COVER SHEET

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J A C K S T O N E S , I N C .

(Company's Full Name)

5 9 3 A N T O N I O D R I V E ,

B A G U M B A Y A N T A G U I G

C I T Y

(Business Address: No. Street City / Town / Province)

ANTHONY B. PERALTA	633-6113
Contact Person	Company Telephone Number

Month Day
Fiscal Year

Form Type

Month Day
Annual Meeting

SEC FORM 17-Q

Dept. Requiring this Doc.

Amended Articles Number / Section

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel Concerned

File Number

LCU

Document I.D.

Cashier

S T A M P S

Remarks = Pls. use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended **March 31, 2018.**

2. Commission identification number **24986** 3. BIR Tax Identification No. **000-275-073**

4. Exact name of issuer as specified in its charter

   Jackstones, Inc. (Formerly: NextStage, Inc.)

5. Province, country or other jurisdiction of incorporation or organization
   Taguig City, Philippines

6. Industry Classification Code: [ ] (SEC Use Only)

7. Address of issuer's principal office Postal Code

   593 Antonio Drive, Bagumbayan, Taguig City **1605**

8. Issuer's telephone number, including area code

   +63 2 6336113

9. Former name, former address and former fiscal year, if changed since last report
   N/A

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Stock	**188,184,097**

11. Are any or all of the securities listed on a Stock Exchange?

    Yes [/] No [ ]

    If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

    Philippine Stock Exchange **Common Stock**

12. Indicate by check mark whether the registrant:

    (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

    Yes [/] No [ ]

    (b) has been subject to such filing requirements for the past ninety (90) days.

    Yes [/] No [ ]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

Attached herewith are the consolidated financial statements of Jackstones, Inc. (the "Corporation") for the period ending 31 March 2018. These interim financial statements are in compliance with Philippine Financial Reporting Standards. In addition, the same accounting policies and methods of computation used in the most recent annual audited financial statements were followed in these statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Business Overview

The Company's shares are listed in the Philippine Stock Exchange (PSE) but the trading of the Company's shares was suspended until June 30, 2013. The PSE lifted the suspension on July 9, 2013 and the shares are now tradable.

On October 12, 2014, a group of individual and corporate shareholders entered in to a Memorandum of Agreement with Kelton Holdings, Inc. and a group of individual investors for the sale of the formers' shares of stock representing 70% of the outstanding share capital of the Company. The sale effectively transferred control of the Company to Kelton Holdings, Inc. which became the parent company and ultimate controlling party, owning 54% equity interest of Jackstones, Inc. Kelton Holdings, Inc. is a domestic corporation registered with the Philippine SEC.

On July 06, 2015, the Securities and Exchange Commission (SEC) approved the change in the principal office address of the Corporation to 593 Antonio Drive, Bagumbayan, Taguig City, Philippines.

On March 10, 2019, the Board of Directors of the Corporation approved the proposal by the President of a new business plan to incorporate a wholly owned subsidiary to engage in the business of real estate development.

On June 13, 2017, the stockholders of the Corporation approved the amendment of the Seventh Article of the Articles of Incorporation increasing the authorized capital stock to Five Hundred Million Pesos (₱500,000,000.00), Philippine Currency, divided into Five Hundred Million (500,000,000) Common Shares with a par value of One Peso (₱1.00) each share. The said amendment was approved by the SEC on February 7, 2018.

The Company has 4 regular employees as at March 31, 2017 and December 31, 2016. The record keeping of its transactions is outsourced to a third party consultant.

Results** of **Operation

Starting January 1, 2008, the Company had gone into a state of dormancy, awaiting further management plans. The Company's ability to operate on *a* going concern basis is dependent upon its ability to generate immediate additional capital infusion and sufficient cash flows to meet its obligations, to develop sustainable business strategies and undertake measures to attain long-term financial stability. Despite the Company's capital position at December 31, 2014, management believes that the Company will be able to continue as a going concern considering the entry of new shareholders in 2014. The Company's long-term business plans are currently under evaluation of the new controlling shareholders.

Starting December 2014, Jackstones, Inc. (JAS) is steadily being transformed into a holding company for projects, property ventures, business and assets primarily in the ASEAN region and neighboring Asian countries without industry-specific limitations. The management team expects to benefit from the business and management track record of its new Chairman.

Business Overview

The Company's shares are listed in the Philippine Stock Exchange (PSE) but the trading of the Company's shares was suspended until June 30, 2013. The PSE lifted the suspension on July 9, 2013 and the shares are now tradable.

On October 12, 2014, a group of individual and corporate shareholders entered in to a Memorandum of Agreement with Kelton Holdings, Inc. and a group of individual investors for the sale of the formers' shares of stock representing 70% of the outstanding share capital of the Company. The sale effectively transferred control of the Company to Kelton Holdings, Inc. which became the parent company and ultimate controlling party, owning 54% equity interest of Jackstones, Inc. Kelton Holdings, Inc. is a domestic corporation registered with the Philippine SEC.

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Results of Operation

Starting January 1, 2008, the Company had gone into a state of dormancy, awaiting further management plans. The Company's ability to operate on *a* going concern basis is dependent upon its ability to generate immediate additional capital infusion and sufficient cash flows to meet its obligations, to develop sustainable business strategies and undertake measures to attain long-term financial stability. Despite the Company's capital position at December 31, 2014, management believes that the Company will be able to continue as a going concern considering the entry of new shareholders in 2014. The Company's long-term business plans are currently under evaluation of the new controlling shareholders.

Starting December 2014, Jackstones, Inc. (JAS) is steadily being transformed into a holding company for projects, property ventures, business and assets primarily in the ASEAN region and neighboring Asian countries without industry-specific limitations. The management team expects to benefit from the business and management track record of its new Chairman.

On October 20, 2017, the SEC approved the Articles of Incorporation and By-Laws of Jackstones Properties, Inc., a wholly owned subsidiary of the Corporation which will allow the latter to engage in the business of owning, holding, developing, selling of real property intended for mixed-use real property development projects.

Financial Condition

The Corporation's objectives when managing capital are to support its ability to effectively deploy capital and to protect the interest of its shareholders.

Management shall utilize the capital structure that generates the most value for shareholders and this may entail adjustments to dividends paid to shareholders, loans obtained from banks, and the issuance of new shares. Total capital being managed by the Corporation is its total equity as shown in the attached statement of financial position.

The Corporation is also currently negotiating with various investment groups to raise new capital and is also seriously considering another public offering to raise more funds for its investments and holdings. The Corporation continues to review projects, ventures, businesses and assets that can be included in its holdings for which it may issue shares in exchange for owning them.

A Memorandum of Agreement between Kelton Holdings, Inc. and the previous shareholders states that any claims filed against the Corporation by ING following the closing date of the sale, with regards the loan extended by ING to PACEMCO, shall be for the account of the previous shareholders. Accordingly, management believes that the Corporation's financial position and results of operations will not be significantly affected from the ultimate disposition of outstanding legal cases and claims. Further, there are no events that will trigger direct or contingent financial obligation that is material to the Corporation, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Corporation with unconsolidated entities or other persons created during the reporting period. Likewise, there are no material commitments for capital expenditures.

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations. There are no seasonal aspects that had a material effect on the financial condition or results of operations

As of March 31, 2018, the Corporation's assets consist only of Cash in the amount of Php52,571,619.00 and Input VAT of Php1,096,462.00. The figure of Php1,999 under trade and other receivables is due within 30 days and has already been paid.

PART II. OTHER INFORMATION

There are no disclosures not disclosed under SEC Form 17-C.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

JACKSTONES, INC.

Maximilian So Tanenglian
President

Maria Gracia L. Morfe
Accountant

Jackstones, Inc.

Unaudited Interim Financial Statements
As at March 31, 2018 and 2017 for each of the three months ended March 31, 2018

Jackstones, Inc.

Unaudited Interim Statements of Financial Position
March 31, 2018
(With comparative figures as at December 31, 2017)
(All amounts in Philippine Peso)

	Notes	March 31, 2018 Unaudited	December 31, 2017 Audited
	ASSETS		
Current assets			
Cash and cash equivalent	2	52,571,619	51,896,985
Input VAT	14	1,096,462	1,045,636
Trade and other receivables		1,999	-
Total Current Assets		53,670,080	52,942,621
Non-current assets			
Property and equipment, net	3	35,939	37,827
Investment in subsidiary	4	3,330,826	3,326,994
Total non-current assets		3,366,765	3,364,821
Total assets		57,036,845	56,307,442
	LIABILITIES AND EQUITY		
Current liabilities			
Trade payables and other liabilities	5	1,089,709	981,591
Advances from shareholders	6	28,152,769	25,777,769
Total liabilities		29,242,478	26,759,360
Equity			
Share capital, net of treasury shares	7	167,559,097	167,559,097
Share premium	7	113,074,880	113,074,880
Deposit for future stock subscription	7	50,884,890	50,884,890
Deficit		(303,724,499)	(301,970,785)
Total equity		27,794,368	29,548,082
Total liabilities and equity		57,036,845	56,307,442

The notes included are an integral part of these unaudited interim financial statements.

Jackstones, Inc.

Unaudited Interim Statements of Total Comprehensive Income
For each of the two years in the quarter ended March 31
(All amounts in Philippine Peso)

	Notes	2018	2017
Revenue		-	-
Administrative expenses	8	(1,754,303)	(2,654,616)
Unrealized foreign exchange gain(loss)		-	(689,578)
Interest income		589	307,282
Loss before income tax		(1,753,714)	(3,036,912)
Income tax expense		-	-
Net loss for the period		(1,753,714)	(3,036,912)
Other comprehensive income		-	-
Total comprehensive loss for the period		(1,753,714)	(3,036,912)
Loss per share (basic and diluted)	10	(0.0105)	(0.0181)

The notes included are an integral part of these unaudited interim financial statements.

Jackstones, Inc.

Unaudited Interim Statements of Changes in Equity
For the three months ended March 31, 2018 and 2017
(All amounts in Philippine Peso)

	Share capital								
	Authorized		Subscribed						
	No. of shares	Amount	No. of shares	Amount	Share premium	Treasury shares	Deposit for future stock subscription (Note 7)	Deficit	Total equity
Period ended March 31, 2018									
Balances at January 1, 2018	170,000,000	170,000,000	167,559,179	167,559,179	113,074,880	(82)	50,884,890	(301,970,785)	29,548,082
Comprehensive income									
Loss for the period	-	-	-	-	-	-		(1,753,714)	(1,753,714)
Other comprehensive income	-	-	-	-	-	-		-	-
	-	-	-	-	-	-		(1,753,714)	(1,753,714)
Balances at March 31, 2018	170,000,000	170,000,000	167,559,179	167,559,179	113,074,880	(82)	50,884,890	(303,724,499)	27,794,368
Period ended March 31, 2017									
Balances at January 1, 2017	170,000,000	170,000,000	167,559,179	167,559,179	113,074,880	(82)	-	(296,056,668)	(18,194,284)
Comprehensive income									
Loss for the period	-	-	-	-	-	-	-	(749,198)	(749,198)
Other comprehensive income	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	(749,198)	(749,198)
Balances at March 31, 2017	170,000,000	170,000,000	167,559,179	167,559,179	113,074,880	(82)		(295,805,866)	(18,943,482)

The notes included are an integral part of these unaudited interim financial statements.

Jackstones, Inc.

Unaudited Interim Statements of Cash Flows
For the quarter ended March 31, 2018 and 2017
(All amounts in Philippine Peso)

	2018	2017
Cash flows from operating activities		
Net loss for the period	(1,753,714)	(3,036,912)
Adjustment for:		
Depreciation	1,888	3,346
Unrealized foreign exchange gain(loss)		689,578
Interest income	(589)	(307,282)
Operating loss before changes in working capital	(1,752,415)	(2,651,270)
Changes in working capital		
Advances to employees	(1,999)	
Input VAT	(50,827)	(158,742)
Trade payables and other liabilities	108,118	(191,056)
Cash used in operating activities	(1,697,123)	(3,001,068)
Interest received	589	307,282
Net cash used in operating activities	(1,696,534)	(2,693,786)
Cash flow from investing activities	-	-
Acquisition of property and equipment	-	(41,173)
Acquisition of subsidiary	(3,832)	(3,326,994)
Net cash from investing activities	(3,832)	(3,368,167)
Cash flow from financing activities		
Advances from shareholders	2,375,000	7,199,645
Proceeds from deposit for future stock subscription	-	50,884,890
Net cash from financing activities	2,375,000	58,084,535
Net movement in cash	674,634	52,022,582
Cash at January 1	51,896,985	563,981
Effect of exchange rate changes in cash and cash equivalents	-	(689,578)
Cash at March 31	52,571,619	51,896,985

The notes included are an integral part of these unaudited interim financial statements.

Jackstones, Inc.

Notes to Financial Statements
As at March 31, 2018 and 2017 and for each of the three months
period ended March 31, 2018
(In the notes, all amounts are shown in Philippine Peso, unless otherwise stated)

Note 1 - General information

Jackstones, Inc. was originally incorporated on April 22, 1964 as Pacific Cement Company, Inc. to engage in the manufacture and trading of cement and related products. In June 2000, the Securities and Exchange Commission (SEC) approved the change in primary purpose of the Company to that of a holding company and changed its corporate name to PACEMCO Holdings, Inc. (PACEMCO). Simultaneous therewith, PACEMCO spun-off its cement manufacturing and mining facility and assets to Pacific Cement Philippines, Inc. (PACEMPHIL), in exchange for 100% of the shares of stock of PACEMPHIL. This investment was subsequently sold in November 2000.

In December 2000, PACEMCO acquired 100% of the share capital of NextStage, Inc., and in June 2001, the SEC approved the merger of PACEMCO and its subsidiary, Nextstage, Inc., with PACEMCO as the surviving corporation. Subsequently, the SEC also approved the change in name from PACEMCO to NextStage, Inc. On April 16, 2014, the SEC approved the Company's application to change its corporate name to its present name and the extension of its corporate life for another 50 years immediately after the first 50 years from and after the date of incorporation.

On October 12, 2014, a group of individual and corporate shareholders sold their shares of stock representing 70% of the outstanding share capital of the Company to Ketton Holdings, Inc. and a group of individual investors. The sale effectively transferred control of the Company to Ketton Holdings, Inc., a domestic corporation registered in the Philippine SEC, who became the parent company and ultimate controlling party, owning 54% equity interest of Jackstones, Inc.

On March 23, 2015, the Board of Directors approved the transfer of principal office from Bonifacio Technology Center, 2nd Avenue corner 31st Street, Bonifacio Global City, Taguig City to 593 Antonio Drive, Bagumbayan, Taguig City. The above resolution has been ratified by the stockholders on April 30, 2015 and approved by the SEC on July 6, 2015.

The Company has 4 regular employees as at March 31, 2018 and 2017.

Status of operations

Starting January 1, 2008, the Company has gone into a state of dormancy, awaiting further management plans. The Company's ability to operate on a going concern basis is dependent upon its ability to generate sufficient cash flows to meet its obligations, to develop sustainable business strategies and undertake measures to attain long-term financial stability. On March 10, 2017, the Company's Board of Directors approved the increase in authorized share capital of the Company to P500 million divided into 500 million shares at P1 par value per share and the conversion of total advances from shareholders amounting to P51.562 million to deposits for future shares subscription to address the negative equity of the Company. Proceeds from additional investments will be used to establish a wholly-owned property development subsidiary to allow the Company to venture into real estate development.

Note 2 - Cash

Cash at December 31 consist of:

	March 31, 2018	December 31, 2017
Cash in bank	52,569,619	51,894,985
Cash on hand	2,000	2,000
	52,571,619	51,896,985

Cash in bank earns interest at the respective bank deposit rate. Interest income earned from bank deposits during the year amounted to P588 (2017 - P307,282; 2016 – P891).

Note 3 - Property and equipment, net

Details of property and equipment, net as at December 31 and movements in the account for the years then ended follow:

	Office equipment	Total
Cost		
December 31, 2016	-	-
Additions	41,173	41,173
December 31, 2017	41,173	41,173
December 31, 2017	3,346	3,346
March 31, 2018	1,888	1,888
March 31, 2018	5,234	5,234
Net book values at		
December 31, 2017	37,827	37,827
March 31, 2018	35,939	35,939

Depreciation and amortization for the months ended March 31, 2018 (2016: nil) were charged to operating expenses in the statements of total comprehensive income.

Note 4 – Investment in subsidiary

The Company holds 100% of the outstanding shares of Jackstones Properties, Inc., a Corporation established under the laws of the Philippines. Investment in subsidiary is accounted using the cost model of accounting. The Company has no subsidiaries other than Jackstones Properties Inc.

Note 5 - Trade payables and other liabilities

Trade payables and other liabilities at December 31 consist of:

	March, 2018	2017
Trade payables	434,085	434,085
Accrued expenses and other liabilities	655,624	547,506
	1,089,709	981,591

Accrued expenses and other liabilities mainly pertain to accrued payroll and professional fees for legal, audit and stock transfer services rendered for the Company.

There are neither guarantees nor assets pledged to secure the Company's liabilities at March 31, 2018 and December 31, 2017.

The carrying amounts of trade payables and other liabilities approximate their fair values due to their short-term maturities.

Note 6 - Related party transactions

The table below summarizes the Company's transactions and balances with its related parties.

	Transactions			Outstanding balance		Terms and conditions
	March, 2018	2017	2016	March, 2018	2017	
Advances from shareholders	2,375,000	7,199,645	2,502,000	28,152,769	25,777,769	Advances are extended for working capital requirements which are payable in cash with no fixed repayment date. These are non-interest bearing, unguaranteed and unsecured.
Key management compensation Salaries and other short term benefits (Note 6)	237,671	1,067,627	1,045,476	171,301	181,311	Key management compensation covering salaries and wages and other short-term benefits are determined based on contract of employment and payable in cash every month. The Company has not provided share-based payments, termination benefits or other long term benefits to its key management personnel for the months ended March 31, 2018.

In the normal course of the business, the Company receives advances from the shareholders for working capital purposes. The carrying amount of advances from shareholders approximates its fair value due to its short-term maturity.

As discussed in Note 1, the Company's Board of Directors approved on March 10, 2017, the conversion of total advances from shareholders to deposits for future shares subscription. The above resolution is still subject to ratification by the shareholders in their annual meeting scheduled on June 13, 2017.

Note 7 - Share capital, net of treasury shares; share premium

Share capital, net of treasury shares

Details of share capital at March 31, 2018 and December 31, 2017 are as follows:

	Shares	Amount
Common shares at P1 par value per share		
Authorized share capital	170,000,000	170,000,000
Share capital issued	167,559,179	167,559,179
Treasury shares	(82)	(82)
Share capital issued and outstanding	167,559,097	167,559,097

The Company's record of registration of its securities under the Securities Regulation Code follows:

Number of shares registered	170,000,000
Issued/offer price	2.30
Date of approval	October 27, 1967

As at March 31, 2018 and 2017, the Company has 309 shareholders each holding at least 100 shares of the Company's common shares.

Share premium

In 2013, as part of the Company's equity restructuring and to improve and strengthen the financial condition of the Company without affecting the present ownership, the Board of Directors approved the conversion of the Company's due to related parties, advances from shareholders and deposits for future shares subscriptions aggregating to P113,074,880 to additional paid in capital on April 30, 2013. On the same date, the Company's Board of Director's approved such conversion into equity (under Share premium).

Deposit for future stock subscription

On Marcho 10, 2017 and June 13, 2017, the Board of Directors and Stockholders held a special meeting and approved the increase of the Company's authorized capital stock from One Hundred Seventy Million Pesos (P170,000,000.00) divided into One Hundred Seventy Millions (170,000,000) shares with a par value of One Peso (P1.00) per share to Five Hundred Million Pesos (P500,000,000.00) divided into Five Hundred Million (500,000,000) shares with par value of One Peso (P1.00) per share. Application of the increase in authorized capital stock with the Securities and Exchange Commission is in process. Further, the increase in paid up capital of P51.562M was recorded as deposit for future stock subscription under equity account. The application was approved by the Securities and Exchange Commission on February 7. 2018.

Change in number of authorized shares

On June 13, 2017, the board authorized the amendment of the Company's certificate of incorporation to increase the number of authorized shares of common shares by Three Hundred Thirty Million from the prior level of One Hundred Seventy Million. There was no change in the stated par value of the shares as a result of this transaction.

Note 8 - Administrative expenses

The components of administrative expenses for the months ended March 31 are as follows:

	Note	March 2018	2017
Taxes, licenses and regulatory fees	14	846,746	328,363
Professional and consultancy fees		381,700	1,062,451
Salaries and other employee benefits		237,671	1,067,627
Depreciation	3	1,888	3,346
Miscellaneous		286,298	192,830
		1,754,303	2,654,616

In 2018 and 2017 taxes, licenses and regulatory fees mainly represent SEC registration fees, business permit and other local taxes.

Note 9 - Contingencies; Pending litigations

On September 3, 2003, a civil case was filed by ING-BHF Bank Aktiengesellschaft ("ING") against the Company and PACEMPHIL before the Regional Trial Court of Makati Branch 148. The Plaintiff alleges that NextStage, Inc. as successor-in-interest of PACEMCO, owes them EUR1,812,687 with interest as well as payment for damages, attorney's fees and expenses of litigation.

On February 22, 2011, ING and PACEMPHIL entered into a compromise agreement wherein the latter agreed to settle EUR2,320,445 in 23 installments payable until September 30, 2016. As at September 30, 2014, PACEMPHIL has complied with the terms of the compromise agreement and has remitted all installments due in accordance with the agreed schedule.

On December 14, 2014, the RTC of Surigao City Branch 30 issued a Commencement Order in relation to PACEMPHIL's Petition for Corporate Rehabilitation with Prayer for Suspension of Payments. In accordance with the Commencement Order, the RTC of Surigao City Branch issued an order for the suspension of all actions and proceedings in court or otherwise for the enforcement of all claims against PACEMPHIL until the rehabilitation plan has been approved by the creditors and the RTC of Surigao City under Republic Act 10142. On December 11, 2015, the RTC of Surigao City Branch has issued an Order confirming and approving the Revised Rehabilitation Plan submitted by the Rehabilitation Receiver of PACEMPHIL. The Order further directs the Rehabilitation Receiver to pay the creditors as listed in the Revised Registry of Claims on the best efforts basis and to do all things necessary to fully implement the Revised Rehabilitation Plan.

Given that all obligations of the legacy company have been transferred to PACEMPHIL as part of various reorganizations discussed in Note 1, the liability arising from this litigation are for the account of PACEMPHIL. Furthermore, in accordance with the Memorandum of Agreement between Ketton Holdings, Inc. and the previous shareholders (Note 1), any claims filed against the Company by ING following the closing date of the sale shall be for the account of the previous shareholders.

In a letter dated June 27, 2017, one of the previous shareholders informed the management of the Company that by virtue of a Sale and Purchase Agreement dated June 14, 2017 and the Assignment Agreement dated June 20, 2017 executed by and between the previous shareholders and MHB –Bank AG, the former has acquired the PACEMPHIL loan from the latter, which has acquired said loan from the original creditor ING. The company was informed that ING,by virtue of a Master Agreement, effectively assigned and transferred several loan obligations, including the PACEMPHIL loan, to MHB-Bank AG.

Pursuant to such acquisition of the loan by the previous shareholder, an Affidavit of Desistance was executed on June 23, 2017 releasing the Company from any liability arising from the Court of Appeals Case No. CA-GR CV No.89642 entitled "ING-BHF Bank Aktiengesellchaft vs. Pacific Cement Philippines Inc. and NextStage, Inc." The previous shareholder likewise previously executed an Indemnity Agreement dated April 29, 2015 holding the Company free and harmless from any claims arising from Court of Appeals Case No. CA-GR CV No.89642.

Accordingly, management believes that the Company's financial position and results of operations will not be significantly affected from the ultimate disposition of outstanding legal cases and claims.

Critical accounting estimate - Contingencies

The Company is currently involved in legal proceedings. Estimates of the probable costs for the resolution of these claims, if any, has been developed in consultation with internal and external counsels handling the Company's defense in these matters and is based upon the probability of potential results. The Company's management currently believes that these proceedings will not have a material effect on the financial statements considering terms of contracts and agreements with previous shareholders as discussed above. It is possible, however, that future results of operations could be materially affected depending on the actual outcome of the proceedings.

Note 10 - Loss per share

Loss per share was computed as follows:

	March, 2018	2017
Loss for the period	(1,753,714)	(3,036,912)
Weighted average number of outstanding shares	167,559,097	167,559,097
Loss per share	(0.0105)	(0.0181)

Note 11 - Critical accounting estimates, assumptions and judgments

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

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Company believes the following represent a summary of these significant estimates, assumptions and judgments and their related impact and associated risks in the financial statements:

a) Recoverability of input VAT

In determining the recoverable amount of input VAT, management considers the probability of future transactions that will be available against which the input VAT can be utilized, including adequacy of and compliance with the required documentation for anticipated tax audits in case the Company opted to file for refund with the tax authorities in the future. The Company performs an evaluation of the input VAT claims filed with the Bureau of Internal Revenue (BIR) on a continuous basis throughout the period. Management uses judgment based on the best available facts and circumstances, including but not limited to, the adequacy of documentation, timely filing of application with the tax authority and evaluation of the individual tax credit claim's future recoverability and utilization. As of reporting date, management believes that it will be able to recover these input VAT on the following basis:

- Input VAT carried in the VAT returns does not expire and can be used against future output VAT obligations. As disclosed in Note 1, the management is finalizing its long term plans, including revenue generating activities that are subject to VAT. Management assessed that it is premature to recognize an impairment of the input VAT as management's intention is to apply it against future VAT obligations; and

- The Company has the option to apply for a tax refund or credit certificate on unused input VAT within a period of two (2) years.

b) *Contingencies (Note 9)*

Note 12 - Financial risk and capital management

12.1 Financial risk management

The Company's overall risks management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Credit risk

Credit risk is defined as possible losses due to default of counterparties.

The Company's financial assets which are exposed to credit risk relates mainly to its cash in bank with maximum credit risk exposure at March 31, 2018 amounting to P52,571,619(2017 – P51,986,985), which is equal to the carrying amount as shown in Note 2.

The Company has policies that limit the amount of credit exposure with financial institutions. Cash in bank is deposited with well-capitalized financial institution and reputable commercial bank with strong financial standing.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet its operating cash requirements. The Company manages liquidity risk by monitoring expected cash flows and seeks funding from its shareholders to meet its operating commitments.

The Company's financial liabilities at March 31, which are due and demandable, are as follows:

	Note	March 2018	2017
Trade payables and other liabilities	5	1,084,868	970,553
Advances from shareholders	6	28,152,768	25,777,769
		29,237,637	26,748,322

As at March 31, 2018, trade payables and other liabilities presented above exclude amounts payable to BIR amounting to P4,841 (2017 – P11,038). Liquidity risk is not significant given the limited amount of financial liabilities payable to third parties.

12.2 Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to implement business plans to make the Company profitable in the future.

In order to maintain or adjust the capital structure, the Company may issue new shares. Total capital being managed by the Company as at March 31 2018 and 2017 consists of:

	Note	
Share capital, net of treasury shares	7	167,559,097
Share premium	7	113,074,880
		280,633,977

The Company has identified target projects, ventures, businesses and assets that can be included in the holdings of the Company for which the Company may issue shares in exchange for owning them.

As part of the reforms of the Philippine Stock Exchange (PSE) to expand capital market and improve transparency among listed firms, PSE has required listed entities to maintain a minimum of ten percent (10%) of their issued and outstanding shares, exclusive of any treasury shares, to be held by the public.

The Company has complied with the minimum public float as of reporting date.

Note 13 - Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. The accounting policies have been consistently applied in these financial statements.

13.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). The term PFRS in general includes all applicable PFRS, Philippine Accounting Standards (PAS) and interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Financial Reporting Standards Council (FRSC) and adopted by the SEC.

These financial statements have been prepared under the historical cost convention.

The Company is monitored as a single operating segment considering the limited transactions for each of the three years for the months ended March 31,2018.

The preparation of financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 12.

Changes in accounting policies and disclosures

(a) New and amended standards adopted by the Company

There are no new standards, amendments and interpretations to existing standards which are effective for the financial year beginning January 1, 2018, which have a significant impact or relevant to the Company's financial statements.

(b) New standards, amendments and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2018, and have not been applied in preparing these financial statements. The following standard is relevant to the Company:

- *PFRS 9, Financial instruments,* addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In July 2014, the IASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard. Following the changes approved by the IASB in July 2014, the Company no longer expects any impact from the new classification, measurement and derecognition rules on the Company's financial assets and financial liabilities. The new hedging rules align hedge accounting more closely with the group's risk management practices. As a general rule it will be easier to apply hedge accounting going forward as the standard introduces a more principles-based approach. The new standard also introduces expanded disclosure requirements and changes in presentation. The new impairment model is an expected credit loss (ECL) model which may result in the earlier recognition of credit losses. The standard is effective for accounting periods beginning on or after January 1, 2018. Early adoption is permitted. Management is not expecting that the Company's financial statements will be significantly affected when PFRS 9 is adopted.

There are no other standards, amendments or interpretations that are effective beginning after January 1, 2017 that are relevant to the Company.

13.2 Financial assets

13.2.1 Classification

The Company classifies its financial assets in the following categories: (i) financial assets at fair value through profit or loss, (ii) loans and receivables, (iii) held-to-maturity financial assets, and (iv) available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

The Company did not hold financial assets under the categories (i), (iii) and (iv).

As to category (ii), the Company's loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivables. These are included in current assets, except for maturities greater than 12 months after the reporting date which are included as part of non-current assets. Loans and receivables at March 31, 2018 and December 31, 2017 only pertain to cash.

13.2.2 Recognition, measurement and derecognition

(a) Recognition

Regular-way purchases and sales of financial assets are recognized on trade-date - the date on which the Company commits to purchase or sell the asset. The Company recognizes financial assets in the statement of financial position when, and only when, the Company becomes a party to the contractual provision of the instrument.

(b) Measurement

Financial assets are initially recognized at fair value plus transaction costs. Loans and receivables are subsequently measured at amortized cost using the effective interest rate method.

(c) Derecognition

Financial assets are derecognized when the right to receive cash flows have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

13.2.3 Impairment

For financial assets carried at amortized cost, the Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Company uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the debtor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The Company, for economic or legal reasons relating to the debtor's financial difficulty, grants to the debtor a concession that the Company would not otherwise consider;
- It becomes probable that the debtor will enter bankruptcy or other financial reorganization;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio

For loans and receivables category, the Company first assesses whether an objective evidence of impairment exists individually for receivables that are individually significant, and collectively for receivables that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed receivable, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses those for impairment. Receivables that are individually assessed for impairment and for which impairment loss is or continues to be recognized are not included in a collective assessment of impairment. The amount of the loss is measured as the difference between the asset's 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. The carrying amount of the asset is reduced and the amount of the loss is recognized in the profit or loss within operating expenses. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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, the reversal of the previously recognized impairment loss is recognized in the profit or loss within operating expenses. Reversals of previously recorded impairment provision are based on the result of management's update assessment, considering the available facts and changes in circumstances, including but not limited to results of recent discussions and arrangements entered into with customers as to the recoverability of receivables at the end of the reporting period. Subsequent recoveries of amounts previously written-off are credited against operating expenses in the profit or loss.

13.3 Financial liabilities

13.3.1 Classification

The Company classifies its financial liabilities as: (i) financial liabilities at fair value through profit or loss and (ii) other financial liabilities measured at amortized cost. The Company does not have any of financial liabilities at fair value through profit or loss.

The Company's financial liabilities comprise of trade payables and other liabilities (Note 5) and advances from shareholders (Note 6) which are carried at amortized cost using the effective interest rate method. These are included in current liabilities, except for maturities greater than 12 months after the reporting date or when the Company has an unconditional right to defer settlement for at least 12 months after the reporting date which are classified as non-current liabilities.

13.3.2 Recognition, measurement and derecognition

(a) Recognition

Other financial liabilities at amortized cost are recognized in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

(b) Measurement

The Company's financial liabilities are initially measured at fair value plus transaction costs. These are subsequently measured at amortized cost using the effective interest rate method.

(c) Derecognition

Financial liabilities are derecognized when it is extinguished, that is, when the obligation specified in a contract is discharged or cancelled, or when the obligation expires.

13.4 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

The Company did not enter into any legally enforceable master netting agreements or other similar arrangements that would require offsetting of financial assets and liabilities as at March 31, 2018 and 2017.

13.5 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of a non-financial asset is measured based on its highest and best use. The asset's current use is presumed to be its highest and best use.

The fair value of financial and non-financial liabilities takes into account non-performance risk, which is the risk that the entity will not fulfill an obligation.

The Company classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. 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. The quoted market price used for financial assets in Level 1 is the most representative price within the bid-ask spread.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

As at March 31, 2018 and 2017, the Company has no assets and liabilities measured at fair value.

13.6 Cash

Cash includes cash on hand and deposits held at call with banks. These are carried in the statement of financial position at face amount or nominal amount, which approximates its amortized cost using the effective interest rate method. Deposits held at call with banks earn interest at prevailing bank deposit rate.

13.7 Input VAT

Input VAT is recognized as a current asset at face or nominal amounts and carried over to the extent that it is probable that the benefit will flow to the Company. These are derecognized when actually utilized, collected or disallowed by tax authority.

13.8 Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items, which comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the year in which they are incurred.

Capital expenditures related to a project which are partially received or incurred are classified as construction in-progress and are stated at historical cost. These are not reclassified to the other property, and equipment accounts and depreciated until such time that the relevant assets are substantially completed and ready for intended use.

Depreciation is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives (in years), as follows:

	No. of years
Office equipment	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 14.10).

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal at which time the cost and their related accumulated depreciation are removed from the accounts. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized under other operating income (expense) in the statement of total comprehensive income.

13,9 Investment in subsidiary

A subsidiary is an entity that is controlled by the parent Company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Control is presumed to exist when the parents owns, directly or indirectly though subsidiaries, more than half of the voting power of an entity.

A parent Company need not present consolidated financial statements if the parent is itself a subsidiary and its ultimate parent produces consolidated financial statements, or its subsidiary is acquired and held with the intention of selling or disposal within one year from its acquisition.

Investment in subsidiary is stated at cost less any allowance for impairment. On disposal of investments in subsidiary, the difference between disposal proceeds and the carrying amount of the investments are recognized in profit or loss.

13,10 Impairment of non-financial assets

Non-financial assets are reviewed for impairment annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use requires entities to make estimates of future cash flows to be derived from the particular asset, and discount them using a pre-tax market rate that reflects current assessments of the time value of money and the risk specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount should not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized as income immediately as other operating income in the statement of total comprehensive income.

13.11 Current and deferred income tax

The income tax expense for the period normally comprises current and deferred tax. Income tax expense is recognized in profit or loss within income tax (expense) credit, 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.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax (DIT) is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. DIT is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects either accounting nor taxable profit or loss. DIT is determined using tax rates and laws enacted or substantively enacted at the reporting date and are expected to apply when the related DIT asset is realized or DIT liability is settled.

DIT assets are recognized for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. DIT liabilities are recognized in full for all taxable temporary differences, except to the extent that the DIT liability arises from the initial recognition of goodwill.

DIT expense or credit is recognized for the changes in DIT assets and liabilities during the period. Income tax expense includes income tax as currently payable and those deferred because of temporary differences in the financial and tax reporting bases of assets and liabilities.

DIT assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when DIT assets and liabilities relate to income taxes levied by the same taxation authority and where there is an intention to settle the balances on a net basis.

DIT assets are derecognized when it is utilized or when it is no longer probable that future taxable profit can be utilized from the temporary deductible differences. DIT liabilities are derecognized when the temporary taxable differences have been settled.

The Company reassesses at each reporting date the need to recognize a previously unrecognized DIT asset.

13.12 Trade payables and other liabilities

Trade payables and other liabilities are obligations to pay for goods or services that have been acquired in the ordinary course of business. These are recognized in the period in which the related money, goods or services are received or when a legally enforceable claim against the Company is established or when the corresponding assets and expenses are recognized. Trade payables and other liabilities are recognized initially at fair value and subsequently measured at amortized cost using effective interest method.

Trade payables and other liabilities are derecognized when it is extinguished, that is, when the obligation specified in a contract is discharged or cancelled, or when the obligation expires.

13.13 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required upon settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed and derecognized from the statement of financial position.

13.14 Equity

Share capital

Ordinary shares are stated at par value and are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Share premium

Any amount received by the Company in excess of par value of its shares is credited to share premium which forms part of the non-distributable reserve of the Company and can be used only for purposes specified under corporate legislation.

Share issuance cost

Share issuance costs incurred for the listing and offering process of the Company are recognized as deduction to share premium in accordance with PIC - Question and Answer (PIC - Q&A) 2011-04.

Retained earnings (deficit)

Retained earnings (deficit) include current and prior years' results, net of transactions with shareholders and dividends declared, if any.

Appropriated retained earnings pertain to the portion of the accumulated profit from operations which are restricted or reserved for a specific purpose, such as capital expenditures for expansion projects, and approved by the Company's Board of Directors.

Unappropriated retained earnings pertain to the unrestricted portion of the accumulated profit from operations of the Company which are available for dividend declaration.

Treasury shares

Where the Company purchases its own equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs is deducted from equity until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, included in equity.

Deposit for future stock subscription

This pertains to the Company's deposit for the proposed increase in capitalization as approved by at least two-thirds of the Shareholders and Board of Directors that is still pending for registration and approval by the Securities and Exchange Commission. After the registration and approval of the increase in capital by the Securities and Exchange Commission, this amount will be reclassified under share capital account.

13.15 Earnings per share

Basic earnings (loss) per share is computed by dividing profit (loss) for the year attributable to the shareholders by the weighted average number of shares outstanding during the year.

The diluted earnings (loss) per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential ordinary shares, if any. The Company has no dilutive potential ordinary shares during and the end of each reporting period.

13.16 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's Board of Directors.

13.17 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the ordinary course of business. The Company recognizes revenue only if it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably. The following are the specific revenue recognition policies of the Company:

a) Interest income

Interest income is recognized when it is determined that such income will accrue to the Company and is presented net of final tax withheld by the banks.

b) Other income

All other income is recognized as earned or when the right to receive payment is established.

13.18 Costs and expenses

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

Costs and expenses are recognized:

a) on the basis of a direct association between the costs incurred and the earning of specific items of income;
b) on the basis of systematic and rational allocation procedures (i.e. when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined); or
c) immediately (i.e. when an expenditure produces no future economic benefits or when, and to the extent that future economic benefits do not qualify, or cease to qualify, for recognition in the statement of financial position).

Costs and expenses are presented in profit or loss according to their function.

13.19 Foreign currency transactions and translation

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are prepared in Philippine Peso, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into Philippine Peso using the exchange rates prevailing at the dates of the transactions. Foreign exchange 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.

13.20 Related party relationships and transactions

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

13.21 Subsequent events

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

Note 14 - Supplementary information required by the Bureau of Internal Revenue (BIR)

On December 28, 2010, Revenue Regulations No. 15-2010 became effective and amended certain provisions of RR No. 21-2002 prescribing the manner of compliance with any documentary and/or procedural requirements in connection with the preparation and submission of financial statements and income tax returns. Section 2 of RR No. 21-2002 was further amended to include in the Notes to Financial Statements information on taxes, duties and license fees paid or accrued during the year in addition to what is mandated by PFRS.

The following information is presented for purposes of filing with the BIR and is not required part of the basic financial statements.

i. Output VAT

The Company has no transactions that are subject to output VAT for the year ended March 31, 2018.

ii. Input VAT

Beginning balance	1,035,601
Add: Current year's domestic purchases	-
Services lodged under cost and expenses	50,827
Total input VAT included under other current assets	1,086,428

The difference between the amount presented above and the amount disclosed in the statement of financial position pertains to deferred input VAT amounting to P10,035 (2017: P10,035)

iii. All other local and national taxes

All other local and national taxes paid for the months ended March 31, 2018 which pertains to local business permits and taxes amounted to P846,746 is presented within taxes, licenses and regulatory fees in administrative expenses.

iv. Importations

The Company did not have any purchases of imported goods subject to custom duties and tariff fees for the months ended March 31, 2018.

v. Excise tax

The Company is not engaged in the manufacture or production of certain specified goods or articles subject to excise tax for domestic sale or consumption or for any other disposition.

vi. Documentary stamp tax

The Company did not pay any documentary stamp tax for the months ended March 31, 2018.

vii. Withholding taxes

	Paid	Accrued	Total
Withholding taxes on compensation	122,276	1,813	124,089
Expanded withholding taxes	3,160	3,028	6,188
	125,436	4,841	130,277

Accrued withholding taxes are presented within accrued expenses and other liabilities (Note 5).

viii. Tax assessments

The Company did not receive any final notice of assessment from the BIR for the year ended March 31, 2018.

ix. Tax cases

The Company does not have any outstanding tax cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside of the BIR as at March 31, 2018.