**RUBEN G. TECSON**

CERTIFIED PUBLIC ACCOUNTANT

LICENSE NO. 35861 TIN 115-883-388-000 NV

UNIT 10 n AVENIR BLDG. ARCHBISHOP REYES AVENUE, CEBU CITY

TEL. NOS. (032) 384-3522/328-9113

**INDEPENDENT AUDITOR’S REPORT**

The Board of Directors and Stockholders

**{{COMPANY\_NAME}}**

{{COMPANY\_ADDRESS}}

**Report on the Audit of the Financial Statements**

Opinion

I have audited the financial statements of ***{{COMPANY\_NAME}}*** which comprise the statement of financial position as at ***December 31, 2021 and 2020*** and the statements of income, statement of changes in equity and statement 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 ***{{COMPANY\_NAME}}*** 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 SE’s).

Basis for Opinion

I conducted my audits in accordance with Philippine Standards on Auditing (PSA). My responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in the Philippines, the Code of Ethics for Professional Accountants in the Philippine (Philippine Code of Ethics), and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit 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, 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.

**Auditors’ 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 PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considering 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 consolidated financial statements.

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

■Identify and assesses 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 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 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.

I also provide those charged with governance with a statement that I have complied the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the ***December 31, 2021*** and are therefore the key audit matters. I describe these matters in my auditor’s report unless law or regulation precludes public disclosures about the matter or when, in rare circumstances I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on the Supplementary Information Required under BIR Revenue Regulation 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 on taxes, duties and license fees in attached form 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. 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 amended financial statements taken as a whole. Furthermore, I have to state that:

1. That I am not related by consanguinity or affinity to the President, manager or any member of the Board of Directors of the Company.
2. The disclosure of Tax Compliance will be disclosed in the financial footnotes by the client.

**RUBEN G. TECSON, CPA**

PTR No. 898479-01/03/2022, Cebu City

BOA No. 0341 / Valid May 28, 2021- May 31, 2024

CDA CEA No. 0149-Valid Nov. 18, 2019 to Nov. 17, 2022

BIR No. 13-470906-003-2021 Valid September 16, 2021 to 2024

CPA License No. 35861

TIN: 115-883-388-000 NV

{{Date}}

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**SUPPLEMENTAL WRITTEN STATEMENT OF AUDITOR**

The Board of Directors and Stockholders

**{{COMPANY\_NAME}}**

{{COMPANY\_ADDRESS}}

I have examined the financial statements of ***{{COMPANY\_NAME}}*** for the Calendar Years Ended ***December 31, 2021 and 2020*,** on which I have rendered the attached report Dated {{Date}}.

In compliance with SRC Rule 68, I am stating that the said company has FIVE ({{Number\_Stockholders}}) stockholders owning one hundred (100 ) or more shares each.

**RUBEN G. TECSON, CPA**

PTR No. 898479-01/03/2022, Cebu City

BOA No. 0341 / Valid May 28, 2021- May 31, 2024

CDA CEA No. 0149-Valid Nov. 18, 2019 to Nov. 17, 2022

BIR No. 13-470906-003-2021 Valid September 16, 2021 to 2024

CPA License No. 35861

TIN: 115-883-388-000 NV

{{Date}}

STATEMENT OF MANAGEMENT’S RESPONSIBILITY

FOR ANNUAL INCOME TAX RETURN

The Management of ***{{COMPANY\_NAME}}*** 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 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 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, 2021*** and the accompanying Annual Income Tax Return are in accordance with the books and records of ***{{COMPANY\_NAME}}*** complete and correct in all material respects, Management likewise affirms that:

1. the Annual Income Tax Return has been prepared in accordance with the provision 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;
2. 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 requirement of Revenue Regulations No.8-2007 and other relevant issuances;
3. ***{{COMPANY\_NAME}}*** has filed all applicable tax returns, reports and statements required to be filed under Philippine 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.

{{PRESIDENT}}  
President/Chairman of the Board

{{TREASURER}}

Treasurer/Chief Financial Officer

STATEMENT OF MANAGEMENT'S RESPONSIBILITY

FOR FINANCIAL STATEMENTS

The management of ***{{COMPANY\_NAME}}*** 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 liqui{{Date}} 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 schedules attached therein, and submits the same to the stockholders or members.

Ruben G. Tecson, CPA, the independent auditor and 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 or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

{{PRESIDENT}}  
President/Chairman of the Board

{{TREASURER}}

Treasurer/Chief Financial Officer

Signed this th day of month 2022