COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

ANNEX "B"

SEC Registration Number
0 1 3 0 3 9

COMPANY NAME
P A C I F I C A , I N C .

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*
c / o M A N I L A H A R B O U R C E N T R E R - 1 0
V I T A S T O N D O , M A N I L A 1 0 1 3

Form Type	Department requiring the report	Secondary License Type, If Applicable
AFS		

COMPANY INFORMATION

Company's email Address	Company's Telephone Number	Mobile Number
	(632) 637-8851	n/a

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
	April - any day	31-Dec

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Marvee M. Espejo	marvee.espejo@gmail.com	(623) 637-8851	

CONTACT PERSON's ADDRESS

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 thirthy (30) calendar days from the occurance thereof with information and complete contact details of the new contact person designated.*

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

PACIFICA, INC

C/o Manila Harbour Center, R-10, Vitas, Tondo Manila

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS

The management of **Pacifica, Inc.** (the Company), is responsible for the preparation and fair presentation of the financial statements for the years ended December 31, 2015, 2014 and 2013 in accordance with Philippine Financial Reporting Standards, including the following additional supplementary information which is filed separately from the basic financial statements:

a) Supplementary schedule required under Annex 68-E of the SRC
b) Schedule of Philippine Financial Reporting Standards and Interpretations Adopted by the Securities and Exchange Commission and the Financial Reporting Standards Council as of December 31, 2015

Management's responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements, and the additional supplementary information, and submits the same to the stockholders.

Punongbayan & Araullo, the independent auditors appointed by the stockholders for the year ended December 31, 2015 and SyCip Gorres Velayo & Co. for the years ended December 31, 2014 and 2013, has examined the financial statements of the Company in accordance with Philippine Standards on Auditing and, and in its report to the Board of Directors and stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.

[Lowell L. Yu/ Chairman of the Board]

[Winglip K. Chang/Chief Executive Officer]

[Maria Elena E. Pocong/Treasurer]

12 APR 2016

SUBSCRIBED AND SWORN to before me on this _______ day of _______ 2016; affiant exhibiting to me his Community Tax Certificate No. _______ issued at _______ on _______ 2016.

ATTY. BONIFACIO T. OCAMPO JR.
NOTARY PUBLIC
UNTIL DECEMBER 31, 2016
IBP NO. 1/5/16
PTR NO. 1/5/16
ROLL OF ATTORNEYS NO. 31311
MCLE CERT. OF COMPLIANCE # 0011815
NOTARIAL COMMISSION NO. 68-15
TIN # 142-405-557-000

Doc. No. 525;
Page No. 6;
Book No. 21;
Series No. 2016;

P&A
Grant Thornton

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Report of Independent Certified Public Accountants to Accompany Income Tax Return

The Board of Directors and the Stockholders
Pacifica, Inc.
Manila Harbour Centre, R-10, Vitas
Tondo, Manila

We have audited the financial statements of Pacifica, Inc. for the year ended December 31, 2015, on which we have rendered the attached report dated April 12, 2016.

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.

PUNONGBAYAN & ARAULLO

By: Christopher M. Ferareza
Partner

CPA Reg. No. 0097462
TIN 184-595-975
PTR No. 5321716, January 4, 2016, Makati City
SEC Group A Accreditation
Partner - No. 1185-AR-1 (until May 11, 2018)
Firm - No. 0002-FR-4 (until Apr. 30, 2018)
BIR AN 08-002511-34-2014 (until Aug. 5, 2017)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Dec. 31, 2018)

April 12, 2016

P&A
Grant Thornton
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6766 Ayala Avenue
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Report of Independent Auditors

The Board of Directors and the Stockholders
Pacifica, Inc.
Manila Harbour Centre, R-10, Vitas
Tondo, Manila

Report on the Financial Statements

We have audited the accompanying financial statements of Pacifica, Inc., which comprise the statement of financial position as at December 31, 2015 and the statement of comprehensive loss, statement of changes in equity (capital deficiency) and statement of cash flows for the year ended December 31, 2015, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Pacifica, Inc. as at December 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 to the financial statements which highlights the current status of operations of the Company. As indicated in Note 1, the Company has not started commercial operations yet as at December 31, 2015. Its deficit further increased in 2015 resulting in a capital deficiency as at December 31, 2015. Its application for mining exploration permit in Kabasalan, Zamboanga, which would have been the first venture of the Company after the renewal of its corporate life, was denied in 2013. These matters, among others, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. However, management is very optimistic that it can obtain sufficient funds to support its anticipated fund requirements for the next twelve months and can improve the operations of the Company as it is now evaluating viable business opportunities and synergies to make the Company realize it business potential. Major stockholders of the Company have also committed to provide necessary financial and operating support to the Company. Accordingly, the accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The accompanying financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the outcome of this uncertainty. In connection with our audit, we have performed audit procedures to evaluate management's plans for such future actions as to the likelihood to improve the situation and as to feasibility under the circumstances.

Other Matter

The financial statements of Pacifica, Inc. for the years ended December 31, 2014 and 2013 were audited by other auditors whose report dated April 14, 2015 expressed an unqualified opinion on those statements.

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2015 required by the Bureau of Internal Revenue as disclosed in Note 18 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with Philippine Financial Reporting Standards. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PUNONGBAYAN & ARAULLO

By: Christopher M. Ferareza
Partner

CPA Reg. No. 0097462
TIN 184-595-975
PTR No. 5321716, January 4, 2016, Makati City
SEC Group A Accreditation
Partner - No. 1185-AR-1 (until May 11, 2018)
Firm - No. 0002-FR-4 (until Apr. 30, 2018)
BIR AN 08-002511-34-2014 (until Aug. 5, 2017)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Dec. 31, 2018)

April 12, 2016

BUREAU OF INTERNAL REVENUE
RDO NO. 043A
EAST PASIG CITY
RECEIVED
APR 15 2016
COLLECTION SECTION

PACIFICA, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015
(With Comparative Figures as of December 31, 2014)
(Amounts in Philippine Pesos)

	Notes		2015		2014
ASSETS					
CURRENT ASSETS					
Cash in bank	6	P	100,685	P	104,227
Due from related parties	13		-		31,773,893
Prepaid expenses	12		133,844		-
Total Current Assets			234,529		31,878,120
NON-CURRENT ASSET					
Furniture, fixtures and equipment	8		-		83,800
TOTAL ASSETS		P	234,529	P	31,961,920
LIABILITIES AND EQUITY (CAPITAL DEFICIENCY)					
CURRENT LIABILITIES					
Accrued expenses and other liabilities	9	P	-	P	6,964,869
Due to a related party	13		662,356		-
Income tax payable			133,844		-
Total Liabilities			796,200		6,964,869
EQUITY (CAPITAL DEFICIENCY)					
Capital stock	14		199,883,332		199,883,332
Additional paid-in capital			10,163,756		10,163,756
Deficit		(	210,608,759)	(	185,050,037)
Total Equity (Capital Deficiency)		(	561,671)		24,997,051
TOTAL LIABILITIES AND EQUITY (CAPITAL DEFICIENCY)		P	234,529	P	31,961,920

See Notes to Financial Statements.

PACIFICA, INC.
STATEMENT OF COMPREHENSIVE LOSS
FOR THE YEAR ENDED DECEMBER 31, 2015
(With Comparative Figures for the Years Ended December 31, 2014 and 2013)
(Amounts in Philippine Pesos)

	Notes	2015	2014	2013
REVENUES		P -	P -	P -
EXPENSES	11	32,255,777	1,368,692	71,565,789
OPERATING LOSS		32,255,777	1,368,692	71,565,789
OTHER INCOME	10	(6,697,055)	(649)	(6,644)
LOSS BEFORE TAX		25,558,722	1,368,043	71,559,145
TAX EXPENSE	12	-	-	-
NET LOSS		25,558,722	1,368,043	71,559,145
OTHER COMPREHENSIVE INCOME		-	-	-
TOTAL COMPREHENSIVE LOSS		P 25,558,722	P 1,368,043	P 71,559,145
Basic/Diluted Loss per Share	16	P 0.00064	P 0.00003	P 0.00179

See Notes to Financial Statements.

PACIFICA, INC.
STATEMENT OF CHANGES IN EQUITY (CAPITAL DEFICIENCY)
FOR THE YEAR ENDED DECEMBER 31, 2015
(With Comparative Figures for the Years Ended December 31, 2014 and 2013)
(Amounts in Philippine Pesos)

	Capital Stock (see Note 14)	Additional Paid-in Capital	Deficit	Total Equity (Capital Deficiency)
Balance at January 1, 2015	**P 199,883,332**	**P 10,163,756**	**(P 185,050,037)**	**P 24,997,051**
Total comprehensive loss for the year	**-**	**-**	**(25,558,722)**	**(25,558,722)**
Balance at December 31, 2015	**P 199,883,332**	**P 10,163,756**	**(P 210,608,759)**	**(P 561,671)**
Balance at January 1, 2014	P 199,883,332	P 10,163,756	(P 183,681,994)	P 26,365,094
Total comprehensive loss for the year	-	-	(1,368,043)	(1,368,043)
Balance at December 31, 2014	P 199,883,332	P 10,163,756	(P 185,050,037)	P 24,997,051
Balance at January 1, 2013	P 199,883,332	P 10,163,756	(P 112,122,849)	P 97,924,239
Total comprehensive loss for the year	-	-	(71,559,145)	(71,559,145)
Balance at December 31, 2013	P 199,883,332	P 10,163,756	(P 183,681,994)	P 26,365,094

See Notes to Financial Statements.

PACIFICA, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015
(With Comparative Figures for the Years Ended December 31, 2014 and 2013)
(Amounts in Philippine Pesos)

	Notes	2015	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss before tax		(P 25,558,722)	(P 1,368,043)	(P 71,559,145)
Adjustments for:				
Impairment of receivables	11,13	30,625,286	-	20,000,000
Gain on reversal of payables	9, 10	(6,692,196)	-	-
Loss on write-off of furniture, fixtures and equipment	8	83,800	-	-
Unrealized foreign currency exchange gain	10	(4,859)	(646)	(6,644)
Impairment of prepaid royalties	7, 11	-	-	50,000,000
Depreciation		-	-	1,858
Operating loss before working capital changes		(1,546,691)	(1,368,689)	(1,563,931)
Decrease in due from related parties		1,148,607	1,289,632	1,248,855
Increase in accrued expenses and other liabilities		(272,673)	70,656	299,413
Increase in due to a related party		662,356	-	-
Net Cash Used in Operating Activities		(8,401)	(8,401)	(15,663)
Effect of Exchange Rate Changes on Cash in Bank		4,859	646	6,644
NET DECREASE IN CASH IN BANK		(3,542)	(7,755)	(9,019)
CASH IN BANK AT BEGINNING OF YEAR		104,227	111,982	121,001
CASH IN BANK AT END OF YEAR		P 100,685	P 104,227	P 111,982

See Notes to Financial Statements.

PACIFICA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015
(With Comparative Figures for 2014 and 2013)
(Amounts in Philippine Pesos)

1. GENERAL INFORMATION

1.1. Corporate Information

Pacifica, Inc. (the Company), a publicly-listed domestic corporation, was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on September 2, 1957. In 2007, the Company's corporate life has been extended for another 50 years upon approval by the SEC of its application for renewal.

The Company's shares of stock are listed for trading in the Philippine Stock Exchange (PSE). It is presently registered as a holding company and authorized to engage in exploration, development, and exploitation of mineral resources. The Company is also allowed to engage in gas, oil and power-related activities as its secondary purposes. However, as disclosed in Note 1.2, it is yet to start commercial operations.

The Company's registered office, which is also its principal place of business, is located at Manila Harbour Centre, R-10, Vitas, Tondo, Manila.

1.2. Status of Operations

The Company has not started its commercial operations yet as of December 31, 2015. Its deficit as of December 31, 2014 of P185,050,037 increased further to P210,608,759 as of December 31, 2015 which resulted in a capital deficiency of P561,671. The increase in deficit arose from the recognition of impairment and write off of assets made in 2015 resulting in a net loss of P25,558,722. Similarly, it has also recognized impairment of assets in 2013 that resulted in a net loss of P71,559,145. Further, its application for mining exploration permit in Kabasalan, Zamboanga of Zam-Iron Mining Corp., the Company's potential business partner, was denied in 2013. The mining exploration in Kabasalan, Zamboanga would have been the first venture of the Company after the renewal of its corporate life. These matters, among others, indicate the existence of a material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern. However, management is very optimistic that it can obtain sufficient funds to support its anticipated fund requirements for the next twelve months and can improve the operations of the Company as it is now evaluating viable business opportunities and synergies to make the Company realize it business potential. Increase in authorized capitalization and the entrant of strategic partners to invest in the Company has likewise been considered as necessary moves to source funds.

The recognition of impairment and write-off of assets that relate to its halted projects and previous business activities are part of the preparations of the Company for expected fresh investments and planned business activities. To further strengthen management's position on these matters, major stockholders of the Company have committed to provide necessary financial and operating support to the Company while various activities leading to the start of commercial operations of the Company are on-going.

Accordingly, the financial statements have been prepared assuming that the Company will continue as a going concern. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the outcome of this uncertainty.

1.3. Approval of Financial Statements

The financial statements of the Company as of and for the year ended December 31, 2015 (including the comparative financial statements as of and for the years ended December 31, 2014 and 2013) were authorized for issue by the Company's Chairman of the Board on April 12, 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these financial statements are summarized below and in the succeeding pages. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS are adopted by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the International Accounting Standards Board and approved by the Philippine Board of Accountancy.

The financial statements have been prepared using the measurement bases specified by PFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) Presentation of Financial Statements

The financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements.* The Company presents all items of income and expenses in a single statement of comprehensive loss.

The Company presents a third statement of financial position as of the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the statement of financial position at the beginning of the preceding period. The related notes to the third statement of financial position are not required to be disclosed.

(c) Functional and Presentation Currency

These financial statements are presented in Philippine pesos, the Company's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the financial statements of the Company are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Company operates.

2.2 *Adoption of New and Amended PFRS*

(a) Effective in 2015 that are Relevant to the Company

The Company adopted for the first time the annual improvements to PFRS (2010-2012 Cycle) and PFRS (2011-2013 Cycle), which are mandatorily effective for annual periods beginning on or after July 1, 2014, for its annual reporting period beginning January 1, 2015. Annual improvements to PFRS (2010-2012 Cycle) and PFRS (2011-2013 Cycle) made minor amendments to a number of PFRS. Among those improvements, the following amendments are relevant to the Company but had no material impact on the Company's financial statements as these amendments merely clarify the existing requirements:

Annual Improvements to PFRS (2010-2012 Cycle)

- PAS 16 (Amendment), *Property, Plant and Equipment.* The amendment clarifies that when an item of property, plant and equipment is revalued, the gross carrying amount is adjusted in a manner that is consistent with a revaluation of the carrying amount of the asset.

- PAS 24 (Amendment), *Related Party Disclosures.* The amendment clarifies that an entity providing key management services to a reporting entity is deemed to be a related party of the latter. It also clarifies that the information required to be disclosed in the financial statements are the amounts incurred by the reporting entity for key management personnel services that are provided by a separate management entity and not the amounts of compensation paid or payable by the management entity to its employees or directors.

- PFRS 8 (Amendment), *Operating Segments.* This amendment requires disclosure of the judgments made by management in applying the aggregation criteria to operating segments. This includes a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics. It further clarifies the requirement to disclose for the reconciliations of segment assets to the entity's assets if that amount is regularly provided to the chief operating decision maker.

Annual Improvements to PFRS (2011-2013 Cycle)

PFRS 13 (Amendment), *Fair Value Measurement.* The amendment clarifies that the scope of the exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis (the portfolio exception) applies to all contracts within the scope of and accounted for in accordance with PAS 39, *Financial Instruments: Recognition and Measurement*, or PFRS 9, *Financial Instruments*, regardless of whether they meet the definition of financial assets or financial liabilities as defined in PAS 32, *Financial Instruments: Presentation.*

(b) *Effective in 2015 that are not Relevant to the Company*

The following amendment and annual improvements to PFRS are mandatory for accounting periods beginning on or after July 1, 2014 but are not relevant to the Company's financial statements:

PAS 19 (Amendment)	:	Employee Benefits – Defined Benefit Plans – Employee Contributions
PFRS (2010-2012 Cycle)		
PFRS 2 (Amendment)	:	Share-based Payment – Definition of Vesting Condition
PFRS 3 (Amendment)	:	Business Combinations – Accounting for Contingent Consideration in a Business Combination
PAS 38 (Amendment)	:	Intangible Assets – Revaluation Method – Proportionate Restatement of Accumulated Amortization
PFRS (2011-2013 Cycle)		
PFRS 3 (Amendment)	:	Business Combinations – Scope Exceptions for Joint Ventures
PAS 40 (Amendment)	:	Investment Property – Clarifying the Interrelationship between PFRS 3 and PAS 40

(c) *Effective Subsequent to 2015 but not Adopted Early*

There are new PFRS, amendments and annual improvements to existing standards effective for annual periods subsequent to 2015 which are adopted by the FRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, unless otherwise stated, none of these are expected to have significant impact on the Company's financial statements:

(i) PAS 1 (Amendment), *Presentation of Financial Statements – Disclosure Initiative* (effective from January 1, 2016). The amendment encourages entities to apply professional judgment in presenting and disclosing information in the financial statements. Accordingly, it clarifies that materiality applies to the whole financial statements and an entity shall not reduce the understandability of the financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions. It further clarifies that in determining the order of presenting the notes and disclosures, an entity shall consider the understandability and comparability of the financial statements.

(ii) PFRS 9 (2014), *Financial Instruments* (effective from January 1, 2018). This new standard on financial instruments will eventually replace PAS 39 and PFRS 9 (2009, 2010 and 2013 versions). This standard contains, among others, the following:

- three principal classification categories for financial assets based on the business model on how an entity is managing its financial instruments;

- an expected loss model in determining impairment of all financial assets that are not measured at fair value through profit or loss (FVTPL), which generally depends on whether there has been a significant increase in credit risk since initial recognition of a financial asset; and,

- a new model on hedge accounting that provides significant improvements principally by aligning hedge accounting more closely with the risk management activities undertaken by entities when hedging their financial and non-financial risk exposures.

In accordance with the financial asset classification principle of PFRS 9 (2014), a financial asset is classified and measured at amortized cost if the asset is held within a business model whose objective is to hold financial assets in order to collect the contractual cash flows that represent solely payments of principal and interest (SPPI) on the principal outstanding. Moreover, a financial asset is classified and subsequently measured at fair value through other comprehensive income if it meets the SPPI criterion and is held in a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets. All other financial assets are measured at FVTPL.

In addition, PFRS 9 (2014) allows entities to make an irrevocable election to present subsequent changes in the fair value of an equity instrument that is not held for trading in other comprehensive income.

The accounting for embedded derivatives in host contracts that are financial assets is simplified by removing the requirement to consider whether or not they are closely related, and, in most arrangements, does not require separation from the host contract.

For liabilities, the standard retains most of the PAS 39 requirements which include amortized cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The amendment also requires changes in the fair value of an entity's own debt instruments caused by changes in its own credit quality to be recognized in other comprehensive income rather than in profit or loss.

The Company does not expect to implement and adopt PFRS 9 (2014) until its effective date. In addition, management is currently assessing the impact of PFRS 9 (2014) on the financial statements of the Company and it will conduct a comprehensive study of the potential impact of this standard prior to its mandatory adoption date to assess the impact of all changes.

(iii) Annual Improvements to PFRS (2012-2014 Cycle) (effective from January 1, 2016). Among the improvements, PFRS 7 (Amendment), *Financial Instruments – Disclosures* is relevant to the Company but management does not expect these to have material impact on the Company's financial statements. The amendment provides additional guidance to help entities identify the circumstances under which a contract to "service" financial assets is considered to be a continuing involvement in those assets for the purposes of applying the disclosure requirements of PFRS 7. Such circumstances commonly arise when, for example, the servicing is dependent on the amount or timing of cash flows collected from the transferred asset or when a fixed fee is not paid in full due to non-performance of that asset.

2.3 Financial Assets

Financial assets are recognized when the Company becomes a party to the contractual terms of the financial instrument. For purposes of classifying financial assets, an instrument is considered as an equity instrument if it is non-derivative and meets the definition of equity for the issuer in accordance with the criteria of PAS 32. All other non-derivative financial instruments are treated as debt instruments.

(a) Classification and Measurement of Financial Assets

Financial assets other than those designated and effective as hedging instruments are classified into the following categories: FVTPL, loans and receivables, held-to-maturity investments and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired.

Regular purchases and sales of financial assets are recognized on their trade date. All financial assets that are not classified as of FVTPL are initially recognized at fair value plus any directly attributable transaction costs. Financial assets carried at FVTPL are initially recorded at fair value and the related transaction costs are recognized in profit or loss.

Loans and receivables is the only category of financial assets relevant to the Company. Those are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for those with maturities greater than 12 months after the end of each reporting period, which are classified as non-current assets.

The Company's financial assets categorized as loans and receivables are presented as Cash in Bank and Due from Related Parties in the statement of financial position.

Loans and receivables are subsequently measured at amortized cost using the effective interest method, less impairment loss, if any.

(b) Impairment of Financial Assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired.

If there is objective evidence that an impairment loss on loans and receivables has been incurred, the amount of the impairment loss is determined as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the financial asset's original effective interest rate or current effective interest rate determined under the contract if the loan has a variable interest rate.

The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of the loss shall be recognized in profit or loss.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortized cost would have been had the impairment not been recognized at the date of the impairment is reversed. The amount of the reversal is recognized in profit or loss.

(c) Items of Income and Expense Related to Financial Assets

All income and expenses, except those that arise from operating activities, relating to financial assets that are recognized in profit or loss are presented as part of Other Income in the statement of comprehensive loss.

Non-compounding interest, dividend income and other cash flows resulting from holding financial assets are recognized in profit or loss when earned, regardless of how the related carrying amount of financial assets is measured.

(d) Derecognition of Financial Assets

The financial assets (or where applicable, a part of a financial asset or part of a group of financial assets) and due to a related party are derecognized when the contractual rights to receive cash flows from the financial instruments expire, or when the financial assets and all substantial risks and rewards of ownership have been transferred to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

2.4 Prepayments and Other Current Assets

Prepayments and other current assets pertain to other resources controlled by the Company as a result of past events. They are recognized in the financial statements when it is probable that the future economic benefits will flow to the Company and the asset has a cost or value that can be measured reliably.

Other recognized assets of similar nature, where future economic benefits are expected to flow to the Company beyond one year after the end of the reporting period are classified as non-current assets.

2.5 Furniture, Fixtures and Equipment

Furniture, fixtures and equipment are stated at cost less accumulated depreciation and any impairment in value.

The cost of furniture, fixtures and equipment comprises its purchase price and directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, major improvements and renewals are capitalized while expenditures for repairs and maintenance are charged to expense as incurred.

Depreciation commences once the furniture, fixture and equipment are available for use and is computed on the straight-line basis over the estimated useful lives of the assets ranging from four to five years.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see Note 2.11).

The residual values, estimated useful lives and method of depreciation of furniture, fixtures and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

Furniture, fixtures and equipment including the related accumulated depreciation and impairment losses, is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the year the item is derecognized.

2.6 Financial Liabilities

Financial liabilities, which include accrued expenses and other liabilities (excluding tax-related payables) are recognized when the Company becomes a party to the contractual terms of the instrument. All interest-related charges incurred on a financial liability are recognized as an expense in the statement of comprehensive loss, if any.

Accrued expenses and other liabilities are recognized initially at their fair values and subsequently measured at amortized cost, using effective interest method for maturities beyond one year, less settlement payments.

Financial liabilities are classified as current liabilities if payment is due to be settled within one year or less after the end of the reporting period, or the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. Otherwise, these are presented as non-current liabilities.

Financial liabilities are derecognized from the statement of financial position only when the obligations are extinguished either through discharge, cancellation or expiration. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable is recognized in profit or loss.

2.7 Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. When time value of money is material, long-term provisions are discounted to their present values using a pretax rate that reflects market assessments and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements. Similarly, possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements. On the other hand, any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

2.8 Revenue and Expense Recognition

Revenue is recognized to the extent that the revenue can be reliably measured; it is probable that future economic benefits will flow to the Company; and the costs incurred or to be incurred can be measured reliably. In addition, specific recognition criteria must also be met before revenue is recognized.

Interest income, which is currently the only source of income of the Company, is recognized as the interest accrues taking into account the effective yield on the asset.

Expenses are recognized in profit or loss at the date they are incurred. All finance costs are reported in profit or loss on an accrual basis.

2.9 Leases – Company as Lessee

Leases which do not transfer to the Company substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments (net of any incentive received from the lessor) are recognized as expense in profit or loss on a straight-line basis over the lease term. Associated costs, such as repairs and maintenance and insurance, are expensed as incurred.

The Company determines whether an arrangement is, or contains, a lease based on the substance of the arrangement. It makes an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

2.10 Foreign Currency Transactions and Translation

The accounting records of the Company are maintained in Philippine pesos. Foreign currency transactions during the year are translated into the functional currency at exchange rates which approximate those prevailing on transaction dates.

Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

2.11 Impairment of Non-financial Assets

The Company's furniture, fixtures and equipment are subject to impairment testing. Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of those assets may not be recoverable.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment either individually or at the cash-generating unit level.

Impairment loss is recognized in profit or loss for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amounts which is the higher of its fair value less costs to sell and its value in use. In determining value in use, management estimates the expected future cash flows from each cash-generating unit and determines the suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risk factors.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment loss is reversed if the asset's or cash generating unit's recoverable amount exceeds its carrying amount.

2.12 Employee Benefits

The Company provides post-employment benefits to employees through a defined contribution plan and other employee benefits which are recognized as follows:

(a) Post-employment Defined Contribution Plan

A defined contribution plan is a post-employment plan under which the Company pays fixed contributions into an independent entity (Social Security System). The Company has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. The contributions recognized in respect of defined contribution plans are expensed as they fall due. Liabilities or assets may be recognized if underpayment or prepayment has occurred and are included in current liabilities or current assets as they are normally of a short-term nature.

(b) Compensated Absences

Compensated absences are recognized for the number of paid leave days (including holiday entitlement) remaining at the end of each reporting period. They are included in Accrued Expenses and Other Liabilities account in the statement of financial position at the undiscounted amount that the Company expects to pay as a result of the unused entitlement.

2.13 Income Taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity, if any.

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

Deferred tax is accounted for using the liability method, on temporary differences at the end of each reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Under the liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carryforward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Unrecognized deferred tax assets, if any, are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will be available to allow such deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled provided such tax rates have been enacted or substantively enacted at the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

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

2.14 Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the resulting net amount, considered as a single financial asset or financial liability, is reported in the statement of financial position when the Company currently has legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. The right of set-off must be available at the end of the reporting period, that is, it is not contingent on future event. It must also be enforceable in the normal course of business, in the event of default, and in the event of insolvency or bankruptcy; and must be legally enforceable for both entity and all counterparties to the financial instruments.

2.15 Related Party Relationships and Transactions

Related party transactions are transfers of resources, services or obligations between the Company and its related parties, regardless whether a price is charged.

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

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

2.16 Equity (Capital Deficiency)

Capital stock represents the nominal value of shares that have been issued.

Additional paid-in capital includes any premium received on the issuance of capital stock. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of any related income tax benefits.

Deficit represents all current and prior period results of operations as reported in the statement of comprehensive loss.

2.17 Earnings per Share

Basic earnings per share (EPS) is computed by dividing net profit attributable to equity holders of the Company by the weighted average number of shares issued and outstanding, adjusted retroactively for any stock dividend, stock split or reverse stock split declared during the current period.

Diluted EPS is computed by adjusting the weighted average number of ordinary shares outstanding to assume conversion of dilutive potential shares. Currently, the Company does not have dilutive potential shares outstanding, hence, the diluted EPS is equal to the basic EPS.

2.18 Events After the End of the Reporting Period

Any post-year-end event that provides additional information about the Company's financial position at the end of the reporting period (adjusting event) is reflected in the financial statements. Post-year-end events that are not adjusting events, if any, are disclosed when material to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company's financial statements in accordance with PFRS requires management to make judgments and estimates that affect the amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

3.1 Critical Management Judgments in Applying Accounting Policies

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

(a) Distinction between Operating and Finance Leases

The Company has entered into a lease agreement as a lessee. Critical judgment was exercised by management to distinguish each lease agreement, as either an operating or a finance lease by looking at the transfer or retention of significant risks and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities.

Management has determined that its lease agreement qualify under operating leases (see Note 2.9).

(b) Recognition of Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition of provisions and contingencies are discussed in Note 2.7 and disclosures on relevant contingencies are presented in Note 17.

3.2 Key Sources of Estimation Uncertainty

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

(a) Impairment of Due from Related Parties

Adequate amount of allowance for impairment is provided for specific and groups of accounts, where objective evidence of impairment exists. The Company evaluates the amount of allowance for impairment based on available facts and circumstances affecting the collectibility of the accounts, including, but not limited to, the related parties' current credit, average age of accounts, collection experience and historical loss experience. The methodology and assumptions used in estimating future cash flows are reviewed regularly by the Company to reduce any differences between loss estimates and actual loss experience.

The carrying value of due from related parties and the analysis of allowance for impairment in 2015 and 2014 are shown in Note 13.

(b) Estimation of Useful Lives of Furniture, Fixtures and Equipment

The Company estimates the useful lives of furniture, fixtures and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of furniture, fixtures and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

The carrying amounts of furniture, fixtures and equipment are analyzed in Note 8. Based on management's assessment as of December 31, 2015 and 2014, there is no change in estimated useful lives of those assets during those years. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

(c) Impairment of Non-financial Assets

In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (see Note 2.11). Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in those assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

In 2015, the remaining furniture, fixtures and equipment were written off. In 2014 and 2013, management has assessed that there are no impairment losses required to be provided on furniture, fixtures and equipment.

(d) Determination of Realizable Amount of Deferred Tax Assets

The Company reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. As of December 31, 2015 and 2014, management has assessed that the deferred tax assets are not recognized since there would be no sufficient future taxable profits against which the deductible temporary differences and carryforward benefits of unused net operating loss carry-over (NOLCO) could be utilized. The carrying value of deferred tax assets as of those dates is disclosed in Note 12.

4. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to certain financial risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarized in Note 5. The main types of risks are credit risk and liquidity risk.

The Company's risk management is coordinated with the Board of Directors (BOD) and focuses on actively securing the Company's short to medium-term cash flows by minimizing the exposure to financial markets.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed to are described below and in the succeeding page.

4.1 Credit Risk

Credit risk is the risk that a counterparty may fail to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments arising from granting of advances to related parties and placing deposits with banks.

The Company continuously monitors defaults of counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties. In addition, for a significant proportion of sales, advance payments are received to mitigate credit risk.

The maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown in the statements of financial position or in the detailed analysis provided in the notes to the financial statements, as summarized below.

	Notes	**2015**	2014
Cash in bank	6	**P 100,685**	P 104,227
Due from related parties - net	13	**-**	31,773,893
		P 100,685	P 31,878,120

The Company's management considers that all of the above financial assets that are not impaired or past due for each reporting dates are of good credit quality.

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

(a) Cash in bank

The credit risk for cash in banks is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Cash in banks are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P500,000 for every depositor per banking institution.

(b) Due from Related Parties

In respect of due from related parties, the Company's management has assessed that these advances are no longer collectible and the credit risk exposure is considered to be high. Accordingly, the Company provided full allowance to the remaining balance of the due from related parties and was written off in 2015 (see Note 13).

4.2 Liquidity Risk

The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a six-month and one-year period are identified monthly.

The Company maintains cash to meet its liquidity requirements for up to 60-day periods. Funding for long-term liquidity needs is additionally secured the ability to sell long-term financial assets.

As of December 31, 2015 and 2014, the Company's financial liabilities have contractual maturities which are summarized below.

	On demand	Within one year	Total
December 31, 2015			
Due to a related party	P 662,356	P -	P 662,356
December 31, 2014			
Accrued expenses and other liabilities (excluding tax-related payables)	P 390,359	P 6,170,286	P 6,560,645

The contractual maturities of the financial liabilities reflect the gross cash flows, which may differ from the carrying values of the liabilities at the end of the reporting periods.

5. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AND FAIR VALUE MEASUREMENT AND DISCLOSURES

5.1 Carrying Amounts and Fair Values by Category

The Company has no financial assets or financial liabilities carried at fair value nor does it have any financial instruments whose fair value is required to be disclosed. The carrying values of its financial assets and financial liabilities that are carried at amortized cost approximates or equal their fair values, accordingly, comparison of such is no longer presented.

5.2 Offsetting of Financial Assets and Financial Liabilities

The due from related parties (see Note 13.1) with net amount presented in the 2014 statement of financial position amounting to P31,773,893 is subject to offsetting, enforceable master netting arrangement and similar arrangement.

5.3 Fair Value Hierarchy

In accordance with PFRS 13, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels presented below.

(a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;

(b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and,

(c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

As the Company has no financial instruments which are carried at fair value or whose fair value is required to be disclosed, it does not present any financial instruments fair value table or disclosure.

5.4 Financial Instruments Measured at Fair Value

The Company has no financial assets and liabilities measured at fair value as of December 31, 2015 and 2014 or financial instruments whose fair value are required to be disclosed. Nevertheless, its cash in bank can be categorized as Level 1 in the hierarchy of financial instruments and the rest of its financial assets carried at amortized cost can be categorized as Level 3.

5.5 Fair Value Measurement for Non-financial Assets

The Company has no non-financial assets measured at fair value as of December 31, 2015 and 2014.

5.6 Financial Instruments Measured at Amortized Cost for which Fair Value Is Not Disclosed

As discussed in Note 5.1, the Company has no financial instruments carried at fair value and its financial instruments carried at amortized costs are no longer disclosed. Accordingly, the Company does not also present a fair value hierarchy.

6. CASH IN BANK

Cash in bank, which pertains to demand deposits amounted to P100,685 and P104,227 as of December 31, 2015 and 2014, respectively, generally earns interest at rates based on daily bank deposit rates.

7. PREPAID ROYALTIES

Prepaid royalties represent advance royalty payments by the Company to Zam-Iron Mining Corp. (Zam-Iron) under an operating agreement entered into on December 28, 2009.

The operating agreement grants the Company the exclusive right to explore, utilize and develop the Kabasalan Mining Rights for the purpose of extracting mining products. In consideration for the rights granted by Zam-Iron, the Company will pay Zam-Iron royalties at a stipulated price.

The loan granted by the Company to Zam-Iron in 2008 under a memorandum of agreement (MOA) amounting to P50,000,000 was applied as advance royalty payments by the Company to Zam-Iron, classified as "Prepaid royalties" in the statement of financial position.

In the said MOA, the Company granted Zam-Iron a loan of P50,000,000 which shall be utilized by the latter for the exploration, development, and utilization of the Kabasalan Mining Rights, which covers potential gold, silver and iron deposits in Kabasalan and Siay, Zamboanga Sibugay Province. The loan bore interest rate of 15% per annum and to be repaid not later than June 2008. The loan was secured by a pledge of issued and outstanding shares of Zam-Iron's stockholders and the Company was given an option to purchase 50% of all mineral production output from Kabasalan Mining Rights for a period of five years beginning on the first year of commercial production.

On November 15, 2013, Zam-Iron informed the Company that it received a letter from the Mines and Geosciences Bureau IX stating that the office has issued an Order of Denial for mining exploration with finality. Zam-Iron's next recourse is to file an appeal to the Mines and Geosciences Bureau central office in Manila. To date, no update was given by Zam-Iron to the Company regarding the status of their application and operations.

On November 22, 2013, the Company informed Zam-Iron that insofar as the Company is concerned, Zam-Iron has failed to fulfill its obligations under the MOA signed on January 2, 2008 and Operating Agreement signed in 2009 and is deemed in default. The Company demanded for the full refund of P50,000,000 prepaid royalties with interest and waived its right in the event of default to take over the operation and production of the mining operation since Zam-Iron failed to secure the necessary exploration permit. The prepaid royalties remains unpaid in 2015 and management has assessed that collection of the said amount is remote.

In 2015, the Company wrote off the full amount of the prepaid royalties and its related allowance for probable losses provided in 2013.

8. FURNITURE, FIXTURES AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and impairment of furniture, fixtures and equipment at the beginning and end of December 31, 2015 and 2014, respectively, are shown below.

	2015	2014
Cost	**P -**	P 123,134
Accumulated depreciation	**-**	(39,334)
Net carrying amount	**P -**	P 83,800
Balance at January 1, net of accumulated depreciation	**P 83,800**	P 83,800
Write-off	**(83,800)**	-
Balance at December 31, net of accumulated depreciation	**P -**	P 83,800

In 2015, the Company wrote off its remaining furniture, fixtures and equipment with a carrying amount of P83,800 and recognized the corresponding loss on write-off (see Note 11).

9. ACCRUED EXPENSES AND OTHER LIABILITIES

This account consists of:

		2015		2014
Accrued professional fees	P	-	P	6,560,645
Tax-related payables		-		404,224
	P	-	P	6,964,869

The accrued professional fees and other payable of the Company as of December 31, 2015 amounted to P6,692,196 was written off by the Company and a corresponding gain on derecognition of payables was recognized under Other Income in the statement of comprehensive loss (see Note 10).

10. OTHER INCOME

This account consists of:

	Note		2015		2014		2013
Gain on reversal of payables	9	P	6,692,196	P	-	P	-
Unrealized foreign currency exchange gain			4,859		646		6,644
Interest income			-		3		-
		P	6,697,055	P	649	P	6,644

11. EXPENSES

The details of the Company's expenses by nature are shown below and in the succeeding page.

	Notes		2015		2014		2013
Impairment of due from related parties	13.1	P	30,625,286	P	-	P	20,000,000
Professional fees			639,910		297,683		485,634
Membership, association dues and fees			294,160		303,360		294,400
Transportation and travel			247,051		242,714		241,889
Salaries and wages			162,110		251,915		269,353
Rent			135,000		180,000		180,000
Loss on write off of furniture, fixtures and equipment	8		83,800		-		-
Utilities			43,200		45,600		45,600

Forward

	Notes	2015	2014	2013
Impairment of prepaid royalties and input VAT	7	**P 9,643**	P 12,857	P 50,012,857
Taxes and licenses	18.1*(d)*	**500**	24,207	17,860
Depreciation		**-**	-	1,858
Others		**15,117**	10,356	16,338
		P 32,255,777	P 1,368,692	P 71,565,789

12. CURRENT AND DEFERRED TAXES

There is no tax expense reported in the statement of comprehensive income for the years ended December 31, 2015, 2014 and 2013 since the Company is in a tax loss position.

The reconciliation of tax on pretax loss computed at the applicable statutory rate of 30% to tax expense shown below.

	2015	2014	2013
Tax on pretax loss at 30%	**(P 7,667,617)**	(P 410,413)	(P 21,467,744)
Tax effects of:			
Movements in deductible temporary differences and NOLCO for which no deferred income tax asset were recognized	**(1,518,951)**	406,557	21,463,887
Non-taxable income	**(1,458)**	-	-
Non-deductible expenses	**9,188,026**	3,856	3,857
Tax expense	**P -**	P -	P -

The cumulative components of deferred tax assets from deductible temporary differences and unused NOLCO that were not recognized are as follows:

	2015		2014	
	Tax Base	**Tax Effect**	Tax Base	Tax Effect
NOLCO	**P 69,845,652**	**P 20,953,696**	P 4,360,781	P 1,308,234
Allowance for probable losses	**-**	**-**	50,000,000	15,000,000
Allowance for doubtful accounts	**-**	**-**	22,006,701	6,602,010
	P 69,845,652	**P 20,953,696**	P 76,367,482	P 22,910,244

There were no deferred tax assets recognized in the current and prior years since management believes that it is not probable that the Company would have sufficient future taxable profits against which deductible temporary differences and carryforward benefits of unused NOLCO could be utilized.

The details of the Company's unexpired NOLCO with their corresponding validity or availment periods are as follows:

Taxable Years	Amount	Outstanding Balance	Valid Until
2015	P 66,943,529	P 66,943,529	2018
2014	1,349,191	1,349,191	2017
2013	1,552,932	1,552,932	2016
	P 69,845,652	**P 69,845,652**	

NOLCO which arose from 2012 and 2011 amounting to P1,458,658 and P2,742,697, respectively, with the tax effect of P437,597 and P822,809, has expired in 2015 and 2014, respectively.

The Company is subject to minimum corporate income tax (MCIT), which is computed at 2% of gross income, as defined under the tax regulations or the regular corporate income tax (RCIT), whichever is higher. The Company has incurred MCIT amounting to P133,844 in 2015 reported as Prepaid Expenses in the statement of financial position. The MCIT in 2015 is valid for application against income tax due until 2018.

13. RELATED PARTY TRANSACTIONS

The Company's related parties include its stockholders as described below.

The summary of the Company's transactions and outstanding balances with its related parties follows:

Related Party Category	Notes	Amount of Transactions 2015	Amount of Transactions 2014	Amount of Transactions 2013	Outstanding Balance 2015	Outstanding Balance 2014
Stockholders:						
Mikro-Tech Capital, Inc. (MTCI)						
Advances	13.1	**P -**	P -	P -	**P -**	P 31,773,893
Accommodation payments	13.1	**1,148,607**	1,289,632	-	-	-
Write-off	13.1	**30,625,286**	-	-	-	-
9th Kingdom						
Advances	13.1	-	-	-	-	20,000,000
Write-off	13.1	**20,000,000**	-	-	-	-
iHoldings, Inc.						
Accommodation payments	13.2	**662,356**	-	-	**662,356**	-

13.1 Due from Related Parties

MTCI bills the Company for its share in rent, association dues and utilities amounting to P1,148,607 and P1,289,632 in 2015 and 2014, respectively and is offset against the advances of the Company to MTCI. In 2015, management has assessed that the outstanding balance of MTCI, after offsetting of payables amounting to P30,625,286 will no longer be recovered and as such was provided with 100% allowance for impairment (see Note 11). In 2013, the Company provided 100% allowance on receivables from 9th Kingdom amounting to P20,000,000 (see Note 11).

In 2015, the outstanding balance of the receivables from MTCI and 9th Kingdom were written off against the related allowance for impairment after obtaining approval from the BOD and stockholders during the annual stockholders meeting of the Company on October 16, 2015.

13.2 Due to a Related Party

In 2015, iHoldings, Inc. accommodated certain expenses amounting to P662,356 on behalf of the Company. Such amount is presented as Due to a Related Party in the 2015 statement of financial position.

14. EQUITY

14.1 Capital Stock

Capital stock consists of:

	Shares		Amount	
	2015	2014	**2015**	2014
Capital Stock – P0.005 par value				
Authorized	**40,000,000,000**	40,000,000,000	**P 200,000,000**	P 200,000,000
Issued	**39,965,000,000**	39,965,000,000	**P 199,825,000**	P 199,825,000
Subscribed	**35,000,000**	35,000,000	**175,000**	175,000
Subscriptions receivable	**-**	-	**(116,668)**	(116,668)
	40,000,000,000	40,000,000,000	**P 199,883,332**	P 199,883,332

14.2 Listing with PSE

On November 23, 1959, the Company offered a portion of its stocks for listing with the PSE. The number of common shares registered was 25,345,216,000 with an issue price of P0.005. As of December 31, 2015, the number of holders of such securities is 3,310. The market price of the Company's shares as of December 31, 2015 is P0.031. The total number of issued shares not listed with the PSE amounted to P14,654,784,000 shares.

On June 21, 2011, pursuant to the approval by the BOD, a delinquency sales was held for all 14,654,784,000 delisted delinquent shares in accordance with the provisions of the Corporation Code of the Philippines and the Securities Regulation Code, the results which were reported to the SEC and the PSE. This is the Company's confirmation of management's initiative to source funds. The delinquency sales was undertaken by the Company in its principal office and in the presence of a Notary Public. During the said auction, a total of 14,654,784,000 shares were bought by the winning bidders. Pursuant to the rules of the delinquency sales, payment of the winning bid shall be made on or before August 4, 2011. As of May 2, 2012, all winning bidders have fully paid their bids and have been issued certificates of stock. Presently, 25,345,216,000 common shares remain to be listed with the PSE while the remaining 14,654,784,000 delisted shares are in the process of relisting to the PSE.

The public auction of the delisted delinquent shares was ratified on October 16, 2015 in the Company's Annual Stockholders Meeting.

14.3 Capital Management Objectives, Policies and Procedures

The Company maintains a capital base to cover risk inherent in the business. The primary objective of the Company's capital management is to ensure that it maintains an adequate and strong capital base to support its business. Accordingly, management is currently working on getting fresh investments to revitalize the capital base of the Company (see Note 1.2).

The Company monitors capital on the basis of the carrying amount of equity as presented on the face of the statements of financial position. Capital for the reporting periods under review is summarized below.

	2015	2014
Total liabilities	**P 796,200**	P 6,964,869
Total equity (capital deficiency)	**(561,671)**	24,997,051
Debt-to-equity (capital deficiency) ratio	**(1.42:1.00)**	0.28:1.00

The Company sets the amount of capital in proportion to its overall financing structure, i.e., equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

15. OPERATING SEGMENT

The Company is engaged in mineral exploration and considers such as its primary activity and only operating segment. The President, who is considered as the chief operating decision maker, monitors the operating results of the Company. The Company has only one geographical segment.

Net loss, total assets, total liabilities and non-cash expenses other than depreciation as of and for the years ended December 31, 2015, 2014 and 2013 are the same as reported elsewhere in the financial statements. Segment information for its operating segment as of and for the years ended December 31, 2015, 2014 and 2013 are as follows:

	2015	2014	2013
Net loss	**P 25,558,722**	P 1,368,043	P 71,559,145
Total assets	**234,529**	31,961,920	33,259,307
Total liabilities	**796,200**	6,964,869	6,894,213
Non-cash expenses other than depreciation	**30,634,929**	12,857	70,012,857

16. BASIC/DILUTED LOSS PER SHARE

Basic/diluted loss per share were computed as follows:

	2015	2014	2013
Net loss	**P 25,558,722**	P 1,368,043	P 71,559,145
Weighted average number of outstanding shares	**40,000,000,000**	40,000,000,000	40,000,000,000
Basic/diluted loss per share	**P 0.00064**	P 0.00003	P 0.00179

The Company has no potentially dilutive common shares as of December 31, 2015, 2014 and 2013. Thus, the basic and diluted loss per share amounts are the same as of those dates.

17. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Company makes various commitments and incurs certain contingent liabilities that are not given recognition in the accompanying financial statements. As of December 31, 2015 and 2014, the management believes that losses, if any, that may arise from these commitments and contingencies will not have a material effect on the financial statements.

18. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE (BIR)

Presented in the succeeding pages are the supplementary information which is required by the BIR under its existing revenue regulations to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS.

18.1 Requirements under Revenue Regulations (RR) 15-2010

The information on taxes, duties and license fees paid or accrued during the taxable year required under RR 15-2010 are as follows:

(a) Output VAT

The Company does not have output VAT in 2015 since the Company has not yet generated any revenues.

(b) Input VAT

The movements in input VAT in 2015 are summarized below.

Balance at the beginning of year	P	1,197,597
Purchases of services		9,643
Balance at end of year	P	1,207,240

The input VAT balance from prior year and current transactions and its related allowance were written-off during the year.

(c) Documentary Stamp Tax (DST)

The Company did not incur any documentary stamp taxes in 2015 as it did not execute any documents, instruments, loan agreements and papers evidencing the acceptance, assignment, sale or transfer of an obligation, and any right or property hereunto during the year.

(d) Taxes and Licenses

The amount in the taxes and licenses account in 2015 pertains to the annual registration fee amounting to P500. The amount of taxes and licenses is presented under Expenses in the 2015 statement of comprehensive loss.

(e) Withholding Taxes

The details of total withholding taxes for the year ended December 31, 2015 are shown below.

Compensation and benefits	P	6,250
Expanded		3,316
	P	**9,566**

The Company does not have income payments subject to final tax.

(f) Deficiency Tax Assessments and Tax Cases

As of December 31, 2015, the Company does not have final deficiency tax assessments with the BIR nor does it have tax cases outstanding or pending in courts or bodies outside of the BIR in any of the open years.

18.2 Requirements under RR 19-2011

RR 19-2011 requires schedules of taxable revenues and other non-operating income, itemized deductions and other significant tax information, to be disclosed in the notes to financial statements.

The amounts of taxable revenues and income, and deductible costs and expenses presented below are based on relevant tax regulations issued by the BIR, hence, may not be the same as the amounts reflected in the 2015 statement of comprehensive loss.

(a) Taxable Revenues

The Company has no taxable revenues in 2015.

(b) Taxable Non-operating and Other Income

The Company has taxable other income in 2015 which pertains to the gain on reversal of payables amounting to P6,692,196 presented under Other Income in the statement of comprehensive loss (see Notes 9 and 10).

(c) Itemized Deductions

The amounts of itemized deductions for the year ended December 31, 2015 are as follows:

Bad debts	P	72,006,701
Professional fees		639,910
Membership, association dues and fees		294,160
Transportation and travel		247,051
Salaries and allowances		162,110
Rental		135,000
Losses		93,443
Communication, light and water		43,200
Taxes and licenses		500
Miscellaneous		13,650
	P	**73,635,725**

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Report of Independent Auditors to Accompany Supplementary Information Required by the Securities and Exchange Commission Filed Separately from the Basic Financial Statements

The Board of Directors and the Stockholders
Pacifica, Inc.
Manila Harbour Centre, R-10, Vitas
Tondo, Manila

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Pacifica, Inc. for the year ended December 31, 2015, on which we have rendered our report dated April 1, 2016. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) is presented for purposes of additional analysis in compliance with the requirements of the Securities Regulation Code Rule 68, as amended, and is not a required part of the basic financial statements prepared in accordance with Philippine Financial Reporting Standards. Such supplementary information are the responsibility of management. The supplementary information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PUNONGBAYAN & ARAULLO

By: Christopher M. Ferareza
Partner

CPA Reg. No. 0097462
TIN 184-595-975
PTR No. 5321716, January 4, 2016, Makati City
SEC Group A Accreditation
Partner - No. 1185-AR-1 (until May 11, 2018)
Firm - No. 0002-FR-4 (until Apr. 30, 2018)
BIR AN 08-002511-34-2014 (until Aug. 5, 2017)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Dec. 31, 2018)

April 12, 2016

PACIFICA, INC.
LIST OF SUPPLEMENTARY INFORMATION
DECEMBER 31, 2015

PACIFICA, INC.
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2015

Name of Issuing Entity and Association of Each Issue	*Number of Shares or Principal Amount of Bonds and Notes*	*Amount shown on the statement of financial position*	*Valued based on Market Quotation at End of Reporting Period*	*Income received and accrued*

NOT APPLICABLE

PACIFICA, INC.
SCHEDULE B - AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)
DECEMBER 31, 2015

			Deductions		Ending Balance		
Name and designation of debtor	*Balance at beginning of period*	*Additions*	*Amounts collected*	*Amounts written off*	*Current*	*Not current*	*Balance at end of period*
			A	**B**			
Advances to Related Parties:							
Mikro-tech Capital, Inc.	P 31,773,893	-	(1,148,607)	(30,625,286)	-	-	P -
9th Kingdom Investments Corp.	20,000,000	-	-	(20,000,000)	-	-	-
	P 51,773,893	**-**	**(1,148,607)**	**(50,625,286)**	**-**	**-**	**P -**

A The Company offsets its payable to Mikro-tech Capital, Inc. to the said advances.

B The outstanding balance from Mikro-tech Capital, Inc. was assessed to be uncollectible by management, hence, it was written-off in the books after obtaining approval from the Board of Directors and stockholders during the Annual Stockholders' Meeting last October 16, 2015.

PACIFICA, INC.
SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
DECEMBER 31, 2015

			Deductions				
Name and designation of debtor	Balance at the beginning of period	Additions	Amounts collected	Amounts written off	Current	Non current	Balance at the end of the period

NOT APPLICABLE

PACIFICA, INC.
SCHEDULE D - INTANGIBLE ASSETS - OTHER ASSETS
DECEMBER 31, 2015

			Deduction			
Description	***Beginning balance***	***Additions at cost***	***Charged to cost and expenses***	***Charged to other accounts***	***Other changes additions (deductions)***	***Ending balance***

NOT APPLICABLE

PACIFICA, INC.
SCHEDULE E - AMOUNTS PAYABLE TO DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)
DECEMBER 31, 2015

				Ending Balance		
Name and designation of debtor	*Balance at beginning of period*	*Additions*	*Amounts collected*	*Current*	*Not current*	*Balance at end of period*
Advances from Related Parties:						
iHoldings, Inc.	P 662,356	-	-	P 662,356	-	P 662,356

PACIFICA, INC.
SCHEDULE F - LONG-TERM DEBT
DECEMBER 31, 2015

Title of issue and type of obligation	*Amount authorized by indenture*	*Amount shown under caption "Current portion of long-term debt" in related statement of financial position*	*Amount shown under caption "Long-Term Debt" in related statement of financial position*

NOT APPLICABLE

PACIFICA, INC.
SCHEDULE G - INDEBTEDNESS TO RELATED PARTIES
(LONG-TERM LOANS FROM RELATED COMPANIES)
DECEMBER 31, 2015

Name of related party	*Balance at beginning of period*	*Balance at end of period*

NOT APPLICABLE

PACIFICA, INC.
SCHEDULE H - GUARANTEES OF SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2015

Name of issuing entity of securities guaranteed by the company for which this statement is filed	*Title of issue of each class of securities guaranteed*	*Total amount guaranteed and outstanding*	*Amount owned by person for which statement is filed*

NOT APPLICABLE

PACIFICA, INC.
SCHEDULE I - CAPITAL STOCK
DECEMBER 31, 2015

Title of Issue	*Number of shares authorized*	*Number of shares issued and outstanding as shown under the related statement of financial position caption*	*Number of shares reserved for options, warrants, conversion and other rights*	*Number of shares held by*		
				Related parties	*Directors, officers and employees*	*Others*
Common shares - P0.005 par value	40,000,000,000	40,000,000,000	-	24,482,586,000	1,186,044,000	14,331,370,000

PACIFICA, INC.

Schedule of Philippine Financial Reporting Standards and Interpretations
Adopted by the Securities and Exchange Commission and the
Financial Reporting Standards Council as at December 31, 2015

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements		✓		
Conceptual Framework Phase A: Objectives and Qualitative Characteristics		✓		
Practice Statement Management Commentary			✓	
Philippine Financial Reporting Standards (PFRS)				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards	✓		
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters	✓		
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters**	✓		
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters**	✓		
	Amendments to PFRS 1: Government Loans**	✓		
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
PFRS 3 (Revised)	Business Combinations			✓
PFRS 4	Insurance Contracts			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to PFRS 7: Transition	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets	✓		
	Amendments to PFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	✓		
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures* *(effective when PFRS 9 is first applied)*			✓
PFRS 8	Operating Segments	✓		
PFRS 9	Financial Instruments* *(effective January 1, 2018)*			✓
PFRS 10	Consolidated Financial Statements			✓
	Amendments to PFRS 10: Transition Guidance			✓
	Amendments to PFRS 10: Investment Entities			✓
	Amendments to PFRS 10: Investment Entities – Applying the Consolidation Exception* *(effective January 1, 2016)*			✓
PFRS 11	Joint Arrangements			✓
	Amendments to PFRS 11: Transition Guidance			✓
PFRS 12	Disclosure of Interests in Other Entities			✓
	Amendments to PFRS 12: Transition Guidance			✓
	Amendments to PFRS 12: Investment Entities			✓
	Amendments to PFRS 10: Investment Entities – Applying the Consolidation Exception* *(effective January 1, 2016)*			✓
PFRS 13	Fair Value Measurement	✓		
PFRS 14	Regulatory Deferral Accounts* *(effective January 1, 2016)*			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
Philippine Accounting Standards (PAS)				
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation**	✓		
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
	Amendments to PAS 1: Disclosure Initiative* *(effective January 1, 2016)*			✓
PAS 2	Inventories			✓
PAS 7	Statement of Cash Flows	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Period	✓		
PAS 11	Construction Contracts			✓
PAS 12	Income Taxes	✓		
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets**	✓		
PAS 16	Property, Plant and Equipment	✓		
	Amendment to PAS 16: Bearer Plants* *(effective January 1, 2016)*			✓
	Amendment to PAS 16: Clarification of Acceptable Methods of Depreciation and Amortization* *(effective January 1, 2016)*			✓
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19 (Revised)	Employee Benefits**	✓		
	Amendment to PAS 19: Defined Benefit Plans - Employee Contributions**	✓		
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
	Amendment: Net Investment in a Foreign Operation**	✓		
PAS 23 (Revised)	Borrowing Costs			✓
PAS 24 (Revised)	Related Party Disclosures	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27 (Revised)	Separate Financial Statements			✓
	Amendments to PAS 27: Investment Entities			✓
	Amendment to PAS 27: Equity Method in Separate Financial Statements* *(effective January 1, 2016)*			✓
PAS 28 (Revised)	Investments in Associates and Joint Ventures			✓
	Amendment to PFRS 10: Sale or Contribution of Assets between an Investor and its Associate on Joint Venture* *(effective January 1, 2016)*			✓
	Amendment to PAS 28: Investment Entities - Applying the Consolidation Exception* *(effective January 1, 2016)*			✓
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 32	Financial Instruments: Presentation	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation**	✓		
	Amendment to PAS 32: Classification of Rights Issues**	✓		
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting	✓		
PAS 36	Impairment of Assets	✓		
	Amendment to PAS 36: Recoverable Amount Disclosures for Non-financial Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets			✓
	Amendment to PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization* *(effective January 1, 2016)*			✓
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions	✓		
	Amendments to PAS 39: The Fair Value Option	✓		
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts**	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets – Effective Date and Transition	✓		
	Amendments to Philippine Interpretation IFRIC 9 and PAS 39: Embedded Derivatives**	✓		
	Amendment to PAS 39: Eligible Hedged Items**	✓		
	Amendment to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting**	✓		
PAS 40	Investment Property			✓
PAS 41	Agriculture			✓
	Amendment to PAS 41: Bearer Plants* *(effective January 1, 2016)*			✓
Philippine Interpretations - International Financial Reporting Interpretations Committee (IFRIC)				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities**	✓		
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	Determining Whether an Arrangement Contains a Lease	✓		
IFRIC 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds**	✓		
IFRIC 6	Liabilities Arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✓
IFRIC 7	Applying the Restatement Approach under PAS 29, Financial Reporting in Hyperinflationary Economies			✓
IFRIC 9	Reassessment of Embedded Derivatives**	✓		
	Amendments to Philippine Interpretation IFRIC–9 and PAS 39: Embedded Derivatives**	✓		
IFRIC 10	Interim Financial Reporting and Impairment	✓		
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes			✓
IFRIC 14	PAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction**	✓		
	Amendments to Philippine Interpretations IFRIC - 14, Prepayments of a Minimum Funding Requirement and their Interaction**	✓		
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners			✓
IFRIC 18	Transfers of Assets from Customers			✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments**	✓		
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
IFRIC 21	Levies**	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
Philippine Interpretations - Standing Interpretations Committee (SIC)				
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-13	Jointly Controlled Entities - Non-Monetary Contributions by Venturers			✓
SIC-15	Operating Leases - Incentives**	✓		
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders**	✓		
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease**	✓		
SIC-29	Service Concession Arrangements: Disclosures			✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services**	✓		
SIC-32	Intangible Assets - Web Site Costs			✓

* These standards will be effective for periods subsequent to 2015 and are not early adopted by the Company.

** These standards have been adopted in the preparation of financial statements but the Company has no significant transactions covered in all years presented.

PACIFICA, INC.
FINANCIAL SOUNDNESS INDICATORS
DECEMBER 31, 2015, 2014 AND 2013

	2015	2014	2013
LIQUIDITY RATIOS			
Current ratio	0.29	4.58	4.81
Quick ratio	0.13	0.01	0.02
SOLVENCY RATIOS			
Debt-to-equity ratio	-1.42	0.28	0.26
Debt-to-assets ratio	3.39	0.22	0.21
Equity-to-asset ratio	-2.39	0.78	0.79
TEST OF PROFITABILITY			
Return on assets *	N/A	N/A	N/A
Return on equity *	N/A	N/A	N/A
Earnings per share *	N/A	N/A	N/A
Loss per share	P 0.00064	P 0.00003	P 0.00179

* The Company has not started commercial operations as of December 31, 2015 and is operating at a net loss in 2015, 2014 and 2013.

LIQUIDITY RATIOS measures the Company's ability to pay its short-term liabilities as these fall due.□

Current ratio - current assets divided by current liabilities
Quick ratio - quick assets (cash and cash equivalents and accounts receivables) divided by current liabilities

SOLVENCY RATIOS measures the Company's ability to pay all its liabilities, both current and non-current, over a longer time horizon.

Debt-to-equity ratio - total libilities divided by total stockholders' equity
Debt-to-asset ratio - total libilities divided by total assets
Equity-to-asset ratio - total stockholders' equity divided by total assets

TEST OF PROFITABILITY refers to the Company's earning capacity. This includes the Company's ability to earn reasonable amount of income in relation to total investment.

Return on assets - net income divided by average total assets
Return on equity - net income divided by average total stockholders' equity
Earnings per share - net income divided by oustanding common shares