



SECURITIES AND EXCHANGE COMMISSION

Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City, 1307 Metro Manila Philippines
Tel: (632) 818-0921 Fax: (632) 818-5293 Email: mis@sec.gov.ph



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COVER SHEET
for
AUDITED FINANCIAL STATEMENTS
December 31, 2022 and 2021



SEC Registration Number

C S 2 0 1 0 2 6 9 9 1

Company Name

B R I G A D A M A S S M E D I A C O R P O R A T I O N

Principal Office (No./Street/Barangay/City/Town/Province)

N L S A R O A D , L A G A O , G E N E R A L

S A N T O S C I T Y

Form Type

A A F S

Department Requiring the report

Secondary License Type, if Applicable

COMPANY INFORMATION

Company's Email Address

brigadamassmedia@gmail.com

Company's Telephone Number/s

553-9260

Mobile Number

No. of Stockholders

5

Annual Meeting
Month/Day

April 30

Fiscal Year
Month/Day

December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

YELCY Y. CATULPOS

Email Address

Telephone Number/s

553-9260

Mobile Number

Contact Person's Address

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



BRIGADA MASS MEDIA CORPORATION
NLSA Road, Lagao, General Santos City

AUDITED FINANCIAL STATEMENTS
December 31, 2022


MR. RAYMOND O. SABADO
Certified Public Accountant
General Santos City

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR
ANNUAL INCOME TAX RETURN


The management of **BRIGADA MASS MEDIA CORPORATION** 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 or Annual Information Return) covering the same reporting period. Furthermore, the 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 any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended December 31, 2022 and the accompanying Annual Income Tax Return is in accordance with the books and records of **BRIGADA MASS MEDIA CORPORATION**, 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 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) **BRIGADA MASS MEDIA CORPORATION** 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.



ELMER V. CATULPOS
Chairman of the Board



ELMER V. CATULPOS
President



YELCY N. CATULPOS
Chief Financial Officer

Signed this 14th day of April, 2023.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS

The management of **BRIGADA MASS MEDIA CORPORATION** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2022 and 2021, 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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

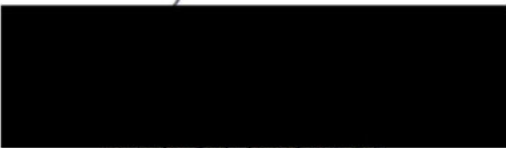
The Board of Directors is responsible for overseeing the Corporation's financial reporting process.

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

Raymond O. Sabado, CPA, the independent auditor, appointed by the stockholders has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed his opinion on the fairness of presentation upon completion of such audit.



ELMER V. CATULPOS
Chairman of the Board



ELMER V. CATULPOS
President



YELCY Y. CATULPOS
Chief Financial Officer

Signed this 14th day of April, 2023.

MR. RAYMOND O. SABADO
Certified Public Accountant
#01 Balagtas Street, General Santos City
Tel. Nos. (083) 552-5283; 552-4472; 301-3261; 301-3262



REPORT OF INDEPENDENT AUDITOR

The Board of Directors & Stockholders
BRIGADA MASS MEDIA CORPORATION
NLSA Road, Lagao, General Santos City

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

I have audited the financial statements of **BRIGADA MASS MEDIA CORPORATION**, which comprise the statements of financial position as at December 31, 2022 & 2021, and the statements of 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, 2022 & 2021, and of its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs) for Small Entities.

Basis for Opinion

I conducted my audit 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 my report. I am independent of the Corporation in accordance with 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 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 PFRSs 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 misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 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 judgment 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 my 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 Corporation'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 Corporation'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 Corporation to cease to continue as a going concern.

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 the Supplementary Information Required Under Revenue Regulations 19-2011 and 15-2010

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 19-2011 and 15-2010 in Notes 16 to the financial statements, respectively, 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 the management. 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.



RAYMOND A. SABADO
Independent Auditor
CPA Certificate No. [REDACTED]
PTR No. [REDACTED]
Issued on 10/05/2023
TIN [REDACTED]
BIR A.N. [REDACTED]
Issued on 3/03/2023
Valid until 3/03/2026
BOA A.N. [REDACTED]
Issued on 10/25/2021
Valid until 08/31/2024
General Santos City
April 14, 2023



MR. RAYMOND O. SABADO
Certified Public Accountant



Tel. Nos. [REDACTED]

STATEMENT OF REPRESENTATION

"TO THE SECURITIES AND EXCHANGE COMMISSION:

In connection with my examination of the financial statements of **BRIGADA MASS MEDIA CORPORATION** covering the years ended December 31, 2022 & 2021 which are herewith submitted to the Commission, I hereby represent the following:

1. That I am in the active practice of the accounting profession and duly registered with the Board of Accountancy (BOA);
2. That financial statements are presented in conformity with Philippine Financial Reporting Standards for Small Entities in all cases where I shall express an unqualified opinion; Except that in case of any departure from such principles, I shall indicate the nature of the departure, the effects thereof, and the reasons why compliance with the principles would result in a misleading statement, if such is a fact;
3. That I shall fully meet the requirements of independence as provided under the Code of Professional Ethics for CPA's;
4. That in the conduct of the audit, I shall comply with the generally accepted auditing standards promulgated by the Board of Accountancy; in case of any departure from such standards or any limitations in the scope of my examination, I shall indicate the nature of the departure and the extent of the limitation, the reasons therefore and the effects thereof on the expression of my opinion or the fact that necessitated the negotiation of the expression of my opinion or which may necessitate the negation of the expression of an opinion;
5. That I shall comply with the applicable rules and regulations of the Securities and Exchange Commission in the preparation and submission of financial statements; and
6. That relative to the expression of my opinion on the said financial statements, I shall not commit any acts discreditable to the profession as provided under Code of Professional Ethics for CPAs.

As a CPA engaged in public practice, I make these representations in my individual capacity.

[REDACTED]

RAYMOND O. SABADO
Independent Auditor
CPA Certificate No. [REDACTED]
PTR No. [REDACTED]
Issued on 1-05-2023
TIN [REDACTED]
BIR A.N. [REDACTED]
Issued on 3/03/2023
Valid until [REDACTED]/2026
BOA A.N. [REDACTED]
Issued on 10/25/2021
Valid until 08/31/2024
General Santos City
April 14, 2023

MR. RAYMOND O. SABADO
Certified Public Accountant

Tel. No. [REDACTED]

*The Board of Directors & Stockholders
BRIGADA MASS MEDIA CORPORATION
NLSA Road, Lagao, General Santos City*

I have examined the financial statements of **BRIGADA MASS MEDIA CORPORATION** 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 two (2) stockholders owning one hundred (100) or more shares each.

[REDACTED]

RAYMOND O. SABADO
Independent Auditor
CPA Certificate No. [REDACTED]
PTR No. [REDACTED]
Issued on 1/15/2023
TIN [REDACTED]
BIR A.N. [REDACTED]
Issued on 5/05/2023
Valid until 7/03/2026
BOA A.N. [REDACTED]
Issued on 10/25/2021
Valid until 08/31/2024
General Santos City
April 14, 2023

BRIGADA MASS MEDIA CORPORATION
NLSA Road, Lagao, General Santos City

STATEMENT OF FINANCIAL POSITION
As of December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Current Assets		
Cash & Cash Equivalents (Notes 3.1 and 4)	P 743,990.10	P 871,950.73
Prepaid Income Tax	2,826,951.06	2,660,122.61
Deferred VAT Input	1,329,604.04	1,799,537.24
Total Current Asset	<u>P 4,900,545.20</u>	<u>P 5,331,610.58</u>
Noncurrent Assets		
Property and Equipment (Note 5)	149,905,418.60	87,330,947.78
TOTAL ASSETS	<u>P 154,805,963.80</u>	<u>P 92,662,558.36</u>
LIABILITIES		
Current Liabilities		
Trade and Other Payables (Note 6)	P 88,587,724.85	P 50,487,724.93
Due to an Affiliate (Note 7)	10,000,000.00	10,000,000.00
Loan Payable (Note 8)	7,316,853.63	3,651,878.43
Total Current Liabilities	<u>P 105,904,578.48</u>	<u>P 64,139,603.36</u>
Noncurrent Assets		
Loan Payable (Note 8)	22,201,453.25	9,270,607.58
Total Liabilities	<u>P 128,106,031.73</u>	<u>P 73,410,210.94</u>
EQUITY		
Capital Stock (Note 9)	P 7,500,000.00	P 7,500,000.00
Retained Earnings (Note 10)	19,199,932.07	11,752,347.42
Total Equity	<u>P 26,699,932.07</u>	<u>P 19,252,347.42</u>
TOTAL LIABILITIES AND EQUITY	<u>P 154,805,963.80</u>	<u>P 92,662,558.36</u>



BRIGADA MASS MEDIA CORPORATION
NLSA Road, Lagao, General Santos City

STATEMENT OF INCOME
For the years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
REVENUE (Note 11)	P 170,234,267.83	P 136,196,294.99
Less: Cost of Services (Note 12)	73,113,492.00	62,013,432.14
GROSS INCOME	P 97,120,775.83	P 74,182,862.85
Less: Expenses		
General and Administrative Expense (Note 13)	P 84,544,749.85	P 66,832,255.50
Finance Cost/Interest Expense (Note 8)	2,415,650.16	1,081,695.11
Total Expenses	P 86,960,400.01	P 67,913,950.61
NET INCOME BEFORE INCOME TAX	P 10,160,375.82	P 6,268,912.24
Less: Corporate Income Tax (Note 14)	2,712,791.17	1,742,195.49
NET INCOME AFTER INCOME TAX	P 7,447,584.65	P 4,526,716.75



BRIGADA MASS MEDIA CORPORATION
NLSA Road, Lagao, General Santos City

STATEMENT OF CASH FLOWS
For the years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities		
Net Income before Income Tax	P 10,160,375.82	P 6,268,912.24
Income Tax (Note 14)	(2,712,791.17)	(1,742,195.49)
Depreciation (Notes 5, 12 and 13)	6,218,500.82	4,164,820.65
Finance Cost/Interest and Bank Charges (Note 8)	(2,415,650.16)	(1,081,695.11)
Interest and Bank Charges Paid (Note 8)	2,415,650.16	1,081,695.11
Decrease (Increase) in Prepaid Income Tax	(166,828.45)	2,098.57
Decrease (Increase) in Deferred VAT Input	469,933.20	(526,313.81)
Increase (Decrease) in Trade and Other Payables (Note 6)	38,099,999.92	29,751,552.13
Net Cash Provided (Used) by Operating Activities	<u>P 52,069,190.14</u>	<u>P 37,918,874.29</u>
Cash Flows from Investing Activities		
(Increase) in Property and Equipment (Note 5)	<u>P (68,792,971.64)</u>	<u>P (46,391,783.00)</u>
Cash Flows from Financing Activities		
Loan Proceeds (Payment)	P 16,595,820.87	P 8,664,471.46
Net Cash Provided (Used) by Financing Activities	<u>16,595,820.87</u>	<u>8,664,471.46</u>
Net Increase (Decrease) in Cash	<u>P (127,960.63)</u>	<u>P 191,562.75</u>
Add: Cash Balance, Beginning	871,950.73	680,387.98
Cash Balance, End (Notes 3.1 and 4)	<u><u>P 743,990.10</u></u>	<u><u>P 871,950.73</u></u>

BRIGADA MASS MEDIA CORPORATION
NLSA Road, Lagao, General Santos City

STATEMENT OF CHANGES IN EQUITY
For the years ended December 31, 2022 and 2021

	<u>Capital Stock</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance on January 1, 2021	P 7,500,000.00	P 7,225,630.67	P 14,725,630.67
Net Income for the year		<u>4,526,716.75</u>	<u>4,526,716.75</u>
Balance on December 31, 2021	P 7,500,000.00	P 11,752,347.42	P 19,252,347.42
Net Income for the year		<u>7,447,584.65</u>	<u>7,447,584.65</u>
Balance on December 31, 2022	<u>P 7,500,000.00</u>	<u>P 19,199,932.07</u>	<u>P 26,699,932.07</u>



BRIGADA MASS MEDIA CORPORATION
NLSA Road, Lagao, General Santos City

NOTES TO THE FINANCIAL STATEMENTS
For the years ended, December 31, 2022 and 2021

1 Company Information

The **BRIGADA MASS MEDIA CORPORATION** is a domestic corporation organized under the Philippine laws, with SEC Registry No. CS 201026991 dated August 24, 2010. It is engaged in all forms of media advertising, promotions and productions of media programs, advertising and public relation consultancies etc., located at NLSA Road, Lagao, General Santos City.

2 Basis of Preparation

2.1 Statement of Compliance

These financial statements are prepared and presented in accordance with Philippine Financial Reporting Standards (PFRS) for Small Entities adopted by the Philippine Financial Reporting Standards Council, Board of Accountancy, and the Securities and Exchange Commission (SEC).

2.2 Basis of Measurement

The financial statements are prepared on the basis of historical cost.

2.3 Functional and Presentation Currency

The financial statements are presented in Philippine pesos, which is the company's functional currency.

2.4 Use of Judgments and Estimates

The preparation of the financial statements in Philippine Financial Reporting Standards (PFRS) for Small Entities requires the management of the Company to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Future events may occur which will cause the assumption used in arriving at estimates to change. The effects of changes in estimates will be reflected in the financial statements.

3 Significant Accounting Policies

The significant accounting policies and practices that have been used in the preparation of these financial statements are enumerated below. Unless otherwise stated, these policies and practices have been applied consistently for each year.

3.1 Cash

Cash comprises cash on hand and demand deposits. *The Company's cash includes cash on hand and in bank.*

3.2 Trade and other receivables

Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortized cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognized immediately in profit or loss.

3.3 Property and Equipment

Property and Equipment are stated at cost less accumulated depreciation and any impairment in value.

The initial cost of Property and Equipment comprises its purchase price, including duties and taxes, and directly attributable costs of bringing the asset to working condition and location for their intended use. Costs of major repairs, improvements and additions are capitalized, while common and minor repairs and maintenance are charged to expense when incurred.



Depreciation is computed using the straight line method. The estimated useful lives of the assets are as follows:

Building and Building Improvements	25 years
Office and Store Equipment	5-10 years
Office Furniture and Fixtures	5-10 years
Transmitter and Communication Equipment	5-10 years

The residual values and estimated useful lives of property and equipment are reviewed and adjusted, if appropriate, at the end of each reporting period.

When assets are sold, retired or otherwise disposed of, their cost and related accumulated depreciation and impairment losses are removed from the accounts and any resulting gain or loss is reflected in the income statement for the period.

3.4 **Impairment of Assets**

At each reporting date, property and equipment are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in profit or loss.

Similarly, at each reporting date, inventories are assessed for impairment by comparing the carrying amount of each item of inventory (or group of similar items) with its selling price less costs to complete and sell. If an item of inventory (or group of similar items) is impaired, its carrying amount is reduced to selling price less costs to complete and sell, and an impairment loss is recognized immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

3.5 **Liabilities**

Trade and other payables

Trade payables are obligations on the basis of normal credit terms and do not bear interest. This includes liabilities arising from the ordinary course of operations, including accrued expenses, withholding taxes and sales taxes (value added taxes or percentage taxes).

Notes Payable (Bank Loans)

Interest-bearing loans and borrowings are raised for support of long-term funding of operations. They are recognized at proceeds received, net of direct issue costs. The Company's interest-bearing loans and borrowings are presented in the statements of financial position as Notes Payable.

Dividends Payable

Dividend distributions to stockholders are recognized as liabilities when the dividends are declared and approved by Board of Directors and/or stockholders.

Derecognition

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

3.6 **Equity**

Capital Stock

Capital Stock is stated at par value of shares that have been issued.



Retained Earnings

Retained Earnings include all current and prior period results as disclosed in the statement of income.

3.7 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 the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events.

Provisions are measured at the estimate expenditure required to settle the present obligation, based on the most reliable evidence available at the statement of financial position date, including the risks and uncertainties associated with the present obligation. Any reimbursement expected to be in the course of settlement of the present obligation is recognized, if virtually certain as a separate asset, not exceeding the amount of the related provision. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. In addition, where time value of money is material, long-term provisions are discounted to their present values using a pretax rate that reflects market assessments and the risks specific to the obligation.

Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of present obligation considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements.

Probable inflows of economic benefits that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements.

3.8 Revenue and Expense Recognition

Revenue is recognized to the extent that the revenue can be reliably measured, it is probable that the economic benefits will flow to the entity, and the costs incurred or to be incurred can be measured reliably. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and other sales taxes or duty. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue is recognized when risks and rewards of ownership of goods have passed to the buyer.

Rendering of Services

Revenue is recognized on the date services are rendered to the customers.

Cost and Expenses are recognized in the statement of income upon utilization of the service or at the date they are incurred.

Interest expense is recognized on the basis of the effective interest method.

3.9 Borrowing Costs

All borrowing costs are recognized in the statement of income in the period which they are incurred.

3.10 Leases

The company accounts for its leases as follows:

Company as Lessee

Leases which transfer to the Company substantially all risks and benefits incidental to ownership of the leased item are classified as finance leases and are recognized as assets and liabilities in the statement of financial position at amounts equal at the inception of the lease to the fair value of the leased property or, if lower, at the present value of minimum lease payments. Lease payments are apportioned between the finance costs and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are

directly charged against income. Capitalized leased assets are depreciated over the shorter of the estimated useful lives of the asset or the lease term.

As a lessee, the company has no finance lease for the years ended December 31, 2022 and 2021.

Leases where the lessor retains substantially all the risks and benefits of ownership of the assets are classified as operating leases. Operating lease payments are recognized as expense in the income statement on a straight-line basis over the lease term.

3.11 Employee Benefits

The company provides short term employees' benefits to employees such as allowances, the mandatory 13th month pay (PD851), the Service Incentive Leave / Sick Leave (5days), and contributions to the Social Security System (SSS), Philippine Health Insurance Corporation (PHIC) and Home Development Mutual Fund (HDMF / Pag-ibig Fund). Short term employee benefits are recognized when an employee has rendered services to the company during the twelve month period.

In accordance with PD No. 442, as amended (RA 7641), the company provides long term employees' benefits (retirement pay) to employees reaching the retirement age of at least sixty (60) years old, and has served the company for at least five (5) years.

The company did not engage the services of the actuary during the year because management believes that the amount of provision for employees benefits will not materially affect the fair presentation of the financial statements considering that the turnover of employees is high.

3.12 Income Taxes

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

The tax currently payable is based on taxable profit for the year.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (known as temporary differences). Deferred tax liabilities are recognized for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognized for all temporary differences that are expected to reduce taxable profit in the future, and any unused tax losses or unused tax credits. Deferred tax assets are measured at the highest amount that, on the basis of current or estimated future taxable profit, is more likely than not to be recovered.

The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognized in profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realized or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

The residual values and estimated useful lives of property and equipment are reviewed and adjusted, if appropriate, at the end of each reporting period.

4 Cash

The details of Cash are shown below:

	<u>2022</u>	<u>2021</u>
Cash on Hand and in Bank	P 743,990.10	P 871,950.73



5 Property and Equipment

	Land	Building and Building Improvements	Transmitter and Communication Equipments	Transportation Equipments	Office Equipments	Office Furnitures and Fixtures	Construction in Progress	Total
Net carrying amount, at January 1, 2021	P 500,000.00	P 15,890,594.25	P 7,966,087.72	P 8,610,892.86	P 11,622,108.07	P 514,302.53	P -	P 45,103,985.43
Acquisition of Assets	-	1,654,640.48	6,414,285.71	6,414,285.71	3,554,911.43	66,723.21	34,701,222.17	46,391,783.00
Completed and Reclassified	-	23,329,371.86	-	-	-	-	(23,329,371.86)	-
Depreciation for the year	-	(735,878.82)	(654,259.38)	(1,088,125.00)	(1,600,673.54)	(85,883.91)	-	(4,164,820.65)
Net carrying amount, at December 31, 2021	P 500,000.00	P 15,154,715.43	P 32,295,840.68	P 13,937,053.57	P 13,576,345.96	P 495,141.83	P 11,371,850.31	P 87,330,947.78
Acquisition of Assets	-	-	26,363,793.54	21,476,785.78	1,327,903.24	426,297.07	19,198,192.01	68,792,971.64
Completed and Reclassified	-	-	-	-	-	-	-	-
Depreciation for the year	-	(735,878.82)	(1,704,347.51)	(1,729,553.57)	(1,956,164.69)	(92,556.23)	-	(6,218,500.82)
Net carrying amount, at December 31, 2022	P 500,000.00	P 14,418,836.61	P 56,955,286.71	P 33,684,285.78	P 12,948,084.51	P 828,882.67	P 30,570,042.32	P 149,905,418.60
At January 1, 2021	P 500,000.00	P 18,396,970.41	P 9,102,937.81	P 10,981,250.01	P 16,006,735.44	P 858,839.09	P -	P 55,746,732.76
Accum. Depreciation	-	(2,506,376.16)	(1,136,850.09)	(2,270,357.15)	(4,384,627.37)	(344,536.56)	-	(10,642,747.33)
Net Carrying Amount	P 500,000.00	P 15,890,594.25	P 7,966,087.72	P 8,610,892.86	P 11,622,108.07	P 514,302.53	P -	P 45,103,985.43
At December 31, 2021	P 500,000.00	P 18,396,970.41	P 34,086,950.15	P 17,295,535.72	P 19,561,646.87	P 925,562.30	P 11,371,850.31	P 102,138,515.76
Accum. Depreciation	-	(3,242,254.98)	(1,791,109.47)	(3,358,482.15)	(5,985,300.91)	(430,420.47)	-	(14,807,567.98)
Net Carrying Amount	P 500,000.00	P 15,154,715.43	P 32,295,840.68	P 13,937,053.57	P 13,576,345.96	P 495,141.83	P 11,371,850.31	P 87,330,947.78
At December 31, 2022	P 500,000.00	P 18,396,970.41	P 60,450,743.69	P 38,772,321.50	P 20,889,550.11	P 1,351,859.37	P 30,570,042.32	P 170,931,487.40
Accum. Depreciation	-	(3,978,133.80)	(3,495,456.98)	(5,088,035.72)	(7,941,465.60)	(522,976.70)	-	(21,026,068.80)
Net Carrying Amount	P 500,000.00	P 14,418,836.61	P 56,955,286.71	P 33,684,285.78	P 12,948,084.51	P 828,882.67	P 30,570,042.32	P 149,905,418.60



6 Trade and Other Payables

	2022	2021
Accounts Payable - Trade	P 86,282,603.63	P 47,969,520.24
SSS/PHIC/PAGIBIG Payable	1,649,851.94	1,100,898.52
Vat Payable	364,850.14	1,193,204.94
Withholding Tax Payable	290,419.14	224,101.23
Total Trade and Other Payables	P 88,587,724.85	P 50,487,724.93

7 Due to an Affiliate and Related Party Transactions

The corporation's related parties include key management personnel and the Board of Directors. Directors do not receive any compensation, except for those who are also officers and hold key management positions in the company. The company provided the compensation and short-term benefits package to these officers amounting to P4,540,576.93.00 during the year.

The Company, in its regular conduct of business, has transactions with its related entities which are normally settled in cash. During the year, the Company have purchased goods and services from related parties Brigada Group of Companies, Inc. amounting to P10,715,367.78. The company have income from services rendered to related parties, Brigada Healthline Corp., Brigada Group of Companies, Inc., Brigada Pharmacy, Inc. and Brigada Publishing Corp amounting to P97,321,428.61, P321,104.51 P5,357,142.84 and P297,857.08 respectively. The Company, had borrowed fund from an affiliate, Brigada Healthline Corp.. These transactions are payable upon demand, with no definite repayment period and no interest obligation. Short termed and normally replaced or liquidated within a year. It is expected to be paid in the next period. None of the transactions incorporate special terms and conditions and no collateral were given or received.

All transactions with related parties are executed in arm's length.

8 Loan Payable

The breakdown of loan payable and interest and bank charges.

Loans Payable Balances, As of December 31

Bank	2022	2021
Security Bank	P 23,112,973.84	P 12,131,553.76
Bank of the Philippine Islands	6,405,333.04	790,932.25
Total Loans Payable	P 29,518,306.88	P 12,922,486.01
Less: Loans Payable - Current	7,316,853.63	3,651,878.43
Loans Payable - Non-current	P 22,201,453.25	P 9,270,607.58

Bank Interest & Charges, For the year :

Bank	2022	2021
Security Bank	P 2,327,862.24	P 984,149.03
Bank of the Philippine Islands	87,787.92	97,546.08
Total Finance Charges / Bank Interest & Charges	P 2,415,650.16	P 1,081,695.11

9 Capital Stock

The corporation has an authorized capital stock of thirty million (P30,000,000.00) pesos, divided into three hundred thousand (300,000) shares with a par value of one hundred (P100.00) pesos per share. The company has a subscribed and paid-up capital of seventy-five thousand (75,000) shares with an equivalent amount of seven million five hundred thousand (P7,500,000.00) pesos.

10 Retained Earnings

The company's retained earnings as of December 31, 2022 and 2021 balances are P19,199,932.07 and P11,752,347.42, respectively.

Reconciliation of Retained Earnings Available for Dividend Declaration

As of December 31, 2022

Unappropriated Retained Earnings, as adjusted to available for dividend distribution, beginning	P	11,752,347.42
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Add: Net Income actually earned/realized during the period

Net Income during the period closed to Retained Earnings	P	7,447,584.65	
Less: Non-actual/unrealized income net of tax		-	
Sub-total	P	7,447,584.65	
Add: Non-actual losses		-	
Net Income actually earned during the period	P	7,447,584.65	7,447,584.65
Add (Less):			
Dividend declarations during the period	P	-	
Appropriations of Retained Earnings during the period		-	
Reversal of appropriations		-	
Effects of prior period adjustments		-	
Treasury shares		-	-
Total Retained Earnings, End Available for Dividends			P 19,199,932.07

11 Revenue

This account consists of:

	<u>2022</u>	<u>2021</u>
Service Income - Ads (VAT)	P 169,977,783.27	P 136,167,619.65
Service Income - Exempt	195,010.71	-
Miscellaneous Income-Vat Input Allocated to Govt. Sales	61,473.85	28,675.34
Total Revenue	P 170,234,267.83	P 136,196,294.99

12 Cost of Services

	<u>2022</u>	<u>2021</u>
Direct Labor	P 46,830,286.00	P 38,629,944.00
Light & Power	18,681,222.09	16,881,758.36
Employees Benefits	5,897,636.40	5,847,470.40
Depreciation	1,704,347.51	654,259.38
Total Cost of Services	P 73,113,492.00	P 62,013,432.14

13 General and Administrative Expense

	<u>2022</u>	<u>2021</u>
Salaries and Wages	P 27,328,569.21	P 22,543,126.61
Outside Services	10,715,367.78	5,870,273.45
Taxes and Licenses (Note 16)	1,731,921.52	1,278,155.01
Communication, Light and Water	5,269,214.17	4,771,421.41
Repairs and Maintenance	1,840,974.92	2,380,035.55
Fuel and Oil	795,005.31	666,115.99
Store and Office Supplies	2,494,292.10	2,387,052.15
Employees Benefits	3,441,660.80	1,643,999.15
Travel and Transportation	233,290.62	79,462.87
Professional Fees	316,258.93	586,411.17
Representation and Entertainment	397,867.33	255,948.54
Depreciation	4,514,153.31	3,510,561.27
Insurance	1,763,711.10	2,424,612.98
Miscellaneous	707,215.09	802,237.59
Membership Accreditation	1,013,598.92	908,956.90
Security Services	1,849,381.15	135,872.68
Rental	20,132,267.59	16,588,012.18
Total General and Administrative Expense	<u>P 84,544,749.85</u>	<u>P 66,832,255.50</u>

14 Income Taxes

The major components of tax expense as reported in the statement of income are as follows:

	<u>2022</u>	<u>2021</u>
Current Income Tax		
Regular	P 2,712,791.17	P 1,742,195.49
Deferred Income Tax		
Relating to origination and reversal of temporary differences	-	-
Income Tax Expense	<u>P 2,712,791.17</u>	<u>P 1,742,195.49</u>

The reconciliation of income tax at the statutory rate to actual income tax is as follows:

	<u>2022</u>	<u>2021</u>
Income before income tax	P 10,160,375.82	P 6,268,912.24
Income Tax computed at statutory		
income tax rate of 20% (CREATE LAW)		
income tax rate of 25% (CREATE LAW)	P 2,540,093.96	P 1,567,228.06
Tax effects of:		
Non-taxable income	-	-
Non-deductible expenses-rate of 20%	-	-
Non-deductible expenses-rate of 25%	172,697.21	174,967.43
Interest Income already subjected to final tax	-	-
Income Tax Expense	<u>P 2,712,791.17</u>	<u>P 1,742,195.49</u>

15 Financial Risk Management Objectives and Policies.

Financial instruments usually include bank loans and cash. Proceeds from bank loans were used as additional working capital. Financial assets and liabilities, such as trade receivables and trade payables, are usually generated from the operations of the company.

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

15.1 Credit Risk

Credit risk is the risk that the Company will incur losses because its debtors or customers failed to discharge their contractual obligation. The Company manages this risk by carefully choosing their customers on credit, and becoming aware of past due receivables.

The following table summarizes the maturity profile of the Company's financial assets as of December 31:

	2022		2021	
	Due within one year	Due beyond one year	Due within one year	Due beyond one year
Cash	P 743,990.10	P -	P 871,950.73	P -

15.2 Liquidity Risk

Liquidity Risk is the risk that the Company will be unable to meet its payment obligations when they fall due. The Company manages this risk by not borrowing too much, becoming aware of maturing obligations and by constantly keeping an eye on its cash position.

The following table summarizes the maturity profile of the Company's financial liabilities as of December 31:

	2022		2021	
	Due within one year	Due beyond one year	Due within one year	Due beyond one year
Trade and Other Payables	P 88,587,724.85	P -	P 50,487,724.93	P -
Due to an affiliate	10,000,000.00	-	10,000,000.00	-
Loan Payable-Current	7,316,853.63	22,201,453.25	3,651,878.43	9,270,607.58
Total	P 105,904,578.48	P 22,201,453.25	P 64,139,603.36	P 9,270,607.58

16 Disclosure on Taxes and Licenses

16.1 Sales/Gross Receipts and VAT Output Taxes

The company is a VAT-registered company with VAT output tax declaration of P20,397,334.04 for 2022 and of P16,340,114.35 for the year 2021 based on the amounts reflected in the Service Income of P169,977,783.27 and P136,167,619.65 for the years ended December 31, 2022 and 2021, respectively

16.2 Input Taxes

	2022	2021
a. Input Tax, Beginning		
Input Tax Carried Over from previous period	P -	P -
Deffered Vat Input to be Carried from previous period	1,799,537.24	1,273,223.43
b. Current Year's domestic purchases / payments for		
Input Tax on Capital Goods	3,127,119.72	1,336,698.34
Input Tax on Goods Other than Capital Goods	2,412,085.54	3,503,515.46
Input Tax on Services	4,046,400.50	3,500,427.35
c. Claims for tax credit/refund and other adjustment		
Input Tax on Allocated to Government Sales closed to Miscellaneous Income	61,473.85	28,675.34
Deffered Vat Input to be Carried Over for the next peric	(1,329,604.04)	(1,799,537.24)
d. Input Tax Claimed during the Year	P 10,117,012.81	P 7,843,002.68

16.3 Taxes and Licenses

The breakdown of the Taxes and Licenses account are as follows:

	<u>2022</u>	<u>2021</u>
a. Local		
City Licenses and Other Fees	P 1,713,921.52	P 1,260,655.01
b. National		
BIR Annual Registration Fee	18,000.00	17,500.00
Total	<u><u>P 1,731,921.52</u></u>	<u><u>P 1,278,155.01</u></u>

16.4 Withholding Taxes

	<u>2022</u>	<u>2021</u>
Tax on Compensation and Benefits	P 922,068.20	P 940,921.19
Creditable Withholding Taxes [Expanded]	2,723,710.44	2,063,447.77
Final Withholding Taxes	n/a	n/a
Total	<u><u>P 3,645,778.64</u></u>	<u><u>P 3,004,368.96</u></u>

16.5 Deficiency Taxes

During the year 2022, the BIR issued Letter of Authority to the company covering the calendar year 2020, an amount totalling to P690,788.88 tax deficiencies was assessed and paid.

17 Approval of Financial Statements

The financial statements for the year ended December 31, 2022 were authorized for issue by the Board of Directors on April 14, 2023.