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Industry Classification: J602
Company Type: Stock Corporation

Document Information

Document ID: OST10526202381219931
Document Type: Financial Statement
Document Code: FS
Period Covered: December 31, 2022
Submission Type: Annual
Remarks: None

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SWARA SUG MEDIA CORP.

ACQ, Tower Sta. Rita St. Guadalupe Nuevo, Makati City

FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

(With Comparative Figures for 2021)

and

INDEPENDENT AUDITOR'S REPORT

EVANGELITA TORREJAS-BERNALES

Certified Public Accountant

EVANGELITA TORREJAS-BERNALES
CERTIFIED PUBLIC ACCOUNTANT
BOA Accreditation No.[redacted]Valid until April 16, 2024
BIR Accreditation[redacted]Valid until February 23, 2024

**REPORT OF INDEPENDENT AUDITOR
TO ACCOMPANY FINANCIAL STATEMENTS
FOR FILING WITH THE BUREAU OF INTERNAL REVENUE**

The Board of Directors and Stockholders
SWARA SUG MEDIA CORP.
ACQ, Tower Sta. Rita St. Guadalupe Nuevo,
Makati City

I have audited the accompanying financial statements of SWARA SUG MEDIA CORP. as of and for the year ended December 31, 2022, on which I have rendered my report dated April 14, 2023.

In compliance with Revenue Regulations V-20, I am stating that I am not related by consanguinity or affinity to the President, Manager or any of the Stockholders of the said Company.

[redacted]

EVANGELITA T. BERNALES
Independent Auditor
TIN: [redacted]
CPA Cert No. [redacted]
Valid until April 16, 2026
PTR No. [redacted]
January 24, 2023, Quezon City
BOA Accreditation No. [redacted]
Valid until April 16, 2024
BIR Accreditation [redacted]
Valid until February 23, 2024

April 14, 2023
Quezon City

EVANGELITA TORREJAS-BERNALES
CERTIFIED PUBLIC ACCOUNTANT
BOA Accreditation No. [redacted]alid until April 16, 2024
BIR Accreditation [redacted] Valid until February 23, 2024

SUPPLEMENTAL WRITTEN STATEMENT

The Board of Directors and Stockholders
SWARA SUG MEDIA CORP.
ACQ, Tower Sta. Rita St. Guadalupe Nuevo,
Makati City

I have examined the financial statements of SWARA SUG MEDIA CORP. for the year ended December 31, 2022, on which I have rendered the attached report dated April 14, 2023.

In compliance with SRC Rule 68, I am stating that the said Company has a total number of ___5___ Stockholders owning one hundred (100) or more shares each.

[redacted]

EVANGELITA T. BERNALES
Independent Auditor
TIN: [redacted]
CPA Cert No. [redacted]
Valid until April 16, 2026
PTR No. [redacted]
January 24, 2023, Quezon City
BOA Accreditation No. [redacted]
Valid until April 16, 2024
BIR Accreditation [redacted]
Valid until February 23, 2024

April 14, 2023
Quezon City

SWARA SUG
Media Corporation

ACQ, Tower Sta. Rita St. Guadalupe Nuevo, Makati City

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of SWARA SUG MEDIA CORP. is responsible for the preparation and fair representation of the financial statements including the schedules attached therein, for the year ended December 31, 2022 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein and submits the same to the Stockholders.

Evangelita T. Bernales, CPA, the independent auditor appointed by the Stockholders, had audited the financial statements of the Company for the year ended December 31, 2022 in accordance with the Philippine Standards on Auditing, and in its report to the Stockholders, had expressed its opinion on the fairness of presentation upon completion of such audit.

Signature: [redacted]
Name of the Chairman of the Board: MARLON C. ROSETE

Signature: [redacted]
Name of the Chief Executive Officer: MARLON C. ROSETE

Signature [redacted]
Name of the Treasurer: LUDEVIJIA G. AYANG

April 14, 2023

SWARA SUG
Media Corporation
ACQ, Tower Sta. Rita St. Guadalupe Nuevo, Makati City

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

The Management of SWARA SUG MEDIA CORP. is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2022. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value-added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns and all other tax returns. In this regard, Management affirms that the attached audited financial statements for the year ended December 31, 2022 and the accompanying Annual Income Tax Return are in accordance with the books and records of SWARA SUG MEDIA CORP., complete and correct in all material respects.

Management likewise affirms that:

a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;

b) any disparity of figures in the submitted reports arising from the preparation of the financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the Company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;

c) SWARA SUG MEDIA CORP. has filed all applicable tax returns, reports and statements required to be filed under Philippines tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

Signature: ____________________ [redacted]
Name of the Chairman of the Board: MARLON C. ROSETE

Signature: ____________________ [redacted]
Name of the Chief E[redacted]

Signature[redacted]
Name of the Treasurer: LUDEVIJIA G. AYANG

April 14, 2023

EVANGELITA TORREJAS-BERNALES
CERTIFIED PUBLIC ACCOUNTANT
BOA Accreditation No. [redacted] valid until April 16, 2024
BIR Accreditation [redacted] alid until February 23, 2024

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
SWARA SUG MEDIA CORP.
ACQ, Tower Sta. Rita St. Guadalupe Nuevo,
Makati City

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of SWARA SUG MEDIA CORP., which comprises the Statements of Financial Position as of December 31, 2022, and the Statements of Comprehensive Income, the Statements of Changes in Equity and the Statements of Cash Flows for the years then ended, and the Notes to Financial Statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of SWARA SUG MEDIA CORP. as of December 31, 2022 and of its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards for Small Entities (PFRS for Small Entities).

Basis for Opinion

I conducted my audit in accordance with Philippine Standards on Auditing (PSA). My responsibilities under these Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my Report. I am independent of the Company in accordance with the ethical requirements that are relevant to my audit of the financial statements, the Code of Ethics for Professional Accountants in the Philippines, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained are sufficient and appropriate to provide a basis for my opinion.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole is free from material misstatements, whether due to fraud or error, and to issue an Auditor's Report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with PSA will always detect material misstatements when they exist. Misstatements can arise from fraud or error and are considered economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSA, I exercise professional judgment and maintain professional skepticism throughout the audit.

I also:

- Identify and assess the risks of material misstatements of the financial statements whether it is due to fraud or error, design and perform audit procedures responsive to these risks, and obtain audit evidences that are sufficient and appropriate to provide a basis for my opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

• Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. Our conclusions are based on the audit evidence obtained up to the date of my Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in the manner that achieves fair presentation.

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

Report on Bureau of Internal Revenue Requirements

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in the taxes and licenses in the Notes to Financial Statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of Management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements. In my opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

[redacted]

EVANGELITA T. BERNALES
Independent Auditor
TIN: [redacted]
CPA Cert No. [redacted]
Valid until April 16, 2026
PTR No. [redacted]
January 24, 2023, Quezon City
BOA Accreditation No. [redacted]
Valid until April 16, 2024
BIR Accreditation [redacted]
Valid until February 23, 2024

April 14, 2023
Quezon City

SWARA SUG MEDIA CORPORATION

ACQ Tower Sta. Rita Street, Guadalupe Nuevo, Makati City

STATEMENTS OF FINANCIAL POSITION

As of December 31 , 2022 and 2021

(In Philippine Pesos)

	Notes	**2022**	2021
ASSETS			
Current Asset			
Cash	*3,5*	**53,531,311**	5,125,744
Trade and Other Receivables	*3,6*	**8,612,263**	6,453,925
Prepayments and Other Current Assets	*3,7*	**3,415,214**	5,389,905
Total Current Assets		**65,558,789**	16,969,574
Other Non-Current Asset			
Property and Equipment (Net)	*3,8*	**113,624,404**	98,709,271
Deferred Tax Asset	*18.1*	**243,436**	1,858,098
Total Non-Current Assets		**113,867,840**	100,567,369
TOTAL ASSETS		**179,426,629**	117,536,943
LIABILITIES AND CAPITAL DEFICIENCY			
Current Liabilities			
Trade and Other Payables	*3,10*	**2,896,725**	21,980,140
Total Current Liabilities		**2,896,725**	21,980,140
Non-Current Liabilities			
Loans Payable and Other Payables	*3,11*	-	68,567,769
Employees Benefits Obligation	*3,17*	**9,290,488**	9,290,488
Total Non-Current Liabilities		**9,290,488**	77,858,257
Total Liabilities		**12,187,213**	99,838,397
Stockholder's Equity		**167,239,416**	17,698,545
TOTAL LIABILITIES & CAPITAL DEFICIENCY		**179,426,629**	117,536,943

****See Notes to Financial Statements.*

SWARA SUG MEDIA CORPORATION
ACQ Tower Sta. Rita Street, Guadalupe Nuevo, Makati City

STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2022 and 2021
(In Philippine Pesos)

	Notes	**2022**	2021
Gross Receipts	*3,13,22*	**105,088,251**	41,855,155
Less: Cost of Services	*3,15*	**50,668,491**	20,898,248
Gross Income		**54,419,760**	20,956,907
Less: General and Administrative Expenses	*3,16*	**53,798,100**	29,135,942
Net Operation Income (Loss)		**621,659**	(8,179,035)
Add: Interest Income	*3,13*	**35,669**	114
Net Income (Loss) Before Income Tax		**657,328**	(8,178,921)
Add: Income Tax Benefit on Retirement Benefit Expense	*3,18*	**243,436**	2,062,021
Net Income (Loss)	*3*	**900,764**	(6,116,900)
Other Comprehensive Income (Loss)			
Remeasurement Gain-Employee Benefit Obligation	*14*	**-**	1,019,619
Less: Provision for Income Tax	*3,18*	**(544,198)**	(203,924)
		(544,198)	815,695
Total Comprehensive Income (Loss)		**356,566**	(5,301,205)

****See Notes to Financial Statements.*

SWARA SUG MEDIA CORPORATION

ACQ Tower Sta. Rita Street, Guadalupe Nuevo, Makati City

STATEMENTS OF CHANGES IN EQUITY

As of December 31 , 2022 and 2021

(In Philippine Pesos)

	Notes	2022	2021
SHARE CAPITAL			
Capital Stock - P100 par value			
Authorized - 6,500,000 shares	3,12	**650,000,000**	50,000,000
Subscribed - 5,000,000 shares	3,12	**500,000,000**	50,000,000
Paid - Up Capital - 3,910,307 shares	3,12	**391,030,700**	50,000,000
Deposit from Future Subscription		-	191,030,700
Other Comprehensive Income		-	815,695
Retained Earnings (Deficit)			
Beginning, January 01		**(224,147,850)**	(218,030,950)
Net Income (Loss) For The Year		**356,566**	(6,116,900)
Balance at the End of Year	3,12	**(223,791,284)**	(224,147,850)
Stockholder's Equity		**167,239,416**	17,698,545

****See Notes to Financial Statements.*

SWARA SUG MEDIA CORPORATION

ACQ Tower Sta. Rita Street, Guadalupe Nuevo, Makati City

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2022 and 2021

(In Philippine Pesos)

	Notes	**2022**	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income (Loss)	*3,19*	**356,566**	(5,301,205)
Adjustments for:			
Depreciation	*3,8,15,16*	**4,848,967**	2,269,115
Deferred Tax Liability	*18*	**(815,695)**	203,924
Deferred Tax Asset	*18*	**1,614,662**	(2,062,021)
Operating Income (Loss) before Working Capital Changes		**6,004,500**	(4,890,187)
(Increase) Decrease in:			
Accounts and Other Receivables	*3,6*	**(2,158,338)**	(5,763,706)
Prepayments and Other Curent Assets	*3,8*	**1,974,691**	(5,316,711)
Increase (Decrease) in:			
Trade and Other Payables	*3,10*	**(19,083,415)**	20,835,300
Operating Income after Working Capital Changes		**(13,262,562)**	4,864,696
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of Property and Equipment	*3,8*	**(19,764,100)**	(12,953,056)
Net Cash Used In Investing Activities		**(19,764,100)**	(12,953,056)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (Decrease) in:			
Additional Paid up		**341,030,701**	-
Proceeds from Payment of Future Subscription	*3,11*	**-**	191,030,700
Loans Payable and Other Payables	*3,11*	**(68,567,769)**	(187,355,977)
Deposit for Future Subscription	*3,11*	**(191,030,700)**	9,290,488
Net Cash Provided by Financing Activities		**81,432,232**	12,965,211
NET INCREASE (DECREASE) IN CASH		**48,405,570**	4,876,850
CASH,BEGINNING	*3,5*	**5,125,744**	248,894
CASH, ENDING	*3,5*	**53,531,311**	5,125,744

****See Notes to Financial Statements.*

SWARA SUG MEDIA CORPORATION

ACQ Tower Sta. Rita Street, Guadalupe Nuevo, Makati City

COMPUTATION OF INCOME TAX DUE

For the Years Ended December 31, 2022 and 2021

(In Philippine Pesos)

	2022	2021
Gross Profit	**54,419,760**	20,956,906
Net Income Before Tax	**621,659**	2,131,073
Less: Non-Deductible Expense		
Penalties	-	-
Total Net Income Before Tax	**621,659**	2,131,073
Income Subject to Tax	**621,659**	2,131,073
TAX DUE (MCIT vs. RCIT) whichever is higer		
MCIT (at 1% of Gross Income)	**544,198**	209,569
RCIT (at 20% of Net Taxable Income)	**124,332**	426,215
TAX DUE AT EFFECTIVE TAX RATE	**544,198**	426,215
CREDITABLE WITHHOLDING TAX AT SOURCE / PAYMENTS		
Prior Year's Excess Credits		
Tax Payments for Previously Filed, Amended Return	-	262,243
Creditable Income Tax Withheld for Last Three Quarters	**644,210**	88,571
Creditable Income Tax Withheld for 4th Quarter	**236,964**	75,401
TOTAL	**881,174**	426,215
Income Tax Payable (Carry-Over)	**(336,976)**	(0)

SWARA SUG MEDIA CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

As at December 31, 2022 and 2021 and
For the Years ended December 31, 2022 and 2021

1. REPORTING ENTITY

1.1 Formation and Operation

Swara Sug Media Corporation (the Company) was registered with Securities and Exchange Commission (SEC) on July 31, 1992 primarily to engage and deal in the business of radio and television broadcasting and of newspaper and magazine publishing anywhere in the Philippines, in accordance with existing laws and government regulations.

The company has operating seven (7) AM radio stations located in different regions of the country and operating a television broadcasting networks.

An emphasis on the going concern issue of the company is given due to the deficit retained earnings. As a remedy, the management has realigned its policies and operation to ensure its position in the market that is expected to bring positive results in future operations. In line with the company's franchise (RA 11422), the company is committed to provide free of charge, adequate public service time which is reasonable and sufficient to enable the government, through the broadcasting stations or facilities to reach pertinent populations or portions thereof, on important public issues and relay important public announcements and warnings concerning public emergencies and calamities, the company started with programs without any sponsors and advertisements that resulted to deficit over the years. Nevertheless, its investment in public trust has earned the company a reputation that led to capital infusion and increase in subscriptions and sponsors. Moreover, the recent change in the media industry in terms of players have given the company an advantage to a larger market share. Thus, resulted to positive results of operation and additional capital infusion.

The Company's registered office which is also its principal place of business is at ACQ Tower Sta. Rita Street, Guadalupe Nuevo, Makati City.

1.2 Approval on the Release of the Financial Statements

The accompanying amended financial statements of the Company as at and for the year ended December 31, 2022 (including comparative amounts as at and for the year ended December 31, 2021) were approved and authorized for issue by the Board of Directors (BOD) on April 14, 2023.

The Board of Directors is still empowered to make revision on financial statement even after the date of issue.

2. Basis of Preparation and Statement of Compliance

2.1 Basis of Preparation

The Financial Statements have been prepared on a historical cost basis. They are presented in Philippine Peso, The functional currency of the company. All values are rounded to the nearest Peso, except when otherwise indicated.

The Company is a first-time adopter of Philippine Financial Reporting Standards (Full PFRS) and the Company sets out the following as the basis for preparing its general-purpose financial statements:

a. The Company in its opening statement of financial position as of its date of transition to Full PFRS presented the following:

- Recognized all assets and liabilities whose recognition is required by the PFRS;
- Not recognize items as assets or liabilities under the PFRS which did not permit such recognition;
- Re-classify items that it recognized under PFRS for SME as one type of asset, liability, or component of equity, but are a different type of asset, liability, or component of equity under the PFRS;
- Applied the PFRS in measuring all recognized assets and liabilities.

b. The accounting policies that the Company uses in its opening statement of financial position under the PFRS may differ from those that it used for the same date using its previous financial reporting framework. The resulting adjustments emanated from transactions, other events or conditions before the date of transition to the PFRS. Therefore, the Company recognized those adjustments directly in cumulative earnings (or, if appropriate, another category of equity) at the date of transition to the PFRS.

c. On first-time adoption of the PFRS, the Company did not retrospectively change the accounting that it followed under the PFRS for SE for either of the following transactions:

- Derecognition of financial assets and financial liabilities. Financial assets and liabilities derecognized under the PFRS for SE before the date of transition were not recognized upon adoption of the PFRS;
- Conversely, for financial assets and liabilities that would have been derecognized under the PFRS in a transaction that took place before the date of transition, but that were not derecognized under the PFRS for SE, the Company choose to derecognize them on adoption of the PFRS or to continue to recognize them until disposed of or settled.

d. The Company used the following exemption in preparing its first financial statements that conform to the PFRS:

- Deferred income tax. The Company did not recognize, at the date of transition to the PFRS, deferred tax assets or deferred tax liabilities relating to differences between the tax basis and the carrying amount of assets or liabilities for which recognition of those deferred tax assets or liabilities would involve undue cost or effort.

e. The Company restated the opening statement of financial position at the date of transition as of December 31, 2020.

2.2 Statement of Compliance

The Financial Statements have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS) which requires management to make certain critical estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the financial statements. Actual results could differ from such estimates.

PFRS includes statements named Philippine Accounting Standards (PAS) and Philippine Interpretations and International Reporting Interpretation Committee (IFRIC), issued by the Financial Reporting Standards Council (FRSC).

3. Summary of Significant Accounting Policies

a. Adoption of New and Amended PFRSs

The accounting policies adopted are consistent with those of the previous financial year, except that the Company has adopted the following new accounting pronouncements starting January 1, 2020. The adoption of these pronouncements did not have any significant impact on the Company's financial position or performance unless otherwise indicated.

- Amendments of PAS 1, Presentation of Financial Statements, and PAS 8, Accounting Policies, changes in Accounting Estimates and Errors, Definition of Material. The amendments address the definition of material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

- Amendment of PFRS 3, Business Combinations, Definition of Business. The amendments to PFRS 3 clarifies that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The clarification stated that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the financial statements of the Company.

- Amendments to PFRS 7, Financial Instruments: Disclosures and PFRS 9, Financial Instruments, Interest Rate Benchmark Reform. The amendments to PFRS 9 and PAS 39

Financial Instruments: Recognition and Measurement and PAS 7 Financial Instruments: Disclosure include a number of reliefs, which apply to all hedging relationships is affected if the reform gives rise to uncertainties about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

The mandatory reliefs provided in the Standard are as follows:

- The assessment of whether a forecast transaction (or component thereof) is highly probable.
- Assessing when to reclassify the amount in cash flow hedged item and the hedging instrument.
- The assessment of the economic relationship between the hedged item and the hedging instrument.
- For a benchmark component of interest rate risk that is affected by IBOR reform, the requirement that the risk component is separately identifiable need be met only at the inception of the hedging relationship.

These amendments have no impact on the financial statements of the Company as it does not have any interest rate hedged relationship.

- Amendment to PFRS 16, COVID -19 Related Rent Concession. The amendment to PFRS 16 will provide relief to leases for accounting for rent from lessors specifically arising from covid-19 pandemic. While lessees that elect to apply the practical expedient do not need to assess whether a concession constitutes a modification, lessees still need to evaluate the appropriate accounting for each concession as the terms of the concession granted may vary.

  Lessees will apply the practical expedient retrospectively, recognizing the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings at the beginning of the annual periods in which the amendment first applied.

  These amendments had no impact on the financial statement of the Company.

b. Future Changes in Accounting Policies

Standards or interpretations issued but not effective as of December 31, 2020 are listed below. This is listing of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt these standards and interpretations when they become effective. Except as otherwise stated, the Company does not expect the adoption of these new standards and interpretations to have a significant impact on the Company's Financial Statements.

Effective beginning on or after January 1, 2021

- Annual Improvements to IFRS: 2018-2020 cycle
  - PFRS 1, First-time adoption of PFRS - Subsidiary as a first-time adopter. The amendment permits a subsidiary that applies paragraph D16(a) of PFRS 1 to measure cumulative translation difference using the amounts reported by its parent, based on parent's date of transition to PFRSs.
  - PFRS 9, Financial Instruments - Fees in the'10 percent' test of derecognition for financial liabilities. The amendment clarifies which fees an entity includes when it applies the '10 percent' test in paragraph B3.3.6 of PFRS 9 in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
  - PFRS 16, Leases - Lease incentives. The amendment to illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.
  - PAS 41, Agriculture - Taxation in fair value measurements. The amendments remove the requirement in paragraph 11 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirement of PFRS 13.

- Amendments to PFRS 3, Business Combinations- Reference to the Conceptual Framework - The amendments add an exception to the recognition principle of PFRS 3 to avoid the issue of potential "day 2" gains or losses arising from liabilities and contingent liabilities that would be within the scope of PAS 37, Provisions, Contingent liabilities and Contingent assets or PIC 21, Levies if incurred separately. It also clarifies that contingent assets do not qualify recognition at the acquisition date. The amendments are effective for annual periods beginning on or after January 1, 2022.

- Amendment of PAS 37, Provisions, Contingent Liabilities and Contingent Assets: Onerous contracts - Cost of fulfilling a contract. - The amendment specifies the cost a Bank includes when assessing whether a contract will be loss-making and is therefore as an onerous contact. The amendments apply a "directly related approach." The cost that relates directly to a contract to provide goods or services include both incremental cost and an allocation of costs directly related to contract activities.

- Amendment to PAS 16, Property, Plant and Equipment: Proceeds before Intended Use - The amendments prohibit the entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale items produced while bringing those assets to the location and condition necessary for it to be capable of operating in the manner intend by the management. Instead, the entity recognizes such sales proceeds and any related cost in profit or loss.

- PFRS 17, Insurance Contracts - This standard will replace PFRS 4, Insurance contracts. It requires insurance liabilities to be neared at current fulfillment value and provides a more uniform measurement and presentation approach to achieve consistent, principle-based accounting for all insurance contracts. It also requires similar principles to be applied to reinsurance contracts held and investments contacts to the standard, including a deferral of effective date to 1 January 2023.

- Amendment to PAS 1, Presentation of Financial Statements - The amendment to PAS 1 specify the requirement for classifying current and non-current liabilities. The amendments will clarify that a right to defer must exist at the end of the reporting period and the classification is unaffected by the likelihood that an entity will exercise its deferred rights. The issuance of amendment was deferred until January 1, 2022 as a result of COVID -19 pandemic.

Effective for annual periods beginning on or after January 1, 2022

- Amendments to PFRS 3, Reference to Conceptual Framework - The amendments replace the reference of PRFS 3 from the framework to the current 2018 Conceptual Framework. The amendment included an exception that specifies that, for some types of liabilities and contingent liabilities, an entity applying PFRS 37, Provision, Contingent, Liabilities and Contingent Assets, or IFRIC 21, Levies, instead of the Conceptual Framework. The requirement would ensure that the liabilities recognized in a business combination would remain the same as those recognized applying requirements in PFRS 3. The amendment also added an explicit statement that contingent asset acquires in a business combination should be recognized by an acquirer. The amendment should be applied prospectively.

- Amendment of PAS 16, Property, Plant and Equipment - Proceeds before Intended Use - The amendments prohibit deducting from the cost of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for its intended use. Instead, the proceeds and related cost from such items shall be recognized in profit or loss. The amendments must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when an entity first applies the amendment.

- Amendment to PAS 37, Onerous Contracts – Cost of Fulfilling a contract - The amendments clarify that for purpose of assessing whether a contract is onerous, the cost of fulfilling a contract comprises both the incremental costs of fulfilling that contract and an allocation of cost directly related to contract activities. The amendments apply to contracts existing at the date when the amendment is first applied. At the date of initial application, the cumulative effect of applying amendments is recognized as an operating adjustment to retained earnings or other components of equity. Accordingly, the comparatives are not restated. Earlier application is permitted.

Effective for annual periods beginning on or after January 1, 2023

- PFRS 17, Insurance Contracts - This standard will replace PFRS 4, Insurance Contracts. It requires insurance liabilities to be measured at current fulfillment value and provides a more uniform measurement and presentation approach to achieve consistent, principle-based accounting for all insurance contracts. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. An amendment to the standard was used to (i) reduce cost of transition by simplifying some requirements of the standard, (ii) make financial performance easier to explain, and (iii) ease transition by deferring the effectivity of the standard from 2021 to 2023 and by providing additional relief to reduce the effort required when applying PFRS 17 for the first time.

Deferred Effectivity

- Amendments to PFRS 10 and PAS 28, Sale or Contribution of Assets between Investors and its Associate or Joint Venture.

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

Under the prevailing circumstances, the adoption of the foregoing now and amended PFRS is not expected to have material effect on the financial statement of the Company.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or,
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Cash and Cash Equivalents

Cash and Cash Equivalents are defined as cash on hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash with original maturities of three months or less from date of placements and are subject to an insignificant risk of change in value.

The Company has no cash placements or cash equivalents as of December 31, 2022.

Financial Instrument

A financial instrument is any contract that gives rise to a financial asset of an entity and a financial liability or equity instrument of another entity.

Financial instruments are recognized initially at fair value of the consideration given (in case of any asset) or received (in case of a liability). The transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or liabilities, as appropriate, on initial recognition except for those designated at fair value through profit and loss (FVPL). These are subsequently measured at amortized cost using the effective interest method, less any impairment or fair value, depending on the classification of assets. Where assets are measured at fair value, gains and losses are either recognized entirely in profit of loss (fair value through profit or loss, FVPL), of recognize in other comprehensive income (fair value through other comprehensive income, FVOCI).

A financial Assets or financial liability is recognized in the statement of financial position when it becomes a party to the contractual provision of a financial instrument. All regular way purchases or sales of financial assets are recognized and derecognized using the settlement date accounting.

(a) Classification, Measurement and Reclassification of Financial Assets

The classification and measurement of financial assets is driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The financial assets are classified into the following categories: (a) financial assets at amortized cost, (b) financial assets at fair value through other comprehensive income (FVOCI) and (c) financial assets at fair value through profit or loss (FVPL).

Financial Asset at Amortized Cost. Financial assets are measured at amortized cost if both of the following conditions are met:

- the asset is held within the Company's business model whose objective is to hold financial assets in order to collect contractual cash flows ("hold to collect"); and,
- the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into any discount or premium on acquisition and fess that are an integral part of the effective interest rate. Gain and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. Financial assets classified and measured at fair value through other comprehensive income when held in a business model with the objective of both collecting contractual cash flows and selling the financial assets and the contractual terms of the financial assets give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial recognition, interest income calculated using the effective interest method, foreign currency gains and losses and impairment losses of debt instruments measured at FVOCI are recognized directly in profit or loss. For equity instruments, the Company may irrevocably designate the financial assets to be measured at FVOCI if the conditions are not met. When the financial asset is derecognized, the cumulative gains or losses previously recognized in other comprehensive income (OCI) are reclassified from to profit or loss as a reclassification adjustment.

Financial Assets at FVPL. Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

The Company has no financial asset at FVOCI and PVPL at Balance Sheet Date.

Impairment of Financial Assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated cash flows from the financial asset have been affected.

PFRS 9 introduces the single, forward-looking "expected loss" impairment model, replacing the "incurred loss" impairment model under PAS 39.

- Stage 1. On initial recognition the Company will assess the 12month investment in debt. The credit loss is the difference between the cash received under the term of the contract, and the expected to be received, discounted to present value.
- Stage 2. The credit losses are re-assed if there is significant deterioration in credit quality. Impairment is recognized at PV of expected credit shortfalls.
- Stage 3. When there is objective evidence of impairment, and the lifetime expected credit losses is recognized.

For financial assets carried at amortized cost, the allowance for expected credit losses which is the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at the initial recognition).

For trade receivables, the Company has applied the simplified approach and has calculated ECL based on the lifetime ECL. The Company has established a provision matrix that is based on its historical credit experience, adjusted for forward-looking factors specified to the debtors and the economic environment.

For other financial assets at amortized cost, the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECL that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. In determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company compare the risk of a default occurring of the financial instrument as at the reporting date with the risk of default occurring on the financial instrument as at the date of initial recognition and consider reasonable supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

Financial Liabilities

The company recognizes a financial liability when it becomes a party to the contractual provisions of the instrument. Financial Liabilities are recognized initially at fair value of the consideration received.

Financial liabilities are measured subsequently at amortized cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognized in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments). Amortized Cost is calculated by taking into account any discount or premium on the issue and fees that are integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortized process.

Reclassification

The Company reclassifies its financial assets when, and only when, it changes it business mode for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business mode (reclassification date).

Derecognition of Financial Assets and Liabilities

Financial Asset

The Company derecognizes a financial asset only when:

- the contractual rights to the asset's cash flows expired or when the financial asset and substantially all the risk and rewards of the ownership of the asset are transferred to another;
- the Company has neither transferred no substantially all the risk and rewards of the asset, but has transferred control of the asset; or
- the Company retains the right to receive cash flows from the financial asset, but has assumed obligation to pay them in full without material delay to a third party under a "pass-through" arrangement.

If the Company neither transfer neither transfers nor retains substantially all the risks and reward of ownership and continues to control the transferred assets, the Company recognizes its retained interest and continues to control the transferred assets, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowings for the proceeds received. The continuing involvement that takes a form of a guarantee over the transferee financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of the consideration that the Company could be required to repay.

Financial Liability

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and net amount reported in the statements of financial position when there is legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The right to set – off is exercised within the normal course of business.

Property and Equipment

Property and Equipment, except for land, are stated at cost less accumulated depreciation and any impairment in value. Land is stated at cost less any impairment.

The cost of property and equipment comprises its purchase price, including import duties, taxes and any directly attributable costs of bringing the asses to it working condition and condition necessary for it to be capable of operating in the manner intended by the management.

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. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance are normally charged against operations in the period in which the costs are incurred.

Major repairs are capitalized as part of property and equipment only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the items can be measured reliably. All other repairs and maintenance are charged against current operations as incurred.

Depreciation and amortization are calculated on a straight-line basis over the estimated useful live of the asset or the term of the lease in case of leasehold improvements, whichever is shorter.

Depreciation is computed using the straight-line method, net of any estimated residual value; over the estimated useful lives of the assets, as follows:

Category	Number of Years
Building &Office Improvement	5-15years
Office & Studio Furniture's & Equipment	3-5 years
Computer & Telecom Equipment	5 years
Tower & Broadcasting Equipment	5 years
Transportation Equipment	5-15years
Intangibles	3-5 years

The estimated useful lives and depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of the economic benefits for the use of the property and equipment.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation is charged to current operations.

Impairment of Non-Financial Assets

This accounting policy relates to property and equipment and investment property.

The Company assesses as at reporting date whether there is an indication that nonfinancial assets 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 calculated as the higher of the assets or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those assets or groups of assets. Where 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 value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognized in profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each financial reporting date as to whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as revaluation increase in OCI. After such reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Capital Stock

Capital stock is recognized as issued when the stock is paid for or subscribed under a binding subscription agreement and is measured at par.

Retained Earnings

Retained earnings includes accumulated profits attributable to the Company's equity holders and reduced by dividends. Dividends, if any, are recognized as a liability and deducted from equity when they are approved by the Company's BOD, except for stock dividends which require the approval by the Company's stockholders. Dividends for the year that are approved after the reporting date are dealt with as an event after the reporting date.

Retained earnings may also include effect of changes in accounting policy as may be required by the transitional provisions of new and amended standards.

Receipts

Receipts are the gross inflow of economic benefits during the period arising in the course of ordinary activities of an enterprise when those inflows result in increases in equity, other than those contributions from owners.

Receipts are recognized to the extent that it can be reliably measured. Receipts are measured at the fair value of the consideration received, net of discounts and sales-related taxes collected on behalf of the Philippine government.

Cost and expense recognition

Expenses are decreases in economic benefits in the form of decreases in assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Cost, general and administrative expenses are recognized in the statements of income upon consumption of the goods and or utilization of the service or at the date they are incurred.

- Direct costs
  Direct costs are recognized in profit or loss in the period the services are provided. Costs of services include depreciation, salaries and wages, and other expenses directly attributed to the services provided.
- General and administrative expenses
  General and administrative expenses include directors' fee, professional fee, taxes, and other costs that cannot be associated directly to the services rendered.

Employees Benefits

Employee benefits are all forms of consideration given by the company in exchange for services rendered by employees, including directors and management. Employee benefits have four types as follows:

Short-term employee benefits. The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given by the Company to its employees include salaries and wages, social security contributions, short-term compensated absences, bonuses, and other de minimis benefits, among others.

Post-employment benefits. Benefits that are payable after the completion of employment by the qualified employees for their retirement. The Company does not have an established retirement plan and only conforms to the minimum regulatory benefit under the Retirement Pay Law (Republic Act No. 7641) which is the final salary defined benefit type and provides a retirement benefit equal to 22.5 days' pay for every year of credited service. The regulatory benefit is paid in lump sum upon retirement. The company adopted the policy for the first time in 2021.

Other Long-term employee benefits. Benefits that are not wholly due within twelve months after the end of the period in which the employees render the related services.

Termination Benefits. Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange of these benefits. The company recognizes termination benefits when it is demonstrably committed to either; terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the reporting date are discounted to present value.

Borrowing Cost

The borrowing cost are recognized as expense in the period in which they are incurred, except to the extent that they are capitalized. Borrowing cost are directly attributable to the acquisition, construction or production of the qualifying asset (i.e., an asset that takes a substantial period of time to get ready for intended use or sale) are capitalized as part of cost of such asset. The capitalization of borrowing costs commences when the expenditures for the asset for its intended use or sale are in progress. Capitalization ceases when substantially all such activities are complete.

Provisions

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of outflow may still uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Provisions are measured at the estimated expenditures to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including risks and uncertainties associated with the present obligation. Where there are number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligation as a whole. When time value is material, longer term provision is discounted to their present values using pretax rate that reflects market assessments and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense. The increase in the provision due to passage of time is recognized as interest expense. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

Contingent Liabilities and Contingent Assets

Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of assets embodying economic benefits is remote. Contingent assets are not recognized but are disclosed in the financial statements when an inflow of economic benefits is probable.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred income tax.

Current tax

The tax currently payable is based on taxable income for the year. Taxable income differs from the profit as reported in the statements of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted at the end of the reporting period.

Deferred income tax

Deferred income tax is provided using the balance sheet liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to the temporary differences (principally relating to provisions for receivable impairment and unearned interest and discounts) between financial reporting bases of assets and liabilities and their related tax bases.

Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The rates enacted at the end of the reporting period are used to determine deferred income tax. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability.

Current and deferred tax for the period

Current and deferred taxes are recognized as an expense or income in profit or loss, except when they relate to items recognized in profit or loss directly in equity. In this case, the tax is also recognized in profit or loss or directly in equity, respectively.

Related party

Related party transactions are transfers of resources, services or obligations between the Company and its related parties, regardless whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party making financial and operating decisions. These parties include (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Company; (b) associates; and, (c) individuals owning directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

All individual material related party transactions shall be approved by at least two-thirds vote of the BOD, with at least a majority of the independent directors voting to approve the transaction. In case a majority of the independent directors' vote is not secured, the material related party transactions may be ratified by the vote of the stockholders representing at least two-thirds of the outstanding capital stock.

For aggregate related party transactions within a 12-month period that breaches the materiality threshold of 10% of the Company's total assets, the same BOD approval shall be required for the transaction/s that meets and exceeds the materiality threshold covering the same related party.

Any member of the BOD with potential interest in any material related party transaction should abstain from participating in the discussions and voting on the same. In case of refusal to abstain, the attendance and vote of such member shall not be counted for purposes of assessing the quorum and determining majority approval.

Earnings per Share

Basic earnings per share is computed by dividing the net profit by the weighted average number of shares issued and outstanding, adjusted retroactively for any stock dividend, stock split or reverse stock split declared during the period.

Events after the end of the reporting date

Any post-year-end event that provides additional information about the Company's financial position at the end of the reporting period (adjusting event) is reflected in the financial statements. Post-year-end events that are not adjusting events, if any, are disclosed when material to the financial statements.

Comparatives

Where necessary, comparative figures have been reclassified as required by relevant standards.

4. Significant Accounting Judgment and Estimates

The preparation of the financial statements in accordance with PFRS requires management to make judgments' and estimates that effect the amounts reported in the financial statements and related notes. Judgments' and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Judgments

Judgments and estimates are continually evaluated and are based on historical experience and factors, including expectations of future events that are believed to be reasonable under the circumstances. In the process of applying the company's policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements.

Estimates

In the application of the company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision affects both current and future periods.

The following presents a summary of these significant estimates and judgments:

- Estimation of Allowance for Doubtful Accounts
  Provisions are made for accounts especially identified to be doubtful of collection. The level of this allowance is evaluated by management on the basis of factors that affect the collectability of the accounts such as the financial condition of the client.

  No Allowance for Doubtful Accounts is provided as of the Balance Sheet date.

- Estimation of Useful Lives of Property and Equipment

  Useful lives property and equipment are estimated based on the period over which these assets are expected to be available for use. The estimated useful lives of property and equipment differ from estimate due to physical wear and tear. Any reduction the estimated useful lives of property and equipment would increase the Company's recorded operating expenses and decrease property and equipment.

  The carrying value of property and equipment as of December 31, 2022 is ₱98,709,271 respectively (see note 9).

- Estimation of Asset Impairment
  The Company assess at each reporting date whether there is any indication that the asset may be impaired. If such indication exists, the Company shall estimate the recoverable amount of the asset. In the instance that it is not possible to estimate the recoverable amount of the individual asset, the Company makes an estimate of the recoverable amount of the cash generating unit to which the asset belongs. The impairment loss is recognized when the carrying amount of an asset exceeds the recoverable amount. The impairment loss is recognized immediately in profit and loss.

  No impairment loss is recognized in the Company's financial statements as of December 31, 2022.

- Provisions, Contingent Liabilities, Contingent Assets
  Provisions are recognized when the company has a present obligation, either 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 the amount of the obligation can be estimated reliably. When the company expects reimbursement of some or all of the expenditure required to settle a provision, the entity recognizes a

separate asset for the reimbursement only when it is virtually certain that reimbursement will be received when the obligation is settled.

The amount of the provision recognized is best estimated of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities and assets are not recognized because their existence will be confirmed only by the occurrence and non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent liabilities, if any, are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are disclosed only when an inflow of economic benefits is probable.

The company has no determined provisions, probable contingent liabilities or assets as of December 31, 2022.

5. Cash

In Philippine Pesos	2022	2021
Cash on Hand and In Bank	**53,531,311**	5,125,744
Total	**53,531,311**	5,125,744

Cash on hand includes petty cash fund and undeposited collections. Cash in banks represent savings and current account deposits in local banks, Savings account deposits earn interest at respective bank deposit rates and current account deposits do not earn interest. Cash in Banks are unrestricted and *immediately available for use in current operations. Interest income from savings deposit were amounted to ₱35,669 in 2022 and ₱114 in 2021 respectively.*

6. Trade and Other Receivables

In Philippine Pesos	2022	2021
Accounts and Other Receivables	**8,612,263**	6,453,925
Total	**8,612,263**	6,453,925

Trade receivables have an average collection period of thirty (30) to ninety (90) days.

Trade receivables are non-interest bearing, unsecured receivables from customers, usually collectible within 30 to 90 day terms.

All of the Company's receivables have been reviewed for indicators of impairment. Management did not provide any allowance for impairment since all receivables are still currently collectible.

None of the receivables were pledged as collateral to secure the Company's liabilities.

7. Prepayments and Other Current Assets

In Philippine Pesos	**2022**	2021
Prepayments and Other Current Assets	**1,984,971**	3,231,567
Advances to Employees Subject for Liquidation	**1,428,571**	2,158,338
Total	**3,415,214**	5,389,905

Prepayments are advanced payments made to suppliers.

Other current assets are Creditable Withholding Tax represents amount of taxes withheld by various customers unapplied as of December 31, 2022 and excess Input Vat from suppliers who are vat registered. Input Vat are carried at face value.

Input taxes are applied against output taxes. The remaining balance of input taxes is recoverable in future periods.

8. Property and Equipment

The movements within each class of property and equipment are as follows:

ASSET DESCRIPTION (AT COST)	Balance 12-31-2021	Additions	Adjustment	Balance 12-31-2022
Land	**88,025,330**	-	-	**88,025,330**
Building & Office Improvement	**73,165,280**	-	-	**73,165,280**
Office & Studio Furniture's & Equipment	**22,829,758**	-	-	**22,829,758**
Tower & Broadcasting Equipment	**88,788,273**	**6,696,350**	-	**95,484,623**
Transportation Equipment	**38,590,000**	**13,067,750**	-	**51,657,750**
Intangibles	**12,000,000**	-	-	**12,000,000**
Total	**323,398,641**	**19,764,100**	-	**343,162,741**
ACCUMULATED DEPRECIATION				
Building & Office Improvement	**73,165,280**	-	-	**73,165,280**
Office & Studio Furniture's & Equipment	**21,776,010**	**382,482**	-	**22,158,492**
Tower & Broadcasting Equipment	**79,158,080**	**2,941,914**	-	**82,099,994**
Transportation Equipment	**38,590,000**	**1,524,571**	-	**40,114,571**
Intangibles	**12,000,000**		-	**12,000,000**
Total	**224,689,370**	**4,848,967**	-	**229,538,337**
NET BOOK VALUE	**98,709,271**	**14,915,134**	-	**113,624,404**

ASSET DESCRIPTION (AT COST)	Balance 12-31-2020	Additions	Adjustment	Balance 12-31-2021
Land	88,025,330	-	-	88,025,330
Building & Office Improvement	73,165,280	-	-	73,165,280
Office & Studio Furniture's & Equipment	21,682,311	1,147,447	-	22,829,758
Tower & Broadcasting Equipment	76,982,664	11,805,609	-	88,788,273
Transportation Equipment	38,590,000	-	-	38,590,000
Intangibles	12,000,000	-	-	12,000,000
Total	10,445,585	12,953,056	-	323,398,641
ACCUMULATED DEPRECIATION				
Building & Office Improvement	73,165,280	-	-	73,165,280
Office & Studio Furniture's & Equipment	21,682,311	93,699	-	21,776,010
Tower & Broadcasting Equipment	76,982,664	2,175,416	-	79,158,080
Transportation Equipment	38,590,000		-	38,590,000
Intangibles	12,000,000		-	12,000,000
Total	225,420,255	2,269,115	-	224,689,370
NET BOOK VALUE	88,025,330	10,683,941	-	98,709,271

Depreciation Distribution were as follows:

In Philippine Pesos	2022	2021
Depreciation – COS	**4,466,484**	2,175,416
Depreciation - ADMIN	**382,482**	93,699
Total	**4,848,967**	2,269,115

Property and Equipment are initially measured at cost less accumulated depreciation. The company initially measured property and equipment at its purchase price, plus import duties and non-refundable purchase taxes, less deductible trade discounts and rebates. During 2020, all properties and equipment's were fully depreciated.

Depreciation is computed on a straight line method over the estimated life of the assets. No assets found impaired. The carrying amount is equivalent to its fair value.

9. Accounts and Other Payables

In Philippine Pesos	2022	2021
Accounts Payables	**2,278,222**	19,329,968
VAT Payable	**303,770**	
SSS/PHIC/HDMF Contribution Payable	**233,018**	139,326
Withholding Tax Payable-Compensation	**144,428**	76,435
Withholding Tax Payable - Expanded	**101,668**	2,111,190
HDMF Loan Payable	**7,380**	10,911
SSS Loan Payable	**6,202**	50,067
Income Tax Payable	**-**	262,243
Total	**2,896,725**	21,980,140

Accounts payables are unsecured, non-interest bearing obligations to suppliers for purchase of goods and services, expected to be settled within 12 months. Other payables consist of short term non-interest bearing payables to other parties.

Other current liabilities includes Withholding Tax Payable, SSS Premium, PHIC Premium and HDMF Premium that are payable for the following year, and Others which consists of short term bank loans.

Output taxes are reduced by input taxes, the excess of which will be payable to the taxation authorities as net VAT payable. Otherwise, the excess of input taxes over output taxes are carried-forward to be refunded or applied to future amounts of output taxes.

10. Loans Payable and Other Payables

The account consists of:

In Philippine Pesos	2022	2021
Loans Payable and Other Payables	-	68,657,769
Total	-	68,657,769

Other Payables consists of Advances from Related Parties represents contribution of stockholders for used in daily operation and to be credited as contribution for future subscription. The Company receives funds as interest-free loans from related parties such as Stockholders and Affiliates when required for working capital.

11. Equity

Share Capital

The share capital of the Company is as follows:

In Philippine Pesos	2022	2021
Share Capital	**50,000,000**	50,000,000
Additional Paid Up Capital	**341,030,700**	-
Total	**391,030,700**	50,000,000

On June 24, 2022, the increase in Capital Stock was approved by the Securities and Exchange Commission (SEC) amounting to ₱650,000,000 divided into 6,500,000 common shares with par value of Php 100 of which, ₱500,000,000 were subscribed and ₱391,030,700 divided into 3,910,307 shares with a par value of one hundred pesos (PhP100.00) per share were paid.

Share capital consists of:

	No. of Shares		Amount	
	2022	2021	**2022**	2021
Authorized – ₱100.00 par value	**6,500,000**	500,000	**650,000,000**	50,000,000
Subscribed	**5,000,000**	500,000	**500,000,000**	50,000,000
Issued, Paid-up & Outstanding:				
Balance at Beginning of Year	**500,000**	500,000	**50,000,000**	50,000,000
Additional Paid Up Capital	**3,410,307**	500,000	**341,030,700**	50,000,000
Balance at End of Year	**3,910,307**	500,000	**391,030,700**	50,000,000

As at December 31, 2022 and 2021, the Company has six (6) shareholders, each owning 100 or more shares of the Company's shares of stock.

Deposit for Future Subscription

In Philippine Pesos	**2022**	2021
Deposit for Future Subscription	-	191,030,700
Total	-	191,030,700

This account represents the deposit made by the stockholders with the intent of subscribing stocks when available. The board and the stockholders approved the increase in authorized capital stock in 2022.

Retained Earnings (Deficit)

In Philippine Pesos	**2022**	2021
Beginning Balance, January 1	**(224,147,850)**	(218,030,950)
Profit (Loss) for the year	**356,566**	(6,116,900)
Ending Balance, December 31	**(223,791,284)**	(224,147,850)

12. Revenues

In Philippine Pesos	**2022**	2021
Gross Receipts	**105,088,251**	41,855,155
Total	**105,088,251**	41,855,155

Revenues are the gross inflow of economic benefits during the period arising in the course of ordinary activities of an enterprise when those inflows result in increases in equity, other than those contributions from owners. They are recognized to the extent that it can be reliably measured.

The company has 7 branches all over the Philippines.

BREAKDOWN OF REVENUES PER BRANCH:

In Philippine Pesos	2022	2021
DZAR-MAIN	**90,726,687**	33,955,798
DWSI-SANTIAGO	**1,228,190**	1,857,964
DZYT-TUGUEGARAO	**2,921,527**	1,287,392
DZRD-DAGUPAN	**2,516,925**	811,554
DXRD-DAVAO	**5,732,700**	2,590,953
DYAR-CEBU	**922,043**	1,543,357
DWAY-CABANATUAN	**1,040,179**	2,953,493
Total	**105,088,251**	41,855,155

INTEREST INCOME

In Philippine Pesos	2022	2021
Interest Income (Bank Deposits)	**35,669**	114
Total	**35,669**	114

Interest income consists of interest earned from bank deposits, net of 20% final tax.

13. Other Comprehensive Income

In Philippine Pesos	2022	2021
Remeasurement Gain – Employee Benefits	-	1,019,619
Income Tax Effect	-	(203,924)
Total	-	815,695

The other comprehensive income consists of the Remeasurement Gain from Employee Benefit Obligation. Furthermore, PAS 19, paragraph 122 provides that remeasurements are subsequently transferred within equity or transferred to retained earnings.

The other comprehensive income consists of the Remeasurement Gain from Employee Benefit Obligation. Furthermore, PAS 19, paragraph 122 provides that remeasurements are subsequently transferred within equity or transferred to retained earnings.

14. Cost of Services

In Philippine Pesos	2022	2021
Salaries, Wages and Other Benefits	**18,268,714**	9,598,082
Program Production Expense	**15,300,615**	1,366,454
Power, Light and Water	**8,862,783**	6,744,306
Depreciation Expense	**4,466,484**	2,175,416
Commissions	**2,667,473**	232,289
SSS/PHIC/HDMF ER Share	**1,102,422**	781,701
Total	**50,668,491**	20,898,248

15. General and Administrative Expense

The account constitutes of the following expenses.

In Philippine Pesos	**2022**	2021
Advertising and Promotions	**12,124,987**	810,508
Fuel, Oil and Lubricants	**7,911,136**	2,622,600
Taxes and Licenses	**6,956,605**	3,884,849
Rental Expense	**2,491,696**	36,970
Repairs and Maintenance	**4,299,029**	1,749,410
Telephone and other Communications Expenses	**4,275,638**	1,882,337
Business Expense	**3,269,474**	-
Contributions and Sponsorship	**2,899,229**	47,829
Pantry Supplies	**2,415,638**	894,969
Office and Computer Supplies	**2,187,561**	141,582
Retirement Benefits	**1,217,178**	10,310,107
Transportation and Travel	**1,194,499**	159,943
Legal and Professional Fees	**804,799**	205,357
Insurance expense	**452,842**	472,022
Depreciation	**382,482**	93,699
Interest Expense	**364,347**	-
Dues, Printing and Subscription	**242,456**	85,763
Bank and Services Charges	**126,608**	31,684
Freight and Courier Services	**109,932**	23,043
Conference, Training and Seminar	**71,964**	1,139,989
Salaries, Wages and Other Benefits	-	3,807,792
Meals and Hotel Accommodation	-	385,044
SSS/PHIC/HDMF ER Share	-	335,015
Talent Fees	-	15,542
Total	**53,798,100**	29,135,942

16. Employee Benefits Obligation

In Philippine Pesos	**2022**	2021
Retirement Benefits	**9,290,488**	9,290,488
Total	**9,290,488**	9,290,488

The company does not have defined benefit plan for employee's retirement benefits. The company's obligation on employees benefit for long service is computed pursuant to R.A. 7641. Retirement benefits are charged to expense to the year it was paid. There are no payments for retirement benefits for years ended December 31, 2022 and 2021.

The company adopted the policy for the first time in year 2021.

17. Income Taxes

In Philippine Pesos	2021	2020
Gross Profit	**54,419,760**	20,956,907
Net Income (Loss) before Income Tax	**657,328**	(8,178,921)
Permanent Differences:		
Interest Income	**(35,669)**	(114)
Temporary Differences:		
Retirement Benefit	-	10,310,107
Net Taxable Income	**621,659**	2,131,072
Applicable Tax Rate	**20%**	20%
Provision for Income Tax	**124,332**	426,214
MCIT at 1% of Gross Profit	**544,198**	209,569
Tax Due (Whichever is Higher)	**544,198**	426,214
Less: Creditable Withholding Tax	**881,174**	163,972
Income Tax Expense at Effective Tax Rate	**(336,976)**	262,243

CREDITABLE WITHHOLDING TAX AT SOURCE / PAYMENTS:		
Prior Year's Excess Credits	-	-
Tax Payments for Previously Filed, Amended Return	-	262,243
Creditable Income Tax Withheld for Last Three Quarters	**664,210**	88,571
Creditable Income Tax Withheld for 4th Quarter	**236,964**	75,401
Total Tax Credits / Payments	**881,174**	426,215
Tax Overpayment (BIR Form 1702)	**(336,976)**	-

With the passing of Republic Act (RA) No. 11534 or also known as the "Corporate Recovery and Tax Incentives for Enterprises Act" (CREATE), The Regular Corporate Income Tax Rate is further reduced to 1.) 25% for domestic corporations, in general. 2.) 20% for Corporate Taxpayers whose net taxable income does not exceed Five Million and Total Assets do not exceed One Hundred Million exclusive of the land on which the particular business entity's office, plant and equipment are situated, among others. Minimum Corporate Income Tax (MCIT) is also reduced to 1% of gross income with no change as to year of applicability.

Optional Standard Deductions for corporate taxpayer.

Effective July 2008, RA No. 9504 was approved giving corporate taxpayers an option to claim itemized deductions or optional standard deductions (OSD) equivalent to 40% of gross sales. Once the option to use OSD is made, it shall be irrevocable for the taxable year for which option was made.

In 2022, the company use itemized deduction

18.1 Net Deferred Tax Asset on Retirement Benefit

Deferred Tax Asset on Retirement Benefit	**2022**	2021
Retirement Benefit Expense	**1,019,619**	10,310,107
Applicable Tax Rate	**20%**	20%
Total	**243,436**	2,062,021

Deferred Tax Liability on Remeasurement Gain	**2022**	2021
Remeasurement Gain	-	10,310,107
Applicable Tax Rate	-	20%
		203,924
Net Deferred Tax Asset	**243,436**	1,858,098

18. Commitments and Other Matter

Operating Lease Commitments - Company as Lessee

The Company entered into a lease contract over the use of its offices. The significant features of the lease contract are as follows:

a) The term of the lease shall be for one (1) year renewable annually, at the option of the Lessor, subject to such terms and conditions as may be subsequently agreed upon by the parties. If the lease is not renewed, it is expressly agreed and understood that the Lessee shall vacate the leased premises.

b) The Lessee shall not make any improvement or alteration in the leased premises without the prior written authorization and approval of the Lessor, and in case the same as authorized and approved by the Lessor, all expenses therefore shall be borne by the Lessee. Upon the termination of the lease, all permanent improvements, shall be retained by, and become the property of the Lessor, and the Lessor shall not be obliged to make any reimbursement to the Lessee.

c) The Lessee shall not sublease the leased premises or any portion thereof without prior written consent of the Lessor; and

d) It is the responsibility of the lessor to maintain the leased premises in good tenable condition, and to make such repairs as may be necessary in order to keep them suitable for the use to which they are intended during the entire period of the lease.

19. Non Cash Transactions

The Company had no non-cash investing and financing activity-related transactions for the years ended December 31, 2022 and 2021.

20. Financial Risk Management

Financial risk factors

The Company's activities expose it to a variety of financial risks and those activities involving analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Com1pany's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Company's financial performance.

The Company's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risk and adherence to limits by means of reliable and up-to-date information systems. The Company regularly reviews its risk management policies and systems to reflect changes in market, products and emerging best practice.

Risk management is carried by Management under policies approved by the Board of Directors.

The risks arising from financial instruments to which the Company is exposed are financial risks, which include credit risks, liquidity risk and capital risk.

Credit risk

The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Impairment provisions are set-up for losses that have been incurred at the end of the reporting date. Significant changes in the economy, or in the health of the particular industry segment that represents a concentration in the Company's portfolio, could result in losses that are different from those provided for at the end of the reporting date. The Company therefore carefully manages its exposure to credit risk.

The Company structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to receivable and cash accounts. Such risks are monitored on a revolving basis and subject to an annual or more frequent review. Limits on the level of credit risk are approved by the Board of Directors.

The table below shows the gross maximum exposure to credit risk for the components of the financial condition as of December 31:

In Philippine Pesos	**2022**	2021
Cash (excluding cash on hand)	**53,531,311**	3,702,643
Trade and Other Receivables	**8,612,263**	6,453,925
Total	**62,143,574**	10,156,568

The maximum exposure to credit risk at the reporting date is the carrying value of financial assets stated in the table.

As shown above, ₱10,156,568 of the total exposure is derived from deposits with bank and receivables from trade and others.

To minimize credit risk exposure, the Company maintains its deposits with banks showing good financial credit ratings.

The company has prudent credit policies to ensure that sales from financing are made to customers with good credit history. The management team, company heads perform monthly reviews of outstanding receivables as part of regular performance assessments process. All significant receivables from key customers are monitored for collectability and actual settlement performance, and specific action plans are required for any material overdue amounts from all categories of customers.

From time-to-time management undertakes an evaluation of certain customer accounts for potential provisioning and write-off.

At December 31, 2022	High-Grade	Standard Grade	Total
Expected credit loss rate	-	-	--
Trade and Other Receivables	**8,612,263**	-	**8,612,263**
Loss Allowances	-	-	-
	8,612,263		**8,612,263**

At December 31, 2021	High-Grade	Standard Grade	Total
Expected credit loss rate	-	-	--
Trade and Other Receivables	6,453,925	-	6,453,925
Loss Allowances	-	-	-
	6,453,925		6,453,925

The credit quality of financial assets is managed by the Group using high quality and standard quality as internal credit ratings.

A high-grade financial asset pertains to a counterparty that is not expected by the Company to default in settling its obligations, thus credit risk exposure is minimal.

The Standard grade financial assets pertain to other financial assets not belonging to high quality financial assets. Past due but not impaired financial assets are items with history of frequent default. Nevertheless, the amount due are still collectible.

Other Financial Assets at Amortized

The Company looked on how current and future economic conditions impact the amount of loss. An impairment analysis is performed at each reporting date using a provision matrix to measure ECL applying the simplified model which uses a lifetime expected loss allowance for all trade and other receivables. The provisioning rates are based on days past due of specific receivables. The measurement will reflect the unbiased probability – weighted amount, the time value of money and the reasonable and supportable information that is available at the reporting date about the past events, current conditions and forecasts of future economic conditions.

Impairment of Trade and Other Receivables

The credit risk for cash is considered negligible, since the counterparties are reputable banks with highly external credit ratings.

No impairment on financial assets at amortized cost was recognized in 2022 and 2021.

The expected loss rates are initially based on Company's historical default rates. These historical default rates are adjusted to reflect current and forward-looking information on the macroeconomic factors affecting the ability of the customers to settle the receivables.

Liquidity Risk

Liquidity Risk is that the Company will be unable to meet its payment obligations when they fall due under normal and stress circumstances. To limit this, the Company seeks to manage its liquid funds through cash planning on a weekly basis. The Company uses historical figures and experiences and forecasts from its collection and disbursements. The Board set limits on the minimum available resources to meet such needs and demands.

The table below summarizes the maturity profile of the Company's financial liabilities:

In Philippine Pesos	**2022**	2021
Trade and Other Payables	**2,896,725**	21,980,140
Total	**2,896,725**	21,980,140

The Company believes that cash generated from its operating activities is sufficient to meet maturing obligations required to operate the business. The company would also be able to meet unexpected cash outflows by accessing additional funding sources.

Management is confident in its ability to continue to control and sustain minimal exposure of credit risk to the company.

Liquidity Ratio

Liquidity Ratio is used to determine a Company's ability to pay off current debt obligations. This ratio tells how quickly a Company can convert its current assets into cash so that it can pay off its liabilities in a timely basis. Common liquidity ratios are current ratio and quick ratio.

	2022	2021
Current Assets	**65,558,789**	16,969,574
Current Liabilities	**2,896,725**	21,980,140
Total	**22.63**	0.77

Capital Risk Management

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares.

Relevant ratio analysis at year end are as follows:

SOLVENCY RATIO	2022	2021
Net Income After Tax	**900,764**	(6,116,900)
Non-Cash Expenses	**-**	11,559,603
Total	**900,764**	5,442,703

	2022	2021
Short-Term Liabilities	**2,896,725**	21,980,140
Long-Term Liabilities	**9,290,488**	77,858,257
Total	**12,187,213**	99,838,397

SOLVENCY RATIO	**0.000074%**	5.45%

NET DEBT TO EQUITY RATIO	2022	2021
Total Liabilities	**12,187,213**	99,838,397
Cash	**53,531,311**	5,125,744
Net Debt	**(41,344,098)**	93,712,653

Stockholders' Equity	**167,239,416**	17,698,546

Net Debt to Equity Ratio	**-27.72%**	529%

	2022	2021
Total Asset	**179,426,629**	117,536,942
Total Liabilities	**12,187,213**	99,838,397
Net Debt	**167,239,416**	17,698,546

Debt Ratio	**6.79%**	85%

Equity Ratio	**931.03%**	0.15%
Debt to Equity Ratio	**7.29%**	564%

Fair Values of Financial Assets and Liabilities

The following table summarizes the carrying amounts and fair values of those financial assets and liabilities not presented on the Company's statement of financial position at their fair values.

At December 31, 2022	Carrying Value	Fair Value 1	2	3	Carrying Amount Approximates Fair Value
Financial Assets					
Cash	**53,531,311**				**53,531,311**
Trade and Other Receivables	**8,612,263**				**8,612,263**
Total	**62,143,574**				**62,143,574**
Financial Liabilities					
Trade and Other Payables	**51,151,167**				**51,151,167**
Total	**51,151,167**				**51,151,167**

At December 31, 2021	Carrying Value	Fair Value 1	2	3	Carrying Amount Approximates Fair Value
Financial Assets					
Cash in Bank	3,702,643				17,698,546
Trade and Other Receivables	6,453,925				6,453,925
Total	10,156,568				10,156,568
Financial Liabilities					
Trade and Other Payables	21,980,140				21,980,140
Total	21,980,140				21,980,140

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

1. Cash and Accounts Payable
   The carrying values approximate their fair values due to the short-term maturity of these financial instruments.

2. Other Financial Assets
   The estimated fair value of other financial assets represents the discounted amount of estimated future cash flows expected to be received using current market rates to determine fair value.

21. Supplementary Information Required Under RR 15-2010

The Bureau of Internal Revenue (BIR) issued on November 25, 2010 Revenue Regulation (RR) 15-2010, Amending Certain Provisions of Revenue Regulations No. 21-2002, as Amended, Implementing Section 6 (H) of the Tax Code of 1997, Authorizing the Commissioner of Internal Revenue to Prescribe Additional Procedural and/or Documentary Requirements in Connection with the Preparation and Submission of Financial Statements Accompanying Income Tax Returns.

Revenue Regulation No. 15-2010 and Revenue Regulation No. 19-2011 required that in addition to the disclosures mandated under the Philippine Financial Reporting Standards and/or conventions as may heretofore be adopted, the Notes to Financial Statements shall include information on taxes, duties and license fees paid or accrued during the taxable year as follows:

a. VALUE-ADDED TAX (VAT)

a.1 Output VAT

In Philippine Pesos	2022
Regular Sales subject to 12% VAT	96,676,768
Sales to Government	8,411,483
Zero-rated Sales	-
Exempt Sales	-
Total	**105,088,251**
Output VAT from Regular Sales	11,601,212
Output VAT from Sales to Government	1,009,378
Total Output VAT	**12,610,590**

a.2 Input VAT

In Philippine Pesos	2022
Input VAT – Local Purchases of Goods and Services	**7,163,658**
Creditable VAT Withheld from Sales to Government	**480,850**
VAT Payments	**4,662,312**
Total Input VAT	**12,306,820**

b. Taxes and Licenses

In Philippine Pesos	2022
BIR Registration Fees	**3,500**
Business Taxes and Permits and Others	**7,907,636**
Total Deductible Taxes and Licenses	**7,911,136**

c. Compensation Withholding Taxes

In Philippine Pesos	2022
January	**144,428**
February	**144,428**
March	**144,428**
April	**144,428**
May	**144,428**
June	**144,428**
July	**144,428**
August	**144,428**
September	**144,428**
October	**144,428**
November	**144,428**
December	**144,428**
Total	**1,733,136**

d. Expanded Withholding Taxes

In Philippine Pesos	2022
Expanded Withholding Taxes Due	**806,520.99**
Paid	**806,520.99**
Payable	-

e. Income Tax Payments

In Philippine Pesos	2022
Prior Year's Excess Credits	-
Tax Payments for Previously Filed, Amended Return	-
Creditable EWT At Source (2307) – Three(3) Quarters	**644,210**
Creditable EWT At Source (2307) – 4th Quarter	**236,964**
Total	**881,174**

f. The company had Letter of Authority (LOA) for taxable years 2013 and 2021.