

OCEANA PHILIPPINES INTERNATIONAL

(Philippine Branch Office)

Notes to Financial Statements

As of and for the years ended December 31, 2024 and 2023

1. CORPORATE INFORMATION

Oceana, Inc., (the “Head Office”) was organized and registered under the laws of Washington D.C. USA and was licensed by the Securities and Exchange Commission (SEC) on August 14, 2014, to establish its branch office under the name and style of **Oceana Philippines International** (the “Oceana”) to advocate for policy reforms to address the overfishing in Philippine waters in order to enhance food security; protect access to marine resources for all sectors of the fishing community, including small-scale fishing enterprises; and restore the health of the marine ecosystem, in accordance with Batas Pambansa Blg. 68 and Foreign Investments Act of 1991.

Oceana receives funds from the Head Office to support its campaigns of addressing over-fishing as part of a comprehensive fisheries improvement strategy to reform industrial fishing, protect small-scale fishers and to improve livelihoods and promote food security. The program was carried out by Oceana through different activities and campaigns (see Note 9).

The Oceana registered office address is 3rd Floor Regray Plaza Matino Street, corner Malumanay Street, Sikatuna Village, Quezon City 1101.

Authorization to issue the financial statements.

The financial statements of Oceana as of and for the year ended December 31, 2024, including its comparatives for 2023, were approved and authorized for issue by Oceana’s duly authorized representatives on April 23, 2025.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set forth to facilitate the understanding of the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements of Oceana have been prepared in accordance with the Philippine Financial Reporting Standard for Small and Medium-sized Entities (PFRS for SMEs) adopted by Financial and Sustainability Reporting Standards Council (FSRSC) from the pronouncement issued by the International Accounting Standards Board (IASB). The principal accounting policies applied in the preparation of these financial statements are set in this note.

Oceana is qualified to adopt Philippine Financial Reporting Standard for Small Entities (PFRS for SEs) under the criteria set by the SEC, however, the Oceana chose to adopt PFRS for SMEs on the ground that is a member of an international non-government organization.

The financial statements have been prepared using the measurement bases specified by the PFRS for SMEs for each type of asset, liability, income, and expense. These financial statements have been prepared on the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the PFRS for SMEs.

All amounts are rounded to the nearest peso, except when otherwise indicated.

Cash

Oceana's cash includes cash on hand and demand deposits in banks.

Receivables

Receivables are recognized initially at the transaction price plus transaction cost. These are subsequently measured at amortized cost using the effective interest method, less allowance for doubtful accounts. A provision for doubtful accounts on receivables is established when there is objective evidence that Oceana will not be able to collect all amounts due, according to the original terms of the receivables. Receivables expected to be realized within one (1) year after the reporting date or within Oceana's normal operating cycle are classified as current assets in the statements of financial position. Otherwise, these are classified as noncurrent assets.

Receivables are derecognized when the rights to receive cash flows from the receivable have expired, or if Oceana has transferred its rights to receive cash flows from the receivable.

Oceana's receivables include advances to employees and advances to suppliers.

Advances to employee refers made by the Organization to its employee for various expenses through wire transfer.

Prepayments

Prepayments are expenses paid in advance and recorded as an asset before they are utilized. Prepayments and other current assets are recognized when paid and carried at cost less utilized portion, if any. Prepaid expenses are apportioned over the period covered by the payment and charged to the appropriate accounts in the statement of comprehensive income when incurred.

Prepayments that are expected to be realized for no more than twelve (12) months after the reporting date are classified as current assets; otherwise, these are classified as other noncurrent asset.

Prepayments pertain to life insurance, subscriptions, advance office rental, utilities and International All Staff Meeting in the United States of America charges.

Refundable deposits

Refundable deposits include security deposit for Oceana's office rental and internet services deposits.

Security deposits represent deposits paid to various lessors that are refundable upon expiration of the lease contracts. These deposits are carried at cost, net of any accruing liabilities.

Property and equipment

Property and equipment are initially measured at cost. The initial cost of property and equipment comprises its purchase price, including import duties, taxes, and any directly attributable costs of bringing the asset to its working condition and location of its intended use. After initial recognition, property and equipment are carried at cost less accumulated depreciation and amortization and any impairment in value.

Expenses that provide incremental future economic benefits to Oceana are added to the carrying amount of an item of property and equipment. All other expenses are recognized in the statement of comprehensive income as incurred.

Depreciation of property and equipment commences once the property and equipment are available for use and computed using the straight-line basis over the estimated useful life of property and equipment as follows:

	<u>In years</u>
Leasehold improvements	5
Computer equipment	5
Office and research equipment	5
Furniture and fixtures	5

Leasehold improvements are amortized over the life of the improvements or the terms of the lease, whichever is shorter.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

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

An item of property and equipment is derecognized upon disposal or when no more future economic benefits are expected to arise from the continued use of the asset. When assets are sold or retired, their costs, their accumulated depreciation and amortization and accumulated impairment losses are eliminated from the accounts. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the statement of comprehensive income.

At each reporting date, Oceana reviews the carrying amounts of its property and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss, if any. When the asset does not generate cash flows that are independent from other assets, Oceana estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and impairment losses are recognized in the statement of comprehensive income.

Recovery of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. The recovery is recognized in the statement of comprehensive income. The increased carrying amount of an asset due to recovery of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation and amortization) had no impairment loss been recognized for that asset in prior years.

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Accounts and other payables

Accounts and other payables are recognized in the financial statements when Oceana become a party to a contract that gives rise to a receivable of another entity. They are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method. They are included in current liabilities, except for maturities greater than 12 months after the reporting date, which are then classified as noncurrent liabilities.

Accounts and other payables include accrued expenses, accounts payable and due to government agencies. Accounts payable are liabilities to pay for goods or services that have been received or supplied but have not been paid, including amounts due to employees.

Accrued retirement benefits pertain to accrual of retirement pay to a qualified employee under RA 7641 or the Retirement Pay Law.

Due to government agencies include premium and loans payable to SSS, HDMF and PHIC and withholding tax payable.

Accounts and other payable are derecognized from the statement of financial position only when the obligations are extinguished either through discharge, cancellation, or expiration.

Head office account

Remittance from Head Office is recorded at the proceeds received, net of bank charges.

Expense recognition

Expenses are recognized in the statement of comprehensive income when a decrease in economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Expenses in the statement of comprehensive income are presented using the nature method.

Campaign expenses are recognized when the related projects and campaign expenses are incurred. Campaign expenses represent costs incurred in accomplishing different milestones and activities.

General and administrative expenses constitute the expenses of administering Oceana and are expensed as incurred. General and administrative expenses represent indirect costs that have been incurred by Oceana that cannot be identified specifically in reference to a particular program but relate to several programs.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Leases are classified as finance leases whenever the terms of the leased transfer substantially all the risks and rewards of ownership of the lease asset to Oceana.

Rights to assets held under finance leases are recognized as assets of Oceana at the fair value of the leased property at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring statement of comprehensive income. Assets held under a finance lease are included in the statement of financial position.

Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of comprehensive income over the period of the lease.

Related parties and related party transactions

Parties are related if one party has ability, directly and indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Parties are also considered to be related if they are subject to common control. Related parties may be individual or corporate entities.

Provisions and contingencies

Provisions are recognized when Oceana has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense. When Oceana expects a provision or loss to be reimbursed, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain, and its amount is estimable. The expense relating to any provision is presented in the statement of comprehensive income, net of any reimbursement.

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the assets and the related income are recognized in the financial statements.

Events after the reporting date

Oceana identifies post-year events as events that occurred after the reporting date but before the date when Oceana financial statements were authorized for issue. Post year-end events that provide additional information about Oceana's position at the reporting date (adjusting events) are reflected in Oceana's financial statements. Post year-end events that are not adjusting events are disclosed in Oceana's financial statements when material.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of Oceana's financial statements requires management to make judgments and estimates that affect amounts reported in the financial statements. These 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.

Oceana management believes the following represent a summary of these significant judgments and estimates and related impact and associated risks in the financial statements.

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Significant accounting judgments in applying accounting policies

In the process of applying Oceana'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) Functional currency

Oceana has determined that its functional currency is the Philippine Peso (₱). Based on Oceana's evaluation, the Philippine peso is the currency that most faithfully represents the primary economic environment in which Oceana operates and it is the currency that mainly influences the underlying transactions, events, and conditions relevant to Oceana.

(b) Transactions and balances

Transactions denominated in foreign currencies are recorded using the applicable exchange rate at the date of the transaction. Outstanding monetary assets and monetary liabilities denominated in foreign currencies are retranslated using the applicable rate of exchange at the end of reporting date. Foreign exchange gains or losses are recognized in the statement of comprehensive income.

(c) Operating leases

Oceana classifies the lease of its office space as an operating lease since there was no transfer of substantial risks and benefits incidental to ownership of the assets.

Key sources of estimation of uncertainty

The estimate and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances of the financial statements. Actual results could differ from these estimates. The following are the relevant estimate performed by management on its financial statements:

(a) Estimating useful lives of property and equipment

Oceana's management determines the estimated useful lives and related depreciation for its property and equipment. This estimate is based on the period over which the assets are expected to be available for use in operations. Oceana annually reviews the estimated useful lives of property and equipment based on factors that include asset utilization, internal technical evaluation, technological changes, environmental and anticipated use of assets tempered by related industry benchmark information.

It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in factors mentioned. Management increases the depreciation charge where useful lives are less than previously estimated lives or writes off or writes down impaired or non-strategic assets.

The carrying value of Oceana's property and equipment as of December 31, 2024 and 2023 amounted to ₱6,827,348 and ₱9,345,737, respectively (see Note 7).

(b) *Retirement*

Oceana accounted its post-employment benefit plan using accrual approach. Accrual approach is applied by calculating the expected liability as of reporting period using the current salary of the entitled employees' year of service, without considering of future changes in salary rates and service periods.

Provision for retirement expense as of December 31, 2024 and 2023 amounted to ₱1,379,825 and ₱3,700,916, respectively (see Note 10).

4. **CASH**

This account as of December 31 consists of:

	2024	2023
Cash on hand	₱23,347	₱23,347
Cash in banks	4,389,521	8,485,374
	₱4,412,868	₱8,508,721

Cash in banks does not earn interest. No restrictions are attached to Oceana's cash in banks.

5. **RECEIVABLES**

This account as of December 31 consists of:

	2024	2023
Advances to employees and officers	₱77,782	₱3,273
Advances to employees	65,224	41,140
	₱143,006	₱44,413

Advances to employees refer to duly approved cash advances for official business to Oceana's employees that are subject to liquidation.

6. **PREPAYMENTS AND OTHER CURRENT ASSETS**

Prepayments and other current assets as of December 31 consist of:

	2024	2023
Travel	₱2,196,841	₱571,179
Subscriptions	903,115	19,190
Rent	190,758	-
Supplies	28,096	18,167
Insurance	48,350	6,206
Communications	-	2,310
Other prepaid expense	178,054	368,358
	₱3,545,214	₱985,410

Other prepaid expenses consist of out-of-pocket expenses paid for legal services entered by Oceana, office rental, utilities, International All Staff Meeting in the United States of America, health insurance and drop box subscription fees.

7. PROPERTY AND EQUIPMENT (NET)

The details and movement of property and equipment in 2024 are as follows:

	Furniture and fixtures	Computer Equipment	Office and research Equipment	Leasehold Improvement	Total
Cost					
At the beginning of the year	₱1,217,185	₱3,435,944	₱667,137	₱12,044,579	₱17,364,845
Additions	-	697,989	14,167	-	712,156
At the end of the year	₱1,217,185	₱4,133,933	₱681,304	₱12,044,579	₱18,077,001
Accumulated Depreciation					
At the beginning of the year	₱583,936	₱2,250,516	₱366,823	₱4,817,832	₱8,019,107
Depreciation	210,576	519,893	91,161	2,408,916	3,230,546
At the end of the year	₱794,512	₱2,770,409	₱457,984	₱7,226,748	₱11,249,653
Net carrying amount as at December 31, 2024	₱422,673	₱1,363,524	₱223,320	₱4,817,831	₱6,827,348

Depreciation is allocated as follows:

	2024	2023
Campaign expenses (see Note 9)	₱-	₱202,888
General and administrative expenses (see Note 10)	3,230,546	3,103,272
	₱3,230,546	₱3,306,160

Oceana's property and equipment as of December 31, 2024 and 2023 are not held as collateral for its liabilities and are free from any encumbrances.

8. ACCOUNTS AND OTHER PAYABLES

This account as of December 31 consists of:

	2024	2023
Accounts payable	₱918,248	₱657,763
Accrued retirement benefits	6,872,553	7,721,208
Due to government agencies	1,360,994	1,062,564
Accrued – other liabilities	2,252,043	2,143,944
	₱11,403,838	₱11,585,479

Accrued retirement benefits pertain to accrual of retirement of qualified employee as mandated by Republic Act (RA) No. 7641. The expected liability as of reporting date is calculated using the current salary of the entitled employees' year of service, without consideration of future changes in salary rates and service periods.

Management believes that the amounts recognized in the books as of December 31, 2024 and 2023 do not differ materially from the amount that would have been determined using the projected unit credit method under Section 28 of PFRS for SME, "Employee Benefits".

The accrued – other liabilities account of Oceana consists of its expense's utilities and professional fee.

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9. **CAMPAIGN EXPENSES**

This account for the years ended December 31 consists of the following:

	2024	2023
Salaries and wages	₱39,776,792	₱32,400,896
Employee benefits	7,274,583	5,521,964
Professional and consultancy fees	6,989,351	10,810,497
Travel and subsistence	5,419,637	5,156,701
Subscription fees	2,809,409	1,930,016
Rental	2,793,017	2,179,945
Communication, light, and water	2,783,347	2,290,818
Meetings and conferences	1,965,809	2,828,296
Advertising	1,044,055	2,006,082
Insurance	678,226	841,386
Supplies	289,381	131,244
Training and development	130,115	-
Bank charges	94,652	101,423
Postage and delivery	60,090	123,279
Taxes and licenses	12,331	5,444
Depreciation	-	202,887
	₱72,120,795	₱66,530,878

Oceana's campaign expenses were grouped and allocated into operational campaigns as follows:

December 31, 2024

	Fisheries Management	Habitat Protection	Transparency/ Traceability	Total
Salaries and wages	₱8,393,422	₱21,919,800	₱9,463,570	₱39,776,792
Employee benefits	1,535,075	4,082,975	1,656,533	7,274,583
Professional and consultancy fees	1,510,408	4,433,908	1,045,035	6,989,351
Travel and subsistence	1,572,915	3,009,184	837,538	5,419,637
Subscription fees	463,442	1,017,201	1,328,766	2,809,409
Rental	610,510	1,526,512	655,995	2,793,017
Communication, light, and water	568,634	1,548,351	666,362	2,783,347
Meetings and conferences	365,141	1,388,094	212,574	1,965,809
Advertising	135,430	814,226	94,399	1,044,055
Insurance	147,231	373,492	157,503	678,226
Supplies	60,410	165,030	63,941	289,381
Training and development	47,359	61,722	21,034	130,115
Bank charges	26,588	49,828	18,236	94,652
Postage and delivery	12,430	44,767	2,893	60,090
Taxes and licenses	1,701	9,010	1,620	12,331
	₱15,450,696	₱40,444,100	₱16,225,999	₱72,120,795

December 31, 2023

	Fisheries Management	Habitat Protection	Transparency/ Traceability	Total
Salaries and wages	₱6,961,163	₱15,809,251	₱9,630,482	₱32,400,896
Professional and consultancy fees	2,323,473	5,889,848	2,597,176	10,810,497
Employee benefits	1,183,882	2,640,460	1,697,622	5,521,964
Travel and Subsistence	1,219,566	2,410,068	1,527,067	5,156,701
Meetings and conferences	318,994	1,899,291	610,011	2,828,296
Communication, light, and water	473,788	1,102,813	714,217	2,290,818
Rental	461,631	1,051,160	667,154	2,179,945
Advertising	233,600	1,161,215	611,267	2,006,082
Subscription fees	424,248	874,847	630,921	1,930,016
Insurance	179,359	403,967	258,060	841,386
Depreciation	-	185,808	17,079	202,887
Supplies	15,072	57,543	58,629	131,244
Postage and delivery	10,248	95,679	17,352	123,279
Bank charges	25,563	50,063	25,797	101,423
Taxes and licenses	851	2,891	1,702	5,444
	₱13,831,438	₱33,634,904	₱19,064,536	₱66,530,878

Oceana works to effect science-based fisheries policy reforms through specific, time-bound campaigns focused on ocean conservation.

In 2024, Oceana worked on campaigns related to habitat protection, fisheries management and ensure transparency to combat illegal fishing.

Oceana in the Philippines campaigns are as follows:

Stop Illegal Commercial Fishing in Municipal Waters Nationwide

The Bureau of Fisheries and Aquatic Resources (BFAR), Maritime Industry Authority (MARINA) and the Philippine Coast Guard implement guidelines and disclose enforcement data to fight and deter illegal fishing and strengthen monitoring, control and surveillance systems. The campaign milestones focused on requiring the Bureau of Fisheries and Aquatic Resources to the IUUF list is required by BFAR from government agencies, the Fisheries Compliance Audit is rolled out nationwide, the proposed amendments to the Fisheries Code is junked by Congress, and the Supreme Court rules in our favor to implement the vessel monitoring measures requirement for commercial fishing vessels.

Fisheries Management Area/ Fish in Nutrition Systems: Reduce Fish Loss and Boost Livelihood Campaign

The Fisheries Management Area campaign seeks to guarantee the government's full implementation of laws and regulations to ensure sustainable fisheries in the country. The campaign achieved its goal of having the National Director of the Bureau of Fisheries and Aquatic Resources mandate all regional directors to use the National Management Plans for various commodities as a framework for harvest strategy for key fishery in the Fisheries Management Area (FMA), which included sardines. This is further ensured by the adoption of the National Sardines Management Plan by six local governments in Northern Samar for local implementation. In October 2024, the Fish in Nutrition Systems (FINS) campaign was formally established as an offshoot of the Fisheries Management Area campaign. The FINS campaign aims to reduce post-harvest losses from 40% to 10% through interventions by the local government unit of Daram. Particularly, the LGU's Municipal Council approved a resolution to urgently address post-harvest fish losses by establishing a fish catch reporting system, developing post-harvest facilities, enhancing fish handling practices, and improving market centers. The resolution was sponsored by Hon. Reynaldo Tan who chairs the Committee on Food and Agriculture and was unanimously approved by the members of the council.

Ensure Effective Management of Protected Areas in Support of the Philippine's 30x30 Commitment

The 2024 campaign goal of our MPA Campaign is for the Panaon Protected Area Management Board to develop a management plan to sustainably manage first seven-kilometer area adjacent to the coast as strict protection area, buffer and multiple-use zones for Panaon Island Protected Seascape. Key milestones include the designation of the protected area superintendent for the protected area, convening the board, and the appointment of special prosecutors for the protected seascape.

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Ban Single-Use Plastics

The campaign's multi-year goal seeks to effect a ban on single-use plastics nationwide by 2025 by winning a key lawsuit that compels the National Solid Waste Management Commission to carry out their legal obligation to issue a list of non-environmentally acceptable products and packaging. The campaign hit a partial yet significant victory after the Court of Appeals granted a favorable decision to Oceana's plastic lawsuit in 2024. The court mandated the National Solid Waste Management Commission (NSMWC) to formulate the list of non-environmentally acceptable products and packaging (NEAPP) within six (6) months upon receipt of the order, which was July 29. However, until now the Commission has not yet submitted the resolution containing the said list because it is still working on the gathering signatures from its members. The milestones on getting local policies to ban single-use plastics in the public sector and protected areas were achieved. The milestone on having a local government unit drop a plan to implement the waste to energy (WtE) project was not achieved.

Restore Mangrove Forests

The campaign's multi-year goal aims to have a national law approved to restore and protect mangrove and beach forests to prevent coastal erosion and mitigate the adverse impacts of climate change by 2025. For 2024, the annual goal of the campaign is to have the Senate approve the National Coastal Greenbelt Bill following key milestones, such as the certification by the President that the Bill is part of its national priority, the issuance of a policies recognizing coastal greenbelts in key national government agencies.

10. GENERAL AND ADMINISTRATIVE EXPENSES

This account for the years ended December 31 consists of the following:

	2024	2023
Salaries and wages	₱8,690,701	₱12,828,758
Travel and subsistence	3,629,917	5,248,168
Professional and consultancy fees	3,317,020	2,855,621
Depreciation (see Note 7)	3,230,546	3,103,272
Employee benefits	1,450,248	3,201,235
Meetings and conferences	976,895	756,936
Communication, light, and water	795,410	1,446,481
Bank charges	572,176	674,759
Advertising	567,979	8,516
Rental (see Note 12)	533,686	879,860
Subscription fees	496,699	694,937
Retirement expense	1,379,825	3,700,916
Supplies	171,990	425,013
Insurance	153,018	420,992
Taxes and licenses	49,325	207,097
Training and development	43,715	274,500
Postage and delivery	34,865	21,420
Foreign exchange gain	(431,858)	(679,713)
	₱25,662,157	₱36,068,768

Foreign exchange (gain) loss pertains to the result of transactions incurred by the Head office charged to Oceana for the use of credit cards and for the remittances made by the Head office to its branch.

11. RELATED PARTY TRANSACTIONS

a) Remittances from Head Office

Oceana, in the normal course of business, has transactions with the Head Office in the form of cash remittances from Head Office to finance its campaigns and operating expenses.

Remittance from Head Office amounted to ₱94,084,148 and ₱93,490,809 for the years ended December 31, 2024 and 2023, respectively.

b) Compensation of Key Management Personnel of Oceana

Oceana's related parties also include its key management personnel. The aggregate compensation and benefits to key management personnel of Oceana amounted to ₱19,165,631 and ₱17,410,083 in 2024 and 2023, respectively.

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12. LEASE AGREEMENT

On July 3, 2020, Oceana entered into a lease agreement with Regray Commercial Ventures Corp. for a new office space in Regray Building for a period of five (5) years that commenced on July 1, 2020 and expires on June 30, 2025. However, due to some factors, the lease agreement was amended and shall have a term of six (6) years commencing on November 18, 2021 until November 18, 2027.

On October 14, 2024, Oceana entered into a new lease agreement with Regus Philippines Centre Three Inc, for office space at Apple One Equicom Tower in Cebu, for a period of Three and half (3.5) months, commencing on October 21, 2024, and will expire on January 31, 2025.

Office space rental is allocated as follows:

	2024	2023
Campaign expenses (see Note 9)	₱2,793,017	₱2,179,945
General and administrative expenses (see Note 10)	533,686	879,860
	₱3,326,703	₱3,059,805

Security deposits pertaining to the lease agreement amounted to ₱848,332 and ₱762,132 as of December 31, 2024 and 2023. (see Note 13).

13. REFUNDABLE DEPOSITS

This account as of December 31 consists of:

	2024	2023
Office rental deposit (see Note 12)	₱848,332	₱762,132
Internet services deposit	121,625	121,625
Copier rental deposit	-	10,800
	₱969,957	₱894,557

All deposits are covered by agreement or contract.

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

The following supplementary information for the year ended December 31, 2024, is presented for purposes of filing with the BIR and is not a required part of the basic financial statements.

I. Revenue Regulations No. 15-2010

a) Value-Added Tax (VAT)

Oceana has no revenue subject to VAT.

b) Excise Tax

Oceana has no transaction subject to excise tax during the year.

c) Documentary Stamp tax

Oceana has paid ₱30,776 documentary stamp tax during the year.

d) All other local and national taxes

The details of taxes and licenses paid during the year are as follows:

Documentary stamp tax	₱30,776
Business permits	12,409
Travel tax	15,231
Others	3,239
	₱61,655

e) Withholding Taxes

Details of the total withholding taxes paid and accrued for the year are as follows:

Withholding tax on compensation and benefits	₱9,586,174
Expanded withholding tax	833,051
	₱10,419,225

h) Deficiency Tax Assessment and Tax Cases

Oceana does not have any deficiency tax assessments with the BIR and is not involved in any other cases with the BIR or any court outside BIR as of December 31, 2024.

II. Revenue Regulations No. 34-2020

Oceana is not covered by the requirements and procedures for the related party transactions to submit BIR Form 1709 as provided by the Revenue Regulations No. 34-2020.

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OCEANA PHILIPPINES INTERNATIONAL
Client's Adjusting Journal Entries
As of December 31, 2024

APPENDIX A

Final draft of financial statements and
accompanying notes to financial statements were
reviewed and approved by: **4/23/25**
4/23/25

NO.	PARTICULARS	ACCOUNT TITLE	DEBIT (CREDIT)
1	To take up accrual of December 2024 amortization of the VIIRS Boat Detection Subscription Fees (State of Colorado School of Mines), no inter-company charges yet.	5.1.7.4 - Subscription Fees for Publications/Databases/Membership: 2.2.1.1 - Accrued - Other Liabilities	70,567.16 (70,567.16)
2	To take up reclassification of account for the July 2024 amortization of the VIIRS Boat Detection Subscription Fees (State of Colorado School of Mines) per trans. no. 100365 dd. July 31, 2024.	5.1.7.4 - Subscription Fees for Publications/Databases/Membership: 5.1.7.7 - Software Subscriptions & Maintenance	70,567.16 (70,567.16)
3	To take up adjustments or remaining amortizations of the prepayment account of the purchase of 6 adobe licenses for the year of 2024.	5.1.7.7 - Software Subscriptions & Maintenance 5.1.7.7 - Software Subscriptions & Maintenance 1.3.4 - Prepaid Expense	11,760.66 58,803.34 (70,564.00)