

ANNUAL INCOME TAX RETURN

FOR THE YEAR ENDED DEC. 31, 2022

APRIL 5, 2023



Bureau of Internal Revenue
Republic of the Philippines

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REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

FILING REFERENCE NO.

TIN	: 008-623-252-000
Name	: [REDACTED]
RDO	: 057
Form Type	: 1702
Reference No.	: 462300053376403
Amount Payable (Over Remittance)	: -17,661,952.00
Accounting Type	: C - Calendar
For Tax Period	: 12/31/2022
Date Filed	: 04/14/2023
Tax Type	: IT

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Reference No : 462300053376403
 Date Filed : April 14, 2023 08:12 PM
 Batch Number : 0



Republic of the Philippines
 Department of Finance
 Bureau of Internal Revenue

For BIR
Use Only: BCS/
Item:

BIR Form No. 1702-RT January 2018(ENCS) Page 1	Annual Income Tax Return For Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate Enter all required information in CAPITAL LETTERS. Mark applicable boxes with an "X". Two Copies MUST be filed with the BIR and one held by the taxpayer.				
1 For Calendar Fiscal	3 Amended Return?	4 Short Period Return?	5 Alphanumeric Tax Code (ATC)		
2 Year Ended (MM/20YY) 12/2022	Yes No	Yes No	IC055 Minimum Corporate Income Tax (MCIT)	IC010 DOMESTIC CORPORATION IN GENERAL	
Part I - Background Information					
6 Taxpayer Identification Number (TIN)	008 - 623 - 252 - 000	7 RDO Code	057		
8 Registered Name (Enter only 1 letter per box using CAPITAL LETTERS) [REDACTED]					
9A Registered Address (Indicate complete registered address) [REDACTED]					
9B Zipcode 4026					
10 Date of Incorporation/Organization (MM/DD/YYYY)	09/20/2013				
11 Contact Number	12 Email Address 0495626750 ma.cecilia.alfon@onesourcemsgs.com				
13 Method of Deductions	Itemized Deductions [Section 34 (A-J), NIRC]	Optional Standard Deduction (OSD) - 40% of Gross Income [Section 34(L), NIRC as amended by RA No. 9504]			
Part II - Total Tax Payable (Do NOT enter Centavos)					
14 Total Income Tax Due (Overpayment) (From Part IV Item 43)	11,913,878				
15 Less: Total Tax Credits/Payments (From Part IV Item 55)	29,575,831				
16 Net Tax Payable (Overpayment) (Item 14 Less Item 15) (From Part IV Item 56)	(17,661,952)				
Add Penalties					
17 Surcharge	0				
18 Interest	0				
19 Compromise	0				
20 Total Penalties (Sum of Items 17 to 19)	0				
21 TOTAL AMOUNT PAYABLE (Overpayment) (Sum of Item 16 and 20)	(17,661,952)				
If Overpayment, mark "X" one box only (Once the choice is made, the same is irrevocable)					
To be refunded	To be Issued a Tax Credit Certificate (TCC)	To be carried over as tax credit next year/quarter			
We declare under the penalties of perjury, that this annual return has been made in good faith, verified by us, and to the best of our knowledge and belief, is true and correct pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof. If Authorized Representative, attach authorization letter and indicate TIN)					
Signature over printed name of President/Principal Officer/Authorized Representative		Signature over printed name of Treasurer/Assistant Treasurer			22 Number of Attachments
Title of Signatory	TIN	Title of Signatory	TIN	4	
Part III - Details of Payment					
Particulars	Drawee Bank/Agency	Number	Date (MM/DD/YYYY)	Amount	
23 Cash/Bank Debit Memo				0	
24 Check				0	
25 Tax Debit Memo				0	
26 Others (Specify Below)				0	
Machine Validation/Revenue Official Receipts Details (if not filed with an Authorized Agent Bank)					Stamp of receiving Office/AAB and Date of Receipt (RO's Signature/Bank Teller's Initial)

BIR Form No. 1702-RT January 2018(ENCS) Page 2	Annual Income Tax Return Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate		 1702-RT 01/18ENCS P2
Taxpayer Identification Number (TIN) 008 - 623 - 252 - 000		Registered Name	
Part IV - Computation of Tax (Do NOT enter Centavos)			
27 Sales/Receipts/Revenues/Fees	777,368,135		
28 Less: Sales Returns, Allowances and Discounts	0		
29 Net Sales/Receipts/Revenues/Fees (Item 27 Less Item 28)	777,368,135		
30 Less: Cost of Sales/Services	697,942,274		
31 Gross Income from Operation (Item 29 Less Item 30)	79,425,861		
32 Add: Other Taxable Income Not Subjected to Final Tax	0		
33 Total Taxable Income (Sum of Items 31 and 32)	79,425,861		
Less: Deductions Allowable under Existing Law			
34 Ordinary Allowable Itemized Deductions (From Part VI Schedule I Item 18)	0		
35 Special Allowable Itemized Deductions (From Part VI Schedule II Item 5)	0		
36 NOLCO (only for those taxable under Sec. 27(A to C); Sec. 28(A)(1) & (A)(6)(b) of the tax Code) (From Part VI Schedule III Item 8)	0		
37 Total Deductions (Sum of Items 34 to 36)	0		
OR [in case taxable under Sec 27(A) & 28(A)(1)]			
38 Optional Standard Deduction (40% of Item 33)	31,770,344		
39 Net Taxable Income/(Loss) (If itemized: Item 33 Less Item 37; If OSD: Item 33 Less Item 38)	47,655,517		
40 Applicable Income Tax Rate		25 %	
41 Income Tax Due other than Minimum Corporate Income Tax (MCIT) (Item 39 x Item 40)	11,913,879		
42 MCIT Due (2% of Item 33)	0		
43 Tax Due (Normal Income Tax Due in Item 41 OR the MCIT Due in Item 42, whichever is higher) (To Part II Item 14)	11,913,879		
Less: Tax Credits/Payments (attach proof)			
44 Prior Year's Excess Credits Other Than MCIT	16,521,962		
45 Income Tax Payment under MCIT from Previous Quarter/s	0		
46 Income Tax Payment under Regular/Normal Rate from Previous Quarter/s	0		
47 Excess MCIT Applied this Current Taxable Year (From Part VI Schedule IV Item 4)	0		
48 Creditable Tax Withheld from Previous Quarter/s per BIR Form No. 2307	9,236,870		
49 Creditable Tax Withheld per BIR Form No. 2307 for the 4th Quarter	3,816,999		
50 Foreign Tax Credits, if applicable	0		
51 Tax Paid in Return Previously Filed, if this is an Amended Return	0		
52 Special Tax Credits (To Part V Item 58)	0		
Other Credits/Payments (Specify)			
53	0		
54	0		
55 Total Tax Credits/Payments (Sum of Items 44 to 54) (To Part II Item 15)	29,575,831		
56 Net Tax Payable / (Overpayment) (Item 43 Less Item 55) (To Part II Item 16)	(17,661,952)		
Part V - Tax Relief Availment			
57 Special Allowable Itemized Deductions (Item 35 of Part IV x Applicable Income Tax Rate)	0		
58 Add: Special Tax Credits (From Part IV Item 52)	0		
59 Total Tax Relief Availment (Sum of Items 57 and 58)	0		

BIR Form No. 1702-RT January 2018(ENCS) Page 3	Annual Income Tax Return Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	 1702-RT 01/18ENCS P3
Taxpayer Identification Number (TIN)		Registered Name
008 - 623 - 252 - 000		
Schedule I - Ordinary Allowable Itemized Deductions (Attach additional sheet/s, if necessary)		
1 Amortizations	0	
2 Bad Debts	0	
3 Charitable Contributions	0	
4 Depletion	0	
5 Depreciation	0	
6 Entertainment, Amusement and Recreation	0	
7 Fringe Benefits	0	
8 Interest	0	
9 Losses	0	
10 Pension Trust	0	
11 Rental	0	
12 Research and Development	0	
13 Salaries, Wages and Allowances	0	
14 SSS, GSIS, Philhealth, HDMF and Other Contributions	0	
15 Taxes and Licenses	0	
16 Transportation and Travel	0	
17 Others (Deductions Subject to Withholding Tax and Other Expenses) [Specify below; Add additional sheet/s, if necessary]		
a Janitorial and Messengerial Services	0	
b Professional Fees	0	
c Security Services	0	
d	0	
e	0	
f	0	
g	0	
h	0	
i	0	
⊗		
18 Total Ordinary Allowable Itemized Deductions (Sum of Items 1 to 17) (To Part IV Item 34)	0	
Schedule II - Special Allowable Itemized Deductions (Attach additional sheet/s, if necessary)		
Description	Legal Basis	Amount
1		0
2		0
3		0
4		0
⊗		
5 Total Special Allowable Itemized Deductions (Sum of Items 1 to 4) (To Part IV Item 35)	0	

BIR Form No. 1702-RT January 2018(ENCS) Page 4	Annual Income Tax Return Corporation, Partnership and Other Non-individual Taxpayer Subject Only to REGULAR Income Tax Rate		 1702-RT 01/18ENCS P4
Taxpayer Identification Number (TIN) 008 - 623 - 252 - 000		Registered Name [Redacted]	
Schedule III - Computation of Net Operating Loss Carry Over (NOLCO)			
1 Gross Income (From Part IV Item 33)	0		
2 Less: Ordinary Allowable Itemized Deductions (From Part VI Schedule I Item 18)	0		
3 Net Operating Loss (Item 1 Less Item 2) (To Schedule IIIA, Item 7A)	0		
Schedule IIIA - Computation of Available Net Operating Loss Carry Over (NOLCO) (DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)			
Net Operating Loss		B) NOLCO Applied Previous Year	
Year Incurred	A) Amount		
4	0	0	
5	0	0	
6	0	0	
7	0	0	
Continuation of Schedule IIIA (Item numbers continue from table above)			
C) NOLCO Expired	D) NOLCO Applied Current Year	E) Net Operating Loss (Unapplied) (E = A Less (B + C + D))	
4	0	0	
5	0	0	
6	0	0	
7	0	0	
8 Total NOLCO (Sum of Items 4D to 7D) (To Part IV, Item 36)		0	
Schedule IV - Computation of Minimum Corporate Income Tax (MCIT)			
Year	A) Normal Income Tax as adjusted	B) MCIT	C) Excess MCIT over Normal Income Tax
1	0	0	0
2	0	0	0
3	0	0	0
Continuation of Schedule IV (Item numbers continue from table above)			
D) Excess MCIT Applied/Used in Previous Years	E) Expired Portion of Excess MCIT	F) Excess MCIT Applied this Current Taxable Year	G) Balance of Excess MCIT Allowable as Tax Credit for Succeeding Year/s (G = C Less (D + E + F))
1	0	0	0
2	0	0	0
3	0	0	0
Total Excess MCIT Applied (Sum of Items 1F to 3F) (To Part IV Item 47)		0	
Schedule V - Reconciliation of Net Income per Books Against Taxable Income (attach additional sheet/s, if necessary)			
1 Net Income/(Loss) per books	47,655,517		
Add: Non-deductible Expenses/Taxable Other Income			
2	0		
3	0		
4 Total (Sum of Items 1 to 3)	47,655,517		
Less: A) Non-Taxable Income and Income Subjected to Final Tax			
5	0		
6	0		
B) Special Deductions			
7	0		
8	0		
9 Total (Sum of Items 5 to 8)	0		
10 Net Taxable Income/(Loss) (Item 4 Less Item 9)	47,655,517		

Independent Auditor's Report

To the Board of Directors

Opinion

I have audited the financial statements of [REDACTED] which comprise the statement of financial position as at December 31, 2022 and 2021, and the statement of revenue and expenses, statement of changes in equity and statement of cash flows for the years then ended, and notes to the financial statements, including summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all materials respects, the financial position of [REDACTED] as at December 31, 2022 and 2021, and of its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards for Large Entities (PFRS for LE's).

Basis of 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 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 obtained is sufficient and appropriate to provide 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 Philippines Financial Reporting Standards for Large Size Entities (PFRS for LE's), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from materials misstatements, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosure in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusion is 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.

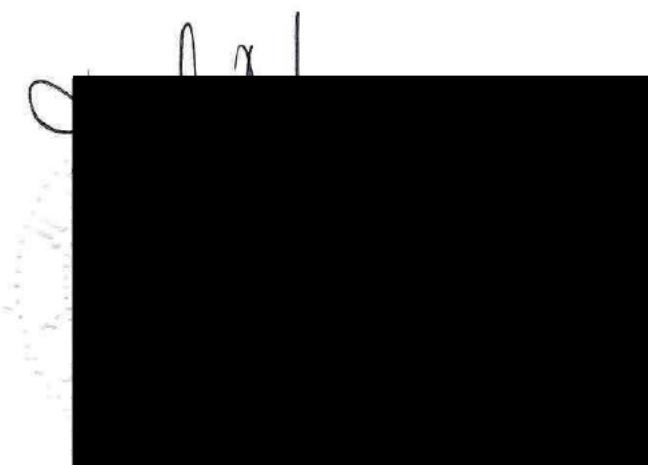
I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Key Audit Matter

Key audit matters are those matters that, in my professional judgement were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statement as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

**Report on the Supplementary Information Required Under Revenue Regulations
No. 15-2010 of the Bureau of Internal Revenue**

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



**Supplemental Written Statement Of Auditor To Accompany Financial
Statements For Filing With The Bureau Of Internal Revenue And
The Securities And Exchange Commission**

To the Board of Directors

I have audited the accompanying financial statements of [REDACTED] as of and for the year ended December 31, 2022 on which I have rendered the attached comprehensive report dated April 5, 2023.

In compliance with Revenue Regulation V-20, I am stating the following;

1. The Taxes paid or accrued by the company for the period ended December 31, 2022 are shown in the Schedule of Taxes and Licenses attached to the Annual Income tax Return. Please see Notes to Financial Statements.
2. That I am not related by consanguinity nor affinity to the president, manager or principal stockholder of the company and of Directors to the aforesaid Company.
3. In compliance with SRC Rule 68, I am stating that the said company has a total of 5 stockholders owning one hundred (100) or more shares each.

**Security and Exchange Commission
SEC Building, EDSA Greenhills
Mandaluyong City, Philippines**

In connection with my examination of financial statements of [REDACTED]
[REDACTED] which is to be submitted to the Commission. I hereby represent the following:

1. That I am in the active practice of the accounting profession and duly registered and with the Board of Accountancy (BOA);
2. That financial statements are presented in conformity with generally accepted accounting principles in the Philippines 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 meet the requirements of independence as provided in Section 14 of the Code of professional Ethics for CPAs;
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 the any departure from such standards or any limitation in the scope of my examination, I shall indicate the nature of the departure and extent of the limitation, the reasons therefore and the effects thereof on the expression of my opinion or which may necessitate the negative of 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 for in Section 23 of the Code of Professional Ethics for CPAs.

As a Certified Public Accountant engage in public practice, I make these representations in my individual capacity.

April 5, 2023
[REDACTED]

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE INCOME TAX RETURN

[REDACTED] is responsible for all information and representation contained in the Income Tax Return **for the year ended December 31, 2022**. The financial statements have been prepared in conformity with generally accepted accounting principles in the Philippines and reflect amounts that are based on the best estimates and informed judgment of management with an appropriate consideration to materiality.

In this regard, management maintains a system of accounting and reporting which provides for the necessary controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized. The management likewise disclose to the company's external auditors:

- I. 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.
- II. 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 Regulation 8-2007 and other relevant issuances.
- III. [REDACTED] has filed all applicable tax returns, reports, 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.



The image shows three large rectangular black redaction boxes. Above the first redaction box, there are two handwritten marks: a small circle on the left and a small square on the right. Below the second redaction box, the letters 'M' and 'N' are handwritten. To the right of the third redaction box, there is a handwritten signature consisting of several short, vertical, slanted lines.

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

The management of [REDACTED] is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the year ended December 31, 2022 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the [REDACTED]
[REDACTED]'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.

[REDACTED] the independent auditor appointed by the stockholders, has audited the financial statements of [REDACTED] in accordance with Philippine Standards on Auditing, and in his report to the stockholders, has expressed his opinion on the fairness of presentation upon completion of such audit.

[REDACTED]
I
I

[REDACTED]
Z

[REDACTED]

Signed this _____ day of _____

FINANCIAL STATEMENTS



FOR THE YEAR ENDED DEC. 31, 2022

APRIL 5, 2023



STATEMENT OF FINANCIAL POSITION
As of the Year Ended December 31, 2022 and 2021
(Amounts in Philippine Peso)

	<i>Notes</i>	2022	2021
ASSETS			
Current Assets			
Cash	2,4	7,722,457	26,762,684
Trade and Other Receivables	2,5	88,717,532	68,266,000
Other Current Assets	2,7	1,166,446	176,656
Total Current Assets		97,606,434	95,205,339
Non Current Assets			
Property and Equipment-net	2,8	4,805,483	2,458,306
Deferred Tax Asset	2,6	17,661,952	16,521,962
Total Non-Current Assets		22,467,435	18,980,268
TOTAL ASSETS		120,073,869	114,185,607
LIABILITIES & STOCKHOLDERS' EQUITY			
Trade and Other Payables	2,9	50,211,915	65,390,167
Income Tax Payable	2,19	-	-
Total Current Liabilities		50,211,915	65,390,167
TOTAL LIABILITIES		50,211,915	65,390,167
Stockholders' Equity			
Capital Stock			
Paid-up Capital	2,10	17,000,000	17,000,000
Retained Earnings	2,11	52,861,956	31,795,440
TOTAL STOCKHOLDERS' EQUITY		69,861,956	48,795,440
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY		120,073,870	114,185,607

[REDACTED]
[REDACTED]a

STATEMENT OF INCOME

As of the Year Ended December 31, 2022 and 2021
(Amounts in Philippine Peso)

	<i>Notes</i>	2022	2021
Revenue	<i>2,12</i>	777,368,135	770,970,308
Cost of Service	<i>2,13</i>	697,942,274	689,284,303
Gross Profit		79,425,861	81,686,005
Other Income	<i>2,14</i>		
Total Income		79,425,861	81,686,005
Administrative Expenses	<i>2,15</i>	51,337,173	54,124,014
Net Income/(Loss) Before Tax		28,088,687	27,561,991
Provision for Income tax/(Income Tax Benefit)	<i>2,19</i>	7,022,172	12,252,901
Net Income/ (Loss) After Tax		21,066,515	15,309,090

See Accompanying Notes to Financial Statements.

STATEMENT OF CHANGES IN EQUITY
For the Years Ended December 31, 2022 and 2021
(Amounts in Philippine Peso)

	<i>Notes</i>	2022	2021
Stockholders' Equity			
Capital Stock			
Authorized to issue 400,000 shares at P100 par amounting to P 40,000,000.00			
Paid-up Capital	2,10	17,000,000	17,000,000
Retained Earnings			
Retained Earnings-beg		31,795,440	16,486,350
Prior Year's Adjustments			
Retained Earnings-beg, adjusted		31,795,440	16,486,350
Add: Net Income		21,066,515	15,309,090
Total		52,861,956	31,795,440
Less: Stock Dividends			
Retained Earnings-end		52,861,956	31,795,440
Appropriated for Stock Dividend Distribution			
Appropriated for working capital		52,861,956	31,795,440
Unappropriated			
Total Retained Earnings	2,11	52,861,956	31,795,440
TOTAL STOCKHOLDERS EQUITY		69,861,956	48,795,440

See Accompanying Notes to Financial Statements.

STATEMENT OF CASH FLOW

For the Years Ended December 31, 2022 and 2021

(Amounts in Philippine Peso)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income after Income Tax	21,066,515	15,309,090
Add/Deduct Adjustment for		
Prior Period Adjustment		
Depreciation	3,487,540	2,696,788
Decrease (Increase) In		
Merchandise Inventory		
Trade and Other Receivables	(20,451,533)	(26,540,747)
Deferred Tax Assets	(1,139,990)	27,000
Other Current Assets	(989,790)	2,508,543
Increase (Decrease) in		
Trade and Other payables	(15,178,252)	22,567,800
Income Tax Payable		
Net cash provided by operating activities	(13,205,509)	16,568,475
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to Property and Equipment	(5,834,717)	(3,358,610)
Additional Paid In capital		
Total cash from investing activities	(5,834,717)	(3,358,610)
INCREASE/(DECREASE) IN CASH	(19,040,226)	13,209,865
CASH JANUARY 1	26,762,682	13,552,818
CASH DECEMBER 31	7,722,457	26,762,682

**NOTES TO
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED DEC. 31, 2022

APRIL 5, 2023



WZ

NOTES TO FINANCIAL STATEMENTS
As of and for the year ended December 31, 2022

1. CORPORATE INFORMATION

[REDACTED] was registered with the Philippine Securities and Exchange Commission on September 20, 2013, with Certificate of Registration No. CS201318340 with the primary purpose of engaging in the business of local manpower sub-contracting, to perform any act, not otherwise prohibited by law, in the provision management of manpower and other services related to it; to perform any other acts reasonably, necessary, convenient or expedient, not in consistent with law with the object of carrying out any and all of the purpose of the corporation.

The company also sets its secondary purposes such as: 1.) to purchase, acquire, own, lease, sell and convey to the extent allowed by law, property of every kind and description as may be necessary or incidental to the conduct of its corporate business; 2.) to raise capital or borrow money from not more than (19) lenders including its stockholders to meet the financial requirements of its business by the issuance of securities, bonds, promissory notes and other evidence of indebtedness; 3.) to invest in other companies and enter into joint venture agreements with any company, partnership, persons or government entities, domestic or foreign, for advancement of its interest and in carry out its primary purpose; 4.) to establish and operate branch offices or agencies to carry out any or all of its operations and business without any restriction as to place or amount; 5.) to do and perform all acts and things necessary or incidental to the accomplishment of the forgoing purposes or the exercise of any or all powers of a corporation for the benefit of this corporation and its stockholders.

Its registered office address is at [REDACTED]

The accompanying amended financial statements were authorized for issue by the board of directors on April 05, 2023. The Board of Directors is empowered to make revisions on financial statements even after the date of issue.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation

The financial statements of the Company have been prepared on a fair value measurement and are presented in Philippine Pesos, which is the Company's functional and presentation currency. All values represent absolute amounts except when otherwise indicated.

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

2.2 Statement of Compliance

The accompanying financial statements have been prepared in accordance with Philippine Financial Reporting Standards for Small and Medium-Sized Entities (PFRS for SMEs).

2.3 Accounting Policies Adopted

NOTES TO FINANCIAL STATEMENTS
As of and for the year ended December 31, 2022

The following sections that have been published and issued by the International Accounting Standards Board (IASB) and adopted by the FRSC which became effective for accounting periods beginning on or after January 1, 2009 were adopted by the Company:

Section 3 -	Financial Statement Presentations
Section 4 -	Statement of Financial Position
Section 5 -	Statement of Comprehensive Income and Income Statement
Section 6 -	Statement of Changes in Equity and Statement of Income and Retained Earnings
Section 7 -	Statement of Cash Flows
Section 8 -	Notes to Financial Statements
Section 10-	Accounting Policies, Estimates and Errors
Section 11-	Basic Financial Instruments
Section 17-	Property, Plant and Equipment
Section 20-	Leases
Section 21-	Provisions and Contingencies
Section 22-	Liabilities and Equity
Section 23-	Revenue
Section 27-	Impairment of Assets
Section 28-	Employee Benefits
Section 29-	Income Tax
Section 32-	Events after the End of the Reporting Period
Section 33 -	Related Party Disclosures

The effects of these sections on the Company's accounting policies and on the amounts disclosed in the financial statements are summarized as follows:

Section 3, "Financial Statement Presentation," provides a framework within which an entity assesses how to present fairly the effects of transactions and other events. It requires that an entity shall make an explicit and unreserved statement of compliance with PFRS for SMEs in the notes, complete sets of financial statements must be presented at least annually and at least one year comparative statements and note data, and items should be consistently presented and classified from one period to the next.

Section 4, "Statement of Financial Position", provides specific requirements on the presentation, classification and related disclosures of entity's assets, liabilities and equity as of a specific date.

Section 5, "Statement of Comprehensive Income and Income Statement", provides specific requirements on the presentation, classification and related disclosures of entity's total comprehensive income, its financial performance for the period in one or two financial statements.

Section 6, "Statement of Changes in Equity and Statement of Income and Retained Earnings", sets out requirements for presenting the changes in an entity's equity for a period, either in a statement of changes in equity or, if specified conditions are met and an entity chooses, in a statement of income and retained earnings the cost of inventories is no longer acceptable.

Section 7, "Statement of Cash Flows", requires the provision of information about the historical changes in cash and cash equivalents of an entity by means of a cash flow statement which classifies cash flows during the period from operating, investing and financing activities.

NOTES TO FINANCIAL STATEMENTS
As of and for the year ended December 31, 2022

Section 8, “Notes to Financial Statements”, sets out the principles underlying information that is to be presented in the notes to the financial statements and how to present it. Notes contain information in addition to that presented in the statement of financial position, statement of comprehensive income, income statement (if presented), combined statement of income and retained earnings (if presented), statement of changes in equity, and statement of cash flows. Notes provide narrative descriptions or desegregations of items presented in those statements and information about items that do not qualify for recognition in those statements. In addition to the requirements of this section, nearly every other section of this IFRS requires disclosures that are normally presented in the notes.

Section 10, “Accounting Policies, Estimates and Errors,” eliminates the concept of fundamental error and the allowed alternative to retrospective application of voluntary changes in accounting policies and retrospective restatement to correct prior period errors. The section defines material omissions and misstatements and describes how to apply the concept of materiality when applying accounting policies and correcting errors.

Section 11, “Basic Financial Instruments”, applies to basic financial instruments and is relevant to all entities. An entity shall recognize a financial asset or a financial liability only when the entity becomes a party to the contractual provisions of the instrument. When a financial asset or financial liability is recognized initially, an entity shall measure it at the transaction price unless the arrangement constitutes, in effect, a financing transaction.

Section 17, “Property, Plant and Equipment,” prescribes the accounting treatment and related disclosures for property, plant and equipment, investment property, and non-current assets held for sale whose fair value cannot be measured reliably without undue cost and effort. It provides guidance on initial and subsequent recognition as well as measurement after recognition. It requires depreciation for each significant part of an item of property, plant and equipment. The standard also provides guidance on the determination of the carrying amount of the assets, the residual value, depreciation period and derecognition principles to be observed.

Section 20, “Leases,” applies to agreements that transfer the right to use assets even though substantial services by the lessor may be called for in connection with the operation or maintenance of such assets. This section does not apply to agreements that are contracts for services that do not transfer the right to use assets from one contracting party to the other.

Section 21, “Provisions and Contingencies”, ensures that appropriate recognition criteria and measurement basis are applied to provisions, contingent liabilities and contingent assets and that sufficient information is disclosed in the notes to financial statements to enable users to understand their nature, timing and amount.

Section 22, “Liabilities and Equity”, establishes principles for classifying financial instruments as either liabilities or equity and addresses accounting for equity instruments issued to individuals or other parties acting in their capacity as investors in equity instruments (i.e. in their capacity as owners).

Section 23, “Revenue”, provides additional guidelines as to the timely recognition of revenue, which is measured at the fair value of the consideration received or receivable.

Section 27, “Impairment of Assets”, prescribes the procedures that an entity applies to ensure that its assets are carried at no more than their recoverable amount if its carrying amount exceeds the amount to be recovered through use or sale of the asset. If this is the case, the asset is described to be impaired and the standard requires the entity to recognize an

NOTES TO FINANCIAL STATEMENTS
As of and for the year ended December 31, 2022

impairment loss. The section also specifies when an entity should reverse an impairment loss previously recognized.

Section 28, “Employee Benefits,” applies to all employee benefits offered by an employer to employees and their dependents and beneficiaries. This section applies to employee benefits under: (i) formal plans and agreements between an enterprise and its employees,

(ii)national, local, industry or multi-employer plans; and informal practices giving rise to a constructive obligation. This section also identifies the following categories of employee benefits such as short-term employee benefits, post employment benefits, other long-term employee benefits and termination benefits.

Section 29, “Income tax,” covers accounting for income tax. It requires an entity to recognize the current and future tax consequences of transactions and other events that have been recognized in the financial statements.

Section 32, “Events After the End of the Reporting Period,” defines events after the end of the reporting period and sets out principles for recognizing, measuring and disclosing such events.

Section 33, “Related Party Disclosures,” provides additional guidance and clarity in the scope, definitions and the disclosures for related parties. It requires disclosure of the compensation of key management personnel.

In 2016, it is the opinion of Management that assets and liabilities were recognized at fair value; hence, these were considered deemed cost.

The significant sections and practices of the Company are set forth to facilitate the understanding of the financial statements.

Financial Assets

Financial assets are recognized initially at fair value and subsequently measured at amortized cost less impairment.

Financial assets include Cash on hand and in banks and other financial instruments. Financial assets, other than hedging instruments, are classified into the following categories: financial assets at fair value through profit and loss, loans and receivables, held to maturity investment and available for sale financial assets. Financial assets are assigned to the categories by management by initial recognition, depending on the purpose for which the investments were acquired.

Cash

Cash includes cash on hand and in banks and these are measured at face value. Cash on hand as of the end of the period were deposited the next banking day. Cash in banks are deposits held at call with banks. The company reconciles the books and bank balances regularly as part of its cash monitoring and internal control measures.

Trade and Other Receivables

Trade Receivables are measured initially at invoice price and subsequently measured at amortized cost as reduced by appropriate allowances for doubtful accounts and impairment, if any. The allowance for doubtful accounts is the estimated amount of probable losses arising from non-collection based on past collection experience and management's review of the

NOTES TO FINANCIAL STATEMENTS
As of and for the year ended December 31, 2022

current status of the long-outstanding receivables. The doubtful accounts expense is recognized in the statements of income.

Other Current Assets

Other current assets include prepaid taxes which are measured at transaction cost.

Property and Equipment

Property and Equipment are measured initially at its cost. Property and equipment, after initial recognition are stated at cost less any accumulated depreciation and any accumulated impairment losses.

The initial cost of property and equipment, comprises its purchase price and any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. These can include the costs of initial delivery and handling, installation and assembly, and testing of functionality.

The following costs are not costs of an item of property and equipment, and the entity recognized them as an expense when they are incurred: costs of opening a new facility, costs of introducing a new product or service (including costs of advertising and promotional activities), costs of conducting business in a new location or with a new class of customer (including costs of staff training), administration and other general overhead costs and borrowing costs.

For financial reporting purposes, duties and taxes related to the acquisition of property and equipment are capitalized. For income tax reporting purposes, such duties and taxes are treated as deductible expenses in the year these charges are incurred.

For financial reporting purposes, depreciation is computed using the straight-line method over the estimated useful lives of the assets.

If there is an indication that there has been a significant change since the last annual reporting date in the pattern by which an entity expects to consume an asset's future economic benefits, the entity shall review its present depreciation method and, if current expectations differ, change the depreciation method to reflect the new pattern. The entity shall account for the change as a change in an accounting estimate.

Factors such as a change in how an asset is used, significant unexpected wear and tear, technological advancement, and changes in market prices may indicate that the residual value or useful life of an asset has changed since the most recent annual reporting date. If such indicators are present, an entity shall review its previous estimates and, if current expectations differ, amend the residual value, depreciation method or useful life. The entity shall account for the change in residual value, depreciation method or useful life as a change in an accounting estimate.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of property and equipment is recognized in profit or loss when the item is derecognized (unless Section 20 Leases requires otherwise on a sale and leaseback) such gain is not recognized as revenue.

For income tax reporting purposes, depreciation is computed using the straight-line method.

NOTES TO FINANCIAL STATEMENTS
As of and for the year ended December 31, 2022

Financial Liabilities

Financial liabilities are recognized initially at fair value and subsequently measured at amortised cost less impairment.

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities include Trade and Other Payables, Other Current Liabilities and Loans Payable.

Amortized Cost

The amortized cost of a financial liability is

- a.) the amount at which the asset or liability is measured at initial recognition (usually "cost")
- b.) minus any repayments of principal,
- c.) minus any reduction for impairment or uncollectibility, and
- d.) plus or minus the cumulative amortization of the difference between that initial amount and the maturity amount.

Trade and Other Payables

Trade payables are liabilities to pay for goods or services that have been received or supplied and have been invoiced or formally agreed with the supplier.

Other Payables include accruals such as non-trade payables and accrued audit fees and other professional fees. Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts if any due to employees. It is necessary to estimate the amount or timing of accruals, however, the uncertainty is generally much less than for provisions

Trade and other payables are measured at fair value and subsequently measured at amortized cost using effective interest method.

Income Tax Payable

The tax currently payable for the year is Regular Corporate Income Tax (RCIT). Taxable profit differs from net profit as reported in the statements of operations, because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The reconciliation of the Company's liability, if any, for current tax is calculated using 25% tax rate.

Other Current Liabilities

Other current liabilities include statutory obligation as of the end of the period such as SSS, PHIC & HDMF Payable, VAT payable and withholding tax payable.

Non-Current Liabilities

Non-current liabilities are initially recorded at transaction cost and subsequently measured at their amortized cost. This loans payable represents amounts lent by the stockholders to the corporation to be able to manage its operational costs with fixed interest rate and payment terms.

NOTES TO FINANCIAL STATEMENTS
As of and for the year ended December 31, 2022

Financial Instruments

Date of Recognition

The Company recognizes a financial asset or a financial liability in the Company's balance sheet when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery or assets within the time frame established by regulation or convention in the market place are recognized on the trade date. Derivatives are recognized on trade date basis.

Initial Recognition of Financial Instruments

All financial assets are initially recognized at fair value. Except for securities at FVPL, the initial measurement of financial assets includes transaction costs. The Company classifies its financial assets in the following categories: securities at FVPL, held-to-maturity (HTM) investments, AFS investments, and loans and receivables. Financial liabilities are classified as financial liabilities at FVPL and other liabilities.

The classification depends on the purpose for which the investments were acquired and whether they are quoted in an active market. Management determines the classification of its investments at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

Determination of Fair Value

For all other 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.

Determination of amortized cost

Held-to-maturity investments, available for sales investments and loans and receivables are measured at amortized cost. This is computed using the effective interest method less any allowance for impairment. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are integral part of the effective interest rate (EIR).

Classification of financial instruments

Financial Instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instruments or a component that is a financial liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charges directly to equity, net of any related income tax benefits.

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 assets 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 has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that they borrower or a group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal

NOTES TO FINANCIAL STATEMENTS
As of and for the year ended December 31, 2022

payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred). The carrying amount of the asset is reduced through use of an allowance account and the amount of loss is charged to the statement of income. Interest income continues to be recognized based on the original effective interest rate of the asset. Loans, together with the associated allowance accounts, are written off when there is no realistic prospect of future recovery and all collateral has been realized. If, in a subsequent year, the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in profit or loss, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of such credit risk characteristics as industry, past-due status and term.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Company to reduce any differences between loss estimates and actual loss experience.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If it is determined that no objective evidence of impairment exists for an individual asset with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is on continues to be recognized are not included in a collective assessment or impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the statements of income, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

Derecognition of Financial Assets and Financial Liabilities **Financial assets**

A financial asset (or, where applicable a part 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 receive 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

NOTES TO FINANCIAL STATEMENTS
As of and for the year ended December 31, 2022

(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 a derecognition of the original liability and the recognition of a 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 a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with 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 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 asset's 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 asset does not generate cash inflows that are largely independent of those assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. Impairment losses are recognized in the statements 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, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statements 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 future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Capital Stock

Capital Stock represents ordinary shares which are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct

NOTES TO FINANCIAL STATEMENTS
As of and for the year ended December 31, 2022

costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Any costs of acquiring Company's own shares 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 incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

Retained Earnings

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

Revenue and cost recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Company's activities. Revenue is shown net of sales/value-added tax, returns, rebates and discounts.

The Company recognizes revenue when: the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the Company's, as described below.

(a) Sales of services

The Company is engaged contracting, enlisting, and recruiting professionals and workers both skilled and unskilled for local work and acts as agents of individual firms in the supply of manpower.

(b) Cost of Services

Cost, distribution and administrative expenses are recognized in the statement of income upon utilization of the service or in the date they are incurred.

Employees' Benefits

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

Retirement Benefit

The Company is covered under Republic Act (RA) No. 7641, The Philippine Retirement Law, which provides for its qualified employees a defined benefit (DB) minimum guarantee. However, the company currently does not have program for the retirement benefit plan. In the event that the company will really be able to grow its business, the company is always open to setting up a future retirement plan with simultaneous upgrading of its employee compensation package in order to attract employees to stay older with the company and avoid additional costs of training and other effects of fast employee turnover.

Leases

NOTES TO FINANCIAL STATEMENTS
As of and for the year ended December 31, 2022

The determination of whether an arrangement is a lease is based on the substance of arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of specific asset or assets and the arrangement conveys a right to use the asset.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

A lessee shall recognize lease payments under operating leases (excluding costs for services such as insurance and maintenance) as an expense on a straight-line basis unless either:

(a)another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis, or

(b)the payments to the lessor are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition (b) is not met.

Income Taxes

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

Deferred income tax is provided, using the balance sheet liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences and carry forward benefits of unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry forward of NOLCO can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each balance date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax asset and liabilities are measured at the tax rates expected in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Value-Added Tax

Revenues, expenses and assets are recognized net of the amount of value-added tax except:

Where the value-added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value-added tax is recognized as part of the costs of acquisition of the asset or as part of the expense item as applicable; and

NOTES TO FINANCIAL STATEMENTS
As of and for the year ended December 31, 2022

Receivables and payables that are stated with the amount of value-added tax included.

The net amount of value-added tax recoverable from, or payable to, the taxation authority is included as part of other current assets or payables in the balance sheets.

Provisions

Provisions for any restructuring costs and legal claims are recognized when: the Company has a present legal or constructive obligation as a result of past events; it is probable that a transfer of economic benefits will be required to settle the obligation; and the amount can be reliably estimated. Restructuring provisions may comprise lease termination penalties and employee termination payments. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Commitments and Contingencies

Commitments and 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 statements 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 relationships exist when one party 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. This includes:

(1) individual 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 JUDGMENT AND ESTIMATES

3.1 Judgments

NOTES TO FINANCIAL STATEMENTS
As of and for the year ended December 31, 2022

The preparation of the Company's financial statements in conformity with PFRS for SMEs 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 evaluation 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.

3.2 Estimates

In the application of the Company's accounting policies, management is required to make judgements, 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 recognised 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 the revision affects 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 the property and equipment are expected to be available for use. The estimated 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 future financial performance could be materially affected by changes in the estimates brought about 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 noncurrent assets.

Depreciation is computed on a straight-line method over the estimated useful lives.

The 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 require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, and require the Company to make estimates and assumptions that can materially affect the financial statements. Future events could cause the Company to conclude that property, plant 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.

NOTES TO FINANCIAL STATEMENTS
As of and for the year ended December 31, 2022

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 estimates and assumptions that may affect the reported amounts of revenues 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.

NOTES TO FINANCIAL STATEMENTS

As of and for the year ended December 31, 2022

4 CASH	2022	2021
This account consist of:		
Cash in Bank (Various)	7,674,457	26,712,684
Petty Cash Fund	48,000	50,000
Total	7,722,457	26,762,684

Cash in bank represents savings and current accounts in local banks. Savings account deposits earn interest at the respective bank deposit rates and current account deposits do not earn interest

5 TRADE and Other RECEIVABLES

	2022	2021
This account consist of:		
Accounts Receivable	88,717,532	68,266,000
Advances to Shareholders	-	-
Advances to affiliates	-	-
Advances-Others	989,790	-
Total	89,707,322	68,266,000

Accounts receivable pertain to the amounts billed by the Company to its client related to the services rendered related to the ordinary course of business. There was no set-up of Allowance for Doubtful Accounts because the receivables were not yet past due as of December 31, 2022 and 2021.

6 DEFERRED TAX ASSET

	2022	2021
This account consist of:		
Creditable withholding tax	17,661,952	16,521,962
Excess MCIT	-	-
Total	17,661,952	16,521,962

Deferred tax assets pertains to excess creditable withholding tax that may be carried over on the succeeding years

7 OTHER CURRENT ASSETS

	2021	2021
This account consist of:		
Advances to officers and employees	-	-
Prepaid Janitorial Supplies	-	-
Prepaid Uniform	-	-
Rental Deposit	176,656	176,656
Prepaid Input Tax	-	-
Total	176,656	176,656

NOTES TO FINANCIAL STATEMENTS

As of and for the year ended December 31, 2022

Prepaid Supplies pertain to uniforms purchased by the Company as of year-end but not yet distributed to employees. The uniforms are generic in nature and not custom-tailored. These are not assigned to specific employee. This is recorded using the asset method of accounting.

Prepaid Income Tax pertains to excess creditable withholding tax that may be carried over on the succeeding years.

Rental Deposits are related to the office and staff house rent.

Deferred Input Tax pertains to the input tax of services incurred as of year-end but not yet paid.

8 PROPERTY, PLANT and EQUIPMENT

Property and Equipment consist of the following:

	31-Dec-21	Additions	Disposal Reclassification	31-Dec-22
Cost				
Office Equipment and Furniture	6,401,257	1,116,132		7,517,389
Office Improvement	456,677	0		456,677
Vehicles - Shuttle Bus	4,614,704	4,718,584		9,333,288
				-
Total	11,472,639	5,834,716		17,307,354
Accumulated Depreciation				
Office Equipment and Furniture	5,900,911	2,054,600		7,955,511
Office Improvement	704,738	115,016		819,754
Vehicles - Shuttle Bus	2,408,683	1,317,924		3,726,607
				-
Total	9,014,332	3,487,540		12,501,872
Carrying Value	2,458,307	2,347,176		4,805,483

Property and Equipment were assessed for impairment losses. Such assessments indicate that the assets are not impaired and that their recoverable amounts fairly equal their carrying amounts. Conversely, there was no reversal of impairment loss during the period.

9 TRADE and OTHER PAYABLES

2022

2021

This account consist of:		
Accounts Payable	7,116,418	716,034
Notes Payable	-	-
Stock Dividends Payable	-	-
SSS,PHIC & HDMF Payable	9,405,312	5,393,814
VAT Payable	58,335	115,050
Accrued Expenses	-	16,771,235
Loans Payable	33,529,908	42,366,821

NOTES TO FINANCIAL STATEMENTS

As of and for the year ended December 31, 2022

Withholding Tax Payable - Expanded	69,579	27,214
Withholding Tax Payable - Compensation	32,364	
Total	50,211,915	65,390,167

Trade payables and other payables are liabilities to pay for goods and services that have been received, measured initially at their nominal values and subsequently recognized at amortized cost less settlement payments. These are non-interest bearing payables.

10 CAPITAL STOCK

This account consists of:

	2021	2021
Paid-up Capital	17,000,000	17,000,000
Total	17,000,000	17,000,000

11 RETAINED EARNINGS

	2022	2021
Retained Earnings - beg	31,795,440	16,486,350
Prior Years' Adjustment		
Retained Earnings - beg, adjusted	31,795,440	16,486,350
Add: Net Income	21,066,515	15,309,090
Total	52,861,956	31,795,440
Retained Earnings - end	52,861,956	31,795,440
Appropriated for Stock Dividend Distribution		
Unappropriated		
Appropriated for working Capital	52,861,956	31,795,440
Total Retained Earnings	52,861,956	31,795,440

12 REVENUES

This account consist of:

	2021	2021
Revenue	770,970,308	770,970,308
Total	770,970,308	770,970,308

13 COST OF SERVICES

	2022	2021
Materials		
Salaries and Wages	617,581,660	607,793,495
SSS/Philhealth/Pag-ibig Contributions-COS	64,525,567	59,002,597
13th Month Pay & Other Benefits	15,835,047	22,488,211
Healthcard Expenses (AsianCare)		
Depreciation - Shuttle Bus		

NOTES TO FINANCIAL STATEMENTS

As of and for the year ended December 31, 2022

C-Fund/Rewards Fund		
Total Cost of Goods Sold	697,942,274	689,284,303

14 OTHER INCOME

2022 2021

This account consists of:		
Interest Income		
Other Income		
Total		

15 ADMINISTRATIVE EXPENSES

2022 2021

This account consist of:		
Salaries & Wages-Admin	19,688,731	18,735,414
SL/VL Conversion- Staff	-	240,445
13th Month Pay & Other Benefits-Admin	-	1,059,972
Repairs and Maintenance-Labor Cost	-	-
SSS/Philhealth/Pag-ibig Contributions-Admin	3,590,299	1,766,146
Depreciation	-	2,696,788
Office Supplies	941,361	993,342
Uniform Expense	3,300,540	5,697,840
Rent Expense-Office	2,034,087	1,610,884
Gasoline Expense	731,998	340,342
Utilities - Communications	1,413,780	497
Employee Benefits	-	964,468
Admin Emp Benefits	-	-
Janitorial Supplies	24,827	13,555
Company Prog & Activities	2,153,093	1,119,976
Utilities - Power	-	-
Professional/Legal Fee	519,527	535,503
Utilities-Light & Water	770,481	1,934,937
Insurance	1,128,510	1,235,357
Health & Medical Expenses	8,935,896	10,580,778
Transportation & Travel	264,383	169,513
Parking and Toll fees	273,344	206,161
Courier Services	90,467	88,656
Tax, Permits and Licenses	276,929	355,097
Training and Development	417,619	123,344
Interest Expense	1,729,917	1,016,413
Miscellaneous Expenses	640,041	1,011,149
Recruitment Expense	-	12,684
Meals and entertainment	-	-
Repairs and maintenance	1,365,688	923,254
Total	50,291,518	53,432,516

NOTES TO FINANCIAL STATEMENTS

As of and for the year ended December 31, 2022

16 MARKETING EXPENSES**This account consists of:**

	2022	2021
Representation & Entertainment	745,086	318,845
Total	745,086	318,845

17 OTHER EXPENSES**This account consists of:**

	2022	2021
Interest on Loans		
Bank and Financing Charges	300,569	369,303
Charitable Donation	-	3,350
Total	300,569	372,653

18 SUPPLEMENTARY INFORMATION REQUIRED UNDER REVENUE REGULATIONS

Presented below is the supplementary information which is required by the Bureau of Internal Revenue (BIR) under its existing revenue regulations to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS.

Requirements under RR No. 15-2010

Account Title	Amount	Output Tax
Vatable Sales	60,406,153	7,248,738
Zero-Rated Sales	695,460,664	-
Total	755,866,817	7,248,738
Account Title	Amount	Input Tax
Beginning of the year, Jan. 1		1,021,258
Add: Current year's domestic purchases/ payments for	10,012,946	1,201,554
Goods other than for resale or manufacture	-	-
Capital goods subject to amortization	-	-
Services lodged under other accounts	11,423,181	1,370,782
Total	21,436,127	3,593,593
VAT Payments		3,655,146
Balance at the end of the year		0

(b) *Landed Cost, Customs Duties and Tariff Fees*

The Company did not have any importations in 2022.

NOTES TO FINANCIAL STATEMENTS

As of and for the year ended December 31, 2022

(c) Excise Tax

The Company did not have excise tax in 2022 since it did not have any transactions subject to excise tax.

(d) Taxes and Licenses

All other local and national taxes paid and accrued for the year ended December 31, 2022 consist of:

Date Paid	Particulars	Amount
01/06/2022	permits, license & other fees	83,912
01/06/2022	bfp permit	1,737
1/25/2022	Permits for cavite office	36,002
1/27/2022	cedula	7,654
1/27/2022	Business Permit	93,685
1/27/2022	BFP	3,600
1/27/2022	sanitary	100
1/27/2022	BIR 0605	500
2/16/2022	SBMA Accreditation	20,620
4/27/2022	Community tax certificate	500
05/12/2022	Certificate fee	3,000
7/13/2022	Quezon Office Permit	2,719
12/31/2022	Other Fees	22,900
Total		276,928

(e) Withholding Taxes

Particulars	Amount Paid	Still Payable
Tax on Compensation and benefits	430,272	-
Expanded Withholding Tax	383,762	-
Final Withholding Tax	-	-
Total	814,034	-

NOTES TO FINANCIAL STATEMENTS
As of and for the year ended December 31, 2022

19 INCOME TAX PAYABLE

	2022	2021
This is computed as follows:		
Financial Income / (Loss)	28,088,687	49,011,603
Add: Non Deductible Expenses:		
Interest Income		
Non Deductible Interest Expense		
Penalties		
Bad Debts		
Less: Non-Taxable Income:		
Interest Income		
Net Taxable Income	28,088,687	49,011,603
MCIT 1%	794,259	816,680
Tax Due RCIT 25%	11,913,879	12,252,901
Less:		
Prior years' excess credit	(16,521,962)	16,548,962
Tax Paid from Previous Quarter		
Creditable Tax Withheld	(13,053,869)	12,225,901
Income Tax Payable/(Income Tax Benefit)	(17,661,952)	(16,521,962)

For the year 2022, the company is subject to RCIT.

For the year 2022, the company used the Income Tax Rate of 25% as prescribed under the newly approved "CREATE LAW".

NOTES TO FINANCIAL STATEMENTS

As of and for the year ended December 31, 2022

20 EMPLOYEES COMP and OTHER BENEFITS

This account consists of :

	Cost of Service 2022	Cost of Service 2021
Salaries & Employee Benefits	617,581,660	607,793,495
SSS, PHIC and HDMF	64,525,567	59,002,597
C-Fund/Rewards/other deployed benefits	15,835,047	22,488,211
13th month pay		
Total	697,942,274	689,284,303

21 DEPRECIATION

This account consists of:

	Cost of Service 2022	Cost of Service 2021
Office Equipment and Furniture	2,054,600	
Vehicle-Shuttle	1,317,924	2,408,683
Office Improvement	115,016	
Total	3,487,540	2,408,683

22 NET OPERATING LOSS CARRY OVER (NOLCO)

The net operating loss of the business or enterprise for any taxable year immediately preceding the current taxable year, which had not been previously offset as deduction from gross income shall be carried over as deduction from gross income for the next three (3) consecutive taxable years immediately following the year of such loss.

Net Operating Loss		Net Operating Loss Carry Over (NOLCO)			
Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Expired

23 EVENTS AFTER BALANCE SHEET DATE

There were no events after the balance sheet date that would require disclosure or adjustment on the financial statements of the Company.

24 COMMITMENTS AND CONTINGENCIES

There are commitments and contingent liabilities that may arise in the normal course of the Company's operations which are not reflected in the financial statements. Management is of the opinion that as of December 31, 2020, losses or deficiencies, if any, do not arise with certainty as there is an equal possibility that such obligations shall be reversed or found without basis.

NOTES TO FINANCIAL STATEMENTS

As of and for the year ended December 31, 2022

25 FINANCIAL INSTRUMENT

The Company's financial assets and liabilities are recognized initially at cost which is the fair value of the consideration given (in the case of assets) or received (in the case of liability).

Fair values are determined by reference to market-based evidence, which is the amount for which the financial assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the balance sheet (or in the detailed analysis provided in the notes to the financial statements).

The following tables set forth the carrying values and estimated fair values of the Company's financial assets and liabilities recognized as of December 31, 2022 and 2021:

	2022		2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets:				
Cash in Banks	7,722,457		26,762,684	26,762,684
Trade and Other Receivables	88,717,532		68,266,000	68,266,000
Total	96,439,988		95,028,684	95,028,684
Financial Liabilities:				
Trade and Other Payables	7,116,418		65,390,167	65,390,167
Total	7,116,418		65,390,167	65,390,167

26 RESTATEMENTS AND RECLASSIFICATION OF ACCOUNTS

Restatement of Property Plant and Equipment

2022	As restated	Effect of restatement
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There are no restatements or reclassifications made in year 2022.

27 Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act of 2020

On July 01, 2020, RA No. 11534 was enacted into law amending various provisions in existing 2005 NIRC.

Among the reforms introduced by the said R.A., which became effective on July 01, 2020 are as follows.

Decrease in the corporate income tax from 30% to 25%.

nothing follows