

COVER SHEET

SEC Registration Number

C	S	2	0	1	8	1	8	3	3	9
---	---	---	---	---	---	---	---	---	---	---

COMPANY NAME

F	O	R	A		S	E	R	V	I	C	E	S	,		I	N	C	.		D	O	I	N	G		B	U	S	I
N	E	S	S		A	S		Q	U	E	S	T		H	O	T	E	L		T	A	G	A	Y	T	A	Y		

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

F	o	r	a		R	o	t	u	n	d	a		T	a	g	a	y	t	a	y	,		G	e	n	e	r	a	l
	E	m	i	l	i	o		A	g	u	i	n	a	l	d	o		H	i	g	h	w	a	y	,		S	i	l
	a	n	g		J	u	n	c	t	i	o	n	,		B	a	r	a	n	g	a	y		S	i	l	a	n	g
C	r	o	s	s	i	n	g		E	a	s	t	,		T	a	g	a	y	t	a	y	,		4	1	2	0	
C	a	v	i	t	e																								

Form Type

1	7	-	Q
---	---	---	---

Department requiring the report

C	R	M	D
---	---	---	---

Secondary License Type, If Applicable

N	/	A
---	---	---

COMPANY INFORMATION

Company's Email Address

katrina.clemente-lua@filinvestland.com

Company's Telephone Number

7918-8188

Mobile Number

N/A

No. of Stockholders

6

Annual Meeting (Month / Day)

Last Friday of October

Fiscal Year (Month / Day)

12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Nancy R. Rivera

Email Address

nancy.rivera@filinvesthospitality.com

Telephone Number/s

+6346-8460278

Mobile Number

09989615762

CONTACT PERSON'S ADDRESS

Fora Rotunda Tagaytay, General Emilio Aguinaldo Highway Silang Junction, Barangay Silang Crossing East Tagaytay, 4120 Cavite

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

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

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **June 30, 2024**
2. SEC Identification Number **CS201818339**
3. BIR Tax Identification No. **010-114-986-000**
4. Exact name of issuer as specified in its charter
FORA SERVICES, INC. DOING BUSINESS AS QUEST HOTEL TAGAYTAY
5. Province, Country or other jurisdiction of incorporation or organization **Philippines**
6. Industry Classification Code: _____ (SEC Use Only)
7. Address of issuer's principal office
Fora Rotunda Tagaytay, General Emilio Aguinaldo
Highway Silang Junction, Barangay Silang Crossing
East TagaytayPostal Code
4120
8. Issuer's telephone number, including area code **(46) 419-8799**
9. Former name, former address, and former fiscal year, if changed since last report **Not Applicable**
10. Securities registered pursuant to Section 8 and 12 of the SRC

Class	No. of Certificates Per Class	Offer Price per Certificate	Aggregate Offer Price per Class
Studio 23	63	Php187,700	Php11,825,100
Studio 27	61	Php220,400	Php13,444,400
Studio 29	18	Php236,700	Php4,260,600
Suite 44	18	Php359,100	Php6,463,800
Suite 54	4	Php440,700	Php1,762,800
TOTAL	164		Php37,756,700

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

Yes

☐

No

☐ /

12. Indicate by check mark whether the issuer:

(a) has filed reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Section 11 of the RSA Rule 1(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code

(b) of the Philippines, during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes

☐ /

No

☐

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

Yes

☐ /

No

☐

TABLE OF CONTENTS

		Page No.
PART I	FINANCIAL INFORMATION	
Item 1	Financial Statements	
	Interim Statements of Financial Position as at June 30, 2024 and December 31, 2023	5
	Interim Statements of Comprehensive Income for the Six months ended June 30, 2024 and 2023	6
	Interim Statement of Changes in Equity for the Six months ended June 30, 2024 and 2023	7
	Interim Statements of Cash Flows for the Six months ended June 30, 2024 and 2023	8
	Notes to Consolidated Financial Statements	9-25
Item 2	Management Discussion and Analysis of Financial Condition and Results of Operations	26-28
	Aging of Receivables	29
Part II	OTHER INFORMATION	
Item 3	Sale of Securities	30
Item 4	Index to Supplementary Schedules	31
	Annex A: Reconciliation of Retained Earnings Available for Dividend Declaration	32-33
	Annex B - Map Showing the Relationships Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, Wherever Located or Registered	34
	Annex C - Supplementary Schedules Required by Annex 68-J	35-36
Item 5	Components of Financial Soundness Indicators	37-38
Item 6	Signature	39

PART 1 - FINANCIAL INFORMATION

**FOR A SERVICES, INC.
DOING BUSINESS AS QUEST HOTEL TAGAYTAY**

Unaudited Interim Financial Statements

As at June 30, 2024 and December 31, 2023

and

For the Six months ended June 30, 2024 and 2023

FORA SERVICES, INC.
DOING BUSINESS AS QUEST HOTEL TAGAYTAY
STATEMENTS OF FINANCIAL POSITION

	June 30 2024 (Unaudited)	December 31 2023 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 4 and 12)	88,083,488	84,873,235
Receivables (Note 5)	6,664,293	12,216,060
Due from related parties (Note 12)	-	12,902,694
Inventories (Note 6)	1,996,832	1,996,179
Other currents assets (Note 7)	1,751,194	2,505,038
Total Current Assets	98,495,808	114,493,206
Noncurrent Assets		
Property and equipment (Note 8)	10,655,462	1,098,191
Software costs (Note 9)	755,504	856,587
Total Noncurrent Assets	11,410,966	1,954,778
	109,906,774	116,447,984
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables (Note 10 and 11)	29,894,000	32,270,001
Accrued interest payable	7,884,000	3,644,769
Contract liabilities (Note 13)	218,251	1,233,649
Due to related parties (Note 12)	10,567,640	18,083,250
Income tax payable	15,094	1,313,126
Total Current Liabilities	48,578,986	56,544,795
Non Current Liabilities		
Participation liability (Notes 11 and 12)	37,756,700	37,756,700
Total Non Current Liabilities	37,756,700	37,756,700
	86,335,686	94,301,495
Equity		
Capital stock (Note 16)	400,000	400,000
Retained earnings	21,746,489	13,839,545
Net income	1,424,599	7,906,944
Total Equity	23,571,088	22,146,489
Total Liabilities and Equity	109,906,774	116,447,984

See accompanying Notes to Financial Statements.

FORA SERVICES, INC.
DOING BUSINESS AS QUEST HOTEL TAGAYTAY
STATEMENTS OF COMPREHENSIVE INCOME
For the Six months ended June 30, 2024

	Six months Ended June 30	
	(Unaudited)	
	2024	2023
REVENUE		
Revenue from services		
Rooms	51,201,519	48,461,692
Other operating departments	894,978	1,113,224
Miscellaneous	-	383,658
	52,096,497	49,958,574
COST OF SERVICES (Note 14)	20,992,162	29,383,055
GENERAL AND ADMINISTRATIVE EXPENSES (Note 15)	17,056,662	17,587,770
OTHER INCOME (EXPENSE)		
Interest income (Note 4)	1,170,027	1,187,790
Interest expense (Note 11 and 12)	(13,396,236)	(1,442,637)
	(12,226,209)	(254,847)
INCOME BEFORE INCOME TAX	1,821,463	2,732,902
PROVISION FOR INCOME TAX (Note 17)	396,864	623,836
NET INCOME/ TOTAL COMPREHENSIVE INCOME	1,424,599	2,109,066

See accompanying Notes to Financial Statements.

FORA SERVICES, INC.
DOING BUSINESS AS QUEST HOTEL TAGAYTAY
STATEMENTS OF CHANGES IN EQUITY

	June 30, 2024	June 30, 2023
	<i>Unaudited</i>	<i>Unaudited</i>
CAPITAL STOCK (Note 16)	₱ 400,000	₱ 400,000
RETAINED EARNINGS (DEFICIT)		
Balances at beginning of period January 1	21,746,489	13,839,545
Net income for the period	1,424,599	2,109,066
Balances at end of period	23,171,088	15,948,611
	23,571,088	16,348,611

See accompanying Notes to Financial Statements.

FORA SERVICES, INC.
DOING BUSINESS AS QUEST HOTEL TAGAYTAY
STATEMENTS OF CASH FLOWS

	June 30, 2024	June 30, 2023
	Unaudited	Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	1,821,463	2,732,902
Adjustments for:		
Depreciation and Amortization (Notes 8, 9 and 15)	2,110,928	339,158
Interest expense (Notes 11 and 12)	13,396,236	-
Interest income (Note 4)	(1,170,027)	(1,187,790)
Operating income before working capital changes	16,158,600	1,884,270
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Receivables	5,551,767	2,085,836
Due from related parties	12,902,694	3,865,836
Inventories	(653)	120,304
Other current assets	753,844	(1,246,070)
(Decrease) increase in:		
Accounts and other payables	(2,376,001)	13,202,072
Contract liabilities	(1,015,398)	(1,328,037)
Due to related parties	(7,515,610)	(1,534,802)
Net cash generated from operations	24,459,243	17,049,450
Interest paid	(9,157,005)	-
Interest received	1,170,027	1,187,790
Income taxes paid	(1,298,032)	(623,836)
Net cash provided by operating activities	14,777,369	17,613,404
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment (Note 8)	(11,567,116)	(471,062)
Software	-	(566,201)
Cash used in investing activities	(11,567,116)	(1,037,263)
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,210,253	16,576,141
CASH AND CASH EQUIVALENTS		
AT BEGINNING OF PERIOD, JANUARY 1	84,873,235	93,150,372
CASH AND CASH EQUIVALENTS		
AT END OF PERIOD (Note 4)	88,083,488	109,726,513

See accompanying Notes to Financial Statements.

FORA SERVICES, INC.
DOING BUSINESS AS QUEST HOTEL TAGAYTAY
NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

Fora Services, Inc. doing business as Quest Hotel Tagaytay (the Company), a wholly owned subsidiary of Filinvest Hospitality Corporation, (FHC or Parent Company), was incorporated in the Philippines and was registered with Philippine Securities and Exchange Commissions (SEC) on August 24, 2018. Its primary purpose is to purchase and own real properties and personal property of all kinds to sell, lease, maintain and manage.

The Company also has secondary license to offer 164 Certificates of Participation to the public as approved by the SEC on May 17, 2023 (see Note 11).

The Company's registered address is Fora Rotunda Tagaytay, General Emilio Aguinaldo Highway, Silang Junction, Barangay Silang Crossing East, Tagaytay, 4120 Cavite.

The Parent Company is a subsidiary of Filinvest Development Corporation (FDC), a publicly listed corporation. FDC is a subsidiary of A.L. Gotianun, Inc. (ALGI). FHC, FDC and ALGI are incorporated and domiciled in the Philippines.

Approval of the Financial Statements

The financial statements of the Company as at June 30, 2024 and 2023 and for each of six months period ended June 30, 2024 were approved and authorized for issue by the BOD on August 14, 2024.

2. Material Accounting Policy Information

Basis of Preparation

The financial statements of the Company have been prepared on a historical cost basis and are presented in Philippine Peso (₱), which is also the Company's functional currency. All amounts are rounded off to the nearest Peso, except when otherwise indicated.

The Company's financial statements as at June 30, 2024 and 2023 and for the six months ended June 30, 2024, and 2023 have been prepared as an attachment to the amended registration statement in relation to the Company's issuance of debt securities.

Statement of Compliance

The financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRS), Philippine Accounting Standards (PAS) and Interpretations issued by the Philippine Interpretations Committee (PIC).

New Standards, Interpretations and Amendments

The accounting policies adopted in the preparation of the Company's financial statements are consistent with those of the previous financial years, except for the adoption of the following which became effective beginning January 1, 2024.

The adoption of the following pronouncements does not have significant impact to the Company's financial statements.

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

Standards, Amendments and Interpretations Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Company intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Company's financial statements unless otherwise indicated.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of Exchangeability*

Deferred effectivity

Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Material Accounting Policies

The following accounting policies were applied in preparation of the Company's financial statements:

Financial Instruments - initial recognition, subsequent measurement and impairment

As of June 30, 2024 and 2023, the financial assets of the Company are classified at initial recognition as subsequently measured at amortized cost. In order for a financial asset to be classified and measured at amortized cost, it needs to give rise to cash flows that are 'solely payments of principal and interest' on the principal amount outstanding. This assessment is referred to as the 'solely payments of principal and interest test' and is performed at an instrument level.

As of June 30, 2024 and 2023, the Company's financial assets at amortized cost include cash and cash equivalents, receivables and due from related parties and security deposits (presented under other current assets).

The Company recognizes an allowance for expected credit loss (ECL) for all financial assets at amortized costs. The Company applies the following approach in estimating its allowance for ECL (a) low credit risk simplification approach for cash and cash equivalents; and (b) general approach for receivables and due from related parties.

The Company considers a financial asset in default when contractual payments are thirty (30) days past their due dates.

Financial liabilities - initial recognition and subsequent measurement

As of June 30, 2024 and 2023, the Company's financial liabilities pertain to loans and borrowings. These financial liabilities are recognized initially at fair value, net of directly attributable transaction costs and subsequently measured at amortized cost using effective interest method.

As of June 30, 2024 and 2023, the Company's financial liabilities include accounts and other payables, due to related parties, participation liabilities and other obligations that meet the above definition (other than liabilities covered by other accounting standards, such as, income tax payable, and other statutory liabilities).

Property and Equipment

Property and equipment consist of machineries, tools and computer equipment. Property and equipment are stated at cost less accumulated depreciation and any impairment in value. The initial cost of property and equipment consists of its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Depreciation is calculated on a straight-line method over the estimated useful lives (EUL) of the assets. The Company assessed that the useful life of property and equipment is three (3) years to five (5) years.

An item of property and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is included in the statement of comprehensive income when the asset is derecognized.

Software Costs

Software acquired separately is measured on initial recognition at cost. Following initial recognition, capitalized software is carried at cost less accumulated amortization and any accumulated impairment losses. The capitalized software is amortized on a straight-line basis over its estimated useful life of five (5) years.

Other Current Assets

Other assets are carried at costs and pertain to resources controlled by the Company as a result of past events and from which future economic benefits are expected to flow to the Company. These assets are regularly evaluated for any impairment in value. These comprise of input value-added tax (VAT), creditable withholding taxes, prepaid expenses and advances to suppliers and employees.

Impairment of Nonfinancial Assets

The Company assesses at each financial reporting date whether there is an indication that its nonfinancial (e.g., property and equipment and software costs) may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGUs) fair value less costs to sell and its value in use (VIU) and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company.

When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment loss is charged to operations in the year in which it arises.

Equity

Capital stock

Capital stock is measured at par value for all shares issued.

Retained earnings (Deficit)

Retained earnings (deficit) represents the accumulated net income (losses) of the Company and stock issuance costs.

Revenue Recognition

The Company primarily derives its revenue from room related services and other operating departments. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has generally concluded that it is acting as principal in all of its revenue arrangements.

The following specific recognition criteria must also be met before revenue is recognized.

Revenues from rooms and other operating departments

Revenues from rooms and other departments are recognized over the time the related services are rendered and/or facilities and amenities are used.

Income from insurance claim

Income from insurance claim is recognized when receipt is virtually certain or upon acceptance of the settlement offer from insurance company.

Contract Balances

Contract receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs under the contract.

The contract liabilities also include payments received by the Company from the customers for which revenue recognition has not yet commenced. Accordingly, funds deposited by customers before event/service occurs (guest deposits) are recorded as contract liabilities until services are provided or goods are delivered.

Costs and Expenses Recognition

Direct costs and operating expenses are decreases in economic benefits during the accounting period in the form of outflows or depletion of assets or decrease of liabilities. These are measured at the amount paid or payable and are recognized when incurred.

Income Taxes

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws use to compute the amount are those that are enacted or substantially enacted at the reporting date.

Deferred tax

Deferred tax is provided on all taxable temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences with certain exceptions. Deferred tax assets are recognized for all deductible temporary differences and unused net operating loss carryover (NOLCO), to the extent that it is probable that the taxable profit will be available against which the deductible temporary differences and NOLCO can be utilized.

Segment Reporting

The Company's operating businesses are organized and managed according to the nature of the products and services provided. The Company has determined that it is operating as one operating segment as of and for the periods ended June 30, 2024 and 2023 (see Note 18).

3. Management's Accounting Judgments and Use of Estimates

The preparation of the Company's financial statements in compliance with PFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Future events may occur which can cause the assumptions used in arriving at those estimates to change. The effects of any changes in estimates will be reflected in the financial statements as they become reasonably determinable.

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.

Use of Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation of uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and within the next financial year are discussed below:

Evaluation of impairment of receivables

The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. 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 Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

As of June 30, 2024 and 2023, the carrying value of receivables amounted to ₱6.66 million and ₱10.93 million, respectively. There is no provision for ECL recognized in 2024 and 2023 (Note 5).

4. Cash and Cash Equivalents

This account consists of

	2024	2023
Cash on hand	₱310,000	₱1,104,453
Cash in banks (Note 12)	16,501,442	58,535,550
Cash equivalents (Note 12)	71,272,046	25,233,232
	₱88,083,488	₱84,873,235

Cash in banks earn interest at the prevailing bank deposit rates. Cash equivalents are short-term, highly liquid investments that are made for varying periods up to 3 months and earns interest at the prevailing short-term investment rate of 3.27% to 5.80% and 3.00% to 5.00% in 2024 and 2023, respectively.

Interest income earned from cash and cash equivalents amounted to ₱1.17 million in 2024 (2023 - ₱1.19 million) (Note 12).

There are no restrictions on the Company's cash and cash equivalents as of June 30, 2024 and 2023.

5. Receivables

This account consists of:

	2024	2023
Contract receivables:		
Corporate, travel agency and individuals	₱5,006,142	₱9,871,433
Credit cards	750,348	1,265,759
Guest ledger	244,506	460,802
Others	663,298	618,066
	₱6,664,293	₱12,216,060

Corporate, travel agency and individuals pertain to receivables classified by market segments and are due within 30 to 90 days from billing.

Guest ledger pertains to receivables from in-house guests and are collectible once the guest checks out from the hotel.

Credit cards pertain to receivables from banks for sales settled through credit cards and are usually collectible within three (3) to five (5) days from transaction date.

Others pertain to advances to employees, third party receivables related to utilities and other reimbursables subject to liquidation.

6. Inventories

This account consists of:

	2024	2023
Supplies	₱1,728,079	₱1,655,476
Fuel	268,754	340,703
	₱1,996,832	₱1,996,179

Supplies include guest, engineering, cleaning and other operating supplies used to assist in day-to-day operations of the Company.

Fuel pertains to fuel and oils used in the day-to-day operations.

The cost of inventories recognized as part of "Cost of services" in the statement of comprehensive income amounted to ₱3.01 million and ₱1.6 million in 2024 and 2023, respectively (Note 14).

7. Other Current Assets

This account consists of:

	2024	2023
Prepaid expenses	₱1,251,952	₱1,630,318
Advances to suppliers	490,042	611,086
Input value-added tax (VAT) deferred	-	254,434
Security deposits	9,200	9,200
	₱1,751,194	₱2,505,038

Prepaid expenses pertain to the Company's prepayments on insurance, and e-commerce subscriptions. These are recognized as expense over a period not exceeding 12 months.

Advances to suppliers are down payments made to the suppliers for acquisitions of guest supplies and software costs. These are applied against billings which are received after the delivery of items and completion of services.

Input VAT are imposed on the Company by its suppliers and contractors for the acquisition of goods and services which can be applied against output VAT or can be claimed as tax credits.

Creditable withholding taxes are the taxes withheld by the withholding agents from payments to the sellers which are creditable against the future income tax payable.

8. Property and Equipment

The roll-forward analysis of this account follows:

2024						
	Machineries Tools and Equipment	Vehicles	Computer Equipment	Operating Equipment	Furniture, Fixtures & Equipment	Total
Cost						
At beginning of period	673,395	-	947,597	-		1,620,992
Additions	-	733,650	-	1,431,994	9,401,472	11,567,116
At end of period	673,395	733,650	947,597	1,431,994	9,401,472	13,188,108
Accumulated Depreciation						
At beginning of period	183,876	-	338,925	-	-	522,801
Depreciation (Note 15)	216,456	73,365	12,360	140,752	1,556,912	2,009,845
At end of period	400,332	73,365	351,285	140,752	1,566,912	2,532,646
Net Book Values	273,063	660,285	596,312	1,291,242	7,834,560	10,655,462

2023			
	Machineries, Tools and Equipment	Computer Equipment	Total
Cost			
At beginning of period	₱456,007	₱256,696	₱712,703
Additions	217,388	690,901	908,289
At end of period	673,395	947,597	1,620,992
Accumulated Depreciation			
At beginning of period	102,101	33,296	135,397
Depreciation (Note 15)	81,775	305,629	387,404
At end of period	183,876	338,925	522,801
Net Book Values	₱489,519	₱608,672	₱1,098,191

The Company's property and equipment are not pledged or used as collateral to secure any obligation as of June 30, 2024 and 2023.

9. Software Costs

The rollforward analysis of this account follows:

	2024	2023
Cost		
Balances at beginning of year	₱1,572,243	₱806,033
Additions	-	766,210
Balances at end of year	1,572,243	1,572,243
Accumulated Amortization		
Balances at beginning of year	715,656	422,504
Amortization (Note 15)	101,083	293,152
Balances at end of year	816,739	715,656
Net Book Value	₱755,504	₱856,587

10. Accounts and Other Payables

This account consists of:

	2024	2023
Trade payables	₱11,641,442	₱16,337,862
Accrued expenses	9,910,068	11,450,749
Wages and employee-related payables	3,278,772	2,489,718
Taxes payable	5,063,718	1,991,672
Subtotal	29,894,000	32,270,001
Accrued interest payables (Note 11)	7,884,000	3,644,769
Total Accounts and Other Payables	₱37,778,000	₱35,914,770

Trade payable consists of payables to suppliers and service providers for various acquisitions of goods and services used in the operations of the Company. These are normally settled on a 30-day term.

Accrued expenses represent accruals on rent, telephone, light and water, security services and other expenses that are normally settled on a 30-day term upon receipt of billing.

Accrued interest payables pertain to interest payable to certificate holders and FLI (Notes 11 and 12).

Wages and employee-related payables include employees' share on the additional service fees charged to customers. These are normally settled within one month.

Taxes payable includes local taxes, deferred output VAT, expanded withholding taxes and taxes withheld on employee compensation and benefits.

11. Participation Liabilities

The Company entered into Condotel Participation Agreements (the Agreements) with unit buyers (the Participants) of the Fora Condotel Tower 1 (Condotel Project) with a term of 25 years. Pursuant to the provisions of the Agreement, the Participant shall pay the Company the Joining Fee, which shall be returned without interest at the end of the term of the Condotel Project, and the Company shall manage and operate the Participants' contributed units.

The Company may terminate the Agreements upon reasonable determination that the operation of the Condotel Project can no longer be sustained due to operating losses. In such event, the Company shall return the amount of the Joining Fee, pro rata, received from the participants.

The Unit Buyers' participation interest in the Condotel Project shall be evidenced by Certificates. Each of the Certificate of Participation corresponds to the 164 units in the Condotel Project. The SEC through its SEC MSRD Order No. 25, Series of 2023 issued on May 17, 2023, approved the registration of said 164 Certificates of Participation. The SEC likewise issued the Certificate of Permit to Offer Securities for Sale for said 164 Certificates, on the same date.

Relative to the Agreement, the Certificate Holders shall be entitled to: (a) the payment of distributable participation interest on an annual basis, subject to the terms hereof and the Agreement; and, (b) maximum of 14 nights room use privilege in the Condotel Project per calendar year.

The distributable participation interest is based on total participation income, as adjusted with the impact of provisions, reserves and noncash transactions.

As of June 30, 2024, the Company issued Certificate of Participation for 164 units in the Condotel Project amounting to ₱37.76 million, presented under Participation liabilities in the statement of financial position. As of June 30 2024, total participation interest recognized amounted to ₱13.40 million (2023 - ₱4.56 million).

12. Related Party Transactions

The Company has entered into various transactions with related parties. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decision or the parties are subject to common control or common significant influence. Related parties may be individuals or corporate entities. Affiliates are entities under common control of the Parent Company, FDC and ALGI.

Terms and conditions of transactions with related parties

Outstanding balances at year-end are unsecured, interest-free and require settlement in cash, unless otherwise stated. There have been no guarantees provided or received for any related party receivables or payables. As of June 30, 2024, and 2023, the Company has not made any provision for ECL relating to amounts owed by related parties. This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

The amounts and balances from the significant related party transaction follows:

		2024		
	Amount/ Volume	Outstanding balance	Terms	Conditions
Cash and cash equivalents				
Affiliate				
a. Cash and cash equivalents (Note 4)	8,148,696	84,297,536	Interest-bearing at prevailing market rate	Unrestricted
Interest income	1,170,027			
Due to related parties				
b. Parent Company	(473,098)	(761,165)	Noninterest-bearing; due and demandable	Unsecured
c. Filinvest Land, Inc. (FLI)	1,666,938	(706,607)	Noninterest-bearing; due and demandable	Unsecured
d. Fora Restaurants, Inc. (FRI)	2,268,833	(4,045,666)	Noninterest-bearing; due and demandable	Unsecured
e. Chroma Hospitality, Inc. (CHI)	366,193	(662,698)	Noninterest-bearing; due and demandable	Unsecured
f. Entrata Hotel Services, Inc. (EHSI)	(26,649)	(119,461)	Noninterest-bearing; due and demandable	Unsecured
g. Corporate Technologies, Inc. (CTI)	2,902,385	(1,104,757)	Noninterest-bearing; due and demandable	Unsecured

2024				
	Amount/ Volume	Outstanding balance	Terms	Conditions
h. Hospitality Enterprise Resources Corp. (HERC)	811,008	(3,167,286)	Noninterest-bearing; due and demandable	Unsecured
		(10,567,640)		
Due from related parties				
i. FLI	(11,940,700)	-	Noninterest-bearing; due within 1 year	Unsecured
j. FRI	(716,930)	-	Noninterest-bearing; due and demandable	Unsecured
j. CHI	(217,329)	-	Noninterest-bearing; due and demandable	Unsecured
j. EHSI	(27,735)	-	Noninterest-bearing; due and demandable	Unsecured
	₱12,902,694	-		
Accrued expenses				
k. Interest expense	13,396,236	7,884,000	Due in December 2024	Unsecured
	13,396,236	7,884,000		
Participation liabilities				
k. Joining fee	-	25,816,000	Noninterest-bearing; due in 2048	Unsecured
2023				
	Amount/ Volume	Outstanding balance	Terms	Conditions
Cash and cash equivalents				
Affiliate				
i. Cash and cash equivalents (Note 4)	(₱9,158,064)	₱76,148,839	Interest-bearing at prevailing market rate	Unrestricted
Interest income	2,528,164			
Due to related parties				
j. Parent Company	(₱59,129)	(₱288,067)	Noninterest-bearing; due and demandable	Unsecured
k. Filinvest Land, Inc. (FLI)	15,071,865	(2,373,545)	Noninterest-bearing; due and demandable	Unsecured
l. Fora Restaurants, Inc. (FRI)	(1,248,911)	(6,314,499)	Noninterest-bearing; due and demandable	Unsecured

2023					
		Amount/ Volume	Outstanding balance	Terms	Conditions
m.	Chroma Hospitality, Inc. (CHI)	647,881	(1,028,891)	Noninterest- bearing; due and demandable	Unsecured
n.	Entrata Hotel Services, Inc. (EHSI)	27,452	(92,812)	Noninterest- bearing; due and demandable	Unsecured
o.	Corporate Technologies, Inc. (CTI)	(1,133,253)	(4,007,142)	Noninterest- bearing; due and demandable	Unsecured
p.	Hospitality Enterprise Resources Corp. (HERC)	(3,978,294)	(3,978,294)	Noninterest- bearing; due and demandable	Unsecured
			(P18,083,250)		
Due from related parties					
k.	FLI	11,940,700	11,940,700	Noninterest- bearing; due within 1 year	Unsecured
l.	FRI	(3,345,013)	₱716,930	Noninterest- bearing; due and demandable	Unsecured
l.	CHI	196,066	217,329	Noninterest- bearing; due and demandable	Unsecured
l.	EHSI	27,735	27,735	Noninterest- bearing; due and demandable	Unsecured
			₱12,902,694		
Accrued expenses					
c.	FLI (Rent)	₱9,264,410	₱—	Noninterest- bearing; due and demandable	Unsecured
m.	Interest expense	3,320,468	3,320,468	Due in May 2024	Unsecured
			₱3,320,468		
Participation liabilities					
m.	Joining fee	₱25,816,000	₱25,816,000	Noninterest- bearing; due in 2048	Unsecured

Significant transactions with related parties are as follows:

- a. The Company maintains cash and cash equivalents with East West Banking Corporation, an entity under common control with FDC.
- b. FHC advanced the Company's costs for incorporation, taxes and licenses and other costs incurred on its pre-opening period.

In 2022, the Company entered into an agreement with FHC, wherein the Company is annually charged with admin fee equivalent to one percent (1%) of the Company's gross operating revenue for receiving various administrative functions. The agreement has a term of one (1) year and automatically renewable every year for a similar term unless terminated by either party. As of June 30, 2024 and 2023, balance due to parent amounted to ₱0.76 million and ₱0.28 million, respectively.

- c. In 2019, FLI, an affiliate, advanced the Company's funding to support its pre-operations and initial working capital to support its operations.

Rental

In 2019, the Company entered into a lease agreement with FLI for the lease of space in Quest Hotel for the purpose of the hotel and related operations. The contract pertains to leased premises which consist of hotel rooms owned by FLI. The lease commences beginning April 1, 2019 until March 31, 2021, subject to automatic renewal for a similar term unless terminated by either party. Effective May 17, 2023, the lease agreement between the Company and FLI was terminated. The termination came into effect as the participation agreement took precedence over the lease agreement. Under the participation agreement, new terms and conditions govern the relationship between the Company and FLI regarding the use of leased premises (see Note 11).

The Company agreed to pay variable lease payments equivalent to the Company's net income less outstanding receivables. In 2022, the Company and FLI confirmed that the composition of condotel revenue considered in the net income computation per its lease agreement to exclude proceeds from insurance claims earmarked for refurbishment, income generating activities from use of function rooms, parking fees and food and beverage operations, among others. In 2023, the Company incurred rent expense amounting to ₱9.26 million.

- d. FRI, an affiliate, charges its revenue from food and beverage to the Company as part of the guest's bill upon bill-out.
- e. In July 2018, the Company entered into a management service agreement with CHI, an entity jointly controlled by FDC, whereby CHI provides technical services to the Company with regard to the development and establishment of the hotel during the stages of feasibility, conceptualization, design and construction, and fit-out.
- f. EHSI, an affiliate, charges the Company for intercompany expenses.
- g. CTI, an affiliate, charges the Company for telecommunication and IT solutions expenses.
- h. In 2023, the Company entered into an agreement wherein HERC is to provide services related to compensation and benefits and recruitment, accounting, revenue management and reservation, and supply chain.
- i. As of June 30, 2024, Due from Affiliates was reclassified to fixed assets account.
- j. The Company charges FHC, FLI, FRI, CHI and EHSI for intercompany expenses.
- k. Participation liabilities pertain to joining fee received from FLI which is equivalent to the offer price paid for a certificate and will be repaid upon end of the term of the Condotel Participation Agreement. Each certificate is entitled to participation interest distributed annually (see Note 11).

Compensation of key management personnel

Compensation of key management personnel of the Company consists of employee salaries and benefits amounting to ₱0.41 million, ₱1.23 million in 2024, and 2023, respectively.

13. Revenue, Income and Contract Balances

Revenue from Contracts with Customers

The Company deals with guests who are required to pay hotel room charges which cover room services and use of other ancillary services.

Revenue from rooms and other operating department is recognized over the time the related services are rendered and/or facilities and amenities are used. Transaction price is determined to be the invoice amount, and each transaction is considered as a single performance obligation, therefore it is not necessary to allocate the transaction price. The hotel room rate is fixed and has no variable consideration. The service is capable of being distinct from the other services and the transaction price for each service is separately identifiable.

Guest usually pays in advance either in full or partially to guarantee reservation. Guests are required to settle all outstanding bills before check-out. Corporate accounts and travel agencies are required to pay 30 to 90 days from billing date.

Other income consists of smoking fees, forfeiture of unclaimed deposits and others. This is recognized over the time the related services are rendered and/or facilities and amenities are used.

Contract Liabilities

Contract liabilities pertain to advance or partial payments received from guests to guarantee reservations. This represents the obligation to provide services to the customer for which the Company has received consideration. These are guest deposits which are expected to be recognized as revenue when the event has taken place or refunded to the customers upon cancellation.

The following summarizes the activities related to contract liabilities with customers as of December 31:

	2024	2023
Balances at beginning of year	₱1,233,649	₱3,200,181
Additions	9,010,938	14,609,419
Recognized as revenue	(10,026,336)	(16,575,951)
Balances at end of year	₱218,251	₱1,233,649

14. Cost of Services

This account consists of:

	2024	2023
Salaries, wages, and benefits	₱5,130,072	₱3,790,048
Utilities	4,060,418	7,602,914
Association dues	2,640,836	1,950,406
Laundry and linens	2,283,719	1,516,601
Commission	2,047,681	2,468,720
Operating supplies	1,720,026	1,607,834
E-Commerce fee	1,688,567	1,387,825
Spa services	652,222	801,115
Rental	-	9,264,409
Others	768,612	943,589
	₱20,992,162	₱29,383,055

Others include payment for office supplies, cable, uniforms, printing, decorations and other miscellaneous expenses.

15. General and Administrative Expenses

This account consists of:

	2024	2023
Salaries, wages, and benefits	₱3,443,128	₱3,940,110
Depreciation and amortization	2,110,928	339,158
Management fees	1,737,172	1,677,964
Credit and collection	1,333,130	890,100
System costs	1,109,967	1,251,145
E-Commerce fee	1,057,789	1,410,942
Corporate office reimbursable	956,831	1,264,246
Contract services	955,810	1,033,411
Sales office expenses	825,244	288,788
Administration Fee	795,895	596,326
Insurance premium	750,188	1,192,303
Security services	725,920	1,094,153
Professional fees	601,328	200,000
Telecommunication	188,591	662,431
Printing and office supplies	167,057	38,885
Repairs and maintenance	90,849	770,669
Travel and transportation	87,500	204,103
Taxes and licenses	41,181	42,534
Others	78,155	690,502
	₱17,056,662	₱17,587,770

Others include recruitment and training expenses, medical expenses, postage and mailing charges, printing, dues and subscription, and other operating expenses from various administrative departments of the Company.

16. Equity

As of June 30, 2024 and 2023, the capital stock of the Company consists of:

	No. of Shares	Amount
Authorized - ₱100 par value	16,000	₱1,600,000
Subscribed and issued shares	4,000	400,000

Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. No changes were made in the objectives, policies or processes in 2024 and 2023.

The Company considers its capital stock and participation liabilities amounting to ₱0.40 million and ₱37.76 million and, as of June 30, 2024 and 2023, respectively, as its capital employed. The Company is not subject to externally imposed capital requirements.

17. Income Taxes

The provision for income tax consists of current income tax amounting to ₱0.40 million (2023 - ₱0.62 million).

The reconciliation of the income tax computed at statutory rate of 25% to provision for income tax follows:

	2024	2023
Income tax at statutory income tax rate	455,366	683,255
Tax effects of:		
Interest income subjected to final tax	(58,502)	(59,389)
	396,864	623,836

18. Segment Reporting

The Company has determined that it is operating as one operating segment. Based on management's assessment, no part or component of the business of the Company meets the qualifications of an operating segment as defined by PFRS 8, *Operating Segments*.

The Company's hotel operations is its only income generating activity and such is the measure used by the chief operating decision maker (CODM) in allocating resources. Rooms revenue recognized from government contracts represent 5% and 14% of the Company's total revenue for the periods ended June 30, 2024 and 2023, respectively. The decrease is due to the market mix and lower government contracts in 2024 compared to last year.

19. Financial Assets and Financial Liabilities

Fair Value Information

The carrying values of cash and cash equivalents, receivables, security deposits (presented under other current assets), accounts and other payables (except statutory payables) and due from and to related parties approximate their fair values as of June 30, 2024 and 2023 due to the short-term nature of the transactions.

As of June 30, 2024 and December 31, 2023, the Company's participation liabilities has a carrying value and fair value of ₱37.76 million. The estimated fair value of participation liabilities is determined by discounting the sum of future cash flows using the prevailing market rates of 6.12%.

Financial Risk Management Objectives and Policies

The Company's financial instruments include the Company's cash, due from related parties, security deposits (presented under other current assets), accounts and other payables (except statutory payables), and due from and to related parties.

The main purpose of these financial instruments is to finance the Company's operations. The main objectives of the Company's financial risk management are as follows:

- To identify and monitor such risks on an ongoing basis;
- To minimize and mitigate such risks; and
- To provide a degree of certainty about costs.

The main risks arising from the Company's financial instruments are liquidity risk and credit risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. It is the Company's practice that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

The table below shows the summary of maximum credit risk exposure on financial assets:

	2024	2023
Cash and cash equivalents*	₱87,773,487	₱83,768,782
Receivables	6,446,042	12,216,060
Due from related parties	-	12,902,694
Security deposits	9,200	9,200
	₱94,228,729	₱108,896,736

*Excludes cash on hand.

As of June 30, 2024 and 2023, all financial assets classified as neither past due nor impaired has high grade in terms of credit quality rating. High grade is the highest possible rating, which pertains to accounts with very low credit risk exposure. High grade also pertains to receivables with no possible default in payment based on historical experience and evaluation of financial conditions of the creditor.

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations when due. The Company monitors its cash flow position and overall liquidity position in assessing its exposure to liquidity risk. The Company maintains a level of cash deemed sufficient to finance operations and to mitigate the effects of fluctuation in cash flows.

Maturity profile of the Company's financial instruments as at December 31 follow:

	2024				Total
	On demand	Less than 3 months	3 to 12 months	More than 12 months	
Financial assets					
Cash and cash equivalents	16,811,442	71,272,046	–	–	₱88,083,488
Receivables	3,545,646	2,900,396	–	–	6,446,042
Due from related parties	–	–	–	–	–
	20,357,088	71,272,046	–	–	94,529,530
Financial liabilities					
Accounts and other payables*	18,925,439	–	–	–	18,925,439
Due to related parties	6,851,627	–	–	–	6,851,627
Participation liabilities	–	–	–	37,756,700	37,756,700
	25,777,066	–	–	37,756,700	63,533,766

*Excludes statutory payables amounting to ₱5.05 million.

	2023				Total
	On demand	Less than 3 months	3 to 12 months	More than 12 months	
Financial assets					
Cash and cash equivalents	₱59,640,003	₱25,233,232	₱–	₱–	₱84,873,235
Receivables	–	12,216,060	–	–	12,216,060
Due from related parties	12,902,694	–	–	–	12,902,694
	₱72,542,697	₱37,449,292	₱–	₱–	₱109,991,989
Financial liabilities					
Accounts and other payables*	₱–	₱27,788,611	₱3,644,769	₱–	₱31,433,380
Due to related parties	18,083,250	–	–	–	18,083,250
Participation liabilities	–	–	–	37,756,700	37,756,700
	₱18,083,250	₱27,788,611	₱3,644,769	₱37,756,700	₱87,273,330

*Excludes statutory payables amounting to ₱4.48 million.

FORA SERVICES, INC.
DOING BUSINESS AS QUEST HOTEL TAGAYTAY

Management's Discussion and Analysis of Financial Condition and Results of Operation

Six Months Ended June 30

	2024	2023	Change Increase (Decrease) Php	%
	(Unaudited)	(Unaudited)		
REVENUE				
Revenue from services	51,201,519	48,461,692	2,739,827	6%
Other operating departments	894,978	1,113,224	(218,246)	-20%
Miscellaneous	-	383,658	(383,658)	-100%
	52,096,497	49,958,574	2,137,923	4%
COST OF SERVICES	20,992,162	29,383,055	(8,390,893)	-29%
GENERAL AND ADMINISTRATIVE EXPENSES	17,056,662	17,587,770	(531,108)	-3%
INCOME BEFORE OTHER INCOME (EXP)	14,047,672	7,683,184	11,059,923	370%
OTHER INCOME (EXPENSE)				
Interest income	1,170,027	1,187,790	(17,763)	-1%
Interest expense	(13,396,236)	(1,442,637)	(11,953,599)	829%
	(12,226,209)	(254,847)	(11,971,362)	4697%
INCOME BEFORE INCOME TAX	1,821,463	2,732,902	(911,439)	-33%
PROVISION FOR INCOME TAX	396,864	623,836	(226,972)	-36%
NET INCOME / TOTAL COMPREHENSIVE INCOME	1,424,599	2,109,066	(684,467)	-32%

As of June 30, 2024 the company reported a Net Income of ₱0.68 million lower by ₱1.43 million or 68% than last year which is mainly attributed to the Interest Expense or the Participation Income to Unit Owners.

Revenue

For the six Months Ended June 30, 2024 the company revenue from services increased by 6% from last year partly offset by lower other operating departments income due to the phase out of minibar operations. The increase in the revenue from services is mainly driven by higher average daily rate of ₱2,986 (same period last year, ₱2,425) with the change in the market mix.

Cost of Services

Cost of Services decreased by 29% or ₱8.39 million mainly due to the recognition of rental expense that was incurred last year.

General and Administrative Expenses

General and Admin Expenses amounted to ₱17.06 million, 3% or ₱0.53 million lower than last year mainly due to lower repairs and maintenance.

Other Income (Expenses)

Interest Income pertains to interest earned from deposits and short term investment.

Interest Expense attributed to accrued distributable participation interest.

Provision for Income tax

For the Six months ended June 30, 2024, the provision for income tax is recognized based on 25% effective income tax rate. This is mainly driven by the results of operations.

	June 30 2024 (Unaudited)	December 31 2023 (Audited)	Change Increase (Decrease) Php	%
ASSETS				
Current Assets				
Cash and cash equivalents	88,083,488	84,873,235	3,210,253	4%
Receivables	6,446,042	12,216,060	(5,551,767)	-45%
Due from related parties	-	12,902,694	(12,902,694)	-100%
Inventories	1,996,832	1,996,179	653	0.03%
Other currents assets	1,751,194	2,505,038	(597,378)	-24%
Total Current Assets	98,495,808	114,493,206	(15,997,398)	-14%
Noncurrent Assets				
Property and equipment	10,655,462	1,098,191	9,557,271	870%
Software costs	755,504	856,587	(101,083)	-12%
Total Noncurrent Assets	11,410,966	1,954,778	9,456,188	484%
	109,906,774	116,447,984	(6,541,210)	-6%
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts and other payables	37,778,000	35,914,770	1,863,230	5%
Contract liabilities	218,251	1,233,649	(1,015,398)	-82%
Due to related parties	10,567,640	18,083,250	(7,515,610)	-42%
Income tax payable	15,094	1,313,126	(1,298,032)	-99%
Total Current Liabilities	48,578,986	56,544,795	(7,965,809)	-14%
Non Current Liabilities				
Participation liability	37,756,700	37,756,700	-	100%
Total Non Current Liabilities	37,756,700	37,756,700	-	100%
Equity				
Capital stock	400,000	400,000	-	0%
Retained earnings	23,171,088	21,746,489	1,424,599	7%
Total Equity	23,571,088	22,146,489	1,424,599	7%
	109,906,774	116,447,984	(6,541,210)	-6%

As of June 30, 2024 the financial position of the company remained strong with total assets of ₱109.91 million, a minimal decrease of ₱6.54 million compared to last year.

Cash and Cash equivalents

This account includes cash on hand and in bank and short-term investment that earns interest at the prevailing rate of 5.8%. For the Six months ended June 30, 2024 total cash balance increased by 4% attributed to the increase in operating cash flow.

Receivables

As of June 30, 2024 total accounts receivables amounted to ₱6.45 million. 45% decrease due to improved collection.

Due from related parties

As of June 30, 2024 total Due from related parties decreased due to reclassification mainly to fixed asset accounts.

Inventories

This account consists of supplies (including guest, engineering, cleaning, and other operating supplies used to assist in day-to-day operations of the company) and fuel. Ending inventory as of June 30, 2024, a minimal decrease of 0.03% compared to last year.

Other Current Assets

Other Assets consists mainly of advances to suppliers, creditable withholding taxes, and prepaid expenses.

Noncurrent Assets

Noncurrent assets consist of property and equipment and software cost.

Accounts and Other Payables

As of June 30, 2024, Accounts and other payables amounted to ₱37.78 million. The increment was driven by additional accrual of participation interest, electricity, contract services, system and operating requirements incurred during the period.

Contract Liabilities

Contract liabilities represent obligation to provide services to the customer for which the Company has received consideration.

For the Six months ended June 30, 2024, contract liabilities went down to 82% attributed to additional deposits from guests offset against usage of deposits from room reservation.

Due to related parties

The company has entered various transaction with related parties that are unsecured, interest-free and require settlement in cash. As of June 30, 2024 and December 31, 2023 total due to related party amounted to ₱10.57 million and ₱18.08 million, respectively.

Noncurrent Liability

This account pertains to the joining fee equivalent to the Offer Price paid by an initial Unit Owner for a Certificate, which will be repaid to the Certificate Holders upon end of the Term of the Condotel Project, without interest.

Equity

Overall increase of 3% mainly attributed to net income earned during the period.

ATTACHMENT-I

FORA SERVICES, INC.
DOING BUSINESS AS QUEST HOTEL TAGAYTAY

AGING OF ACCOUNTS RECEIVABLE

JUNE 30, 2024

	Current	1-30 days	31-60 days	61-90 days	>120 days	Total
Trade Receivables	2,350,252	1,436,350	603,246	860,800	-	5,250,648
TOTAL	2,350,252	1,436,350	603,246	860,800	-	5,250,648

FORA SERVICES, INC.
DOING BUSINESS AS QUEST HOTEL TAGAYTAY
OTHER INFORMATION

SALE OF SECURITIES

Fora Services Inc. (FOSI) received from SEC the Certificate of Permit to Offer Securities dated 17 May 2023, relating to the following 164 Certificates of Participation ("Certificates") in the Quest Hotel Tagaytay Project covered under SEC MSRD Order No. 25, Series of 2023, viz:

Class	No. of Certificates per Class	Offer Price per Certificate	Aggregate Offer Price per Class
Studio 23	63	₱187,700	₱11,825,100
Studio 27	61	₱220,400	₱13,444,400
Studio 29	18	₱236,700	₱ 4,260,600
Suite 44	18	₱359,100	₱ 6,463,800
Suite 54	4	₱440,700	₱ 1,762,800
TOTAL	164		₱37,756,700

The Certificates shall have a term of twenty-five year counted from the date of the SEC Permit to Sell for the Project, subject to renewal or extension for a similar or shorter period at the sole option of FOSI. The Certificates will be offered and sold by FOSI exclusively to Unit Owners of the Project. The Offer Price will be repaid to the Certificate Holders upon the end of the term of the Project.

The foregoing securities have been registered pursuant to the requirements of Sections 8 and 12 of the Securities Regulation Code and its amended Implementing Rules and Regulations.

FORA SERVICES, INC.
DOING BUSINESS AS QUEST HOTEL TAGAYTAY
INDEX TO SUPPLEMENTARY SCHEDULES

- Annex A: Reconciliation of Retained Earnings Available for Dividend Declaration
- Annex B: Map Showing the Relationships Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, Wherever Located or Registered
- Annex C: Supplementary Schedules Required by Revised SRC Rule 68 (Annex 68-J)
- Schedule A. Financial Assets
 - Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
 - Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
 - Schedule D. Long-term Debt
 - Schedule E. Indebtedness to related parties
 - Schedule F. Guarantees of securities of other issuers
 - Schedule G. Capital stock

FORA SERVICES, INC.
DOING BUSINESS AS QUEST HOTEL TAGAYTAY
RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR
DIVIDEND DECLARATION
JUNE 30, 2024

Unappropriated Retained Earnings, beginning of reporting period		₱21,746,489
Add: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of retained earnings appropriation	–	
Effect of restatements	–	
Others	–	
Less: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period		
Retained earnings appropriated during the reporting period	–	
Effect of restatements	–	
Others – deferred tax assets recognized	–	–
Unappropriated Retained Earnings, as adjusted		21,746,489
Add/Less: Net income (loss) for the current year		1,424,599
Less: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	–	
Unrealized foreign exchange gain, except those attributable to cash and equivalents	–	
Unrealized fair value adjustment (marked-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–	
Unrealized fair value gain of investment property	–	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	–	
Sub-total		–
Add: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	–	
Realized fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss FVTPL)	–	
Realized fair value gain of Investment Property	–	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	–	
Sub-total		–
Add: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	–	

Reversal of previously recorded fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Reversal of previously recorded fair value gain of Investment Property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	-	
Sub-total		-
Adjusted Net Income/Loss		1,424,599
Add: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	-	
Sub-total		-
Add/Less: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others	-	
Sub-total		-
Add/Less: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
Others	-	
Sub-total		-
Total Retained Earnings, end of reporting period available for dividend		P 23,171,088

FORA SERVICES, INC.
DOING BUSINESS AS QUEST HOTEL TAGAYTAY
SUPPLEMENTARY INFORMATION AND DISCLOSURES REQUIRED BY REVISED SRC RULE 68
(ANNEX 68-J)
JUNE 30, 2024

Philippine Securities and Exchange Commission (SEC) issued the amended Securities Regulation Code Rule SRC Rule 68 and 68.1 which consolidates the two separate rules and labeled in the amendment as "Part I" and "Part II", respectively. It also prescribes the additional information and schedule requirements for issuers of securities to the public.

Below are the additional information and schedules required by Revised SRC Rule 68 and 68.1 as amended that are relevant to Fora Services, Inc. ("the Company"). This information is presented for purposes of filing with the SEC and is not required part of the basic financial statements.

Schedule A. Financial Assets

The entity's Financial Assets comprises of cash and cash equivalents, receivables and security deposits. As stated in the regulation, before mentioned amount should be provided if the aggregate cost or the market value of FVTPL as of the end of the reporting period is 5% or more of the total current asset. As of June 30, 2024, the entity recorded the financial assets as financial assets at amortized cost, therefore it is deemed assumed that this schedule is not applicable to the Company.

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related parties)

As of June 30, 2024, all amounts receivable from employees and related parties pertain to items arising in the ordinary course of business and does not meet the minimum required balance as stated in the Revised SRC Rule to be presented in the report. This schedule is not applicable to the Company.

Schedule C. Amounts Receivable from Related Parties, which are eliminated during the consolidation of financial statements

As of June 30, 2024, there is no outstanding receivables from related parties of the Company, as presented in the financial statements as of June 30, 2024. There were no amounts written off during the year. This schedule is not applicable to the Company.

Schedule D. Long-term Debt

This schedule is not applicable since the Company does not have any long-term debt as of June 30, 2024.

Schedule E. Indebtedness to Related Parties

As of June 30, 2024, due to a related party pertains to Participation liabilities.

Name of Related Party	Balance at beginning of the year	Movement	Balance at end of the year
Filinvest Land, Inc.	₱25,816,000	(₱187,700)	₱25,628,300

Schedule F. Guarantees of Securities of Other Issuers

This schedule is not applicable since the Company does not have guarantees of securities of other issuers as of June 30, 2024.

Schedule G. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, Officers and Employees	Others
Common Shares	16,000	4,000	–	3,995	6	None

FORA SERVICES, INC.
DOING BUSINESS AS QUEST HOTEL TAGAYTAY
SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

Ratio	Formula	2024	2023
Current Ratio	Total Current Assets divided by Total Current Liabilities	2.03	1.13
	Total Current Assets 98,495,808		
	Divide by: Total Current Liabilities 48,578,986		
	Current Ratio 2.03		
Debt Ratio	Total Liabilities divided by Total Assets	0.79	0.81
	Total Liabilities 86,335,686		
	Divide by: Total Assets 109,906,774		
	Debt Ratio 0.79		
Quick Asset Ratio	Quick Assets (<i>total current assets less inventories</i>) divided by Current Liabilities	1.99	1.19
	Total Current Assets 98,495,808		
	Less: Inventories 1,996,832		
	Quick Assets 96,498,975		
	Divide by: Total Current Liabilities 49,578,986		
	Quick Asset Ratio 1.99		
Solvency Ratio	Net Income before Depreciation (<i>net income plus depreciation</i>) divided by Total Liabilities	0.04	0.08
	Net Income 1,424,599		
	Add: Depreciation 2,009,845		
	Net Income before Depreciation 3,434,444		
	Divide by: Total Liabilities 86,335,686		
	Solvency Ratio 0.04		
Interest Coverage Ratio	Earnings before Interest and Other Charges and Income Tax (EBIT) divided by Interest Expense	1.05	-
	EBIT 14,047,672		
	Divide by: Interest Expense 13,396,236		
	Interest Coverage Ratio 1.05		
Net Profit Margin	Net Income divided by Revenue	0.03	0.06
	Net Income 1,424,599		
	Divide by: Revenue 52,096,497		
	Net Profit Margin 0.03		

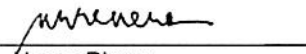
Return on Equity	Net Income divided by Total Equity		
	Net Income 1,424,599		
	Divide by: Total Equity 23,571,088		
	Return on Equity 0.06	0.06	0.30
Return on Assets	Net Income divided by Average Total Assets		
	Net Income 1,424,599		
	Divide by: Average Total Assets 113,177,379		
	Return on Equity 0.01	0.01	0.12
Asset-to-Equity Ratio	Total Assets divided by Total Equity		
	Total Assets 109,906,774		
	Divide by: Total Equity 23,571,088		
	Return on Equity 4.66	4.66	5.15

SIGNATURES

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

FORA SERVICES, INC. DOING BUSINESS AS QUEST HOTEL TAGAYTAY

Signature: 
Francis V. Ceballos
Title: President/CEO

Signature: 
Nancy Rivera
Title: Treasurer and Chief Financial Officer