



Report of Independent Certified Public Accountants to Accompany Income Tax Return

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

The Executive Committee and Partnership Council
PEMSEA Resource Facility Center
PEMSEA Building
Department of Environment and Natural Resources Compound
Visayas Avenue, Quezon City

We have audited the financial statements of PEMSEA Resource Facility Center (the "Center") for the year ended December 31, 2025, on which we have rendered the attached report dated April 14, 2026.

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 officers of the Center.

PUNONGBAYAN & ARAULLO

By: Mary Grace A. Punay
Partner

CPA Reg. No. 0116576
TIN 244-931-755
PTR No. 10770770, January 6, 2026, Makati City
SEC Group A Accreditation
Partner - No. 116576-SEC (until financial period 2025)
Firm - No. 0002 (until financial period 2030)
BIR AN 08-002511-043-2024 (until October 3, 2027)
BOA/PRC Cert. of Reg. No. 0002/P-016 (until August 12, 2027)

April 14, 2026

Report of Independent Auditors

The Executive Committee and Partnership Council
PEMSEA Resource Facility Center
PEMSEA Building
Department of Environment and Natural Resources Compound
Visayas Avenue, Quezon City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of PEMSEA Resource Facility Center (the “Center”), which comprise the statement of financial position as at December 31, 2025 and the statement of receipt, expenses and other comprehensive income, statement of changes in equity and statement of cash flows for the year 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 Center as at December 31, 2025 and its financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors’ Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Center 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 audits 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.

Other Matter

The Center’s financial statements as at and for the year ended December 31, 2024 were audited by other auditors whose report, dated April 14, 2025, expressed an unqualified opinion on those statements.

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 Accounting 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.

In preparing the financial statements, management is responsible for assessing the Center'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 Center or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. 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 PSA, 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 Center'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 Center's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Center 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 Other Legal and Regulatory Requirements

Our audits were 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, 2025, 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 PFRS Accounting 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.

Report on the Supplementary Information Presenting Grants and Expenses per Project

The supplementary information presenting grants and expenses per project for the years ended December 31, 2025 and 2024 in Note 19 to the basic financial statements is presented for the purpose of the internal users of the basic financial statements and is not a required part of the basic financial statements. Such supplementary information is the responsibility of the management. We were not able to apply auditing procedures on such information because of the following reasons: (i) a different reporting framework is required to be used as basis for the preparation; and (ii) the grants and expenses under the Cost Sharing Agreement between the donor national agency and the United Nations Development Programme (UNDP) are under the administration of UNDP. The amounts were lifted from the 2025 and 2024 Combined Delivery Report. Accordingly, it is inappropriate to and we do not express opinion on the information referred to above.

PUNONGBAYAN & ARAULLO



By: Mary Grace A. Punay
Partner

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April 14, 2026

PEMSEA RESOURCE FACILITY CENTER
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025
(With Comparative Figures as of December 31, 2024)
(Amounts in United States Dollars)

	Notes	2025	2024
<u>ASSETS</u>			
CURRENT ASSETS			
Cash	4	\$ 5,537,464	\$ 3,695,516
Receivables	5	18,166	114,133
Total Current Assets		5,555,630	3,809,649
NONCURRENT ASSETS			
Financial asset at fair value through other comprehensive income (FVOCI)	6	47,262	49,703
Property and equipment - net	7	26,518	17,926
Other noncurrent assets	8	83,706	42,144
Total Noncurrent Assets		157,486	109,773
TOTAL ASSETS		\$ 5,713,116	\$ 3,919,422
<u>LIABILITIES AND EQUITY</u>			
CURRENT LIABILITIES			
Accrued expenses and other liabilities	9	\$ 414,643	\$ 283,997
Deferred grants	10	3,269,219	1,755,827
Total Current Liabilities		3,683,862	2,039,824
NONCURRENT LIABILITIES			
Defined contribution liability	11	273,338	173,909
Retirement benefit obligation	11	78,900	64,239
Total Noncurrent Liabilities		352,238	238,148
Total Liabilities		4,036,100	2,277,972
EQUITY			
Fund balance		1,666,822	1,626,419
Reserve for measurement on retirement benefit obligation	11	33,366	35,762
Accumulated changes in fair value of financial asset at FVOCI	6	(23,172)	(20,731)
Total Equity		1,677,016	1,641,450
TOTAL LIABILITIES AND EQUITY		\$ 5,713,116	\$ 3,919,422

See Notes to Financial Statements.

PEMSEA RESOURCE FACILITY CENTER
STATEMENT OF RECEIPTS, EXPENSES AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025
(With Comparative Figures for the Year Ended December 31, 2024)
(Amounts in United States Dollars)

	Notes	2025	2024
RECEIPTS			
Grants and donations	12	\$ 3,875,045	\$ 3,380,711
Other income - net	15	285,963	285,783
TOTAL RECEIPTS		4,161,008	3,666,494
EXPENSES			
Project expenses	13	3,701,919	3,175,759
General and administrative expenses	14	418,687	379,332
TOTAL EXPENSES		4,120,606	3,555,091
EXCESS OF RECEIPTS OVER EXPENSES		40,402	111,403
OTHER COMPREHENSIVE LOSS			
Item that will not be reclassified			
subsequently to profit or loss			
Remeasurements of post-employment defined benefit obligation	11	(1,607)	(4,869)
Fair value loss on financial asset at FVOCI	6	(2,441)	(2,494)
		(4,048)	(7,363)
TOTAL COMPREHENSIVE INCOME		\$ 36,354	\$ 104,040

See Notes to Financial Statements.

PEMSEA RESOURCE FACILITY CENTER
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025
(With Comparative Figures for the Year Ended December 31, 2024)
(Amounts in United States Dollars)

	<u>Fund Balance</u>	<u>Reserve for Remeasurements on Retirement Benefit Obligation (see Note 11)</u>	<u>Accumulated Changes in Fair Value of Financial Asset at FVOCI (see Note 6)</u>	<u>Total Equity</u>
Balance at January 1, 2025	\$ 1,626,419	\$ 35,762	(\$ 20,731)	\$ 1,641,450
Excess of receipts over expenses for the year	40,402	-	-	40,402
Other comprehensive loss for the year:				
Remeasurement loss on retirement benefit obligation	-	(1,607)	-	(1,607)
Fair value loss on financial asset at FVOCI	-	-	(2,441)	(2,441)
Balance at December 31, 2025	<u>\$ 1,666,821</u>	<u>\$ 34,155</u>	<u>(\$ 23,172)</u>	<u>\$ 1,677,804</u>
Balance at January 1, 2024	\$ 1,515,016	\$ 40,631	(\$ 18,237)	\$ 1,537,410
Excess of receipts over expenses for the year	111,403	-	-	111,403
Other comprehensive loss for the year:				
Remeasurement loss on retirement benefit obligation	-	(4,869)	-	(4,869)
Fair value loss on financial asset at FVOCI	-	-	(2,494)	(2,494)
Balance at December 31, 2024	<u>\$ 1,626,419</u>	<u>\$ 35,762</u>	<u>(\$ 20,731)</u>	<u>\$ 1,641,450</u>

See Notes to Financial Statements.

PEMSEA RESOURCE FACILITY CENTER
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025
(With Comparative Figures for the Year Ended December 31, 2024)
(Amounts in United States Dollars)

	Notes	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess of receipts over expenses		\$ 40,402	\$ 111,403
Adjustments for:			
Defined contribution expense	11	40,852	173,909
Depreciation and amortization	7	22,162	19,936
Retirement benefit expense	11	13,757	12,403
Loss on unrealized foreign exchange loss	15	3,729	1,968
Interest income	4, 15	2,112	(1,765)
Loss on derecognition of advances to a supplier	8, 15	-	7,374
Excess of receipts (excess of expenses) before working capital changes		123,014	325,228
Increase (decrease) in accrued expenses and other liabilities		130,646	(58,930)
Increase (decrease) in receivables		95,967	(87,780)
Increase (decrease) in deferred grants		1,513,392	374,271
Cash generated from operations		1,863,019	552,789
Interest received		(2,112)	1,765
Contributions to defined contribution plan	16	58,577	(179,870)
Net Cash From Operating Activities		1,919,484	374,684
CASH FLOWS FROM AN INVESTING ACTIVITY			
Acquisition of property and equipment	7	(30,754)	(12,193)
Effect of Foreign Currency Exchange Rate			
Changes on Cash		(4,827)	4,619
NET INCREASE IN CASH		1,883,903	357,872
CASH AT THE BEGINNING OF YEAR	4	3,695,516	3,359,740
CASH AT THE END OF YEAR	4	5,537,464	3,695,516
		\$ 5,537,464	\$ 3,695,516

See Notes to Financial Statements.

PEMSEA RESOURCE FACILITY CENTER
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2025
(With Comparative Figures for 2024)
(Amounts in United States Dollars)

1. GENERAL INFORMATION

1.1 Corporate Information

Partnerships in Environmental Management for the Seas of East Asia (PEMSEA) is a partnership arrangement involving various stakeholders of the Seas of East Asia, including national and local governments, civil society, the private sector, research and educational institutions, communities, international agencies, regional programs, financial institutions and donors. It is also the regional coordinating mechanism for the implementation of the Sustainable Development Strategy for the Seas of East Asia (SDS-SEA).

The PEMSEA Resource Facility Center (the "Center") is the operating arm of PEMSEA. It provides secretariat and technical services to the East Asian Seas Partnership Council and the participating partners.

The Center mobilizes resources, products and services to support the implementation of the SDS-SEA through inter-governmental and multi-sectorial partnerships. Its core functions include providing secretariat services to the East Asian Seas (EAS) Partnership Council and the Executive Committee, and providing technical services to country and non-country partners for the implementation of the SDS-SEA. Funding for the Center's secretariat services in part, comes from voluntary contributions from China, Indonesia, Japan, the Philippines, Republic of Korea, Singapore and Timor Leste while the funding for the Center's technical services comes from sponsored projects and programs, principally from Global Environment Facility (GEF) and United Nations Development Programme (UNDP). In 2021, the Center also worked with other international development agencies and the private sector.

The Philippines has hosted PEMSEA, through the Center, since 1993 by providing the use of land and building as well as other services and facilities for its use as part of the Philippines' contribution to implement sustainable coastal development in the region.

Pursuant to the recognition of PEMSEA's International Legal Personality signed on November 26, 2009, which provides that the seat of PEMSEA shall be in Metro Manila, Philippines, PEMSEA and the Government of the Republic of the Philippines formalized the existing arrangement with the signing of the Agreement between the Government of the Republic of the Philippines and the Partnerships in Environmental Management for the Seas of East Asia (the "Agreement") on the establishment of the PRE as the Headquarters of PEMSEA in the Philippines. The Agreement was signed by the Executive Director of PEMSEA and the Secretary of the Department of Foreign Affairs on July 31, 2012. The Agreement was ratified by the President of the Philippines on November 22, 2013 and endorsed by the Senate Committee on Foreign Relations for concurrence by the Philippine Senate on March 5, 2015. The Agreement was further ratified by concurrence of Philippine Senate on May 25, 2015.

1.2 Approval of Financial Statements

The financial statements of the Center as of and for the year ended December 31, 2025 (including the comparative financial statements as of and for the year ended December 31, 2025) were authorized for issue by the Center's Executive Committee and Partnership Council (ECPC) on April 8, 2026.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information 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 Center have been prepared in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards). PFRS Accounting Standards are adopted by the Financial and Sustainability Reporting Standards Council (FSRSC) 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 Accounting Standards 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 Center presents all items of income and expenses in a single statement of comprehensive income.

The Center presents a third statement of financial position as at 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 United States (U.S.) dollars, the Center's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the financial statements of the Center are measured using its functional currency, the currency of the primary economic environment in which the Center operates.

2.2 Adoption of Amended PFRS Accounting Standards

(a) Effective in 2025 that are Relevant to the Center

The Center adopted for the first time amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*, which are mandatorily effective for annual periods beginning on or after January 1, 2025. The amendments require entities to assess whether a currency is exchangeable and to determine a spot exchange rate when exchangeability is lacking. These amendments also mandate the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. The amendments had no significant impact on the financial statements of the Center.

(b) Effective Subsequent to 2025 but not Adopted Early

There are amendments to existing standards effective for annual periods subsequent to 2025, which are adopted by the FSRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and unless otherwise indicated, none of these are expected to have significant impact on the Center's financial statements:

- (i) PFRS 9 and PFRS 7 (Amendments), *Financial Instruments, and Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments* (effective from January 1, 2026).
- (ii) PFRS 18, *Presentation and Disclosure in Financial Statements* (effective from January 1, 2027). The new standard impacts the classification of profit or loss items (i.e., into operating, investing and financing categories) and the presentation of subtotals in the statement of profit or loss (i.e., operating profit and profit before financing and income taxes). The new standard also changes the aggregation and disaggregation of information presented in the primary financial statements and in the notes. It also introduces required disclosures about management-defined performance measures. The amendments, however, do not affect how an entity recognizes and measures its financial condition, financial performance and cash flows.

2.3 Financial Instruments

(a) Financial Assets

Regular purchases and sales of financial assets are recognized on their trade date (i.e., the date that the Center commits to purchase or sell the asset).

Classification, Measurement and Reclassification of Financial Assets

The Company's financial assets include financial assets at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss.

Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)

At initial recognition, the Center can make an irrevocable election (on an instrument-by-instrument basis) to designate equity investments as at FVOCI; however, such designation is not permitted if the equity investment is held by the Center for trading or as mandatorily required to be classified as fair value through profit or loss (FVTPL). The Center has designated certain equity instruments as at FVOCI on initial recognition

Impairment of Financial Assets

The expected credit losses (ECL) on trade and other receivables and contract assets are estimated by applying the simplified approach using a provision matrix developed based on the Center's historical credit loss experience and credit information that are specific to the debtors, adjusted for general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. These assets are assessed for impairment on a collective basis based on shared credit risk characteristics.

However, if the credit risk on a financial asset has not increased significantly since initial recognition, for debt instruments measured at amortized cost (except trade and other receivables where simplified approach is used) and at FVOCI, the Center measures and provides for credit losses that are expected to result from default events that are possible within 12-months after the end of the reporting period, except when there has been a significant increase in credit risk on the financial asset since initial recognition

(b) *Financial Liabilities*

Accrued expenses and other liabilities (excluding employee retirement contributions payable) are recognized initially at fair value, less directly attributable transaction cost and subsequently measured at their amortized cost. Interest accrued on financial instruments is recognized in the statements of receipts and expenses.

2.5 Property and Equipment

Property and equipment are recognized at cost upon initial recognition.

Depreciation and amortization is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Building improvements	5 years
Vehicles	5 years
Computer equipment	3 years
Office equipment	3 years

2.6 Revenue Recognition

Revenue arises mainly from Grants recognized as deferred grant upon receipt and are then recognized as income to the extent of the expenses incurred for the year in accordance with the conditions associated with the grant as provided in the grant agreements. At project completion date, any excess funds are returned to the grantors, unless otherwise agreed by both parties that the excess be retained by the Center and therefore recognized as income. In addition, Donations are cash contributions that are free from conditions or requirements from the donors and are recognized in the period received.

2.7 Employee Benefits

Short-term Benefits

Accrual for employee benefits is made for benefits accruing to employees in respect of wages and salaries, vacation leave and sick leave when it is probable that settlement will be required, and they are capable of being measured reliably. Accruals made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Accruals made in respect of employee benefits which are not expected to be settled within 12 months are measured at the present value of estimated future cash outflows to be made by the Center in respect of services provided by employees up to the financial reporting date.

Defined Benefit Plan

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in Philippine Peso, and that have terms to maturity approximating the terms of the related retirement benefit obligation.

The liability recognized in the statements of financial position in respect of funded defined benefit plan is the present value of the defined benefit obligation less the fair value of plan assets at the end of the reporting period.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited directly to other comprehensive loss in the period in which they arise.

All past service costs are recognized immediately in receipts and expenses.

The interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included as part of retirement benefit expense recognized in receipts and expenses.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in receipts and expenses. The Center recognizes gains or losses on the settlement of a defined benefit plan when the settlement occurs.

Defined Contribution Plan

For the defined contribution plan, the Center pays contributions to a separate and allocated fund established to contributions made by the employees and the Center for the employees' behalf. The Center has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when these are due. Forfeitures of the Center's contributions are recognized as other income on the year of forfeiture.

Termination Benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Center recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Center's financial statements in accordance with PFRS Accounting Standards 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 Center'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) Determination of Functional Currency

The primary economic environment in which the Center operates is normally the one in which it mainly generates and expends cash. In determining its functional currency, the Center considers as primary indicators the currency in which receipts and disbursements from the operating activities are usually made. Additional indicators which may provide evidence of functional currency are also considered like the currency in which funds from financing activities are generated and the currency in which receipts from operating activities are usually retained.

When indicators are mixed and the functional currency is not obvious, management uses its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. As part of this approach, management gives priority to the primary indicators before considering the additional indicators, which are designed to provide additional supporting evidence to determine an entity's functional currency. The Center's financial performance and results and operations are measured and reported to the Partnership Council in US Dollar.

Based on its assessment, management has determined that US Dollar is the functional currency of the Center.

3.2 Key Sources of Estimation Uncertainty

The following 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) Estimating Impairment on financial Assets

ECL are unbiased probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

The Center has used relevant historical information and loss experience to determine the probability of default of the instruments and incorporated forward looking information, including significant changes in external market indicators which involved significant estimates and judgements.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Center's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. In determining the ECL of receivables, the Center had used three years of historical loss data to determine the loss rate and applied an adjustment against the historical loss rate based on the change in inflation rate to reflect the current and forward looking information.

No receivables were written off in 2025 and 2024 (see Note 5).

(b) Estimation of Useful Lives of Property and Equipment

The Center estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant 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 property, plant and equipment are analyzed in Note 8. Based on management's assessment as at December 31, 2025 and 2024, there are no changes in estimated useful lives of property, plant and equipment during those years. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

(c) *Impairment of Nonfinancial 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. Though management believes that the assumptions used in the estimation of fair values are appropriate and reasonable, significant changes in these 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.

Based on management's assessment, there was no impairment loss required to be recognized in 2025 and 2024 on the Center's nonfinancial assets.

(d) *Valuation of Post-employment Defined Benefit Obligation*

The determination of the Center's obligation and cost of post-employment benefit is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates, employee turnover rate and salary increase rates.

A significant change in any of these actuarial assumptions may generally affect the recognized expense, other comprehensive income or losses and the carrying amount of the post-employment defined benefit obligation in the next reporting period.

The amounts of post-employment defined benefit obligation and expense and an analysis of the movement in the estimated present value of post-employment defined benefit obligation, as well as the significant assumptions used in estimating such obligation are presented in Note 11.

4. CASH

Cash includes the following components as of December 31:

<i>(Amounts in USD)</i>	<u>2025</u>	<u>2024</u>
Cash on hand	1,005	1,005
Cash in banks	<u>5,536,459</u>	<u>3,694,511</u>
	<u>5,537,464</u>	<u>3,695,516</u>

Cash in banks earn interest based on the prevailing interest rate. Interest income earned amounted to \$2,112 and \$1,765 in 2025 and 2024, respectively (see Note 15). The Center's exposures to credit risk and foreign currency risk related to cash are disclosed in Note 17 to the financial statements.

5. RECEIVABLES

Receivables at December 31 consist of:

<i>(Amounts in USD)</i>	<u>2025</u>	<u>2024</u>
Grant receivables	18,166	49,939
Due from projects	-	63,853
Other receivables	-	341
	<u>18,166</u>	<u>114,133</u>

The Center's receivables are collectible in cash, unsecured, non-interest bearing and are on a 30 days term.

Grant receivables pertain to disbursements made by the Center for a particular project where funding has not yet been received from grantors.

Due from projects are the project expenses advanced by the Center not yet reimbursed.

Other receivables mainly pertain to receivable from officers and employees.

The Center's exposures to credit risk and foreign currency risk related to receivables are disclosed in Note 17 to the financial statements.

6. FINANCIAL ASSET AT FVOCI

The Center's financial asset at FVOCI consists of its investments in unit investment trust fund (UITF) being managed by a reputable financial institution. These investments are restricted and intended to fund the retirement benefit obligation. The Center adopted this classification as these investments were made for strategic purposes of settling its retirement liabilities rather than with a view to profit on a subsequent sale, and there are no plans to dispose these investments in the short term.

The movements in the Center's financial asset at FVOCI for the years ended December 31 are as follows:

<i>(Amounts in USD)</i>	<u>2025</u>	<u>2024</u>
Fair value at beginning of year	49,703	52,197
Unrealized loss on fair value	<u>(2,441)</u>	<u>(2,494)</u>
Fair value at end of year	<u>47,262</u>	<u>49,703</u>

The movements in accumulated changes in fair value of financial asset at FVOCI account for the years ended December 31 are as follows:

<i>(Amounts in USD)</i>	<u>2025</u>	<u>2024</u>
At beginning of the year	(20,731)	(18,237)
Unrealized loss on fair value	<u>(2,441)</u>	<u>(2,494)</u>
	<u>(23,172)</u>	<u>(20,731)</u>

The Center's exposure to market price risk related to its financial asset at FVOCI is disclosed in Note 17 to the financial statements.

7. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of property and equipment at the beginning and end of 2025 and 2024 are shown below.

<i>(Amounts in USD)</i>	<u>Building Improvements</u>	<u>Computer Equipment</u>	<u>Office Equipment</u>	<u>Vehicles</u>	<u>Intangibles</u>	<u>Total</u>
December 31, 2025						
Cost	197,840	4,090	94,513	30,343	20,389	347,175
Accumulated depreciation and amortization	<u>(197,840)</u>	<u>(4,090)</u>	<u>(88,384)</u>	<u>(30,343)</u>	-	<u>(320,657)</u>
Net carrying amount	<u>-</u>	<u>-</u>	<u>6,129</u>	<u>-</u>	<u>20,389</u>	<u>26,518</u>
December 31, 2024						
Cost	197,840	4,090	84,314	30,343	-	316,587
Accumulated depreciation and amortization	<u>(197,840)</u>	<u>(4,090)</u>	<u>(66,388)</u>	<u>(30,343)</u>	-	<u>(298,661)</u>
Net carrying amount	<u>-</u>	<u>-</u>	<u>17,926</u>	<u>-</u>	<u>-</u>	<u>17,926</u>
January 1, 2024						
Cost	197,840	4,090	72,121	30,343	-	304,394
Accumulated depreciation and amortization	<u>(197,840)</u>	<u>(4,090)</u>	<u>(46,452)</u>	<u>(30,343)</u>	-	<u>(278,725)</u>
Net carrying amount	<u>-</u>	<u>-</u>	<u>25,669</u>	<u>-</u>	<u>-</u>	<u>25,669</u>

A reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of 2025 and 2024 is shown below.

<i>(Amounts in USD)</i>	<u>Building Improvements</u>	<u>Computer Equipment</u>	<u>Office Equipment</u>	<u>Vehicles</u>	<u>Intangibles</u>	<u>Total</u>
Balance at January 1, 2025, net of accumulated depreciation and amortization	-	-	17,926	-	-	17,926
Additions	-	-	10,365	-	20,389	30,754
Depreciation and amortization charges for the year	-	-	<u>(22,162)</u>	-	-	<u>(22,162)</u>
Balance at December 31, 2025, net of accumulated depreciation and amortization	<u>-</u>	<u>-</u>	<u>6,129</u>	<u>-</u>	<u>20,389</u>	<u>26,518</u>
Balance at January 1, 2024, net of accumulated depreciation and amortization	-	-	25,669	-	-	25,669
Additions	-	-	12,193	-	-	12,193
Depreciation and amortization charges for the year	-	-	<u>(19,936)</u>	-	-	<u>(19,936)</u>
Balance at December 31, 2024, net of accumulated depreciation and amortization	<u>-</u>	<u>-</u>	<u>17,926</u>	<u>-</u>	<u>-</u>	<u>17,926</u>

The amount of depreciation and amortization allocated in the statements of comprehensive income is presented as follows:

<i>(Amounts in USD)</i>	<u>Notes</u>	<u>2025</u>	<u>2024</u>
Project expenses	13	12,029	10,587
General and administrative expenses	14	<u>10,133</u>	<u>9,349</u>
		<u>22,162</u>	<u>19,936</u>

8. OTHER NONCURRENT ASSETS

Employee retirement contributions are held in the Center's bank account and are earmarked for the retirement benefits of the Center's employees. Corresponding liability was recognized under accrued expenses and other liabilities equivalent to the total amount of employees' contribution amounting to \$83,706 and \$42,144 as at December 31, 2025 and 2024, respectively (see Note 9).

9. ACCRUED EXPENSES AND OTHER LIABILITIES

Accrued expenses and other liabilities as at December 31 consist of:

<i>(Amounts in USD)</i>	<u>2025</u>	<u>2024</u>
Accrued expenses:		
Employee benefits	309,429	111,736
Funds held in trust	72,812	64,684
Professional fees	<u>32,401</u>	<u>65,433</u>
	<u>414,643</u>	<u>283,997</u>

Accrued employee benefits include short-term employee benefits such as annual leave, educational grants, and medical benefits.

Funds held in trust pertain to the unspent funds received by the Center from PEMSEA Network of Local Governments (PNLG), which are held by the Center for safekeeping purposes.

Employee retirement contributions represent the employees' share in funding the retirement benefits which were deducted from employees' salaries.

The Center's exposures to liquidity risk and foreign currency risk related to its accrued expenses and other liabilities (excluding employee retirement contributions) are disclosed in Note 17 to the financial statements.

10. DEFERRED GRANTS

Deferred grants as at December 31 consist of unspent funds from the following partners:

<i>(Amounts in USD)</i>	<u>2025</u>	<u>2024</u>
Ministry of Oceans & Fisheries, Republic of Korea	1,481,722	728,192
Department of Climate Change, Energy, Environment & Water, Australian Government	664,807	366,068
Global Environment Facility	424,646	235,151
Conservation International	365,267	
State Oceanic Administration, Peoples Republic of China	144,130	139,172
United Nations Office for Project Services	87,445	82,385
Asean Center for Biodiversity	85,955	78,609
Timor Leste	-	25,819
Department of Agriculture	12,940	12,940
International Maritime Organization	2,307	86,768
Coca-Cola Foundation Philippines, Inc.	-	723
	<u>3,269,219</u>	<u>1,755,827</u>

Deferred grants represent funds received from the grantors but were unspent as of reporting date and are to be utilized in the succeeding periods. The funds are to be used only for specific projects and should comply with the terms and conditions of the respective grant agreements. Unused funds at the end of the project are returned to the grantor unless otherwise agreed by the grantor to be retained by the Center.

11. RETIREMENT BENEFIT PLAN

The Center's employees were previously covered by a contract with the UNDP. On December 31, 2013, said employees agreed with UNDP to extinguish such contract. The employees were then employed by PEMSEA starting January 1, 2014. Any retirement benefit contributions due to the employees when they were with UNDP were paid out to the employees in full by UNDP.

On January 1, 2014, the Center established the PEMSEA Resource Facility Pension Fund (the "Fund"), in accordance with the Regulations of the PEMSEA Resource Facility Staff Pension (the "Regulations"). The Fund is contributory and of the defined benefit type covering all qualified officers and employees, which provides retirement benefits as the higher of:

- a. The benefit shall, subject to minimum payment and maximum accumulation as defined in the Regulations, be payable at the standard annual rate obtained by multiplying: i) the first five years of the participant's contributory service, by 1.5 percent of the final average remuneration; ii) the next five years of contributory service, by 1.75 percent of the final average remuneration; iii) the next 25 years of contributory service, by 2 percent of the final average remuneration; and iv) the years of contributory service in excess of 35, by 1 percent of the final average remuneration, subject to a maximum total accumulation rate of 70 percent; and
- b. The benefit shall, subject to minimum and maximum payments as defined in the Regulations, be payable at the standard annual rate obtained by multiplying: i) the first 30 years of the Participant's contributory service, by 2 percent of the final average remuneration; ii) the years of contributory service in excess of 30, but not exceeding five, by 1 percent of the final average remuneration; and iii) the years of contributory service in excess of 35 by 1 percent of the final average remuneration, subject to a maximum total accumulation rate of 70 percent.

The retirement benefits are computed as a proportion of the final average remuneration, with the proportion determined based on number of years of contributory service, subject to minimum payments and maximum accumulation as provided in the Regulations.

In 2016, the Center implemented changes in the provisions of its pension fund such that the PEMSEA Resource Facility Retirement Plan is contributory and provides benefits of both the defined benefit (DB) and the defined contribution (DC) type. Benefits are paid in a lump sum upon retirement or separation in accordance with the terms of the Plan.

- a. From Fund A - Guaranteed benefit ranging from five percent (5%) to one hundred percent (100%) of Plan Salary for every year of contributory service;
- b. From Fund B - 100% of the Members' Employee Accumulated Value (EEAV), which represents the member's own contributions to Fund B (7.90% of Plan Salary) plus the corresponding investment earnings and losses (net of taxes and expenses) on such contributions, provided, that such net investment earnings and losses corresponding to the member's own contributions shall not be less than the minimum annual interest rate in accordance with Center policy, compounded annually; and

- c. From Fund C - 100% of the Members' Employer Accumulated Value (ERAV), which represents the Center's contributions to Fund C in the member's favor (15.80% of Plan Salary) plus the corresponding investment earnings and losses (net of taxes and expenses) on such contributions, provided, that such net investment earnings and losses corresponding to the Center's contributions in the member's favor shall not be less than the minimum annual interest rate in accordance with Center policy, compounded annually.

The Members' Accumulated Values shall be determined based on the latest calendar quarter financial valuation of the Fund, adjusted to include the reimbursement of the Members' contributions and the Center's contributions for his account made after the latest calendar quarter financial valuation.

Management assessed that the Center is an International Agency with Juridical Personality and is therefore not covered by the provisions of the Labor Code of the Philippines on the minimum retirement benefit payable by an employer.

The defined benefit (DB) fund (Fund A), which is to be funded solely by the Center is computed based on a formula stipulated in the plan. An independent actuary conducts periodic actuarial valuation of the DB plan using the projected unit credit method. The Center's latest actuarial valuation date was made for the year ended December 31, 2024. Valuations are obtained on an annual basis.

The amounts recognized in the statements of financial position as at December 31 are as follows:

<i>(Amounts in USD)</i>	<u>2025</u>	<u>2024</u>
Present value of defined benefit obligation	101,516	87,249
Fair value of plan assets	(22,616)	(23,010)
	<u>78,900</u>	<u>64,239</u>

The movement in the defined benefit obligation for the years ended December 31 is as follows:

<i>(Amounts in USD)</i>	<u>2025</u>	<u>2024</u>
Balance at beginning of year	87,249	73,138
Current service cost	9,874	9,191
Interest cost	5,274	4,780
Remeasurement – actuarial losses (gains) arising from:		
changes in financial assumptions	670	1,979
experience adjustments	(59)	1,322
Effect of foreign currency exchange rate changes	(1,492)	(3,161)
	<u>101,516</u>	<u>87,249</u>

The movement in the fair value of plan assets for the years ended December 31 are as follows:

<i>(Amounts in USD)</i>	<u>2025</u>	<u>2024</u>
Beginning of the year	23,010	23,992
Interest income	1,391	1,568
Remeasurement loss on plan assets	(1,391)	(1,568)
Effect of movement in exchange rates	(394)	(982)
	<u>22,616</u>	<u>23,010</u>

The amounts of retirement benefit expense recognized as part of personnel cost under project expenses for the years ended December 31, 2025 and 2024 in relation to defined benefit plan are as follows:

<i>(Amounts in USD)</i>	<u>2025</u>	<u>2024</u>
Current service cost	9,874	9,191
Net interest cost	3,883	3,212
	<u>13,757</u>	<u>12,403</u>

Movements in reserve for remeasurements on retirement benefit obligation recognized within equity account are as follows:

<i>(Amounts in USD)</i>	<u>2025</u>	<u>2024</u>
Balance at beginning of the year	(35,762)	(40,631)
Remeasurement gain (loss) arising from:		
Financial assumptions	670	1,979
Experience adjustment	(59)	1,322
Remeasurement loss on plan assets	996	1,568
	<u>(34,155)</u>	<u>(35,762)</u>

The composition of the plan assets as at December 31 follows:

<i>(Amounts in USD)</i>	<u>2025</u>		<u>2024</u>	
Government securities	15,153	67%	17,258	75%
Unitized investment trust funds	6,332	28%	4,372	19%
Other securities and debt instruments	1,131	5%	1,150	5%
Cash and cash equivalents	9	0%	230	1%
	<u>22,616</u>	<u>100%</u>	<u>23,010</u>	<u>100%</u>

The Plan assets are held in trustee bank and are governed by local regulations and practice in the Philippines.

The largest proportion of plan assets is invested in government securities. The retirement plan believes that government securities offer the best returns over the long term with an acceptable level of risk.

Principal actuarial assumptions used to determine the present value of the defined benefit obligation as at December 31 are as follows:

	<u>2025</u>	<u>2024</u>
Discount rate	5.93%	6.15%
Future salary growth	3.00%	3.00%

Assumptions regarding future mortality rates are in accordance with the 1994 Group Annuity Mortality table.

The weighted-average duration of the retirement benefit obligation is 3.0 years and 3.8 years as at December 31, 2025 and 2024, respectively.

Maturity analysis of the benefit payments is as follows:

<i>(Amounts in USD)</i>	<u>Contractual Cash Flows</u>	<u>Within one year</u>	<u>Within 2-5 years</u>	<u>More than 5 years</u>
2025	148,568	55,842	31,744	60,982
2024	148,754	19,300	55,350	74,104

Although the analysis does not take into account the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

There are no unusual or significant risks to which the defined benefit plan exposes the Center, however in the event a benefit claim arises the benefit shall immediately become due and payable.

The sensitivity of the defined benefit obligation to changes in the principal assumptions as at December 31 follows:

<i>(Amounts in USD)</i>	<u>Impact on Retirement Benefit Obligation</u>		
	<u>Change in Assumption</u>	<u>Increase in Assumption</u>	<u>Decrease in Assumption</u>
December 31, 2025			
Discount rate	+/- 100bps	3,194	(2,957)
Salary growth rate	+/- 100bps	3,256	(3,067)
December 31, 2024			
Discount rate	+/- 100bps	(3,478)	3,218
Salary growth rate	+/- 100bps	3,553	(3,344)

Each sensitivity analysis on the significant actuarial assumptions was prepared by remeasuring the defined benefit obligation at the reporting date after first adjusting one of the current assumptions according to the applicable sensitivity increment or decrement (based on changes in the relevant assumption that were reasonably possible at the valuation date) while all other assumptions remained unchanged.

The defined contribution (DC) fund (Fund B & C) is a separate and allocated fund established to hold contributions made by both the employees and the Center.

Contributions to the Fund are made by the Center and the employees at 15.8% and 7.9%, respectively, of the employees' basic pay. All employee contributions are initially held in the Center's payroll bank account. In 2015, the Center invested funds in a reputable financial institution where all fund contributions of the Center's employees in 2014, together with the Center's contribution in 2015 which is equivalent to its 2014 required contribution, were invested (Note 6).

As at December 31, total employer and employee contributions, including any interest earned, are presented in the statements of financial position as follows:

<i>(Amounts in USD)</i>	<u>Notes</u>	<u>2025</u>	<u>2024</u>
Employee contributions:			
Other noncurrent assets	8	83,706	42,144
Accrued expenses and other liabilities	9	83,706	42,144
Employer contributions –			
Defined contribution liability		273,338	173,909

Other noncurrent assets pertain to employees' contributions which are held in the Center's bank account and are earmarked for the retirement benefits of the Center's employees. Corresponding liability was recognized under accrued expenses and other liabilities equivalent to the total amount of employees' contribution held in the Center's bank account as at December 31, 2025 and 2024 (see Note 9).

For the years ended December 31, the Center's required contributions to the DC fund is charged to personnel cost as follows:

<i>(Amounts in USD)</i>	<u>Notes</u>	<u>2025</u>	<u>2024</u>
Direct project expenses	13	205,004	205,004
Indirect project expenses	13	41,001	20,086
General and administrative expenses	14	27,334	17,391
		273,338	173,909

12. GRANTS AND DONATIONS

This account consists of grants and donations from the following partners:

<i>(Amounts in USD)</i>	<u>2025</u>	<u>2024</u>
Global Environment Facility	1,335,267	1,432,717
Ministry of Oceans and Fisheries, Republic of Korea	1,204,434	1,319,308
Department of Climate Change, Energy and Water, Australian Government	376,212	50,452
Republic of the Philippines	324,552	270,513
Asean Center for Biodiversity	149,876	-
Ministry of Natural Resources, The People's Republic of China	134,026	61,077
Ministry of Agriculture and Fisheries of Timor-Leste	80,334	41,649
Ministry of Land Infrastructure and Transportation, Government of Japan	67,491	101,326
National Fisheries Authority, Papua New Guinea	65,000	-
Government of Indonesia	40,000	20,000
United Nations Office for Project Services	29,115	-
Government of Singapore	20,000	20,000
Ministry of Environment, Cambodia	20,000	-
International Maritime Organization	15,003	37,545
Ministry of Natural Resources and Environment, Vietnam	12,000	12,000
Conservation International	1,012	-
Coca-Cola Foundation Philippines, Inc.	723	526
Korea Institute of Science and Technology (KIOST)	-	11,144
Department of Agriculture-PRDP	-	2,454
	<u>3,875,045</u>	<u>3,380,711</u>

The grants and donations cover the following projects:

Global Environment Facility (GEF)

GEF/UNDP/PEMSEA Project on Implementation of the Arafura and Timor Seas Regional and National Strategic Action Programs (ATSEA-2).

ATSEA-2 is the second phase of the Arafura and Timor Seas Ecosystem Action (ATSEA) Programme, a regional partnership involving the governments of Indonesia, Timor-Leste, Papua New Guinea and Australia. The project was designed to enhance regional collaboration and coordination in the Arafura and Timor Seas (ATS) region. Specifically, it is focusing on supporting the implementation of the ATS Strategic Action Program (SAP) with the long-term objective "to promote sustainable development of the Arafura - Timor Seas region to improve the quality of life of its inhabitants through restoration, conservation and sustainable management of marine-coastal ecosystems". A 5-year project which began in 2019, ATSEA-2 is a GEF-funded programme, managed and executed by the UNDP (with UNDP Indonesia as Principal Project Representative), with the PEMSEA Resource Facility as an Implementing Partner for the Regional and Papua New Guinea components. The project is working in three countries in the ATS region - Indonesia, Timor-Leste and Papua New Guinea, with the support of the Australian Government.

GEF/UNDP/PRF Reducing Pollution and Preserving Environmental Flows in the East Asian Seas through the Implementation on Integrated River Basin Management in ASEAN Countries - The project goal is to establish functional integrated river basin management mechanisms in priority river basins of 6 ASEAN countries for reducing pollution and sustaining freshwater environmental flows as well as adapting to climate change vulnerabilities.

The project objective is to improve governance and management responsiveness and capacities in integrated water resources management, pollution load reduction from nutrients and other land-based activities, protection and conservation of freshwater environmental flows, and alleviation of climate vulnerability through demonstrations, planning, and strengthening of integrated river basin management in priority river basins of 6 ASEAN countries.

Financial and Training Support to GEF Operational Focal Points in East Asia on Project Oversight. The Activity under the Agreement aims to provide support to Official GEF Operational Focal Points (OFPs) in 8 GEF recipient countries in East Asia where the Recipient has operations and connections, including Cambodia, China, Indonesia, Korea DPR, Lao PDR, Philippines, Thailand, Viet Nam.

Ministry of Oceans & Fisheries, Republic of Korea

Cost Sharing Agreement between the Ministry of Oceans and Fisheries of the Republic of Korea and PEMSEA

The objective of this project is to strengthen the engagement and collaboration of the Center and RO Korea, as well as non-country partners in RO Korea, in scaling up the implementation of the SDS-SEA and to support successful stationing of the seconded RO Korean officer to the Center. Reducing Marine Plastics in the East Asian Seas Region or the Marine Plastics Project is a six-year initiative between Partnership in Environmental Management for the Seas of East Asian and the Republic of Korea through the Ministry of Oceans and Fisheries. It aims to reduce marine plastics in 10 local sites in the Philippines (6) and Timor-Leste (4) through improved governance and management, demonstration of best practices and innovative solutions, marine litter monitoring, and increasing capacity and awareness of the partner communities.

Republic of the Philippines

The Philippines has hosted PEMSEA, through the Center, since 1993 by providing the use of land and building as well as other utility services and facilities for its use as the Philippines' contribution to the implementation of sustainable coastal development in the region.

Ministry of Land Infrastructure and Transportation, Government of Japan

Sustainable Development Strategy for the Seas of East Asia (SDS-SEA)

As part of the Cost Sharing Agreement (CSA) executed between the donor national agency and UNDP, as the instrument for cash contributions to support the Center's secretariat services for the purpose of implementing the SDS-SEA, UNDP receives and administers the payment of contributions from the Ministry of Land Infrastructure and Transportation, Government of Japan in accordance with its rules, regulations and directives.

Ministry of Natural Resources, The People's Republic of China

Sustainable Development Strategy for the Seas of East Asia (SDS-SEA)

As part of the Cost Sharing Agreement (CSA) executed between the donor national agency and PEMSEA Resource Facility as the instrument for cash contributions to support the Center's secretariat services for the purpose of implementing the SDS SEA. The Center receives and administers the payment of contributions from the Ministry of Natural Resources, The People's Republic of China, in accordance with its rules, regulations and directives.

International Maritime Organization

UNDP/GEF/IMO GloFouling Partnerships Project courses funds through PEMSEA, the regional cooperating partner of the project to implement awareness raising, commission studies and organizes training in the region on Biofouling Management.

IKI-IMO Blue Solutions project preparation grant to prepare a 5-year full proposal to GHG emissions reduction in the maritime transport sector in the region.

United Nations Office for Project Services (UNOPS)

UNOPS is a subsidiary organization of the United Nations implementing project on Southeast Asia Regional Programme on Combating Marine Plastics. The project aims to Strengthen Regional Policies and Institutions, Establish Regional Platforms to Promote Innovations, Knowledge and Partnerships for Plastic Circularity.

Ministry of Agriculture and Fisheries of Timor Leste

Sustainable Development Strategy for the Seas of East Asia (SDS-SEA)

The objective of the agreement is to strengthen cooperation between PEMSEA Resource Facility and Ministry of Agriculture and Fisheries for addressing the identified threats to the environment and sustainable development of the Seas of East Asia and build confidence through collaborative projects, especially in the application of integrated coastal management to transition towards sustainable, inclusive and resilient blue economy.

Coca-Cola Foundation Philippines, Inc.

PEMSEA and Coca-Cola Foundation Philippines, Inc. entered into a Project Agreement for the purpose of implementing the Ecological Solid Waste Management Project in Cavite Province, Philippines. The Project will run from January 2020 to June 2023 PEMSEA shall organize a committee for the Project and shall fulfill the Project's specific logistical and administrative responsibilities.

Government of Singapore

In line with the commitment, it made during the sixth East Asian Seas Partnership Council Meeting, the Government of Singapore committed to contribute \$20,000 to the Center's operations on an annual basis.

Government of Indonesia

Sustainable Development Strategy for the Seas of East Asia (SDS-SEA)

As part of the Cost Sharing Agreement (CSA) between PEMSEA Resource Facility and the donor agency as the instrument for cash contributions to support the Center's secretariat services for the purpose of implementing the SDS-SEA, PEMSEA receives and administers the payment of contributions from the Ministry of Environment and Forests of the Republic of Indonesia, in accordance with its rules and directives.

Ministry of Natural Resources and Environment, Vietnam

In line with the commitment, it made during the 30th EC meeting dated March 28, 2023, the Ministry of Natural Resources and Environment through Vietnam Agency of Seas and Islands (VASI), committed to contribute \$12,000 to the Center's operations on an annual basis.

Ministry of Environment, Cambodia

In reference to the 2021 Ministerial Declaration in Cambodia during the 2021 East Asian Seas Congress in Support to PEMSEA on the Sustainable Development Strategy for the Seas of East Asia (SDS SEA), the government of Cambodia commit to contribute \$10,000 on an annual basis.

Department of Climate Change, Energy, the Environment and Water (DCCEEW), Australian Government

DCCEEW is the lead agency of the Australian government in response to climate change, sustainable energy use and environment, heritage and water protection. The Australian government entered into an agreement through DCCEEW with PEMSEA to support the Arafura and Timor Seas Ecosystem Action (ATSEA) program in the implementation of the Regional Action Plan (RAP) on abandoned, lost and otherwise discarded fishing gears (ALDFG) as recognized in the endorsed ATSEA Strategic Action Plan (SAP).

National Fisheries Authority, Papua New Guinea

National Fisheries Authority (NFA) is a competent non-commercial statutory authority established and operating under the Fisheries Management Act 1998 and other regulations mandated to effectively manage fisheries and marine resources for sustainable and equitable benefits, and serves as the national focal agency to the Arafura Timor Seas Ecosystem Action Plan. To strengthen the implementation of the Arafura Timor Seas Strategic Action Plan (ATS SAP), NFA agrees to contribute to PEMSEA on annual basis to support the activities of ATS SAP.

Korea Institute of Science and Technology (KIOST)

KIOST, as a global leading institute for ocean science and technology development, recognizes biofouling is a serious threat to the ocean economy through spreading alien aquatic species and causing high fuel consumption of vessels, among others. KIOST is currently conducting research on biofouling management and evaluation methodologies commissioned by the RO Korean government in order to support the government's pre-emptive action towards IMO regulation on biofouling. This agreement relates to specific action relating to the KIOST-PEMSEA joint activities in the biofouling management in the East Asian Seas region.

Philippine Department of Agriculture – PRDP

The Philippine Rural Development Project (PRDP) is a World Bank funded project to the Philippine Department of Agriculture (DA). DA subcontracted PEMSEA to create the PRDP Information Knowledge management portal on the success stories and best practices of integrated coastal and fisheries resource management initiatives of local governments in South Luzon and Visayan region.

Asean Centre for Biodiversity (ACB)

ACB an intergovernmental organization established through an Agreement among the Governments of the ASEAN Member States in 2005.

The ACB is implementing the ASEAN ENMAPS project that aims to transform the management of MPAs into the management of MPA networks within the ASEAN region's LMEs. It will build on national initiatives using ICM, MSP, and the EAFM to scale up conservation coverage. Component 1 of the project focuses on identifying and configuring MPA networks based on scientific data, ensuring that biological and spatial boundaries reflect ecological connectivity. This will involve collaboration between local experts and stakeholders to validate the proposed configurations and incorporate socio-economic support, fostering an inclusive, ecologically sound, and socially equitable approach to MPA networks management.

Conservation International

Philippine Rise Integrated Conservation for Enduring Legacies through Ecosystem Support Services (PRICELESS)

The PRICELESS Project (Philippine Rise Integrated Conservation for Enduring Legacies through Ecosystem Support Services) is a GEF-funded marine conservation initiative that aims to protect and enhance the management of the Philippine Rise Marine Resource Reserve. Led by Conservation International, executed by DENR-BMB, and supported by the PEMSEA Resource Facility, the project strengthens governance, improves biodiversity data, curbs illegal fishing, and promotes sustainable use of marine resources for nearby communities.

13. PROJECT EXPENSES

The components of project expenses for the years ended December 31 are as follows:

<i>(Amounts in USD)</i>	<u>2025</u>	<u>2024</u>
Direct Project Expenses		
Subcontract	1,234,281	534,697
Personnel cost	1,093,887	1,138,677
Training	698,902	687,863
Consultancy fees	318,924	368,408
Travel and meetings	98,256	149,826
Other direct costs*	75,167	119,024
	<u>3,519,417</u>	<u>2,998,495</u>
Indirect Project Expenses		
Personnel cost	132,667	137,363
Travel and meetings	19,372	14,480
Overhead	18,434	25,421
Depreciation	12,029	-
	<u>182,502</u>	<u>177,264</u>
	<u>3,701,919</u>	<u>3,175,759</u>

**Depreciation attributable to direct project expenses amounted to \$10,587 in 2024 was classified in other direct costs account.*

14. GENERAL AND ADMINISTRATIVE EXPENSES

The components of general and administrative expenses for the years ended December 31 are as follows:

<i>(Amounts in USD)</i>	<u>2025</u>	<u>2024</u>
Office space rental	262,472	227,958
Personnel cost	64,005	80,043
Utilities	37,166	18,587
Janitorial and security services	24,914	23,968
Consultancy	15,675	19,427
Depreciation	10,133	9,349
Other direct cost	4,322	-
	<u>418,687</u>	<u>379,332</u>

15. OTHER INCOME – Net

The components of other income - net for the years ended December 31 are as follows:

<i>(Amounts in USD)</i>	<u>Note</u>	<u>2025</u>	<u>2024</u>
Training and execution fees		270,090	298,898
Foreign exchange gains (losses) - net		13,761	(7,506)
Interest income	4	2,112	1,765
Others		<u>-</u>	<u>(7,374)</u>
		<u>285,963</u>	<u>285,783</u>

Net foreign exchange recognized in the statements of receipts and expenses and other comprehensive loss for the years ended December 31, 2025 and 2024 amounted to a \$13,761 loss and a \$7,506 gain, respectively, of which net unrealized foreign exchange loss amounting to \$2,631 and \$1,968, respectively, are included.

Others pertain to derecognition of advances to supplier for discontinued projects. There is no similar transaction in 2025.

16. RELATED PARTY TRANSACTIONS

Compensation and other short-term benefits of key management personnel amounted to \$170,040 in 2025 and 2024, and is included as part of personnel cost under project expenses account presented in the statements of receipts and expenses and other comprehensive loss (see Note 13).

The Center has contributions amounting to \$58,577 and \$179,870 in 2025 and 2024, respectively, to the retirement plan known as PEMSEA Resource Facility Pension Fund, a trustee plan covering its regular employees. The contributions to the retirement benefit plans are determined by management based on the recommendations from the actuary.

17. FINANCIAL RISK, FUND MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

The Center is exposed to a variety of financial risks in relation to financial instruments. The Center's financial assets and financial liabilities by category are summarized in Note 21. The main types of risks are market risk, credit risk and liquidity risk.

The Center's risk management is coordinated with its immediate parent Center, in close cooperation with the BOD, and focuses on actively securing the Center's short to medium-term cash flows by minimizing the exposure to financial markets.

The Center 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 Center is exposed to are described below and in the succeeding pages.

17.1 Market Risk

The Center is exposed to market risk through its use of financial instruments and specifically to foreign currency risk and interest rate risk which result from both its operating, investing and financing activities.

(a) *Foreign Currency Risk*

Most of the Center's transactions are carried out in U.S. dollars, its functional currency. Exposures to currency exchange rates arise from the Center's operations.

The Center's foreign currency exchange risk exposure arises mainly from cash in banks, financial asset at FVOCI and purchases of goods and services where the resulting payables are denominated in foreign currency, particularly Philippine peso.

Management monitors the timing of payments of foreign currency-denominated monetary assets and liabilities to ensure that the Center is not unfavorably exposed to fluctuations of foreign exchange rates.

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2025</u>	<u>2024</u>
Current assets			
Cash	4	13,181,987	10,228,733
Financial asset at FVOCI		2,781,304	2,874,954
		15,963,291	13,103,687
Noncurrent asset			
Other noncurrent asset		4,925,993	2,473,840
Total assets		20,889,284	15,577,527
Current liabilities			
Accrued expenses and other liabilities		6,284,936	3,519,253
Net foreign currency-denominated assets	8	14,604,348	12,058,274
USD equivalent		248,162	208,466

The exchange rates of US Dollar to Philippine peso as at December 31 are as follows:

	<u>Average Rate</u>	<u>Spot Rate</u>
2025	57.53	58.85
2024	57.30	57.84

Foreign exchange rates are based on the published operational rates of exchange by the United Nations treasury.

A reasonable possible change in foreign currency exchange (US Dollar versus foreign currency) would lead to the following movements in receipts and expenses:

<i>(Amounts in USD)</i>	<u>2025</u>	<u>2024</u>
Foreign currency denominated net assets	14,604,348	12,058,274
Reasonably possible change in exchange rates	<u>0.13</u>	<u>0.85</u>
Effect on receipts and expenses for the year and equity	<u>551</u>	<u>3,009</u>

The reasonable possible change in foreign exchange rate used in performing the above sensitivity analysis is the change in rate between the US Dollar and the Philippine Peso determined thirty (30) days from reporting date, by which management is expected to receive or settle the Center's significant financial assets or liabilities, respectively.

17.2 Credit Risk

Credit risk is the risk that a counterparty may fail to discharge an obligation to the Center. The Center is exposed to this risk for various financial instruments arising from granting loans and selling goods and services to customers including related parties and placing deposits with banks.

The Center's exposure to credit risk relates primarily to cash in banks, receivables and other noncurrent assets (excluding advances to a supplier). To manage the risks, the Center places its cash deposits in reputable commercial banks without restrictions as to withdrawal and by monitoring the receivables and other noncurrent assets (excluding advances to a supplier). on an ongoing basis.

The Center has the following financial assets as at December 31 where the expected credit loss model has been applied:

<i>(Amounts in USD)</i>	<u>At Gross Amounts</u>	<u>Expected Credit Losses</u>	<u>Net Carrying Amount</u>	<u>Internal Credit Rating</u>	<u>Basis for Recognition of Expected Credit Losses (ECL)</u>
December 31, 2025					
Cash in banks	5,536,459	-	5,536,459	Performing	12-month ECL
Receivables	17,153	-	17,153	Performing	12-month ECL
Other non-current assets	<u>83,706</u>	<u>-</u>	<u>83,706</u>	Performing	12-month ECL
	5,637,318	-	5,637,318		
December 31, 2024					
Cash in banks	3,694,511	-	3,694,511	Performing	12-month ECL
Receivables	113,792	-	113,792	Performing	12-month ECL
Other non-current assets	<u>42,144</u>	<u>-</u>	<u>42,144</u>	Performing	12-month ECL
	<u>3,850,447</u>	<u>-</u>	<u>3,850,447</u>		

Impairment on cash in banks and other noncurrent assets has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Center considers that these financial assets have low credit risk as these are held with reputable banks. All other debt investments at amortized, which include the Center's receivables, are considered to have low credit risk, because they have low risk of default as the issuer has a strong capacity to meet its contractual cash flow obligations in the near term. Credit risk on these financial assets has not increased significantly since their initial recognition. Hence, the loss allowance calculated was therefore limited to 12 months expected losses. The Center has determined an insignificant amount of ECL on these financial assets.

17.3 Liquidity Risk

Liquidity Risk Prudent liquidity risk management implies maintaining sufficient cash to meet its operating cash requirements. To limit this risk, management manages assets with liquidity in mind, and monitors future cash flows and liquidity.

The Center's objective is to maintain a balance between continuity of funding and flexibility through the use of operating cash flows. It aims to maintain flexibility in funding its operations through efficient collection strategies and maintaining sufficient and available cash in bank. The Center does not maintain credit facilities from third parties, instead, all funding requirements are obtained from the grantors.

The tables below summarize the maturity profile of the Center's financial liabilities, based on contractual undiscounted payments:

<i>(Amounts in USD)</i>	Within 3 Months	More than 3 Months	Total
Accrued expenses and other current liabilities			
December 31, 2025	414,032	-	414,032
December 31, 2024	241,853	-	241,853

17.4 Other Market Price Risk

Other Market Price Risk Other market price risk arises from the financial assets at FVOCI held to fund the retirement obligation once it falls due. Changes in fair value of FVOCI are recognized in other comprehensive income (loss). Market price risk related to these financial assets was assessed to be insignificant.

(a) Fair Value of Financial Instruments

Fair Value of Financial Instruments The fair value of cash, receivables and accrued expenses and other liabilities (excluding employee retirement contributions payable) reasonably approximates their carrying amounts considering the short-term maturities of these financial instruments. The carrying amount of the Center's financial asset at FVOCI amounting to \$47,262 and \$49,703 as at December 31, 2025 and 2024, respectively, represents its fair market value which is determined by reference to quoted bid price at the reporting date (categorized as Level 1 in the fair value hierarchy).

(b) *Receivables*

The Center applies the simplified approach in measuring ECL which uses a lifetime expected loss allowance for all trade and other receivables. To measure the ECL, trade and other receivables have been grouped based on the days past due (age buckets). Other receivables relate to receivables from both third parties and related parties including refundable deposits (presented as part of prepayments and other noncurrent asset) and have substantially the same risk characteristics as trade receivables. The Center has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for other receivable asset.

The expected loss rates are based on the aging of receivables of sales over a period of 48 months before December 31, 2025 and 2024, respectively, and the corresponding historical credit losses experienced within such period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Center has identified the Philippine inflation rate to be the most relevant factor and accordingly adjusts the historical loss rates based on expected changes in this factor.

On that basis, it was determined that no additional loss allowance is needed to be recognized as at December 31, 2025 and 2024 based on months past due. The Center's management continues to monitor customer default rates and macroeconomic factors affecting the ability of the customers to settle the receivables. Management considers the credit quality of trade and other receivables and refundable deposits that are not past due or impaired to be good.

(c) *Fund Management*

Fund Management The Center's equity is comprised of fund balance, reserve for remeasurements on retirement benefit obligations, and accumulated changes in fair value of financial asset at FVOCI as shown in the statements of financial position. Management's objective in managing its fund is to safeguard the Center's ability to continue as a going concern so it can sustain its drive to provide services.

In order to maintain or adjust its fund structure, the Center may obtain funding from other partner countries. In line with its fund structure policy, the Center performs cash management on a monthly basis and strictly implements work plan and budget preparation and evaluation to ensure the Center's fund is sufficient to meet its operating requirements.

The Center is not subject to externally imposed capital requirements.

18. SUPPLEMENTARY INFORMATION REQUIRED BY THE BIR

18.1 Based on Revenue Regulations (RR) No. 15-2010

As discussed in Note 1 to the financial statements, the Center enjoys a number of tax incentives pursuant to the Agreement signed by the Executive Director of PEMSEA, and the Secretary of the Department of Foreign Affairs on July 31, 2012.

On September 2012, the BIR issued the Certificate of Concurrence by Concerned Agencies and Officials agreeing to the requested action on the ratification of the above Agreement and, through BIR Revenue Memorandum Circular No. 31-2013 issued on April 12, 2013, the BIR categorized PEMSEA as an international organization.

Accordingly, information on the withholding taxes, taxes paid during the year, input value-added taxes (VAT) claimed, output tax declared during the year, the amount of import and amount of custom duties and tariff fees paid or accrued, the amount of excise taxes, documentary stamp taxes and other local taxes and tax cases are not applicable.

As at December 31, 2025, the Center has neither any pending tax cases in court nor has received tax assessment notices from the BIR.

18.2 Based on RR No. 34-2020

In compliance with Section 4 of RR No. 34-2020, the Center is not covered by the requirements and procedures for the submission of BIR No. Form 1709 Information Return on Related Party Transactions, Transfer Pricing Documentation and other supporting documents as prescribed under RR 34-2020.

19. SUPPLEMENTARY INFORMATION PRESENTING REPORTS ON GRANTS AND EXPENSES PER PROJECT FOR THE PARTNERSHIP COUNCIL (UNAUDITED)

<i>(Amounts in USD)</i>	GEF/ IRBM	GEF/ OFP	ATSEA/ ALDFG	ROK	PNG	ACB/ ENMAPS	UNOPS/ SEAMAP	CI/ PRICELESS	Coke Fdn	Singapore	Indonesia	Vietnam	IMO	China/ MNR	T. LESTE	Sub-total Project	PEMSEA	UNDP Japan Cont	Grand Total
December 31, 2025																			
RECEIPTS																			
Grant	1,238,203	97,064	376,212	1,204,434	65,000	149,876	29,115	1,012	723	20,000	40,000	12,000	15,003	134,026	80,334	3,463,002	20,000	67,491	3,550,494
PEMSEA Services																	270,090		270,090
Interest Income from deposits	113	20	307	320	-	42	8	-	-	-	-	-	6	-	-	817	1,295	-	2,112
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	852	-	852
	<u>1,238,316</u>	<u>97,084</u>	<u>376,520</u>	<u>1,204,753</u>	<u>65,000</u>	<u>149,918</u>	<u>29,123</u>	<u>1,012</u>	<u>723</u>	<u>20,000</u>	<u>40,000</u>	<u>12,000</u>	<u>15,009</u>	<u>134,026</u>	<u>80,334</u>	<u>3,463,819</u>	<u>292,237</u>	<u>67,491</u>	<u>3,823,547</u>
EXPENSES																			
Project expenses	1,238,203	97,064	376,212	1,164,734	65,000	149,876	29,115	1,012	-	-	28,552	-	15,003	77,899	80,334	3,323,005	104,836	34,796	3,462,638
Personnel	-	-	-	37,577	-	-	-	-	-	-	-	-	-	56,127	-	93,704	134,057	32,090	259,851
Travel and meeting cost	-	-	-	2,122	-	-	-	-	-	-	-	4,288	-	-	-	6,410	11,700	-	18,111
Amortization and depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,133	-	10,133
Professional fees	-	-	-	-	-	-	-	-	-	15,675	-	-	-	-	-	15,675	-	-	15,675
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	723	2,533	605	3,860
	<u>1,238,203</u>	<u>97,064</u>	<u>376,212</u>	<u>1,204,434</u>	<u>65,000</u>	<u>149,876</u>	<u>29,115</u>	<u>1,012</u>	<u>723</u>	<u>15,675</u>	<u>28,552</u>	<u>4,288</u>	<u>15,003</u>	<u>134,026</u>	<u>80,334</u>	<u>3,439,518</u>	<u>263,260</u>	<u>67,491</u>	<u>3,770,269</u>
EXCESS OF RECEIPTS OVER EXPENSES	<u>113</u>	<u>20</u>	<u>307</u>	<u>320</u>	<u>-</u>	<u>42</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>4,325</u>	<u>11,448</u>	<u>7,712</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>24,302</u>	<u>28,977</u>	<u>-</u>	<u>53,278</u>

<i>(Amounts in USD)</i>	GEF/							CHINA/	TIMOR	Coke	Sub-total		UNDP	Grand	
<u>December 31, 2024</u>	<u>UNDP</u>	<u>ROK</u>	<u>Australia</u>	<u>KIOST</u>	<u>Singapore</u>	<u>Indonesia</u>	<u>Vietnam</u>	<u>IMO</u>	<u>MNR</u>	<u>LESTE</u>	<u>Fdn</u>	<u>Project</u>	<u>PEMSEA</u>	<u>Japan Cont</u>	<u>Total</u>
RECEIPTS															
Grant	1,432,717	1,319,308	50,452	11,144	20,000	20,000	12,000	37,545	61,077	41,649	526	3,006,418	2,454	101,326	3,110,198
PEMSEA Services	-	-	-	-	-	-	-	-	-	-	-	-	291,524	-	291,524
Interest Income from deposits	155	189	-	-	-	-	-	40	-	-	4	389	1,376	-	1,765
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<u>1,432,873</u>	<u>1,319,497</u>	<u>50,452</u>	<u>11,144</u>	<u>20,000</u>	<u>20,000</u>	<u>12,000</u>	<u>37,585</u>	<u>61,077</u>	<u>41,649</u>	<u>530</u>	<u>3,006,808</u>	<u>295,353</u>	<u>101,326</u>	<u>3,403,487</u>
EXPENSES															
Project expenses	1,432,717	1,158,924	50,452	11,144	-	-	-	37,545	-	41,649	526	2,732,957	-	-	2,732,957
Personnel	-	122,915	-	-	-	13,776	5,399	-	60,467	-	-	202,557	149,044	49,477	401,078
Travel and meeting cost	-	32,945	-	-	-	6,186	6,591	-	-	-	-	45,723	8,910	51,850	106,483
Amortization and depreciation	-	-	-	-	-	-	-	-	-	-	-	-	9,349	-	9,349
Professional fees	-	-	-	-	19,427	-	-	-	-	-	-	19,427	-	-	19,427
Others	-	4,524	-	-	5	38	10	-	610	-	-	5,187	7,379	-	12,566
	<u>1,432,717</u>	<u>1,319,308</u>	<u>50,452</u>	<u>11,144</u>	<u>19,432</u>	<u>20,000</u>	<u>12,000</u>	<u>37,545</u>	<u>61,077</u>	<u>41,649</u>	<u>526</u>	<u>3,005,850</u>	<u>174,683</u>	<u>101,326</u>	<u>3,281,860</u>
EXCESS OF RECEIPTS OVER EXPENSES	<u>155</u>	<u>189</u>	<u>-</u>	<u>-</u>	<u>568</u>	<u>-</u>	<u>-</u>	<u>40</u>	<u>-</u>	<u>-</u>	<u>4</u>	<u>957</u>	<u>120,670</u>	<u>-</u>	<u>121,628</u>