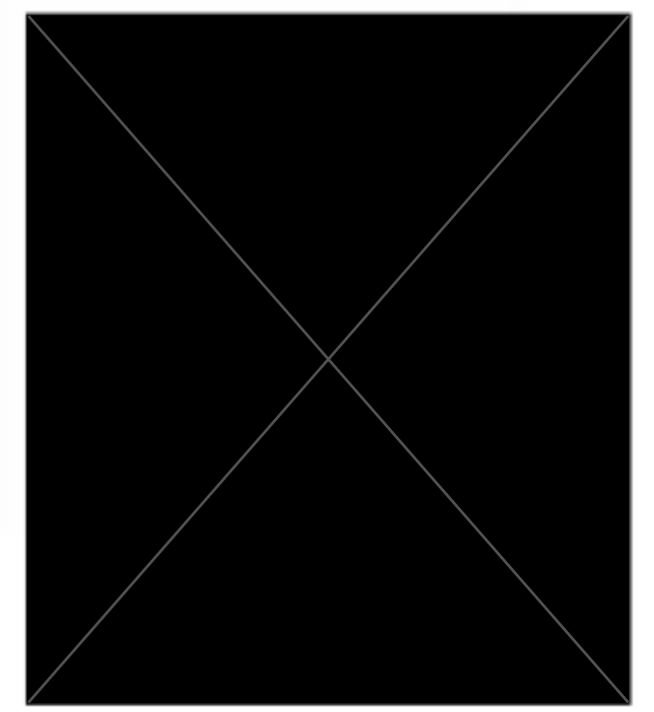




SECURITIES AND EXCHANGE COMMISSION

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Company Information

SEC Registration No.: AS94011114

Company Name: INTERACTIVE BROADCAST MEDIA, INC.

Industry Classification: 092133

Company Type: Stock Corporation

Document Information

Document ID: OST1081120228691245

Document Type: Financial Statement

Document Code: FS

Period Covered: December 31, 2021

Submission Type: Annual

Remarks: None



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INTERACTIVE BROADCAST MEDIA, INC.

FINANCIAL STATEMENTS AND AUDITOR'S REPORT
For the Years Ended December 31, 2021 and 2020
(In Philippine Peso)

RODOLFO L. SALCEDO, JR.
Certified Public Accountant

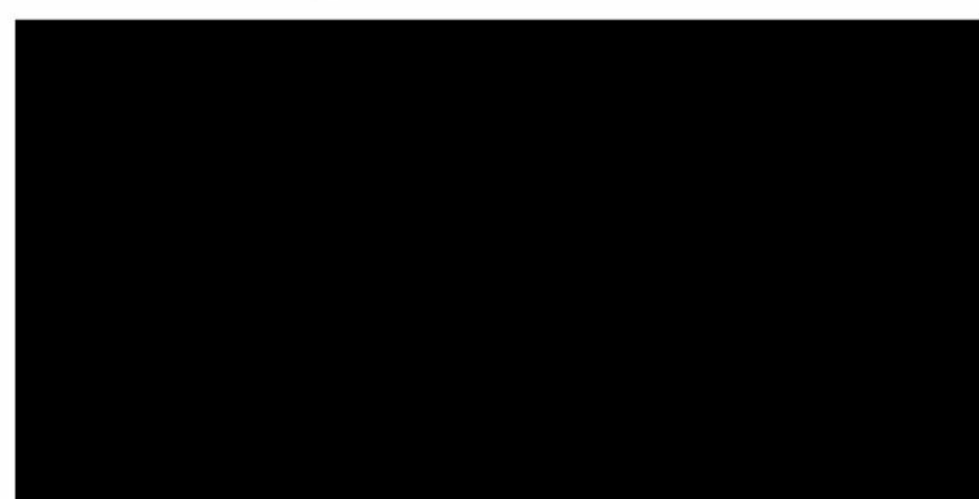
**STATEMENT OF MANAGEMENT RESPONSIBILITY
FOR ANNUAL INCOME TAX RETURN**

The Management of **INTERACTIVE BROADCAST MEDIA, INC.** is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2021. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same accounting period. Furthermore, the Management is responsible for all information and representations contained in the other tax returns filed for the reporting period, including but limited, to the value added tax, withholding tax returns, documentary stamp tax returns and any and all other tax returns.

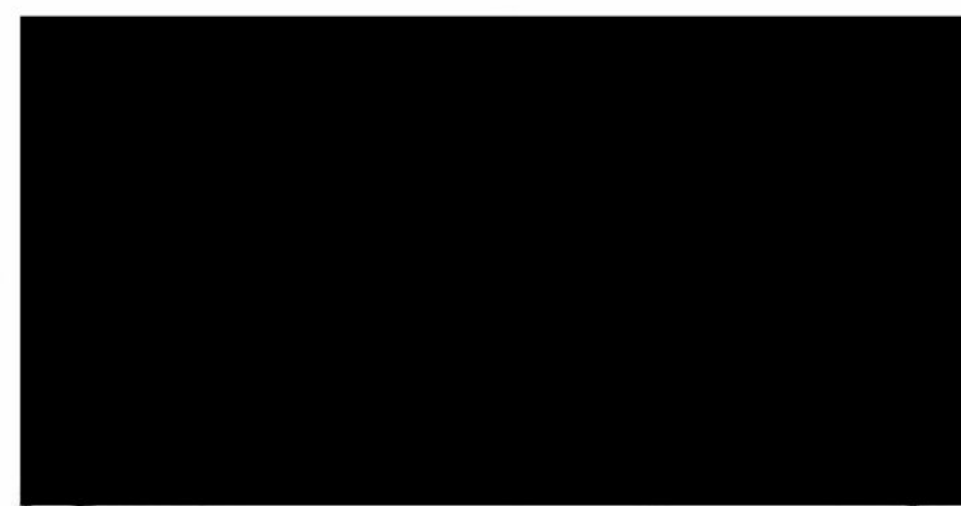
In this regard, the Management affirms that the attached audited financial statements for the years ended December 31, 2021 and 2020 and the accompanying Annual Income Tax Return are in accordance with the books and records of **INTERACTIVE BROADCAST MEDIA, INC.** complete and correct in all material respects. Management likewise affirms that:

- a. The Annual Income Tax Returns 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 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;

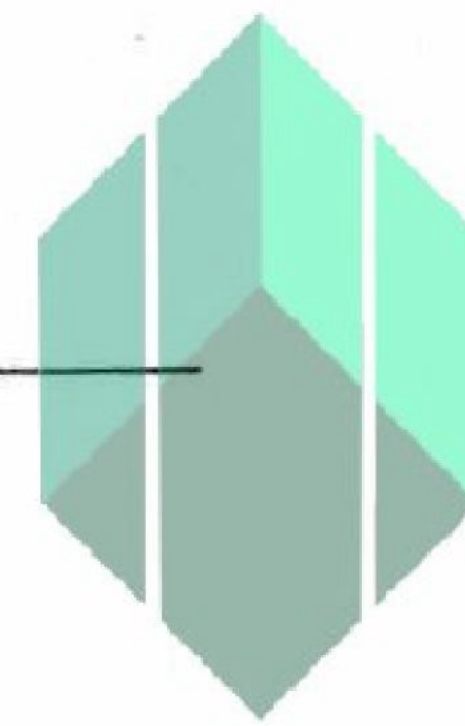
INTERACTIVE BROADCAST MEDIA, INC. has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.



ERIC S. CANOY
Chairman of the Board and President



DESIREE O. CANOY
Treasurer



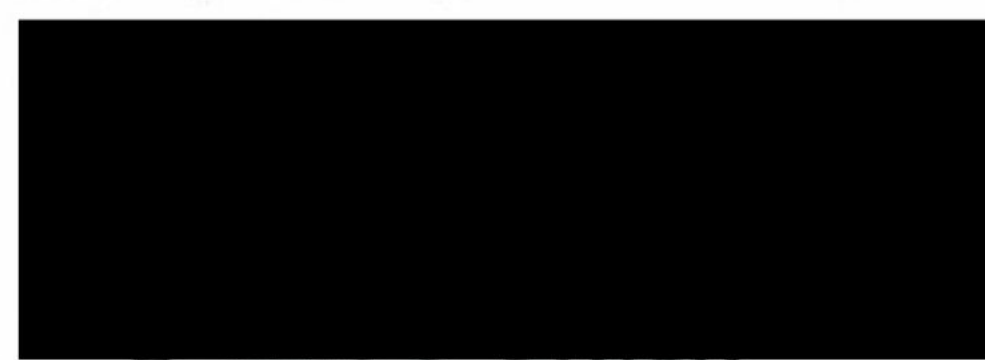
STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of INTERACTIVE BROADCAST MEDIA, INC. is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2021 and 2020, 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 misstatement, whether due to fraud or error.

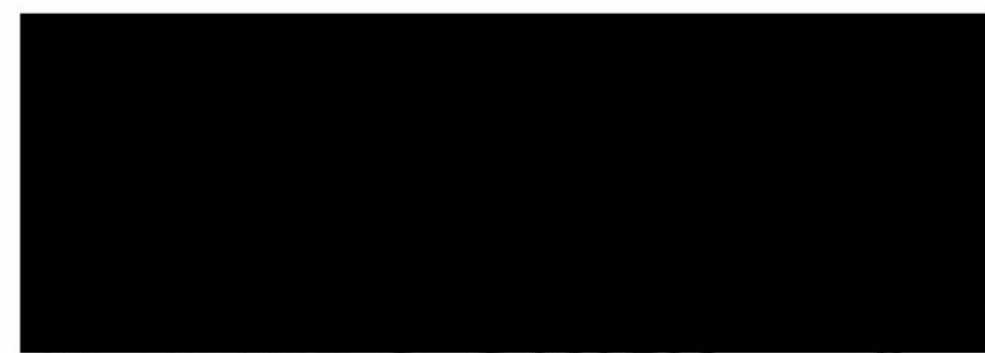
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or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

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 or members.

Mr. RODOLFO L. SALCEDO, JR., the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with the Philippine Standards on auditing, and in its report to the stockholders or members has expressed its opinion on the fairness of presentation upon completion of such audit.



ERIC S. CANOY
Chairman of the Board and President



DESIREE O. CANOY
Treasurer

SUBSCRIBED AND SWORN TO before me in Makati City, Philippines, this APR 08 2022 day of _____ 2022, affiants personally appeared before me and exhibited to me their Tax Identification IDs bearing their picture and signature as follows:

Name
ERIC S. CANOY
DESIREE O. CANOY

TIN ID Number
[Redacted]

ATTY. JOSHUA P. LAPUZ
Notary Public Makati City
Until Dec. 31, 2022

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Page No. 33
Book No. 103
Series of 2022

Notary Public

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23 E. Rodriguez Sr. Boulevard, Quezon City

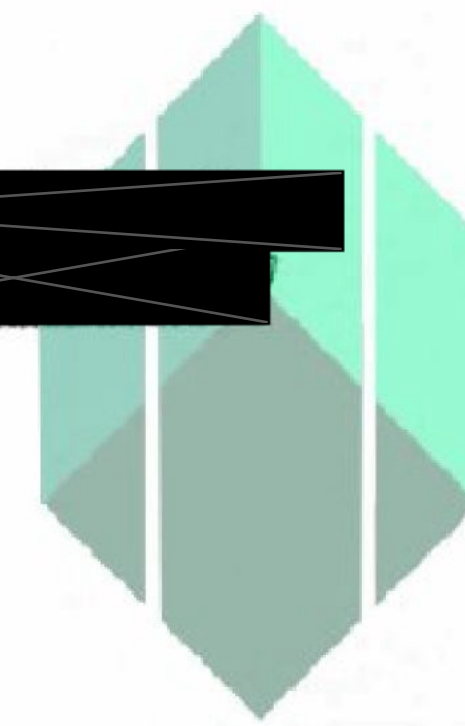
Tel No. 732-9121

RODOLFO L. SALCEDO, JR.

Certified Public Accountant

Contact No. [REDACTED]

Email Address [REDACTED]



**Securities and
Exchange
Commission**
PHILIPPINES

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
TO ACCOMPANY PHILIPPINE INCOME TAX RETURNS**

To the Board of Directors and Stockholders
INTERACTIVE BROADCAST MEDIA, INC.
23 E. Rodriguez Sr. Boulevard, Quezon City

I have examined the financial statements of **INTERACTIVE BROADCAST MEDIA, INC.**, as of December 31, 2021 and 2020 on which I have rendered my report dated April 5, 2022.

In compliance with Revenue Regulations V-20, I state that:

1. The taxes paid or payable by the above company during the year are shown in the Schedule of Taxes and Licenses attached to the Income Tax Returns.
2. I don't have any direct financial interest with the Company.

[REDACTED]
RODOLFO L. SALCEDO, JR.

CPA Certificate Number : [REDACTED]
BOA Certificate Number : [REDACTED]
BIR Accreditation Number : [REDACTED]
Tax Identification Number : [REDACTED]
PTR Number : [REDACTED]

April 5, 2022
Quezon City

RODOLFO L. SALCEDO, JR.

Certified Public Accountant

Contact No. [REDACTED]; Email Address [REDACTED]



SUPPLEMENTAL REPORT OF INDEPENDENT AUDITOR

To the Board of Directors and Stockholders
INTERACTIVE BROADCAST MEDIA, INC.
23 E. Rodriguez Sr. Boulevard, Quezon City

I have audited the accompanying financial statements of **INTERACTIVE BROADCAST MEDIA, INC.** for the years ended December 31, 2021 and 2020, on which I have rendered the attached report dated April 5, 2022.

In compliance with Securities Regulation Code Rule 68, I am stating that the above Company has only one (1) shareholder owning one hundred (100) or more shares.

[REDACTED]
RODOLFO L. SALCEDO, JR.

CPA Certificate Number [REDACTED]
BOA Certificate Number [REDACTED]
BIR Accreditation Number [REDACTED]
Tax Identification Number [REDACTED]
PTR Number [REDACTED]

April 5, 2022
Quezon City

RODOLFO L. SALCEDO, JR.

Certified Public Accountant

Contact No. [REDACTED]; Email Address [REDACTED]

Securities and
Exchange
Commission
PHILIPPINES

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders
INTERACTIVE BROADCAST MEDIA, INC.
23 E. Rodriguez Sr. Boulevard, Quezon City

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of **INTERACTIVE BROADCAST MEDIA, INC.** ("the Company"), which comprise the Statements of Financial Position as at December 31, 2021 and 2020, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards for Small Entities (PFRS for SEs).

Basis for Opinion

I conducted my audits in accordance with Philippine Standards on Auditing (PSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to my audit of the financial statements in the Philippines, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is 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 and fair presentation of the financial statements in accordance with PFRS for SEs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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


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


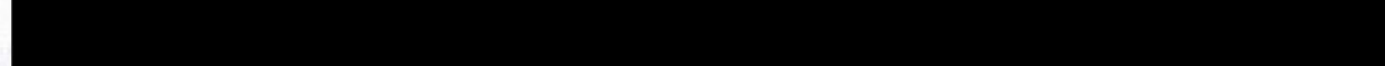
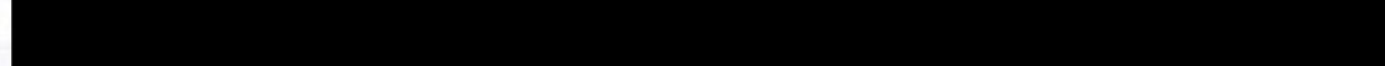
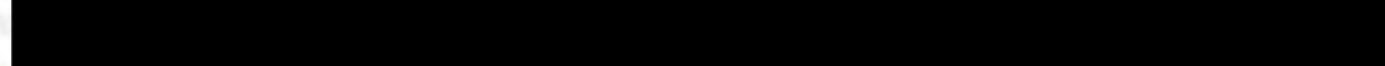
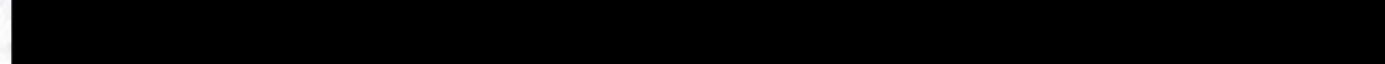
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If 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. My 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 a manner that achieves fair presentation.

I will 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 our audit.

Report on Other Legal and Regulatory Requirements Under Revenue Regulation 15-2010

My audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulation 15-2010 disclosed in notes to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management of **INTERACTIVE BROADCAST MEDIA, INC.**. The information has been subjected to the auditing procedures applied in my audit of the basic financial statements. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


R/DOLFO L. SALCEDO, JR.

CPA Certificate Number : 
BOA Certificate Number : 
BIR Accreditation Number : 
Tax Identification Number : 
PTR Number : 

April 5, 2022
Quezon City

INTERACTIVE BROADCAST MEDIA, INC.
STATEMENTS OF FINANCIAL POSITION

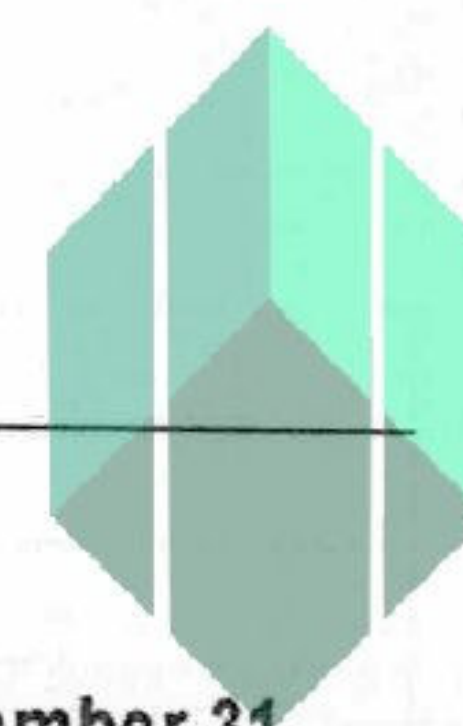


**Securities and
Exchange
Commission**
PHILIPPINES

	Notes	December 31	
		2021	2020
ASSETS			
Current Assets			
Cash and cash equivalents	4	₱ 3,297,066	₱ 1,039,136
Receivables	5	1,023,410	2,434,230
Due from related party	15	54,440,714	77,465,714
Other current assets	6	12,614,254	514,351
Total Current Assets		₱ 71,375,444	₱ 81,453,431
Noncurrent Assets			
Property and equipment - net	7	₱ 15,695,811	₱ 16,937,787
Due from related party	15	2,112,120	2,112,120
Other noncurrent assets	8	308,785	308,785
Total Noncurrent Assets		₱ 18,116,716	₱ 19,358,692
TOTAL ASSETS		₱ 89,492,160	₱ 100,812,123
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and accrued expenses	9	₱ 7,522,691	₱ 7,795,063
Income Tax Payable	10	1,816,523	1,709,292
Total Current Liabilities		₱ 9,339,214	₱ 9,504,355
Noncurrent Liabilities			
Deferred Output VAT	11	₱ 6,710,968	₱ 9,440,968
Net pension liability		1,055,480	1,055,480
Due to related party	15	3,777,641	28,623,469
Total Noncurrent Liabilities		₱ 11,544,089	₱ 39,119,917
Total Liabilities		₱ 20,883,303	₱ 48,624,273
Equity			
Capital stock		₱ 55,875,000	₱ 55,875,000
Retained Earnings (Deficit)		12,733,856	(3,687,149)
Total Equity		₱ 68,608,856	₱ 52,187,851
TOTAL LIABILITIES AND EQUITY		₱ 89,492,160	₱ 100,812,123

See accompanying Notes to Financial Statements

INTERACTIVE BROADCAST MEDIA, INC.
STATEMENTS OF COMPREHENSIVE INCOME



**Securities and
Exchange
Commission**
PHILIPPINES

	Notes	Year ended December 31	
		2021	2020
AIRTIME REVENUES	12	₱ 47,653,141	₱ 40,199,596
COST OF SERVICES	13	21,793,187	19,485,618
GROSS PROFIT		₱ 25,859,955	₱ 20,713,978
GENERAL AND ADMINISTRATIVE EXPENSES	14	4,228,885	2,696,154
OTHER INCOME		661,943	1,408,338
INCOME BEFORE INCOME TAX		₱ 22,293,011	₱ 19,426,160
PROVISION FOR INCOME TAX			
Current	10	5,872,005	5,675,698
Deferred		-	-
NET INCOME		₱ 16,421,005	₱ 13,750,462
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		₱ 16,421,005	₱ 13,750,462

See accompanying Notes to Financial Statements

**INTERACTIVE BROADCAST MEDIA, INC.
STATEMENTS OF CASH FLOWS**



	Notes	Year ended December 31	
		2021	2020
Cash Flow from Operating Activities			
Income before income tax		₱ 22,293,011	₱ 19,426,160
Adjustments for:			
Depreciation	7	1,241,976	1,516,663
Operating income before working capital changes		₱ 23,534,987	₱ 20,942,823
Decrease (Increase) in:			
Trade and other receivables	5	1,410,820	(1,654,823)
Other current assets	6	(12,099,903)	233,547
Other Non current assets	8	-	81,172
Due from related party	15	23,025,000	(15,600,000)
Increase (Decrease) in:			
Trade and other payables	9	(272,372)	(2,483,143)
Deferred Output VAT	11	(2,730,000)	2,400,000
Net cash provided by operations		₱ 32,868,531	₱ 3,919,576
Income tax paid	10	(5,764,772)	(4,646,116)
Net cash provided by (used in) operating activities		₱ 27,103,759	₱ (726,540)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	7	₱ -	₱ (33,215)
Net cash used in investing activities		₱ -	₱ (33,215)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in net pension liability		₱ -	₱ (131,706)
Due to related party	15	(24,845,828)	(1,793,945)
Net cash used in financing activities		₱ (24,845,828)	₱ (1,925,651)
NET INCREASE (DECREASE) IN CASH		₱ 2,257,931	₱ (2,685,406)
CASH AT BEGINNING OF YEAR		1,039,136	3,724,542
CASH AT END OF THE YEAR	4	₱ 3,297,066	₱ 1,039,136

See accompanying Notes to Financial Statements

INTERACTIVE BROADCAST MEDIA, INC.
STATEMENT OF CHANGES IN EQUITY



	Notes	Year ended December 31	
		2021	2020
CAPITAL STOCK ₱100 par value			
Authorized - 3,000,000 shares			
Subscribed - 927,500 shares in 2020 and 2019			
Subscription Receivable on which amounted to Php 36,875,000 in 2020 and 2019		₱ 55,875,000	₱ 55,875,000
Balance, end of year		₱ 55,875,000	₱ 55,875,000
RETAINED EARNINGS (DEFICIT)			
Balance, Beginning of year		₱ (3,687,149)	₱ (17,437,611)
Comprehensive income		16,421,005	13,750,462
Balance at end of year		₱ 12,733,856	₱ (3,687,149)
		₱ 68,608,856	₱ 52,187,851

See accompanying Notes to Financial Statements

INTERACTIVE BROADCAST MEDIA, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years ended December 31, 2021 and 2020



1. Corporate Information

Interactive Broadcast Media, Inc. was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on December 7, 1994. Its primary purpose is to engage in the business of Radio Broadcasting.

The company's registered principal office address is at 23 E. Rodriguez Sr. Boulevard, Quezon City.

The financial statements of the Company were authorized for issue by the Board of Directors on April 5, 2022.

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

2. Summary of Significant Accounting Policies and Practices

Basis of Preparation

The financial statements of the Company have been prepared on the historical cost basis. These are presented in comparative figures and stated in Philippine peso, which is the Company's functional currency. All amounts are rounded to the nearest peso.

Statement of Compliance

The accompanying financial statements have been prepared in accordance with Philippine Financial Reporting Standards for Small Entities (PFRS for SEs). In preparing the financial statements, the opening balance of the financial statements was prepared as of January 1, 2021 which is the date of transition to PFRS for SEs.

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business.

The company adopted PFRS for SEs effective January 1, 2021. The adoption of the above standards did not result in substantial changes in the company's accounting policies. Furthermore, the transition from PFRS for SMEs to PFRS for SEs did not affect the financial statements.

Financial Assets

Financial assets include cash and investments.

Cash

Cash is stated at face value. Cash includes cash in bank and petty cash fund. Cash in bank consists of deposits to reputable local banks which do not earn interest. Petty cash fund is utilized to defray expenses on a day-to-day transaction of the company.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, receivables are subsequently measured at amortized cost, receivables are subsequently measured at

amortized cost using the effective interest method, less allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in profit or loss when the receivables are derecognized or impaired, as well as through the amortization process. These financial assets are included in current assets if maturity is within 12 months from the reporting date or within the normal operating cycle, whichever is longer. Otherwise these are classified as noncurrent assets.

Property and Equipment

The company's depreciable properties such as transportation equipment, office furniture and equipment are stated at cost excluding the costs of day-to-day servicing less accumulated depreciation, amortization and any impairment in value.

The initial cost of an item of Property and Equipment comprises its purchase price and any directly attributable costs of bringing the assets to its working condition and location for its intended use. Expenditures incurred after the Property and Equipment have been put into operations, such as repairs, and maintenance and overhaul costs were incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from use of an item of Property and Equipment beyond its originally assessed standard performance, the expenditures are capitalized as additional cost of Property and Equipment. Cost also includes any asset retirement obligation. When assets are sold or retired, their costs and accumulated depreciation, amortization and impairment losses, if any, are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statement of operation of such period.

The useful life of each other of the Property and Equipment is estimated based on the period over which the asset becomes available for use. Such estimation is based on a collective assessment of industry practice and experience with similar assets.

The residual values and useful lives of the assets as well as the depreciation method are reviewed, and adjusted if appropriate, at each financial year-end.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to raise from the continued use of the asset. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of profit and loss in the year the item was derecognized.

It is the opinion of the management that the carrying value of each item of property and equipment approximates its fair value as of December 31, 2021 and 2020.

Financial Liabilities

Financial liabilities include trade payables and accrued expenses. These are recognized when the company becomes a party to the contractual provisions of an instrument.

Financial Instruments

Date of recognition

The company recognizes a financial liability in the balance sheet when the company becomes a party to the contractual provisions of an instrument.

Initial Recognition of Financial Instruments

All financial assets are initially recognized at their fair value

Determination of Fair Value

For all financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, options pricing models, and other relevant valuation models.

The fair value for any financial instruments traded in active markets at the balance sheet date is based on their quoted market price or dealer price quotations (bid price for long positions and ask prices for short positions), without any deduction for transaction costs. When current bid and asking prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction.

Impairment of Financial Assets

The company assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss events') and that loss event (or events) has the impact on the estimated future cash flows of the financial asset or the group of the financial assets that can be reliably estimated. Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable that there is measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Derecognition of Financial Assets and Financial Liabilities

Financial Assets

A financial asset (or, where applicable a port of financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired.
- The company retains the right to received cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- The company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or 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 the derecognition of the original liability and the recognition of new liability, and the difference in the respective carrying amounts is recognized in the statement of income.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is currently enforceable legal right to offset the recognized amounts and there is an intension to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with the master netting agreements, and the related assets and liabilities are presented gross in the balance sheet.

Impairment of Non-financial Assets

The company assesses as at reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an 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 or its net selling price and is determined for an individual asset, unless the assets were 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 by using pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. Impairment losses are recognized in the statement of income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each 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 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 several is recognized in the statement of income unless the asset is carried at revalued amount, in which case the reversal is treated as revaluation increase.

After such a reversal, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount, less any residual value, o a systematic basis over its remaining useful life.

Share Capital

Share capital is determined by using the nominal value of shares that have been issued and fully paid.

The cost of acquiring company's own share, if any are shown as a deduction from equity attributable to the company's equity holders until the shares are cancelled or reissued. When such shares are subsequently sold or reissued, any consideration received, net of directly attributable to the related income tax effects and is included in equity attributable to the Company's equity holders.

Share Premium

Share premium includes any premiums received on the initial issuance of capital stock. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of any related income tax benefits.

The company has no share premium as of December 31, 2021.

Cumulative Earnings

Cumulative earnings include all current and prior period's results of operation as disclosed in the statement of income

Revenue and Cost Recognition

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the company and the amount of the revenue can be measured reliably.

Administrative expenses are recognized in the statement of income upon utilization of the services or on the dates they were incurred.

Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. When the effect of the time value of money is material, the amount of provision is the present value of the expenditures expected to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statement but disclosed when an inflow of economic benefits is probable.

Events after the End of the Reporting Period

Post-year-end events up to the date of the auditor's report that provide additional information about the Company's position at the balance sheet date (adjusting events) are reflected in the financial statements. Post-year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

Related Parties

Related party relationship exists if one has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. These include: (1) individuals owning, directly or indirectly through one or more intermediaries, control, or are controlled by or under common control with the company, (2) associates and (3) 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.

The key management personnel of the Company and post-employment benefit plans for the benefit of Company's employees are also considered to be related parties.

3. Management's Significant Accounting Judgments and Estimates

Judgments

The preparation of the company's financial statements in conformity with FPRS for SE's requires management to make estimates and assumptions that affect the amounts reported in the Company's financial statements and accompanying notes. The estimates and assumptions used in the company's financial statements are based upon Management's evaluations of relevant facts and circumstances as of the date of the Company's financial statements. Actual results could differ from such estimates.

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.



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 and future periods if both current and future periods.

Estimated Useful Lives of Property and Equipment

The Company estimates the useful lives of property and equipment based on the period over which they are becomes available for use. The estimate useful lives of the property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the property and equipment. In addition, the estimation of the useful lives of property and equipment is based on the collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that the financial performances could be materially affected by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

A reduction in the estimated useful lives of the property and equipment would increase the recorded expenses and decrease the non-current assets.

Depreciation and amortization are computed using the straight-line method over the following estimated useful lives:

<u>Category</u>	<u>Years</u>
Furniture Fixture and Equipment	5-10
Transmitter Equipment	5-20
Water System	5-10
Leasehold Improvement	10

The foregoing estimated useful lives and depreciation method are reviewed from time to time to ensure that these are consistent with the expected economic benefits of the property and equipment.

Impairment of Non-financial Assets

The Company assesses the value of property and equipment which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets and requires the Company to make estimates and assumptions that can materially affect the financial statements. Future events could cause the Company to conclude that property and equipment and other long-lived assets are impaired. Any resulting impairment loss could have a material adverse impact on the Company's financial condition and results of operations.

The preparation of the estimated future cash flows involves significant judgment and estimations. While the Company believes that its assumptions are appropriate and reasonable, significant changes in these assumptions may materially affect the Company's assessment of recoverable values and may lead to future additional impairment charges.

Revenue Recognition

The Company's revenue recognition policies require the use of estimations and assumptions that may affect the reported amounts of revenue and receivables. Differences between the amounts initially recognized and actual settlements are taken up in the accounts upon reconciliation. However, there is no assurance that such use of estimates may not result to material adjustments in future periods.

4. CASH

Cash in bank represents deposits in very reputable local banks. Cash in bank do not earn interest income. The Company reconciles the books and bank balances regularly as part of its cash monitoring and internal control measures.

A reasonable amount of Petty Cash Fund is maintained to cover small payments not covered by checks, such as transportation, small amount of office supplies, and other payments as defined by management not exceeding a certain amount per single payment.

5. RECEIVABLES

Receivables consist of:

	2021	2020
Accounts Receivable Trade	₱ 562,512	₱ 2,246,441
Advances to Employees	362,898	117,789
Receivable - SSS	70,000	70,000
Refundable Deposits	28,000	-
	<u>₱ 1,023,410</u>	<u>₱ 2,434,230</u>

Trade Receivables are non-interest bearing and generally with credit term of 30-90 days.

Advances to Employees represent emergency loans given to permanent employees' payable through salary deductions.

6. OTHER CURRENT ASSETS

Other Current Assets consist of:

	2021	2020
Deferred Taxes	₱ 36,519	₱ 173,427
Prepaid Expenses	81,534	163,538
Advances to Supplier	12,456,103	157,000
VAT Input Taxes	40,099	20,386
	<u>₱ 12,614,254</u>	<u>₱ 514,351</u>

Advances to supplier is creditable against future supplier's billings.

7. PROPERTY AND EQUIPMENT - NET

Property and Equipment consist of the following:



2021	Leasehold Improvement	Furniture, Fixtures and Equipment	Transmitter Equipment	Water System	Total
Cost					
Beginning balances	1,392,036	14,555,877	37,135,996	354,489	53,438,398
Additions					-
Reclassifications					-
Retirement					-
Ending balances	1,392,036	14,555,877	37,135,996	354,489	53,438,398
Accumulated Depreciation					
Beginning balances	797,263	12,974,025	22,374,833	354,489	36,500,611
Depreciation and amortization	(44,952)	183,035	1,103,893	-	1,241,976
Retirement					-
Ending balances	752,311	13,157,061	23,478,726	354,489	37,742,587
Net Book Values	639,725	1,398,817	13,657,270	-	15,695,811

2020	Leasehold Improvement	Furniture, Fixtures and Equipment	Transmitter Equipment	Water System	Total
Cost					
Beginning balances	1,392,036	14,522,663	37,135,996	354,489	53,405,184
Additions		33,215			33,215
Reclassifications					-
Retirement					-
Ending balances	1,392,036	14,555,877	37,135,996	354,489	53,438,398
Accumulated Depreciation					
Beginning balances	639,725	12,718,794	21,270,941	354,489	34,983,948
Depreciation and amortization	157,538	255,232	1,103,893		1,516,663
Retirement					-
Ending balances	797,263	12,974,025	22,374,833	354,489	36,500,611
Net Book Values	594,773	1,581,852	14,761,163	-	16,937,787

The carrying value of property and equipment is equivalent to its fair value.

Property and equipment are carried at cost less accumulated depreciation and any impairment in value. No item of property and equipment is pledged as collateral to any loan of the company.

8. OTHER NONCURRENT ASSETS

Other Noncurrent Assets consist of:

	2021	2020
Utilities and Other Deposits	₱ 293,785	₱ 293,785
Refundable Deposits	15,000	15,000
	<u>₱ 308,785</u>	<u>₱ 308,785</u>

9. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts Payable and Accrued Expenses include:

	2021	2020
Accrued expenses and other payables	₱ 6,076,049	₱ 6,196,049
VAT Payable	797,786	285,536
Trade Payable	418,373	434,620
Withholding Taxes Payable	126,222	139,933
Statutory Payables	104,261	76,982
Advances from Customers	-	661,943
	<u>₱ 7,522,691</u>	<u>₱ 7,795,063</u>

Trade payables are non-interest bearing and is generally settled within 90 days. Accrued expenses represent mainly accrual for 13th month pay and unbilled goods and services by company suppliers and service providers for which no billings were received yet as of December 31, 2021 and 2020.

10. INCOME TAX

The Company is subject to a regular corporate income tax rate of 25% in 2021 and 27.50% in 2020. Reduction in income tax rate was due to the passage of Create Law effective July 1, 2020. Corporate income tax rate of 27.50% is only a transition rate for companies with taxable income of five million and with assets above one hundred million excluding land.

11. DEFERRED OUTPUT VAT

Deferred output VAT pertains to VAT liability on revenues that is not expected to be collected within a year.

12. AIRTIME REVENUES

Revenue is recognized on the dates the advertisements are aired.

13. COST OF SERVICES

This account consists of:

	2021	2020
Salaries and Wages	₱ 7,279,580	₱ 7,678,321
Talent Fees	3,097,209	2,881,068
Commissions	2,718,941	1,797,124
Light and Water	2,000,649	1,577,785
Production Cost	1,954,448	430,684
Depreciation	1,241,976	1,516,663
Travel and Transportation	1,195,011	1,212,742
13th Month Pay	1,050,879	650,784
SSS, EC, HDMF and PHIC Contribution	537,896	473,562
Communications Expense	297,879	465,522
Employees Health Benefits	153,536	196,931
Meetings and Other Events Expense	148,413	293,129
Employees Benefits - Insurance	96,679	-
Office Supplies	15,306	40,301
Survey Expense	3,180	80,449
Repairs and Maintenance	1,000	95,809
Miscellaneous Expenses	604	994
Advertising	-	93,750
	<u>₱ 21,793,187</u>	<u>₱ 19,485,618</u>



14. GENERAL AND ADMINISTRATIVE EXPENSES

	2021	2020
Security Services-Salaries	₱ 1,114,762	₱ 783,391
Taxes and Licenses	818,756	595,762
Transportation	464,133	363,823
Rent Expense	403,670	-
Dues and Subscription	271,455	422,892
Professional/Retainer Fees	235,000	206,300
Donations and Contributions	225,692	
Outside Services	222,203	199,474
Communications	200,293	3,452
Studio Equipment	127,104	
Office & Misc. Supplies	55,421	51,197
Repairs and Maintenance	43,881	30,179
Representation	21,571	21,192
Bank Charges	13,678	1,750
Meetings & Conference	11,266	16,330
Statutory Expenses	-	412
	<u>₱ 4,228,885</u>	<u>₱ 2,696,154</u>

15. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control, directly or indirectly, the other party or exercise significant influence over the other party in making financial and operating decisions. It includes companies in which one or more of the directors and/or shareholder of the Company either has a beneficial controlling interest or are in a position to exercise significant influence therein. Outstanding balances are to be settled in cash. Related parties may be individuals or corporate entities.

Transactions between related parties are based on terms similar to those offered to non-related parties

a) Due From/To Related Parties

	2021	2020
Due From Related Party - Current Assets	54,440,714	77,465,714
Due From Related Party - Noncurrent Assets	2,112,120	2,112,120
Due To Related Party - Non Current Liabilities	(3,777,641)	(28,623,469)

The Company has an outstanding unsecured, non-interest bearing transaction with its related parties as follows:

b) Compensation of Key Management

Key management personnel of the Company include all management committee officers. The compensation of key management personnel totals ₱ 2,050,808.00 and ₱ 1,664,000.00 for years ended December 31, 2021 and 2020, respectively.

16. CHANGES ARISING FROM TRANSITION TO PFRS FOR SE FROM PFRS FOR SME

Reconciliation of Equity as of January 1, 2020 and December 31, 2020



Securities and
Exchange
Commission
PHILIPPINES

	Notes	At January 1, 2020			At December 31, 2020		
		PFRS for SME	Effect of Transition	PFRS for SE	PFRS for SME	Effect of Transition	PFRS for SE
ASSETS							
Current Assets							
Cash and cash equivalents	4	₱ 3,724,542	-	₱ 3,724,542	₱ 1,039,136	-	₱ 1,039,136
Receivables	5	779,407	-	779,407	2,434,230	-	2,434,230
Due from related party	15	60,865,714	-	60,865,714	77,465,714	-	77,465,714
Other current assets	6	747,898	-	747,898	514,351	-	514,351
Total Current Assets		₱ 66,117,561	-	₱ 66,117,562	₱ 81,453,431	-	₱ 81,453,431
Noncurrent Assets							
Property and equipment - net	7	₱ 18,421,235	-	₱ 18,421,235	₱ 16,937,787	-	₱ 16,937,787
Due from related party	15	3,112,120	-	3,112,120	2,112,120	-	2,112,120
Other noncurrent assets	8	389,957	-	389,957	308,785	-	308,785
Total Noncurrent Assets		₱ 21,923,312	-	₱ 21,923,311	₱ 19,358,692	-	₱ 19,358,692
TOTAL ASSETS		₱ 88,040,873	-	₱ 88,040,873	₱ 100,812,123	-	₱ 100,812,123
LIABILITIES AND EQUITY							
Current Liabilities							
Accounts payable and accrued expenses	9	₱ 10,278,206	-	₱ 10,278,206	₱ 7,795,063	-	₱ 7,795,063
Income Tax Payable	10	679,712	-	679,712	1,709,292	-	1,709,292
Total Current Liabilities		₱ 10,957,918	-	₱ 10,957,918	₱ 9,504,355	-	₱ 9,504,355
Noncurrent Liabilities							
Deferred Output VAT	11	₱ 7,040,968	-	₱ 7,040,968	₱ 9,440,968	-	₱ 9,440,968
Due to related party	15	30,417,414	-	30,417,414	28,623,469	-	28,623,469
Total Noncurrent Liabilities		₱ 38,645,566	-	₱ 38,645,566	₱ 39,119,917	-	₱ 39,119,917
Total Liabilities		₱ 49,603,484	-	₱ 49,603,484	₱ 48,624,272	-	₱ 48,624,272
Equity							
Capital stock		₱ 55,875,000	-	₱ 55,875,000	₱ 55,875,000	-	₱ 55,875,000
Deficit		(17,437,611)	-	(17,437,611)	(3,687,149)	-	(3,687,149)
Total Equity		₱ 38,437,389	-	₱ 38,437,389	₱ 52,187,851	-	₱ 52,187,851
TOTAL LIABILITIES AND EQUITY		₱ 88,040,873	-	₱ 88,040,873	₱ 100,812,123	-	₱ 100,812,123

See accompanying Notes to Financial Statements

Reconciliation of Statement of Comprehensive Income



	Notes	At January 1, 2020			At December 31, 2020		
		PFRS for SME	Effect of Transition	PFRS for SE	PFRS for SME	Effect of Transition	PFRS for SE
AIRTIME REVENUES	12	₱ 36,466,455	-	₱ 36,466,455	₱ 40,199,596	-	₱ 40,199,596
COST OF SERVICES	13	22,264,989	-	22,264,989	19,485,618	-	19,485,618
GROSS PROFIT		₱ 14,201,467	-	₱ 14,201,467	₱ 20,713,978	-	₱ 20,713,978
GENERAL AND ADMINISTRATIVE EXPEN	14	3,710,180	-	3,710,180	2,696,154	-	2,696,154
OTHER INCOME		-	-	-	1,408,338	-	1,408,338
INCOME BEFORE INCOME TAX		₱ 10,491,287	-	₱ 10,491,287	₱ 19,426,160	-	₱ 19,426,160
PROVISION FOR INCOME TAX	10						
Current		3,548,906	-	3,548,906	5,675,698	-	5,675,698
Deferred		-	-	-	-	-	-
		3,548,906	-	3,548,906	5,675,698	-	5,675,698
NET INCOME		₱ 6,942,380	-	₱ 6,942,380	₱ 13,750,462	-	₱ 13,750,462
OTHER COMPREHENSIVE INCOME		-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME		₱ 6,942,380	-	₱ 6,942,380	₱ 13,750,462	-	₱ 13,750,462

See accompanying Notes to Financial Statements

Effect on Statement of Cash Flow

There are no material differences between the Statement of Cash Flows prepared under PFRS for SE and the Statement of Cash Flows presented under previous PFRS for SME.

17. SUPPLEMENTARY INFORMATION REQUIRED UNDER REVENUE REGULATION (RR) NO. 19-2011

Below is the additional information for the year ended December 31, 2021 required by RR No. 19-2011. This information is presented for purposes of filing with the Bureau of Internal Revenue (BIR) and is not a required part of the basic financial statements.

- a. Taxable airtime revenues amounted to ₱ 47,653,141.

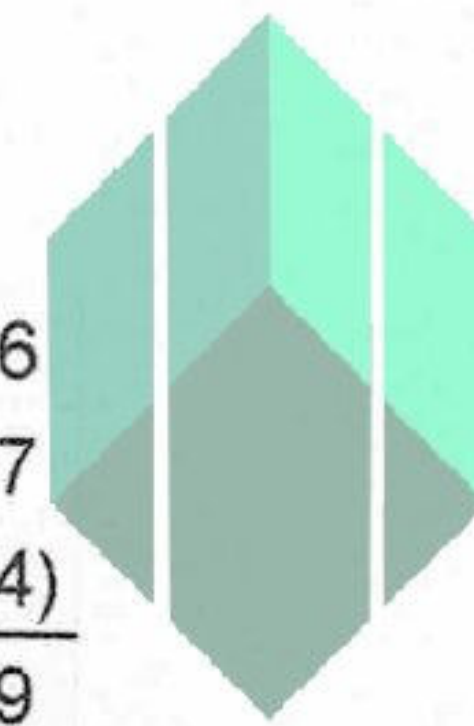
b. Deductible cost of services consists of:

Salaries and Wages	₱ 7,279,580
Talent Fees	3,097,209
Commissions	2,718,941
Light and Water	2,000,649
Production Cost	1,954,448
Depreciation	1,241,976
Travel and Transportation	1,195,011
13th Month Pay	1,050,879
SSS, EC, HDMF and PHIC Contribution	537,896
Communications Expense	297,879
Employees Health Benefits	153,536
Meetings and Other Events Expense	148,413
Employees Benefits - Insurance	96,679
Office Supplies	15,306
Survey Expense	3,180
Repairs and Maintenance	1,000
Miscellaneous Expenses	604
	<u>₱ 21,793,187</u>

c. Other income earned during the year amounted to ₱ 661,943.00.

d. Itemized deductions consist of:

Security Services-Salaries	₱ 1,114,762
Taxes and Licenses	818,756
Transportation	464,133
Rent Expense	403,670
Dues and Subscription	271,455
Professional/Retainer Fees	235,000
Donations and Contributions	225,692
Outside Services	222,203
Communications	200,293
Office & Misc. Supplies	55,421
Repairs and Maintenance	43,881
Representation	21,571
Bank Charges	13,678
Meetings & Conference	11,266
	<u>₱ 4,228,885</u>



e. Input VAT

Beginning balance	₱	20,386
Add: Input Tax on Purchases		776,087
Less: Claims on Input Tax Credits		(756,374)
Ending balance	₱	<u>40,099</u>

f. There was no taxes and licenses included under direct cost.

g. Withholding taxes

The following are the categories of the Company's withholding taxes:

Withholding Tax on Compensation	₱	697,354.80
Expanded Withholding Tax		445,904.67
	₱	<u>1,143,259.47</u>

h. Tax contingencies

The Company has no tax cases, litigation and or prosecution in courts or bodies outside the BIR.

18. SUPPLEMENTARY INFORMATION REQUIRED UNDER REVENUE REGULATION (RR) NO. 15-2010

Below is the additional information for the year ended December 31, 2021 required by RR No. 15-2010. This information is presented for purposes of filing with the Bureau of Internal Revenue (BIR) and is not a required part of the basic financial statements.

- The Company has no BIR deficiency tax assessments as of December 31, 2021.
- Output tax declared for the year ended December 31, 2021 amounted to ₱5,718,377 and the revenues upon which the same was based amounted to ₱47,653,141.