planters Produce-Farmers Corporation (PPFC)	100.00%	Trading	Has commercial operations
Planters Agri-Chem Corporation (PACC)	100.00%	Trading	Under liquidation
Planters Spring Bamboo, Inc. (PSBI)	100.00%	Manufacturing	Under liquidation
Planters Crop Export Marketing, Inc. (PCEMI)	100.00%	Trading	Under liquidation
Planters Transport, Inc. (PTI)	100.00%	Operator of motor vehicles	Under liquidation
Planters Environmental Solutions, Inc. (PEnSol)	80.00%	Trading	Under liquidation

10. Property, Plant and Equipment

The balances of and movements in this account are as follows:

	2024						
	ROU Assets (see Note 23)	Transportation Equipment	Machineries and Equipment	Aircraft and Vehicles Held for Leasing	Furniture, Fixture and Office Equipment	Building and Improvements	Total
Cost							
Balances at beginning of year	₱51,036,882	₱36,027,255	₱26,550,510	₱25,818,137	₱8,446,471	₱22,248,451	₱170,127,706
Additions	–	7,024,437	793,146	2,240,571	531,731	89,285	10,679,170
Disposals	–	(6,817,631)	(330,357)	–	(116,116)	(458,824)	(7,722,928)
Balances at end of year	51,036,882	36,234,061	27,013,299	28,058,708	8,862,086	21,878,912	173,083,948
Accumulated Depreciation and Amortization							
Balances at beginning of year	24,354,028	21,095,247	18,019,600	19,128,612	5,852,291	19,131,087	107,580,865
Depreciation and amortization	6;917,030	4,855,407	1,786,459	2,108,986	1,061,157	1,330,313	18,059,352
Disposals	–	(6,817,631)	(330,357)	–	(116,116)	(458,824)	(7,722,928)
Balances at end of year	31,271,058	19,133,023	19,475,702	21,237,598	6,797,332	20,002,576	117,917,289
Carrying Amounts	₱19,765,824	₱17,101,038	₱7,537,597	₱6,821,110	₱2,064,754	₱1,876,336	₱55,166,659

	2023						
	ROU Assets (see Note 23)	Transportation Equipment	Machineries and Equipment	Aircraft and Vehicles Held for Leasing	Furniture, Fixture and Office Equipment	Building and Improvements	Total
Cost							
Balances at beginning of year	₱50,312,993	₱35,213,008	₱24,776,177	₱25,818,137	₱7,201,721	₱21,413,920	₱164,735,956
Additions	3,162,496	1,968,211	1,805,521	–	1,514,675	1,644,531	10,095,434
Disposals	(2,438,607)	(1,153,964)	(31,188)	–	(269,925)	(810,000)	(4,703,684)
Balances at end of year	51,036,882	36,027,255	26,550,510	25,818,137	8,446,471	22,248,451	170,127,706
Accumulated Depreciation and Amortization							
Balances at beginning of year	19,823,065	17,128,209	16,231,429	17,314,790	5,529,842	18,727,674	94,755,009
Depreciation and amortization	6,969,570	5,093,270	1,819,359	1,813,822	585,847	1,213,413	17,495,281
Disposals	(2,438,607)	(1,126,232)	(31,188)	–	(263,398)	(810,000)	(4,669,425)
Balances at end of year	24,354,028	21,095,247	18,019,600	19,128,612	5,852,291	19,131,087	107,580,865
Carrying Amounts	₱26,682,854	₱14,932,008	₱8,530,910	₱6,689,525	₱2,594,180	₱3,117,364	₱62,546,841

<u>ROU Assets</u>

In 2023, the Company recognized ROU asset amounting to ₱3.2 million for the long-term lease of warehouse. This is considered as noncash financial information in the separate statement of cash flows (see Note 23).

Gain on disposals of property, plant and equipment is computed as follows (see Note 21):

	2024	2023
Consideration	**₱485,060**	₱214,428
Carrying amount	**–**	(34,259)
Gain	**₱485,060**	₱180,169

Details of depreciation and amortization are as follows:

	Note	**2024**	2023
Recognized in profit or loss:			
Cost of sales and services	19	**₱10,966,045**	₱11,183,069
General and administrative expenses	20	**8,035,289**	8,217,827
		19,001,334	19,400,896
Recognized as component of inventories	19	**1,094,982**	838,944
		₱20,096,316	₱20,239,840

Depreciation and amortization are distributed as follows:

	Note	**2024**	2023
Property, plant and equipment		**₱18,059,352**	₱17,495,281
Investment properties	11	**1,672,099**	2,065,677
Intangible assets	12	**364,865**	678,882
		₱20,096,316	₱20,239,840

Cost of fully depreciated property and equipment still used in the Company's operations amounted to ₱52.3 million and ₱47.5 million as at April 30, 2024 and 2023, respectively.

The Company has entered into lease agreements on its aircraft and vehicles. Rent income earned from these amounted to ₱1.9 million and ₱1.3 million in 2024 and 2023, respectively (see Note 23).

Building and improvements with carrying amount of ₱1.0 million and ₱1.8 million as at April 30, 2024 and 2023, respectively, are held as collateral for loans payable (see Note 14).

11. Investment Properties

The balances of and movements in this account are as follows:

	2024				
	Land	Building and Improvements	Condominium Units	Construction in Progress	Total
Cost					
Balances at beginning of year	₱356,463,719	₱56,497,807	₱14,159,545	₱1,291,250	₱428,412,321
Additions	–	647,320	–	–	647,320
Disposal	(113,716)	–	(1,531,760)	–	(1,645,476)
Reclassification	–	1,291,250	–	(1,291,250)	–
Balances at end of year	356,350,003	58,436,377	12,627,785	–	427,414,165
Accumulated Depreciation					
Balances at beginning of year	–	40,706,776	3,494,448	–	44,201,224
Depreciation and amortization	–	1,384,464	287,635	–	1,672,099
Disposals	–	–	(354,858)	–	(354,858)
Balances at end of year	–	42,091,240	3,427,225	–	45,518,465
Carrying amounts	₱356,350,003	₱16,345,137	₱9,200,560	₱–	₱381,895,700

	2023				
	Land	Building and Improvements	Condominium Units	Construction in Progress	Total
Cost					
Balances at beginning of year	₱356,463,719	₱56,247,807	₱14,159,545	₱–	₱426,871,071
Additions	–	250,000	–	1,291,250	1,541,250
Balances at end of year	356,463,719	56,497,807	14,159,545	1,291,250	428,412,321
Accumulated Depreciation					
Balances at beginning of year	–	38,966,265	3,169,282	–	42,135,547
Depreciation and amortization	–	1,740,511	325,166	–	2,065,677
Balances at end of year	–	40,706,776	3,494,448	–	44,201,224
Carrying Amounts	₱356,463,719	₱15,791,031	₱10,665,097	₱1,291,250	₱384,211,097

In 2024, gain on disposal of investment properties pertains to sale of land and condominium units. Details are as follows:

	Note	Land	Condominium Units	Total
Consideration:				
Bonds receivable	5	₱3,948,106	₱–	₱3,948,106
Cash		986,145	1,629,719	2,615,864
		4,934,251	1,629,719	6,563,970
Carrying amounts		(113,716)	(1,176,902)	(1,290,618)
Gain on disposal	21	₱4,820,535	₱452,817	₱5,273,352

The Company entered in lease agreements for commercial and office spaces on its investment properties. Rent income earned from these properties amounted to ₱23.0 million and ₱24.6 million in 2024 and 2023, respectively (see Note 23).

Direct operating expenses arising from investment properties amounted to ₱6.6 million and ₱3.3 million in 2024 and 2023, respectively.

Land, building and improvements with total carrying amount of ₱351.5 million and ₱352.0 million as at April 30, 2024 and 2023, respectively, are secured as collateral for loans payable (see Note 14).

Fair value of the investment properties amounting to ₱1,266.5 million and ₱793.3 million as at April 30, 2024 and 2023, respectively, was determined using the Direct Sales Comparison Approach. This approach compares the recent sale transactions or offerings of similar properties which have occurred or offered with proximity to the investment properties to establish an estimated value. Fair value of the investment properties are categorized under Level 2 (see Note 26).

12. Other Noncurrent Assets

This account consists of:

	Note	2024	2023
Security deposits		**₱1,480,605**	₱1,480,605
Intangible assets		**2,900,773**	745,129
Bonds receivable - net of current portion	5	**1,579,243**	–
Deferred input VAT - net of current portion	7	**275,875**	710,133
		₱6,236,496	₱2,935,867

Security deposits refer to payments to lessors which serve as security against future liabilities of the Company. These do not bear interest and are returned or applied as payments to outstanding liabilities at the end of the lease term or contract.

The balance and movements of intangible assets are as follows:

	Note	2024	2023
Cost			
Balance at beginning of year		**₱2,482,487**	₱2,288,496
Additions		**2,520,509**	193,991
Balance at end of year		**5,002,996**	2,482,487
Accumulated Amortization			
Balance at beginning of year		**1,737,358**	1,058,476
Amortization	10	**364,865**	678,882
Balance at end of year		**2,102,223**	1,737,358
Carrying amount		**₱2,900,773**	₱745,129

13. Trade and Other Payables

This account consists of:

	Note	2024	2023
Trade payables		**₱44,886,428**	₱9,002,656
Accrued expenses:			
Advertising		**6,887,113**	6,484,269
Professional fees		**6,330,264**	3,221,411
Personnel costs		**3,452,768**	4,350,128
Commissions and incentives		**1,774,154**	5,101,448
Utilities		**710,859**	1,470,978
Taxes and licenses		**231,091**	–
Others		**297,934**	155,549
Statutory payables		**7,128,974**	14,165,975
Current portions of:			
Lease liabilities	23	**6,518,069**	7,139,762
Unearned rent income		**1,847,399**	2,951,434
Others		**2,332,316**	2,481,373
		₱82,397,369	₱56,524,983

Trade payables are generally unsecured, noninterest-bearing and normally settled on a 30-day credit term.

Accrued expenses, statutory payables and other payables are generally settled within one (1) year.

Unearned rent income pertains to advance payments received from leases which are to be applied to the last months of the lease term. These are presented in the separate statement of financial position as follows:

	Note	2024	2023
Current		**₱1,847,399**	₱2,951,434
Noncurrent	15	**4,438,157**	4,151,627
	23	**₱6,285,556**	₱7,103,061

14. **Loans Payable**

Details of the Company's borrowings are as follows:

- Loans payable amounting to ₱144.0 million as at April 30, 2024 and 2023 are borrowings from local banks to finance working capital of the Company, payable in one (1) month, bear interest rates ranging from 7.85% to 11.02% and interests are payable in advance.

  These are secured of property, plant and equipment with carrying amount of ₱1.0 million and ₱1.8 million as at April 30, 2024 and 2023, respectively, and investment properties with carrying amount of ₱351.5 million and ₱352.0 million as at April 30, 2024 and 2023, respectively (see Notes 10 and 11).

  Further, these can be extended by the Company beyond expiry date of the facility agreement which is more than one (1) year after the end of the reporting period. Accordingly, these are presented in the separate statement of financial position as noncurrent.

- Loans payable amounting to ₱3.8 million and ₱6.3 million as at April 30, 2024 and 2023, respectively, are obtained in relation to "Kadiwa ni Ani at Kita Centers" project, are payable in equal monthly installments until 2026, non-interest bearing and unsecured.

Loans payable is presented in the separate statement of financial position as follows:

	2024	2023
Current	**₱2,500,000**	₱2,500,000
Noncurrent	**145,250,000**	147,750,000
	₱147,750,000	₱150,250,000

The schedule of maturities over the remaining term of the loans is summarized as follows:

Year	Amount
2025	₱2,500,000
2026	145,250,000
	₱147,750,000

Details of interest expense recognized during the year pertains to the following:

	Note	2024	2023
Loans payable		**₱13,553,224**	₱9,029,555
Lease liabilities	23	**2,312,110**	2,835,943
		₱15,865,334	₱11,865,498

Reconciliation of Liabilities Arising from Financing Activities
The table below shows the details of changes in the Company's liabilities arising from financing activities:

	Loans Payable		Lease Liabilities (see Note 23)	
	2024	2023	**2024**	2023
Balances at beginning of year	**₱150,250,000**	₱97,750,000	**₱31,593,858**	₱34,688,572
Cash changes:				
Availments	**–**	55,000,000	**–**	–
Payments of:				
Interest*	**(14,779,460)**	(9,029,555)	**–**	–
Loans	**(2,500,000)**	(2,500,000)	**–**	–
Lease Liabilities	**–**	–	**(9,451,872)**	(9,121,531)
Noncash changes:				
Interest expense	**13,553,224**	9,029,555	**2,312,110**	2,835,943
Additions	**–**	–	**–**	3,190,874
Balances at end of year	**₱146,523,764**	₱150,250,000	**₱24,454,096**	₱31,593,858

**Including prepaid interest amounting to ₱1.2 million as at April 30, 2024.*

15. Other Noncurrent Liabilities

This account consists of:

	Note	2024	2023
Deposits from lessees	23	**₱4,834,890**	₱4,520,446
Unearned rent income – net of current portion	13	**4,438,157**	4,151,627
		₱9,273,047	₱8,672,073

Deposits from lessees pertain to deposits received from leases which are refundable within one (1) year from the end of lease term and equivalent to 2 to 3 months of monthly lease payments.

16. Equity

Details of the Company's common stock at ₱1 par value as at April 30, 2024 and 2023 are as follows:

	Number of Shares	Amount
Authorized		
Balance at beginning and end of year	300,000,000	₱300,000,000
Issued		
Balance at beginning and end of year	300,000,000	₱300,000,000
Treasury Stock		
Balance at beginning and end of year	553,172	553,172
Outstanding capital stock	299,446,828	₱299,446,828

Treasury Stock

As at April 30, 2024 and 2023, the Company has reacquired 553,172 shares at ₱1 par value, for a total consideration of ₱553,172.

17. Related Party Transactions

In the normal course of business, the Company has transactions with its related parties as follows:

		Amount of Transaction		Outstanding Balance	
	Nature of Transaction	2024	2023	2024	2023 (As Restated - see Note 5)
Trade Receivables (see Note 5)					
Subsidiaries	Rental	₱1,431,575	₱1,378,084	₱44,040,395	₱42,653,960
	Utility revenue	15,243	13,774	101,619	92,491
	Security deposits	–	34,595	11,824	34,595
	Management fees	–	1,071,429	–	–
				44,153,838	₱42,781,046
Allowance for ECL				(44,153,838)	(42,781,046)
				₱–	₱–
Advances to Related Parties (See Note 5)					
Subsidiaries	Working capital	₱5,316,725	₱3,246,688	₱417,491,067	₱414,932,216
Entity under common key management	Working capital	408,303	499,367	50,954,205	50,545,903
				468,445,272	465,478,119
Allowance for expected credit losses				(468,445,272)	(464,140,894)
				₱–	₱1,337,225
Plan Asset (See Note 22)	Contribution	₱9,000,000	₱2,000,000	₱50,167,892	₱43,858,205
Personnel Costs					
Key management personnel	Salaries and wages	₱13,265,824	₱13,821,377	₱–	₱–
	Post-employment benefits	2,560,216	11,911,718	–	–
	Other employee benefits	471,111	405,000	–	–
	Advances to officers and employees	7,197	–	230,202	250,000
				₱230,202	₱250,000

Outstanding balances, except for advances to related parties and advances from related parties, are unsecured, noninterest-bearing and to be collected or settled in cash within one (1) year.

Management Contract

The Company has a Management Contract (the Contract) with AIA-PAC. The Contract provides for monthly fees based on a certain percentage of gross sales. This income is recorded as "Management fees", under "Revenues" account in the separate statement of comprehensive income.

Advances to Related Parties

Advances to related parties are noninterest-bearing, unsecured, collectible on demand and will be settled in cash.

Balance and movement in the allowance for ECL on advances to related parties are as follows:

	2024	2023 (As restated - see Note 5)
Balance at beginning of year	**₱464,140,894**	₱394,351,601
Provision	**4,304,378**	69,789,293
Balance at end of year	**₱468,445,272**	₱464,140,894

18. Revenues

The details of revenues are as follows:

	Note	2024	2023
Within the scope of PFRS 15:			
Sale of goods		**₱528,264,336**	₱601,505,788
Utilities		**4,127,764**	3,258,898
Management fees	17	**–**	1,071,429
		532,392,100	₱605,836,115
Outside the scope of PFRS 15 -			
Rent	23	**24,953,790**	25,852,783
		₱557,345,890	₱631,688,898

19. Cost of Sales and Services

Details of cost of sales and services are as follows:

	Note	2024	2023
Cost of sales:			
Raw materials used		₱281,938,336	₱357,389,667
Direct labor	22	5,264,054	5,015,678
Manufacturing overheads:			
Depreciation and amortization	10	8,567,577	8,467,680
Indirect labor	22	7,034,910	7,229,693
Professional fees		6,819,694	6,629,281
Utilities		2,506,394	2,887,478
Repairs and maintenance		2,266,715	1,350,843
Supplies		1,795,941	2,838,319
Taxes and licenses		426,480	523,027
Rental		369,909	365,172
Others		716,135	1,889,700
Cost of goods manufactured		317,706,145	394,586,538
Finished goods, beginning		31,541,705	39,126,905
Finished goods, ending		(39,094,085)	(31,541,705)
	6	310,153,765	402,171,738
Cost of services:			
Utilities		4,127,765	3,258,898
Depreciation and amortization	10	3,493,450	3,554,333
Taxes and licenses		821,988	–
		8,443,203	6,813,231
		₱318,596,968	₱408,984,969

20. General and Administrative Expenses

This account consists of:

	Note	2024	2023
Personnel costs	22	₱67,575,579	₱60,632,779
Professional fees		29,704,539	26,497,096
Advertising		24,822,383	21,013,594
Training and meetings		10,803,021	20,898,144
Depreciation and amortization	10	8,035,289	8,217,827
Repairs and maintenance		7,934,043	7,917,901
Commission and incentives		6,412,490	2,525,075
Delivery		6,054,678	6,447,697
Taxes and licenses		4,158,692	4,775,378
Rentals		4,094,456	2,389,275
Utilities		3,797,138	3,862,259
Provisions for:			
ECL on trade and other receivables	5	15,863,758	99,814,013
Inventory obsolescence	6	2,962,224	3,921,792
Impairment on investments in subsidiaries	9	625,000	–
Others		5,482,101	9,954,026
		₱198,325,391	₱278,866,856

21. **Other Income** - Net

This account consists of:

	Note	2024	2023
Gain on sale of:			
Investment properties	11	**₱5,273,352**	₱–
Property, plant and equipment	10	**485,060**	180,169
Foreign exchange loss - net		**(1,129,828)**	(41,793)
Gain on settlement of lawsuit		**1,001,660**	4,829,700
Miscellaneous		**537,958**	830,514
		₱6,168,202	₱5,798,590

22. **Personnel Costs**

This account consists of:

	2024	2023
Salaries and wages	**₱54,537,923**	₱52,660,966
Other employee benefits	**17,621,834**	14,458,276
Retirement benefits	**7,714,786**	5,758,908
	₱79,874,543	₱72,878,150

Personnel costs were distributed in the separate statement of comprehensive income as follows:

	Note	2024	2023
Recognized in profit or loss:			
General and administrative expenses	20	**₱67,575,579**	₱60,632,779
Cost of sales	19	**10,727,091**	11,032,148
		78,302,670	71,664,927
Recognized as component of inventories	19	**1,571,873**	1,213,223
		₱79,874,543	₱72,878,150

Retirement Benefits

The Company has a funded, noncontributory defined retirement benefits plan (the Plan) covering substantially all of its employees. The retirement benefits are based on a certain percentage of the final monthly basic salary for every year of credited service of the employees. The benefits to be received by the employees meet the minimum mandated benefit under Republic Act No. 7641, *The Retirement Pay Law.*

The defined benefit obligation under the defined benefit retirement plan is determined using the projected unit credit method. The latest actuarial valuation report of the Company was as at and for the year ended April 30, 2024.

The components of retirement benefits expense recognized as part of "Personnel costs" in the separate statement of comprehensive income are as follows:

	2024	2023
Current service cost	₱6,192,891	₱5,021,242
Interest cost - net	1,521,895	737,666
	₱7,714,786	₱5,758,908

Retirement benefits expense was distributed as follows:

	2024	2023
Recognized in profit or loss:		
Cost of sales	₱1,058,462	₱806,756
General and administrative expenses	6,501,224	4,863,432
	7,559,686	5,670,188
Recognized as component of inventories	155,100	88,720
	₱7,714,786	₱5,758,908

Movements in net retirement benefit liability recognized in the separate statement of financial position are as follows:

	2024	2023
Balance at beginning of year	₱27,021,950	₱11,963,709
Contributions	(9,000,000)	(2,000,000)
Retirement benefits expense	7,714,786	5,758,908
Remeasurement losses (gains)	(4,128,100)	11,584,316
Benefits paid from book reserve	–	(284,983)
Balance at end of year	₱21,608,636	₱27,021,950

The funded status of the retirement plan are as follows:

	2024	2023
Present value of defined benefit obligation (PVBO)	₱71,776,528	₱70,880,155
Fair value of plan assets (FVPA)	50,167,892	43,858,205
Net retirement benefit liability	₱21,608,636	₱27,021,950

Details of PVBO are as follows:

	2024	2023
Balance at beginning of year	₱70,880,155	₱54,596,579
Current service cost	6,192,891	5,021,242
Interest cost	4,465,450	3,303,093
Remeasurement losses (gains) recognized in OCI:		
Change in financial assumptions	(2,398,801)	(820,171)
Experience adjustments	(4,092,955)	11,522,624
Benefits paid from:		
Plan asset	(3,270,212)	(2,458,229)
Book reserve	–	(284,983)
Balance at end of year	₱71,776,528	₱70,880,155

The principal assumptions used to determine the retirement benefits are as follows:

	2024	2023
Discount rate	**7.06%**	6.30%
Salary increase rate	**6.00%**	6.00%

The sensitivity analyses based on reasonably possible changes in the assumptions are as follows:

	Change in Assumption	Effect on Retirement Benefit Liability	
		2024	2023
Discount rate	+1.00%	**(₱2,928,527)**	(₱3,101,607)
	-1.00%	**3,189,886**	3,397,169
Salary increase rate	+1.00%	**3,191,741**	3,373,903
	-1.00%	**(2,983,560)**	(3,138,303)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions.

The maturity analysis of the undiscounted retirement benefit liability as at April 30, 2024 is as follows:

Year	Amount
More than one year to five years	₱67,518,171
More than five years to 10 years	36,968,264
	₱104,486,435

As at April 30, 2024, the average duration of the defined benefit obligation at the end of the reporting period is 4.30 years.

Details of FVPA are as follows:

	2024	2023
Balance at beginning of year	**₱43,858,205**	₱42,632,870
Contributions	**9,000,000**	2,000,000
Benefits paid	**(3,270,212)**	(2,458,229)
Interest income	**2,943,555**	2,565,427
Remeasurement losses	**(2,363,656)**	(881,863)
Balance at end of year	**₱50,167,892**	₱43,858,205

Risks Associated with the Retirement Plan

The plan exposes the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment and Interest Rate Risks. The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bonds will increase the plan obligation. However, this will be partially offset by an increase in the return on the Plan's investments in debt securities, and if the return on plan asset falls below this rate, it will create a deficit in the plan. Currently, the plan has relatively balanced investments in equity, debt securities and government. Due to the long-term nature of the plan obligation, diversifying its investments is an appropriate element of the Company's long-term strategy to manage the plan efficiently.

Longevity and Salary Risks. The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the plan participants both during and after their employment, and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	2024	2023
Investments in unit investment trust fund	**93.05%**	80.31%
Investments in government securities	**6.91%**	19.60%
Others	**0.04%**	0.09%
	100.00%	100.00%

The balance and movements in cumulative remeasurement gains recognized in the separate statement of financial position are as follows:

	2024		
	Cumulative Remeasurement Losses (Gains)	**Deferred Tax** (see Note 24)	**Net**
Balance as at beginning of year	**₱17,481,847**	**(₱4,370,462)**	**₱13,111,385**
Remeasurement gains	**(4,128,100)**	**1,032,025**	**(3,096,075)**
Balance as at end of year	**₱13,353,747**	**(₱3,338,437)**	**₱10,015,310**

	2023		
	Cumulative Remeasurement Losses (Gains)	Deferred Tax (see Note 24)	Net
Balance as at beginning of year	₱5,897,531	(₱1,474,383)	₱4,423,148
Remeasurement losses	11,584,316	(2,896,079)	8,688,237
Balance as at end of year	₱17,481,847	(₱4,370,462)	₱13,111,385

23. Leases

Company as Lessor

The Company has various lease arrangements for the use of office spaces, commercials spaces, warehouse, aircraft, and vehicles. The lease arrangements contain noncancellable terms ranging from one (1) year to five (5) years, rental escalations and renewal options.

Details of rent income are as follows:

	2024	2023
Fixed	**₱23,375,751**	₱24,952,825
Variable	**1,578,039**	899,958
	₱24,953,790	₱25,852,783

Rent income is earned from the following:

	Note	2024	2023
Investment properties	11	**₱23,015,751**	₱24,592,825
Property, plant and equipment	10	**1,938,039**	1,259,958
	18	**₱24,953,790**	₱25,852,783

Future minimum rent receivables under fixed noncancellable operating leases as at April 30, 2024 are as follows:

2025	₱15,875,604
2026	12,869,243
2027	12,824,158
2028	12,328,226
	₱53,897,231

The Company manages its risk associated in any rights it retains in its leased assets by requiring the lessee to pay advance rental which are to be applied to the last months of the lease term and deposits from lessees which are to be refunded at the end of the lease term. As at April 30, 2024 and 2023, the carrying amounts of unearned rental income and security deposits are as follows:

	Note	2024	2023
Unearned rental income	13	**₱6,285,556**	₱7,103,061
Deposits from lessees	15	**4,834,890**	4,520,446

Company as Lessee

The Company has lease agreements for its land, manufacturing plant, lifting equipment, transportation equipment, office space and warehouses for periods ranging from one (1) to ten (10) years renewable under such terms and conditions as agreed by both parties. The lease agreement covering its warehouse provides for rental fee contingent on the consumption of the lessor's facilities.

The balance and movements in ROU assets are as follows (see Note 10):

	2024	2023
Cost		
Balance at beginning of year	**₱51,036,882**	₱50,312,993
Additions	**–**	3,162,496
Expired	**–**	(2,438,607)
Balance at end of year	**51,036,882**	51,036,882
Accumulated Depreciation and Amortization		
Balance at beginning of year	**24,354,028**	19,823,065
Depreciation and amortization	**6,917,030**	6,969,570
Expired	**–**	(2,438,607)
Balance at end of year	**31,271,058**	24,354,028
Carrying Amount	**₱19,765,824**	₱26,682,854

The amortization expense of ROU assets is distributed in the separate statement of comprehensive income as follows:

	2024	2023
Recognized in profit or loss:		
Cost of sales and services	**₱5,734,759**	₱5,755,690
General and administrative expenses	**1,074,841**	1,127,381
	6,809,600	6,883,071
Recognized as inventories	**107,430**	86,499
	₱6,917,030	₱6,969,570

The balance and movements in lease liabilities are as follows:

	Note	2024	2023
Balance at the beginning of year		**₱31,593,858**	₱34,688,572
Additions		**–**	3,190,874
Interest expense	14	**2,312,110**	2,835,943
Payments		**(9,451,872)**	(9,121,531)
Balance at end of year		**₱24,454,096**	₱31,593,858

The lease liabilities are presented in the separate statement of financial position as follows:

	Note	2024	2023
Current	13	**₱6,518,069**	₱7,139,762
Noncurrent		**17,936,027**	24,454,096
		₱24,454,096	₱31,593,858

Details of the Company's lease-related expenses:

	Note	2024	2023
Amortization of ROU assets		**₱6,809,600**	₱6,883,071
Short-term lease payments		**1,235,078**	1,176,201
Low-value lease payments		**3,229,287**	1,578,246
Interest expense on lease liabilities	14	**2,312,110**	2,835,943
		₱13,586,075	₱12,473,461

In 2024 and 2023, the Company's cash outflows related to leases amounted to ₱13.9 million and ₱11.9 million, respectively.

The schedule of maturities of lease liabilities of the Company as at April 30, 2024 is summarized as follows:

Year	Amount
2025	₱9,861,308
2026	10,291,215
2027	7,214,858
	₱27,367,381

24. Income Taxes

The Company's income tax expense (benefit) consists of:

	Note	2024	2023
Reported in Profit or Loss			
Current		**₱9,910,277**	₱11,543,432
Deferred		**5,181,745**	(1,684,726)
		₱15,092,022	₱9,858,706
Reported in OCI			
Deferred tax expense (benefit) on:			
Remeasurement losses on net retirement benefit liability	22	**(₱1,032,025)**	(₱2,896,079)
Fair value changes on financial assets at FVOCI	8	**(2,459,603)**	1,455,000
		(₱3,491,628)	(₱1,441,079)

In 2024 and 2023, current income tax expense pertains to regular corporate income tax (RCIT) and minimum corporate income tax (MCIT), respectively. The details for the income tax rates used in the separate financial statements are as follows:

	2024	2023
RCIT	**25.00%**	25.00%
MCIT	**1.83%**	1.00%

The components of the Company's net deferred tax assets are as follows:

	2024	2023
Deferred tax assets:		
Lease liabilities	**₱6,113,524**	₱7,898,465
Net retirement benefit liability	**5,402,159**	6,686,588
Allowance for ECL on trade and other receivables	**3,776,526**	6,969,807
Unamortized past service costs	**3,381,273**	870,778
Deferred rent income	**1,571,389**	3,864,062
Provision for inventory obsolescence	**377,611**	185,836
Prepaid rent	**369,085**	369,085
Unrealized foreign exchange loss	**282,457**	6,303
	21,274,024	26,850,924
Deferred tax liabilities:		
ROU assets	**4,941,456**	6,670,714
Fair value changes on financial assets at FVOCI	**–**	2,157,525
	4,941,456	8,828,239
Net deferred tax assets	**₱16,332,568**	₱18,022,685

The reconciliation of income tax expense (benefit) based on statutory tax rate and effective income tax rate is as follows:

	2024	2023
Income tax expense (benefit) at statutory tax rate	**₱8,197,628**	(₱15,544,923)
Income tax effects of:		
Nondeductible expenses	**1,679,704**	24,845,879
Nontaxable income	**(1,313,680)**	–
Reversal of deferred tax	**6,528,370**	557,750
Income tax expense at effective tax rate	**₱15,092,022**	₱9,858,706

25. Financial Risk Management Objectives and Policies

The Company's financial instruments consist of cash and cash equivalents, trade and other receivables (except advances to officers and employees), bonds receivable, security deposits, financial assets at FVOCI, trade and other payables (excluding nonfinancial liabilities), loans payable, lease liabilities and deposits from lessees.

The main financial risks arising from the Company's financial instruments are market risk, credit risk, and liquidity risk. The BOD regularly reviews and approves the appropriate policies for managing these financial risks, as summarized below.

Market Risk
The Company is exposed to market risk, primarily relating to foreign currency risk, equity price risk and interest rate risk. Management actively monitors and manages these exposures, as discussed below.

Foreign Currency Risk. Foreign currency risk is the risk that the fair value of future cash flows of financial instrument will fluctuate because of changes in foreign exchange rates.

The Company's foreign currency risk results primarily from movements of the Philippine Peso against the US Dollar (USD) with respect to foreign currency-denominated financial assets and liabilities. It is the Company's policy to minimize any foreign currency risks by closely monitoring its cash flow position and by providing forecasts.

The following table shows the Philippine Peso equivalent of the Company's foreign currency-denominated monetary financial asset and liabilitie:

	2024		2023	
	US Dollar	**Philippine Peso**	US Dollar	Philippine Peso
Financial asset - Cash in bank	**\$2,371**	**₱137,537**	\$9,135	₱502,448
Financial liability - Trade payables	**333,941**	**19,368,554**	–	–
Net foreign currency-denominated monetary financial asset (liability)	**(\$331,570)**	**(₱19,231,017)**	\$9,135	₱502,448

For purposes of translating the outstanding balances of the Company's foreign currency-denominated financial asset and liability, the exchange rates applied were ₱58 and ₱55 per US $1 as at April 30, 2024 and 2023, respectively.

The following table demonstrates the sensitivity to a reasonably possible change in the exchange rates, with all other variables held constant, on the Company's income before tax. There is no other impact on the Company's equity other than those already affecting profit or loss.

	Increase (Decrease) in Exchange Rate	Effect on Income Before Income Tax
2024	**(0.67)**	**(₱222,151)**
	0.67	**222,151**
2023	1.77	₱16,170
	(1.77)	(16,170)

Equity Price Risk. Equity price risk is the risk that the Company will incur economic losses due to adverse changes in a particular stock or stock index. The Company's equity price risk arises from its financial assets at FVOCI which are traded in the GG & A Club Shares Brokers, Inc.

The Company's policy is to maintain the risk to an acceptable level. Movement in stock price is monitored regularly to determine the impact on its financial position.

The table below sets forth the impact of changes in fair value of the Company's financial assets at FVOCI as at April 30, 2024 and 2023.

	Changes in Price	Effect on Income Before Income Tax
2024	**+38.63%**	**₱5,794,500**
	-38.63%	**(5,794,500)**
2023	+116.40%	₱12,594,480
	-116.40%	(12,594,480)

Interest Rate Risk. Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Company follows a prudent policy on managing its assets and liabilities so as to ensure that exposures to fluctuations in interest rate are kept within acceptable limits.

The Company's exposure to the risk for changes in market interest rates relates primarily to the Company's borrowings and bonds with variable interest rates. The Company regularly monitors interest rate movements and, on the basis of current and projected economic and monetary data, decides on the best alternative to take.

The following table demonstrates the sensitivity of income before income tax due to a reasonably possible change in interest rates, with all other variables held constant.

		Increase (Decrease) in Interest rate	Effect on Income Before Income Tax
2024	**Financial asset -**		
	Bonds receivable	**+0.49%**	**₱9,630**
		-0.49%	**(9,630)**
	Financial liability -		
	Loans payable	**0.67%**	**(989,448)**
		-0.67%	**989,448**
2023	Financial liability -		
	Loans payable	2.03%	(3,053,286)
		-2.03%	3,053,286

Credit Risk

The Company's exposure to credit risk arises from the failure on the part of its counterparty in fulfilling its financial commitments to the Company under the prevailing contractual terms. Financial instruments that potentially subject the Company to credit risk consist primarily of trade receivables and other financial assets at amortized cost.

The carrying amounts of financial assets at amortized cost represent its maximum credit exposure.

Trade Receivables. The Company limits its exposure to credit risk by transacting mainly with recognized and creditworthy customers that have undergone its credit evaluation and approval process. In monitoring customer credit risk, the Company classifies its receivables as major term customers, related parties, and other regular term customers.

The exposure to credit risk for trade receivables by type of counterparty are as follows:

	2024			
	Neither Past due nor Impaired	**Past Due but not Impaired**	**Impaired**	**Total**
Third parties	**₱35,582,990**	**₱67,164,594**	**₱5,134,190**	**₱107,881,774**
Related parties	**–**	**–**	**44,153,838**	**44,153,838**
	₱35,582,990	**₱67,164,594**	**₱49,288,028**	**₱152,035,612**

	2023			
	Neither Past due nor Impaired	Past Due but not Impaired	Impaired	Total
Third parties	₱40,069,108	₱64,038,529	₱2,904,557	₱107,012,194
Related parties	–	–	42,781,046	42,781,046
	₱40,069,108	₱64,038,529	₱45,685,603	₱149,793,240

The Company uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customer segments analyzed by customer type, credit terms, and offsetting arrangements. The Company adjusts historical default rates to forward-looking default rate by determining the closely related economic factor affecting each customer segment. At each reporting date, the observed historical default rates are updated and changes in the forward-looking estimates are analyzed.

The aging analysis of trade receivables that are past due but not impaired is as follows:

Days Past Due	**2024**	2023
1 to 30 Days	**₱44,180,513**	₱17,528,603
31 to 60 Days	**13,399,290**	35,062,524
61 to 90 Days	**5,703,707**	2,866,995
More than 90 days	**3,881,084**	8,580,407
	₱67,164,594	₱64,038,529

Other Financial Assets at Amortized Cost

The Company's other financial assets at amortized cost are mostly composed of cash and cash equivalents, other receivables (except advances to officers and employees), bonds receivable and security deposits. The Company limits its exposure to credit risk by investing its cash and cash equivalents only with banks that have good credit standing and reputation in the local and international banking industry. For other receivables (except advances to officers and employees), bonds receivable and security deposits, credit risk is low since the Company only transacted with reputable companies with respect to these financial assets.

It is the Company's policy to measure ECL on the above instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

When determining if there has been a significant increase in credit risk, the Company considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- Actual or expected external and internal credit rating downgrade;
- Existing or forecasted adverse changes in business, financial or economic conditions; and
- Actual or expected significant adverse changes in the operating results of the borrower.

The table below shows the carrying amounts of financial assets at amortized cost classified under 12-month ECL and lifetime ECL as at April 30:

	2024			
	12-month ECL	**Lifetime ECL - Not Credit Impaired**	**Lifetime ECL - Credit Impaired**	**Total**
Cash in banks and cash equivalents	**₱143,936,614**	**₱–**	**₱–**	**₱143,936,614**
Trade and other receivables*	**480,427,094**	**102,747,584**	**49,288,028**	**632,462,706**
Bonds receivable	**1,974,054**	**–**	**–**	**1,974,054**
Security deposits	**1,480,605**	**–**	**–**	**1,480,605**
	₱627,818,367	**₱102,747,584**	**₱49,288,028**	**₱779,853,979**

**Excluding advances to officers and employees amounting to ₱1.5 million.*

	2023			
	12-month ECL	Lifetime ECL - not Credit Impaired	Lifetime ECL - Credit Impaired	Total
Cash in banks and cash equivalents	₱52,717,216	₱–	₱–	₱52,717,216
Trade and other receivables*	487,430,173	104,107,637	45,685,603	637,223,413
Security deposits	1,480,605	–	–	1,480,605
	₱541,627,994	₱104,107,637	₱45,685,603	₱691,421,234

**Excluding advances to officers and employees amounting to ₱2.5 million.*

The Company has no significant concentration of credit risk with any single counterparty or group of counterparties having similar characteristics.

The credit quality of financial assets is being managed by the Company using internal credit ratings. The credit quality of the Company's financial assets at amortized cost is as follows:

	2024					
	Neither Past Due nor Impaired					
	High Grade	Standard Grade	Substandard Grade	Past Due but Not Impaired	Impaired	Total
Cash in banks and cash equivalents	₱143,936,614	₱–	₱–	₱–	₱–	₱143,936,614
Trade and other receivables*	–	37,592,897	–	67,164,594	527,705,215	632,462,706
Bonds receivable	1,974,054	–	–	–	–	1,974,054
Security deposits	–	1,480,605	–	–	–	1,480,605
	₱145,910,668	₱39,073,502	₱–	₱67,164,594	₱527,705,215	₱779,853,979

**Excluding advances to officers and employees amounting to ₱1.5 million.*

	2023					
	Neither Past Due nor Impaired					
	High Grade	Standard Grade	Substandard Grade	Past Due but Not Impaired	Impaired	Total
Cash in banks and cash equivalents	₱52,717,216	₱–	₱–	₱–	₱–	₱52,717,216
Trade and other receivables*	–	61,343,427	–	64,038,529	511,841,457	637,223,413
Security deposits	–	1,480,605	–	–	–	1,480,605
	₱52,717,216	₱62,824,032	₱–	₱64,038,529	₱511,841,457	₱691,421,234

**Excluding advances to officers and employees amounting to ₱2.5 million.*

High Grade. It pertains to accounts with a very low probability of default as demonstrated by the borrower's long history of stability, profitability and diversity. It includes deposits to reputable banks and companies with good credit standing. High grade financial assets include cash in banks and cash equivalents and bonds receivable.

Standard Grade. It pertains to receivables from counterparties with satisfactory financial capability and credit standing based on historical data, current conditions and the Company's view of forward-looking information over the expected lives of the receivables. Standard grade financial assets include trade and other receivables (excluding advances to officers and employees) and security deposits.

Substandard Grade. It pertains to accounts with history of default and include financial assets that are collected on their due dates provided that the Company made a persistent effort to collect them.

Liquidity Risk
Liquidity risk arises from the possibility that the Company may encounter difficulties in raising adequate funds to meet its financial commitments at reasonable cost. The Company's objectives in effectively managing its liquidity are: (a) to ensure that adequate funds are available to meet expiring obligations; (b) to meet the commitments as they arise without incurring unnecessary costs; and (c) to be able to access additional funding when needed at the least possible cost.

The table below summarizes the contractual maturity profile of the Company's financial assets and liabilities based on remaining contractual undiscounted cash flows as at April 30, 2024 and 2023.

	2024				
	On Demand	**1 to 3 Months**	**3 to 12 Months**	**1 to 5 Years**	**Total**
Trade and other payables*	**₱11,981,304**	**₱56,367,515**	**₱6,919,576**	**₱–**	**₱75,268,395**
Deposits from lessees	**–**	**–**	**–**	**4,834,890**	**4,834,890**
Loans payable**	**–**	**1,249,181**	**1,212,086**	**145,176,670**	**147,637,937**
Lease liabilities**	**–**	**–**	**9,861,308**	**17,506,073**	**27,367,381**
	₱11,981,304	**₱57,616,696**	**₱17,992,970**	**₱167,517,633**	**₱255,108,603**

**Excluding statutory payables amounting to ₱7.1 million.*
***Including future interests.*

	2023				
	On Demand	1 to 3 Months	3 to 12 Months	1 to 5 Years	Total
Trade and other payables*	₱4,891,299	₱32,255,168	₱5,212,541	₱–	₱42,359,008
Deposits from lessees	–	–	–	4,520,446	4,520,446
Loans payable**	–	1,249,181	1,212,086	147,426,204	149,887,471
Lease liabilities**	–	–	9,451,872	27,367,381	36,819,253
	₱4,891,299	₱33,504,349	₱15,876,499	₱179,314,031	₱233,586,178

**Excluding statutory payables amounting to ₱14.2 million.*
***Including future interests.*

Capital Management Policy
The primary objective of the Company's capital management is to secure ongoing financial needs of the Company to continue as a going concern as well as to maintain a strong credit rating and healthy capital ratios in order to support the business and maximize shareholder value. No changes were made in the objectives, policies, or processes in 2024 and 2023.

The Company is not subject to regulatory-imposed capital requirements. The Company considers equity contributions from stockholders totaling ₱1,093.9 million as at April 30, 2024 and 2023 as its capital employed. The Company manages its capital structure and makes adjustments to it whenever there are changes in economic conditions, its business activities, expansion programs and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust its borrowings or raise capital.

26. Fair Value Measurement

The tables below present the carrying amounts and fair values of the Company's financial assets and liabilities for which fair values are disclosed and their corresponding fair value hierarchy:

		2024			
			Fair Value		
	Note	Carrying Amounts	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Asset for which Fair Value is Measured -					
Financial assets at FVOCI	8	**₱15,000,000**	**₱15,000,000**	**₱–**	**₱–**
Loans receivable	5	**8,984,907**	**8,984,907**	**–**	**–**
		₱23,984,907	**₱23,984,907**	**₱–**	**₱–**
Assets for which Fair Value is Disclosed:					
Investment properties	11	**₱381,895,700**	**₱–**	**₱1,266,457,333**	**₱–**
Bonds receivable	5	**1,974,054**	**–**	**1,850,082**	**–**
Security deposits	12	**1,480,605**	**–**	**1,395,961**	**–**
		₱385,350,359	**₱–**	**₱1,269,703,376**	**₱–**
Liability for which Fair Value is Disclosed:					
Loans payable	14	**₱147,750,000**	**₱–**	**₱147,637,937**	**₱–**
Deposits from lessees	15	**4,834,890**	**–**	**4,558,486**	**–**
		₱152,584,890	**₱–**	**₱152,196,423**	**₱–**

		2023			
			Fair Value		
	Note	Carrying Amounts	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Asset for which Fair Value is Measured -					
Loans receivable	5	₱14,943,761	₱14,943,761	₱–	₱–
Financial assets at FVOCI	8	10,820,000	10,820,000	–	–
		₱25,763,761	₱25,763,761	₱–	₱–
Assets for which Fair Value is Disclosed:					
Investment properties	11	₱384,211,097	₱–	₱793,262,000	₱–
Security deposits	12	1,480,605	–	1,394,930	–
		₱385,691,702	₱–	₱794,656,930	₱–
Liability for which Fair Value is Disclosed:					
Loans payable	14	₱150,250,000	₱–	₱141,555,785	₱–
Deposits from lessees	15	4,520,446	–	4,258,870	–
		₱154,770,446	₱–	₱145,814,655	₱–

The following methods and assumptions were used to estimate the fair value of financial asset and liability for which it is practicable to estimate such value.

Financial Assets at FVOCI. The Company's quoted financial asset at FVOCI as at April 30, 2024 and 2023 are carried at fair values based on quoted market prices from active markets classified under the Level 1 category.

There were no transfers between Level 1, Level 2 and Level 3 fair value measurements in 2024 and 2023.

Investment Properties. The fair value of investment properties were determined using the Direct Sales Comparison Approach. Fair values based on this method are based on recent sale transactions or offerings of similar properties which have occurred and/or offered with close proximity to the investment properties to establish an estimated value.

Security Deposits, Bonds Receivable and Deposits from Lessees. The fair values of security deposits, bonds receivable and deposits from lessees were determined as the sum of all future cash flows discounted using the prevailing market rates of interest for instruments with similar maturities. The discount rates used is 6.06% to 6.70% and 5.96% to 6.14% in 2024 and 2023, respectively.

Loans Payable. The fair values are estimated as the present value of all future cash flows discounted using applicable rates for similar type of instruments. The discount rates used ranges from 6.0% to 6.08% in 2024 and 2023.

Sensitivity Analysis. Generally, significant increases (decreases) in discount rates and any value adjustments would result in a significantly lower (higher) fair value measurement. Further, choosing comparables with different inputs would result in a significantly different fair value measurement.

The carrying amounts of the following financial assets and financial liabilities of the Company approximate their fair values due to their short-term nature:

	2024	2023
Financial Assets		
Financial assets at amortized cost:		
Cash and cash equivalents	**₱144,012,237**	₱52,795,246
Trade and other receivables*	**105,152,302**	125,381,956
Security deposits	**1,480,605**	1,480,605
	₱250,645,144	₱179,657,807
Financial Liabilities		
Financial liabilities at amortized cost -		
Trade and other payables**	**₱75,268,395**	₱42,359,008

**Excluding advances to officers and employees amounting to ₱1.5 million and ₱2.5 million, respectively.*

***Excluding statutory payables amounting to ₱7.1 million and ₱14.2 million, respectively.*

27. Supplementary Information Required by Revenue Regulations No. 15-2010 of the Bureau of Internal Revenue (BIR)

The information for 2024 required by the above regulations is presented below.

Output VAT

Output VAT declared by the Company for the year ended April 30, 2024 and the gross receipts upon which the same was based consist of:

	Gross Receipts	Output VAT
Subjected to 12% VAT	₱563,363,529	₱67,603,623
Exempt sales	93,992	–
	₱563,457,521	₱67,603,623

Revenues presented in the statement of comprehensive income are in accordance with PFRS.

Input VAT

The movements in the input VAT claimed by the Company for the year ended April 30,2024 are shown below:

	Amount
Input VAT, beginning	₱–
Add: Current year's purchases/payments for:	
Importation of goods other than capital goods	21,327,765
Goods other than capital goods	13,315,211
Domestic purchase of services	6,869,055
Capital goods exceeding one (1) million	584,522
Capital goods not exceeding one (1) million	53,824
Total allowable input VAT	₱42,150,377

The Company paid output VAT amounting to ₱22,342,342. As at April 30, 2024, output VAT presented under "Trade and other payable" account amounted to ₱3,110,904 in the separate statement of financial position.

Importations

	Amount
Dutiable values	₱175,270,036
Customs duties	1,545,709
Others (bank charges, cable charges, others)	915,637
	₱177,731,382

All Other Local and National Taxes

Other local and national taxes paid by the Company for the year ended April 30, 2024 consist of:

	Amount
Business taxes	₱2,064,114
Documentary stamp taxes	1,525,155
Real property taxes	1,478,279
Licenses and registration fees	339,612
	₱5,407,160

The above local and national taxes is included as part of "Taxes and licenses" under "General and administrative expenses" and "Cost of sales and services" account in the separate statement of comprehensive income.

Withholding Taxes

Withholding taxes paid for by the Company for the year ended April 30, 2024 consist of:

	Paid	Accrued	Total
Expanded withholding taxes	₱3,948,053	₱310,920	₱4,258,973
Withholding tax on compensation	6,995,109	600,504	7,595,613
Final withholding taxes	208,533	8,067	216,600
	₱11,151,695	₱919,491	₱12,071,186

Tax Assessments

The Company has no pending deficiency tax assessment from the BIR as at April 30, 2024.

Tax Cases

The Company has no pending tax case in courts or other bodies outside of the BIR as at April 30, 2024.

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
April 14, 2024, valid until June 6, 2026
SEC Registration No. PP201007009

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8741 Paseo de Roxas
Makati City 1226 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

REPORT OF INDEPENDENT AUDITORS TO ACCOMPANY SEPARATE FINANCIAL STATEMENTS FOR FILING WITH THE BUREAU OF INTERNAL REVENUE

The Stockholders and Board of Directors
Planters Products, Inc.
109 PPI Building, Esteban St., Legaspi Village
Makati City

We have audited the accompanying separate financial statements of Planters Products, Inc. (the Company) as at and for the year ended April 30, 2024, on which we have rendered our report dated August 6, 2024.

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

REYES TACANDONG & CO.

JOSEPH C. BILANGBILIN
Partner
CPA Certificate No. 102884
Tax Identification No. 210-181-965-000
BOA Accreditation No. 4782; Valid until June 6, 2026
BIR Accreditation No. 08-005144-011-2023
Valid until January 24, 2026
PTR No. 10072411
Issued January 2, 2024, Makati City

August 6, 2024
Makati City, Metro Manila

Planters Products

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

The Management of **Planters Products, Inc.** (the Company) is responsible for all information and representations contained in the Annual Income Tax Return as at April 30, 2024. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements as at and for the year ended April 30, 2024 and the accompanying Annual Income Tax Return are in accordance with the books and records of the Company complete and correct in all material respects. Management likewise affirms that:

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

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

(c) the Company 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.

Signature: ______________________________
Maria Zenaida B. Angping, President

Signature: ______________________________
Maria Zenaida B. Angping, Chairman

Signature: ______________________________
Zenaida M. Vail, Treasurer

Signed this 06 day of August 2024

Subject: Your BIR AFS eSubmission uploads were received
From: eafs@bir.gov.ph
Date: 08/13/2024, 8:38 PM
To: GAD@PLANTERSPRODUCTS.COM
CC: JOEROBEL@YAHOO.COM

Hi PLANTERS PRODUCTS INC,

Valid files

- EAFS000137080ITRTY042024.pdf
- EAFS000137080AFSTY042024.pdf
- EAFS000137080OTHTY042024.pdf
- EAFS000137080TCRTY042024-01.pdf
- EAFS000137080RPTTY042024.pdf

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- <None>

Transaction Code: **AFS-0-C9GK6FKJ0312WV341NWWVVXP40CAJGKDL8**
Submission Date/Time: **Aug 13, 2024 08:38 PM**
Company TIN: **000-137-080**

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- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

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