

# COVER SHEET

for  
**AUDITED FINANCIAL STATEMENTS**

SEC Registration Number

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**COMPANY NAME**

H	O	W	D	E	N		I	N	S	U	R	A	N	C	E		&		R	E	I	N	S	U	R	A	N	C	E		
B	R	O	K	E	R	S		(	P	H	I	L	.	)	,		I	N	C	.											

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

5	F		P	A	S	E	O		D	E		R	O	X	A	S		B	U	I	L	D	I	N	G					
P	A	S	E	O		D	E		R	O	X	A	S		C	O	R		L	E	G	A	S	P	I					
S	T	R	E	E	T	,	L	E	G	A	S	P	I		V	I	L	L	A	G	E									
M	A	K	A	T	I		C	I	T	Y																				

Form Type

A	A	F	S
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Department requiring the report

C	R	M	D
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Secondary License Type, If Applicable

N	/	A
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**COMPANY INFORMATION**

Company's Email Address

info@ph.howdengroup.com
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Company's Telephone Number

(+632) 86527475
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Mobile Number

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No. of Stockholders

7
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Annual Meeting (Month / Day)

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Fiscal Year (Month / Day)

December 31
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**CONTACT PERSON INFORMATION**

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

Name of Contact Person

Teresita C. Martin
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Email Address

tcmartin@ph.howdengroup.com
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Telephone Number/s

(+632) 86527475
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Mobile Number

09209515494
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**CONTACT PERSON'S ADDRESS**

5F Paseo de Roxas Building, Paseo de Roxas cor. Legaspi Street, Legaspi Village, Makati City

**NOTE 1** In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

**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





SyCip Gorres Velayo & Co  
6760 Ayala Avenue  
1226 Makati City  
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Tel: (632) 8891 0307  
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## INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors  
Howden Insurance & Reinsurance Brokers (Phil.), Inc.  
5F, 111 Paseo de Roxas Bldg.,  
Paseo de Roxas cor Legaspi Sts.,  
Legaspi Village, Makati City, Philippines

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Howden Insurance & Reinsurance Brokers (Phil.), Inc., (the Company), which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, statements of changes in equity, and statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standard (PFRS).

#### Basis for Opinion

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

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

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

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

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



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

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

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

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

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



**Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010**

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations No. 15-2010 in Note 25 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of Howden Insurance & Reinsurance Brokers (Phil.), Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

*Juan Carlo Maminta*

Juan Carlo B. Maminta  
Partner

CPA Certificate No. 115260

Tax Identification No. 210-320-399

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-132-2023, September 12, 2023, valid until September 11, 2026

PTR No. 10079968, January 6, 2024, Makati City

April 29, 2024





Sycip Gorres Velayo & Co. Tel: (632) 8891 0307  
5760 Ayala Avenue Fax: (632) 8819 0872  
1226 Makati City ey.com/ph  
Philippines

## INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors  
Howden Insurance & Reinsurance Brokers (Phil.), Inc.  
5F, 111 Paseo de Roxas Bldg.,  
Paseo de Roxas cor Legaspi Sts.,  
Legaspi Village, Makati City, Philippines

We have audited the financial statements of Howden Insurance & Reinsurance Brokers (Phil.), Inc. (the Company) as at December 31, 2023 and for the year then ended on which we have rendered the attached report dated April 29, 2024.

In compliance with Revised Securities Regulation Code Rule No. 68, we are stating that the Company has one (1) stockholder owning one hundred (100) or more shares each.

SYCIP GORRES VELAYO & CO.

Juan Carlo B. Maminta  
Partner

CPA Certificate No. 115260

Tax Identification No. 210-320-399

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

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April 29, 2024



**HOWDEN INSURANCE & REINSURANCE BROKERS (PHIL.), INC.**  
(A Wholly Owned Subsidiary of HBG Asia Holdings Limited)

**STATEMENTS OF FINANCIAL POSITION**

	December 31	
	2023	2022
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 4)	P113,243,047	P117,746,616
Commission and other receivables - net (Note 5)	168,585,162	167,180,953
Prepayments and other current assets (Note 6)	92,467,331	91,247,921
Total Current Assets	374,295,540	376,175,490
<b>Noncurrent Assets</b>		
Claims for tax refund (Note 20)	46,322,300	16,158,229
Financial asset at fair value through other comprehensive income (Note 7)	100,000	100,000
Property and equipment - net (Note 8)	4,640,797	5,811,815
Right-of-use assets - net (Note 9)	21,079,757	25,581,447
Intangible assets - net (Note 10)	721,523	717,206
Rental deposits (Note 21)	4,334,038	4,075,780
Deferred tax assets (Note 20)	8,462,942	14,151,838
Total Noncurrent Assets	85,661,357	66,596,315
	<b>P459,956,897</b>	<b>P442,771,805</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Insurance and reinsurance payable (Note 12)	P112,091,655	P151,609,984
Accrued expenses and other payables (Note 11)	76,998,504	65,587,477
Lease liabilities - current (Note 14)	8,834,894	7,808,949
Due to related parties (Note 15)	15,228,795	19,512,697
Total Current Liabilities	213,153,848	244,519,107
<b>Noncurrent Liabilities</b>		
Lease liabilities - non-current (Note 14)	14,668,913	19,944,175
Retirement benefit obligation (Note 13)	22,359,509	14,226,397
Loans payable (Note 15)	49,134,316	43,837,081
Total Noncurrent Liabilities	86,162,738	78,007,653
Total Liabilities	299,316,586	322,526,760
<b>Equity</b>		
Share capital (Note 16)	120,000,000	120,000,000
Reserves (Note 17)	40,738,208	38,796,793
Deficit	(97,897)	(38,551,748)
Total Equity	160,640,311	120,245,045
	<b>P459,956,897</b>	<b>P442,771,805</b>

See accompanying Notes to Financial Statements.



**HOWDEN INSURANCE & REINSURANCE BROKERS (PHIL.), INC.****(A Wholly Owned Subsidiary of HBG Asia Holdings Limited)****STATEMENTS OF COMPREHENSIVE INCOME**

	Years Ended December 31	
	2023	2022
<b>REVENUE</b>		
Commission income (Note 12)	<b>₱293,767,341</b>	₱248,841,089
Interest income (Note 4)	<b>484,954</b>	217,915
Other income (Note 19)	<b>11,150,456</b>	3,050,996
	<b>305,402,751</b>	252,110,000
<b>EXPENSES</b>		
Salaries and other employee benefits (Note 18)	<b>144,833,720</b>	144,040,775
Outside services	<b>40,481,292</b>	41,031,761
Depreciation and amortization (Notes 8, 9 and 10)	<b>11,164,946</b>	10,610,453
Transportation and travel	<b>16,910,035</b>	6,289,934
Insurance and bond premiums	<b>4,882,722</b>	4,449,409
Finance costs (Note 15)	<b>6,531,179</b>	4,835,689
Taxes and licenses	<b>2,383,781</b>	1,978,277
Postage, telephone and telegram	<b>2,514,428</b>	1,971,788
Interest from finance leases (Note 14)	<b>1,491,100</b>	1,800,010
Association dues	<b>2,186,767</b>	726,196
Office stationery and supplies	<b>1,299,746</b>	656,546
Entertainment, amusement and recreation	<b>1,610,176</b>	525,762
Rent (Note 14)	<b>3,727,575</b>	497,994
Advertising	<b>3,119,352</b>	347,474
Provision for (recovery of) credit losses (Note 5)	<b>(553,730)</b>	(305,373)
Utilities	<b>586,084</b>	304,566
Bank charges	<b>275,092</b>	121,315
Others	<b>105,809</b>	161,617
	<b>243,550,074</b>	220,044,193
<b>INCOME (LOSS) BEFORE INCOME TAX</b>	<b>61,852,677</b>	32,065,807
<b>PROVISION FOR INCOME TAX</b> (Note 20)	<b>18,016,042</b>	11,988,663
<b>NET INCOME (LOSS)</b>	<b>43,836,635</b>	20,077,144
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>		
<i>Items that will not be recycled to profit and loss:</i>		
Remeasurement loss of defined benefit obligation - net of tax (Note 13)	<b>5,382,784</b>	2,115,912
	<b>₱38,453,851</b>	₱17,961,232

See accompanying Notes to Financial Statements.



**HOWDEN INSURANCE & REINSURANCE BROKERS (PHIL.), INC.**  
**(A Wholly Owned Subsidiary of HBG Asia Holdings Limited)**

**STATEMENTS OF CHANGES IN EQUITY**

	Share Capital (Note 16)	Contingency Surplus	Reserves		Total Reserves	Retained Earnings (Deficit)	Total
			Investment Revaluation Reserve (Note 7)	Share Based Payment Reserves (Note 17)			
<b>As at January 1, 2023</b> (Note 16)	<b>₱120,000,000</b>	<b>₱36,500,000</b>	<b>₱60,000</b>	<b>₱2,236,793</b>	<b>₱38,796,793</b>	<b>(₱38,551,748)</b>	<b>₱120,245,045</b>
Net income for the year	–	–	–	–	–	43,836,635	43,836,635
Remeasurement of defined benefit obligation (Note 13)	–	–	–	–	–	(5,382,784)	(5,382,784)
Total comprehensive income	–	–	–	–	–	38,453,851	38,453,851
Reserve for share based payment	–	–	–	1,941,415	1,941,415	–	1,941,415
<b>As at December 31, 2023</b> (Note 16)	<b>₱120,000,000</b>	<b>₱36,500,000</b>	<b>₱60,000</b>	<b>₱4,178,208</b>	<b>₱40,738,208</b>	<b>(₱97,897)</b>	<b>₱160,640,311</b>
<b>As at January 1, 2022</b> (Note 16)	<b>₱75,000,000</b>	<b>₱36,500,000</b>	<b>₱60,000</b>	<b>₱1,322,388</b>	<b>₱37,882,388</b>	<b>(₱56,512,980)</b>	<b>₱56,369,408</b>
Issuance of additional stocks	45,000,000	–	–	–	–	–	45,000,000
Net loss for the year	–	–	–	–	–	20,077,144	20,077,144
Remeasurement of defined benefit obligation (Note 13)	–	–	–	–	–	(2,115,912)	(2,115,912)
Total comprehensive income	–	–	–	–	–	17,961,232	17,961,232
Reserve for share based payment	–	–	–	914,405	914,405	–	914,405
<b>As at December 31, 2022</b> (Note 16)	<b>₱120,000,000</b>	<b>₱36,500,000</b>	<b>₱60,000</b>	<b>₱2,236,793</b>	<b>₱38,796,793</b>	<b>(₱38,551,748)</b>	<b>₱120,245,045</b>

See accompanying Notes to Financial Statements.





**HOWDEN INSURANCE & REINSURANCE BROKERS (PHIL.), INC.**  
**(A Wholly Owned Subsidiary of HBG Asia Holdings Limited)**

**STATEMENTS OF CASHFLOWS**

	Years Ended December 31	
	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit (Loss) before tax	P61,852,675	P32,065,807
Adjustments for:		
Depreciation and amortization (Notes 8, 9 and 10)	11,164,946	10,610,453
Retirement benefit expense (Note 18)	3,956,067	4,331,928
Finance cost (Note 15)	6,531,179	4,835,689
Provision for (reversal of) credit losses (Note 5)	(553,730)	(305,373)
Share-based compensation expense (Note 17)	1,941,415	914,405
Interest from finance lease (Note 14)	1,491,100	1,800,010
Unrealized foreign currency loss (gain) - net	(3,501,268)	(875,449)
Interest income (Note 4)	(484,954)	(217,915)
Gain on disposal of fixed assets (Note 19)	(5,804)	(117,282)
Operating income before working capital changes	82,391,626	53,042,273
Decrease (increase) in:		
Prepayments and other current asset	(1,345,202)	(17,042,932)
Commission and other receivables	(30,252,316)	(83,099,026)
Increase (decrease) in:		
Insurance and reinsurance payable	(39,518,329)	38,916,308
Accrued expenses and other payables	12,056,895	24,985,094
Due to related parties	1,013,333	11,509,024
Net cash generated from operations	24,346,007	28,310,741
Interest received	484,954	217,915
Income taxes paid	(18,016,042)	(42,977)
Contributions to the pension fund (Note 13)	(3,000,000)	-
Net cash provided by operating activities	3,814,919	28,485,679
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Acquisitions of property and equipment and intangibles (Notes 8 and 10)	(1,824,619)	(3,141,411)
Proceeds from disposal of fixed assets	5,804	117,282
Payment of rental deposits	(258,258)	(83,015)
Net cash used in investing activities	(2,077,073)	(3,107,144)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Lease payments (Note 14)	(9,286,561)	(11,754,642)
Proceeds from loans (Note 15)	-	10,000,000
Net cash used in financing activities	(9,286,561)	(1,754,642)
<b>EFFECT OF CHANGE IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS</b>		
	3,045,146	875,449
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
	(4,503,569)	24,499,342
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (Note 4)</b>		
	117,746,616	93,247,274
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)</b>		
	P113,243,047	P117,746,616

See accompanying Notes to Financial Statements.

