



SECURITIES AND EXCHANGE COMMISSION

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The following document has been received:

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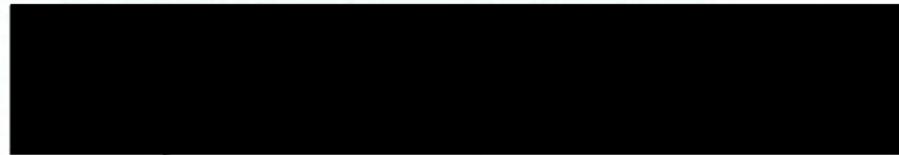
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Period Covered: December 31, 2022

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Acceptance of this document is subject to review of forms and contents



Financial Statements
December 31, 2022 and 2021

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of [REDACTED] [REDACTED] is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2022 and 2021, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

[REDACTED] [REDACTED] [REDACTED]

Signed this 15th day of April 2023.



INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
[REDACTED]

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of [REDACTED]

[REDACTED] (the "Company"), which comprise the Statements of Financial Position as of December 31, 2022 and 2021, and the Statements of Income, Statements of Changes in Equity and Statements of Cash Flows for the years then ended, and Notes to Financial Statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of [REDACTED] as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards for Small and Medium-Sized Entities (PFRS for SMEs).

Basis of Opinion

We conducted our audit in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are 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 our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS for SMEs, and for such internal control as management determines necessary to enable the preparation of financial statement 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

Our 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA 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 PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

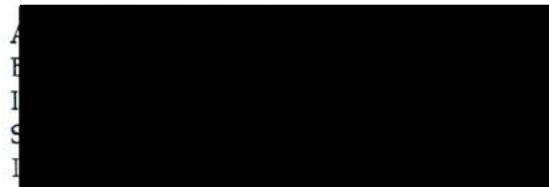
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness 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 disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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.

We 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 we identify during our audit.

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Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2022 as disclosed in Note 19 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 supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



April 15, 2023
Mandaluyong City-Philippines

OUR SEAL



INDEPENDENT AUDITORS' REPORT
(In compliance with SRC Rule 68)

The Board of Directors and Stockholders

We have audited the accompanying financial statements of [REDACTED] for the calendar year ended December 31, 2022, on which we have rendered the attached report dated April 15, 2023.

In compliance with Revised Securities Regulation Code Rule 68, we are stating that the Company has two (2) stockholders owning one hundred (100) or more shares each of the Company's capital stock as of December 31, 2022, as disclosed in Note 12 to the financial statements.

April 15, 2023
Mandaluyong City-Philippines

STATEMENTS OF FINANCIAL POSITION

As of December 31, 2022 and 2021

<i>(In Philippine Peso)</i>	Notes	2022	2021
ASSETS			
CURRENT ASSETS			
Cash	5	8,019,962	5,355,094
Trade and Other Receivables	6	41,245,809	39,874,188
Other Current Assets	7	1,461,775	1,569,162
		50,727,546	46,798,444
NONCURRENT ASSETS			
Property and Equipment, Net	8	211,940,163	219,651,287
Refundable Deposits	9	3,868,082	3,332,451
		215,808,245	222,983,738
TOTAL ASSETS		266,535,791	269,782,182
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade and Other Payables	10	13,473,761	13,727,690
Loans Payable - Current	11	24,436,247	22,154,183
		37,910,008	35,881,873
NONCURRENT LIABILITIES			
Loans Payable - Long-Term	11	56,156,925	86,591,627
Advances from Related Parties	16	99,860,632	84,688,674
		156,017,557	171,280,301
TOTAL LIABILITIES		193,927,565	207,162,174
EQUITY			
Share Capital	12	25,000,000	25,000,000
Retained Earnings	12	47,608,226	37,620,008
TOTAL EQUITY		72,608,226	62,620,008
TOTAL LIABILITIES AND EQUITY		266,535,791	269,782,182

(See Accompanying Notes to Financial Statements)



STATEMENTS OF INCOME
For the Years Ended December 31, 2022 and 2021

(In Philippine Peso)	Notes	2022	2021
SERVICE REVENUES	13	176,930,096	150,390,996
DIRECT COSTS	14a	(99,796,142)	(97,697,443)
GROSS INCOME FROM SERVICES		77,133,954	52,693,553
OPERATING EXPENSES	14b	(63,816,330)	(43,850,797)
PROFIT FROM OPERATIONS		13,317,624	8,842,756
INTEREST INCOME		-	561
PROFIT BEFORE TAX		13,317,624	8,843,317
INCOME TAX EXPENSE	17	(3,329,406)	(2,024,480)
PROFIT FOR THE YEAR		9,988,218	6,818,837

(See Accompanying Notes to Financial Statements)



STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2022 and 2021

(In Philippine Peso)	Notes	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income from Operations		13,317,624	8,843,317
Adjustments for:			
Interest Income Earned		-	(561)
Reclassification of Construction in Progress		-	63,350,646
Depreciation	2,8	7,711,125	7,258,274
Income Before Changes in Working Capital		21,028,749	79,451,676
(Increase)/Decrease in:			
Trade and Other Receivables	2,5	(1,371,621)	4,346,035
Other Current Assets	2,6	(32,043)	21,956
Increase/(Decrease):			
Trade and Other Payables	2,10	(253,929)	6,031
Cash Generated from Operations		19,371,156	83,825,698
Interest Income Received		-	561
Income Tax Paid	2,17	(3,189,975)	(2,181,689)
Net Cash Provided by Operating Activities		16,181,181	81,644,570
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to Property and Equipment	2,8	-	(95,519,566)
Construction In-Progress	2,8	-	-
Payments for Refundable Deposits	2,9	(535,632)	-
Net Cash Used in Investing Activities		(535,632)	(95,519,566)
CASH FLOWS FROM FINANCING ACTIVITIES			
Availment of Loans	2,11	43,695,136	43,172,701
Payments of Loans	2,11	(71,847,774)	(40,007,463)
Advances from Stockholders	2,16	15,171,958	11,031,120
Net Cash (Used In) Provided by Financing Activities		(12,980,680)	14,196,358
NET INCREASE IN CASH		2,664,868	321,362
CASH AT BEGINNING OF YEAR		5,355,094	5,033,732
CASH AT END OF YEAR	2,4	8,019,962	5,355,094

(See Accompanying Notes to Financial Statements)



STATEMENTS OF CHANGES IN EQUITY
 For the Years Ended December 31, 2022 and 2021

<i>(In Philippine Peso)</i>	Share Capital (Note 12)	Unappropriated (Note 12)	Appropriated (Note 12)	Total
Balances as of December 31, 2020	25,000,000	8,551,171	22,250,000	55,801,171
Net Income for the Year 2021		6,818,837	-	6,818,837
Reversal of Appropriation		22,250,000	(22,250,000)	-
Appropriation for Stock Dividend		(25,000,000)	25,000,000	-
Balances as of December 31, 2021	25,000,000	12,620,008	25,000,000	62,620,008
Net Income for the Year 2022		9,988,218	-	9,988,218
Appropriation for Stock Dividend		(20,000,000)	20,000,000	-
Balances as of December 31, 2022	25,000,000	2,608,226	45,000,000	72,608,226

(See Accompanying Notes to Financial Statements)

NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 1 - CORPORATE INFORMATION

registered with the Securities and Exchange Commission (SEC) on September 12, 2005 with SEC Registration [REDACTED]. The principal activity of the Company is to provide quality courier services to the public consisting of pick-up and delivery of documents and parcels and to enter into co-loadership agreement (cargo forwarding) with local and international couriers.

The registered office and principal place of business of the Company is at [REDACTED], P. No. [REDACTED] The Company is registered with the Bureau of Internal Revenue with a Taxpayer's Identification Number (TIN) 241-140-873-000.

Approval for Issuance of Financial Statements

[REDACTED], approved and authorized the issuance of these audited financial statements as of and for the year ended December 31, 2022 and 2021.

NOTE 2 - BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Statement of Compliance

The financial statements have been prepared in compliance with the Philippine Financial Reporting Standard (PFRS) for Small and Medium-sized Entities (SMEs) issued by the Philippine Financial Reporting Standards Council.

Functional and Presentation Currency

They are presented in Philippine Peso (₱) which is the Company's functional and presentation currency. All amounts are rounded to the nearest peso.

Basis of Measurement

The financial statements have been prepared on a historical costs basis unless stated otherwise.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these financial statements are summarized below. These policies have been consistently applied to all the years presented unless otherwise stated.

Financial Instruments

Initial Recognition and Measurement

A financial asset or financial liability is recognized when the Company becomes a party to the contractual provisions of the contract. A financial asset or financial liability is initially measured at transaction price unless the arrangement constitutes, in effect, a financing transaction.

Subsequent Measurement

At financial statement date, the Company measures its financial instruments as follows:

- Debt instruments are measured at amortized costs using the effective interest method. Refundable deposits and loans payable accounts are included in this category.
- Short-term debt instruments are measured at an undiscounted amount. Cash, trade and other receivables, advances from related parties and trade and other payables accounts are included in this category.

Impairment of Financial Assets

At the end of each reporting period, the Company assesses whether there is objective evidence of impairment of any financial assets that are measured at cost or amortized cost. If there is objective evidence of impairment, the Company recognizes an impairment loss in profit or loss immediately.

Objective evidence of impairment could include the significant financial difficulty of the counterparty; delinquency in interest or principal payments; or bankruptcy of the counterparty.

For certain categories of financial assets, such as trade and other receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of trade and other receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period as well as observable changes in economic conditions that correlate with default on trade and other receivables.

Derecognition

Financial Asset

The Company derecognizes a financial asset when the contractual right to the cash flows from the financial asset has expired or when the Company has transferred to another party substantially all of the risks and rewards of ownership of the financial asset.

Financial Liability

The Company derecognizes a financial liability (or a part of a financial liability) only when it is extinguished. The Company recognizes in profit or loss any difference between the carrying amounts of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed.

Other Current Assets

This account includes prepayments and other current assets. Prepayments represent advance payments for rental, insurance and income tax which the Company expects to consume within one year. Other current assets include input tax. Prepayments and other current assets are stated in the statement of financial position at cost less any portion that has already been consumed or that has already expired.

Property and Equipment

Property and equipment are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or administrative purposes, and are expected to be used during more than one period.

Items of property and equipment are initially measured at cost. Such cost includes the purchase price and all incidental costs necessary to bring the asset to its location and condition. Subsequent to initial recognition, items of property and equipment are measured in the statement of financial position at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation, which is computed on a straight-line basis, is recognized to allocate the cost of assets less their residual values over their estimated useful lives, as follows:

<u>Asset Category</u>	<u>Number of Years</u>
Building and Improvement	25-40
Furniture and Equipment	3-8
Delivery Equipment	10-15

The land is not depreciated. If there is an indication that there has been a significant change in useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

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

Items in construction-in-progress are measured at cost and presented at an undiscounted amount. Such items not subjected to depreciation and are reported separately as Construction In-Progress account.

Impairment of Non-Financial Assets

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

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not to exceed the amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Equity

Share Capital

Share capital represents the total par value of the ordinary shares issued.

Equity instruments are measured at the fair value of the cash or other consideration received or receivable, net of the direct costs of issuing the equity instruments.

The difference between the consideration received and the par value of the shares issued is credited to the share premium.

Retained Earnings

Retained earnings include income earned in current and prior periods net of any dividend declaration, effects of changes in accounting policy and prior period adjustments.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured by reference to the fair value of the consideration received or receivable excluding discounts, refunds and sales taxes. Revenue is recognized as follows:

Service Revenue from Forwarding/Handling

Revenue from forwarding and handling are recognized when the service is performed and billed to the customers.

Finance Income

Finance income comprises interest income on bank deposits. Interest income is recognized in profit or loss as it accrues, using the effective interest method.

Expense Recognition

Expenses are decreases in economic benefits in the form of decreases in assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Expenses are generally recognized when the services are received or when the expenses are incurred.

Cost of Service (Direct Costs)

Costs of service are recognized in profit or loss in the period the services are rendered.

Operating Expenses

This account includes selling and general and administrative expenses. Selling expenses pertain to the cost of marketing and distribution of goods to customers. General and administrative expenses represent expenses such as salaries and other benefits, rent expenses, utilities, office supplies, representation and other costs that cannot be associated directly with the cost of service.

Finance Costs

Finance costs comprise interest expense on borrowings and other bank charges. These are recognized in profit or loss in the period they are incurred using the effective interest method.

Income Taxes

Income tax expense or benefit represents the sum of the current tax expense and deferred tax expense or benefit. The current tax expense is based on taxable profit for the year. Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases.

Deferred tax liabilities are recognized for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognized for all temporary differences that are expected to reduce taxable profit in the future, and any Net Operating Loss Carry Over (NOLCO) or excess of Minimum Corporate Income Tax (MCIT) over the Regular Corporate Income Tax (RCIT). The net carrying amount of deferred tax assets is reviewed at each reporting date and any adjustments are recognized in profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit or loss on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

Employee Benefits

Short-term Benefits

Short-term benefits given by the Company to its employees include salaries and wages, compensated absences, 13th-month pay, employer share contributions and other de minimis benefits, among others. These are recognized as an expense in the period the employees render services to the Company.

Retirement Benefits

The Company does not have a formal retirement benefit plan. However, the Company provides retirement benefits in compliance with RA 7641. No actuarial computation was obtained during the year because the amount of provision for retirement benefits will not materially affect the fair presentation of the financial statements considering that there are only few employees and none of these employees have rendered services to the Company for more than five (5) years.

Related Parties

A related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercises significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities that are under common control with the reporting enterprise, or between, and/or among the reporting enterprise and its key management personnel, directors, or its shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Leases

Company as Lessee

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the lessee.

All leases are classified as operating leases. Lease payments under operating leases are recognized in profit or loss on a straight-line basis over the term of the relevant leases.

The Company determines whether an arrangement is, or contains, a lease based on the substance of the arrangement. It makes an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Foreign Currency

Foreign currency transactions are initially recognized using the spot rate of exchange at the date of the transaction. Monetary assets and liabilities that are denominated in foreign currency are translated into the functional currency using the closing rate as of the reporting date. Gains and losses arising from foreign currency transactions are recognized immediately in profit and loss.

Provisions and Contingencies

Provisions are recognized only when the Company has a present obligation as a result of a past event and it is probable that the Company will be required to transfer economic benefits in a settlement, and the amount of provision can be estimated reliably.

Contingent assets and liabilities are not recognized in the financial statements.

Changes in Accounting Policies and Estimates and Correction of Prior Years' Errors

The Company applies changes in accounting policy if the change is required by the accounting standards or in order to provide reliable and more relevant information about the effects of transactions, other events or conditions on the Company's financial statements. Changes in accounting policy brought about by new accounting standards are accounted for in accordance with the specific transitional provision of the standards. All other changes in accounting policy are treated as an adjustment of the opening retained earnings of the current period.

Changes in accounting estimates are recognized prospectively by reflecting it in the profit and loss in the period of the change if the changes affect that period only or the period of the change and future periods if the change affects both.

Prior period errors are omissions from, and misstatements in the Company's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that was available when financial statements for those periods were authorized for issue and could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

To the extent practicable, the Company corrects a material prior period error retrospectively in the first financial statements authorized for issue after its discovery by restating the comparative amounts for the prior periods(s) presented in which the error occurred, or if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for period presented.

When it is impracticable to determine the period-specific effects of an error on comparative information for one or more prior periods presented, the Company restates the opening balances of assets, liabilities and equity for the earliest period for which retrospective restatement is practicable.

Subsequent Events

Subsequent events that provide additional information about conditions existing at period end (adjusting events) are recognized in the financial statements. Subsequent events that provide additional information about conditions existing after the period end (non-adjusting events) are disclosed in the notes to the financial statements.

NOTE 4 - JUDGMENTS AND ESTIMATES

The preparation of the financial statements in accordance with the Philippine Financial Reporting Standards for SMEs requires the Company to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Future events may occur which will cause the assumption used in arriving at the estimates to change. The effects of changes in estimates will be reflected in the financial statements when they become reasonably determinable.

Estimated Allowance for Impairment of Trade and Other Receivables

The Company maintains allowance for impairment losses at a level considered adequate to provide for potential uncollectible receivables. This amount is evaluated based on such factors that affect the collectability of the accounts. These factors include, the age of the receivables, the length of the Company's relationship with the customer, the customer's payment behavior and known market factors. The amount and timing of recorded expenses for any period would differ if the Company made different judgments or utilized different estimates.

An increase in allowance for impairment losses would increase the recorded operating expenses and decrease current assets.

There was no objective evidence of impairment of receivables in 2021 and 2020, and therefore, no impairment loss was recognized for both years.

Estimating Useful Lives of Property and Equipment

The useful lives of property and equipment are estimated based on the period over which the assets are expected to be available for use. The estimated useful lives of 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 assets.

There were no changes in estimated useful lives of property and equipment during Year 2022 and 2021.

NOTE 5 - CASH

This account consists of:

(In Philippine Peso)	2022	2021
Revolving Funds	3,741,585	1,303,627
Cash in Banks	4,278,377	4,051,467
	8,019,962	5,355,094

Cash in bank earns interest based on the prevailing interest rates. Interest earned on bank deposits amounted to ₱0 and ₱561 for the calendar year ended December 31, 2022 and 2021. (see Note 13).

NOTE 6 - TRADE AND OTHER RECEIVABLES

This account consists of:

(In Philippine Peso)	2022	2021
Accounts Receivable - Trade	36,763,962	35,882,264
Advances to Officers/Employees	4,481,847	3,991,924
	41,245,809	39,874,188

Accounts Receivable - Trade refer to claims from the services rendered in the ordinary course of business.

Advances to Officers/Employees includes short-term, non-interest-bearing advances to officers and employees of the Company that are subject to liquidation

All of the Company's accounts and other receivables have been reviewed for indicators of impairment. As of December 31, 2022 and 2021, no provision for allowance for impairment losses on accounts and other receivables is made as Management believes that all outstanding receivables are collectible.

NOTE 7 - OTHER CURRENT ASSETS

This account consists of:

(In Philippine Peso)	2022	2021
Prepaid Rent	1,147,500	1,147,500
Creditable Withholding Tax	200,420	339,851
Prepaid Expenses	113,855	81,811
	1,461,775	1,569,162

Prepaid Rent pertains to expenses already paid by the Company but were not yet incurred as of the reporting date. These prepaid expenses are capitalized and are amortized over specified periods (monthly) until such accounts are fully charged to operations.

Creditable Withholding Tax pertains taxes withheld from the Company's revenue which will be credited to future income tax due.

Prepaid Insurance pertains to comprehensive insurance on transportation equipment.

Deferred Input Taxes pertains to excess of Input VAT as of December 31, 2022 and 2021 and is carried forward to the next accounting period.

NOTE 8 - PROPERTY AND EQUIPMENT, NET

As of December 31, 2022, the roll forward analysis of property and equipment are as follows:

(In Philippine Peso)	Land	Building	Furniture & Fixture	Delivery Equipment	Total
Cost					
December 31, 2021	60,415,144	160,841,942	7,340,792	31,238,357	259,836,235
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
December 31, 2022	60,415,144	160,841,942	7,340,792	31,238,357	259,836,235
Accumulated Depreciation					
December 31, 2021	-	12,547,599	6,691,219	20,946,130	40,184,948
Depreciation	-	3,937,716	649,572	3,123,836	7,711,124
Disposals	-	-	-	-	-
December 31, 2022	-	16,485,315	7,340,791	24,069,966	47,896,072
Net Carrying Amount -2021	60,415,144	148,294,343	649,573	10,292,227	219,651,287
Net Carrying Amount -2022	60,415,144	144,356,627	1	7,168,391	211,940,163

Depreciation of property and equipment for the years ended December 31, 2022 and 2021 was charged to:

(In Philippine Peso)	2022	2021
Direct Costs (Note 14a)	6,340,675	5,887,824
Operating Expenses (Note 14b)	1,370,450	1,370,450
	7,711,125	7,258,274

Management has reviewed the carrying values of property and equipment as of December 31, 2022 and 2021 for any impairment. Based on its evaluation, there are no indications that the assets were impaired.

NOTE 9 -REFUNDABLE DEPOSITS

This account consists of:

(In Philippine Peso)	2022	2021
Refundable Deposits	3,868,082	3,332,451
	3,868,082	3,332,451

Refundable Deposit pertains to deposits made for leased properties, the amount of which is refundable upon termination of the contracts.

NOTE 10 - TRADE AND OTHER PAYABLES

This account consists of:

(In Philippine Peso)	2022	2021
Accounts Payables	3,842,245	5,642,245
Accrued Expense	9,631,516	8,085,445
	13,473,761	13,727,690

Accounts payables represent liabilities to suppliers/service providers arising from normal business operations. These are generally payable under terms and conditions as provided for in the purchase/service agreements.

Accrued expenses pertain to expenses already incurred as of financial reporting date but which are not yet paid. These expenses are stated at face value or at the amounts for which they are to be paid. This account also includes payables to different government agencies as of December 31, 2022 and 2021.

NOTE 11 - LOANS PAYABLE

This account consists of a one to five-year loans obtained from Philippine Business Bank which was eventually transferred to China Banking Corporation during year 2019 and bears interest rate of 5%-8% per annum to finance its project warehouse which the Management believes as essential in doing business.

The Company also availed of the credit facility of BDO Unibank, Inc., and certain properties of the Company were pledged as collateral.

Movements of this account follows:

(In Philippine Peso)	2022	2021
Beginning Balance	105,580,572	105,580,572
Availments	43,695,136	43,172,701
Total	149,275,708	148,753,273
Payments	(68,682,536)	(40,007,463)
Total	80,593,172	108,745,810

As of December 31, 2022 and 2021, the balance of loan is as follows:

(In Philippine Peso)	2022	2021
Current Portion	24,436,247	22,154,183
Non-current Portion	56,156,925	86,591,627
Total	80,593,172	108,745,810

Interest expense charged to operations in 2022 and 2021 amounted to ₱4,467,186 and ₱8,173,032, respectively (Note 15 b).

NOTE 12 - EQUITY

Share Capital

The Company is authorized to issue ten thousand (10,000) ordinary shares with a par value of five thousand pesos (₱5,000.00) per share.

As of December 31, 2022 and 2021, the Company has three (3) shareholders owning 100 or more shares each of the Company's capital stock

A reconciliation of the shares outstanding at the beginning and the end of the reporting periods follows:

	Number of Shares	Amount (in Philippine Peso)
Outstanding Shares, December 31, 2021	5,000	25,000,000
Issuance	-	-
Reacquisition	-	-
Outstanding Shares, December 31, 2022	5,000	25,000,000

Retained Earnings

The cumulative balances of Retained Earnings as of December 31, 2022 and 2021, are as follow:

(In Philippine Peso)	2022	2021
Unappropriated	2,608,226	12,620,008
Appropriated for Stock Dividend	45,000,000	25,000,000
	47,608,226	37,620,008

The Board of Directors on its meeting on December 27, 2021, approved the declaration of stock dividends amounting to ₱25,000,000 from its retained earnings. Subsequently, this had been concurred and ratified by the majority of the stockholders and is to be implemented immediately in the next succeeding period.

The Board of Directors on its meeting on December 26, 2022, approved the declaration of additional stock dividends amounting to ₱20,000,000 from its retained earnings to stockholders of record as of December 31, 2022.

NOTE 13 – REVENUES

This account consists of:

(In Philippine Peso)	2022	2021
Forwarding Service Revenue	176,930,096	150,390,996
Finance Income	-	561
Total	176,930,096	150,391,557

Forwarding Service Revenue represent earned or invoiced/ billed income arising from the forwarding services rendered to the customers regardless of when collected or not.

As per RMC 9-2006 - *Clarifying the amount subject to VAT, and Expanded Withholding Tax (Income Tax) of brokers and other similarly situated and the other parties with whom they transact business* states:

If, however, the said reimbursable expenses and/or advanced payments by the broker on behalf of customers are receipted directly in the name of the Customers by the person performing such service (i.e., third-party service provider) and the subsequent claim by the broker for reimbursement from the customer is covered by the broker's Non-VAT Official Acknowledgment Receipt, acknowledging the collection of the previously recorded account "RECEIVABLE FOR CASH ADVANCES ON BEHALF OF CUSTOMERS" with no mention of quantity and description of the services rendered but just the value thereof, and the name of the third-party service provider that rendered the service, the same shall not form part of the gross receipts of the broker and therefore, shall not be subject to VAT on the part of the broker. As a matter of course, said acknowledgment receipt is to be forwarded to the customer, together with the attached official receipt issued by the third-party service provider in the name of the customer.

The Company complied with the documentation procedures as required by the Revenue Memorandum Circular in recognizing its income from services

NOTE 14 - COSTS AND EXPENSES

a. Direct Costs

Details of this account are as follows:

(In Philippine Peso)	2022	2021
Freight Cost	27,545,690	27,737,581
Delivery and Handling	54,188,335	51,749,540
Gas and Oil	9,415,026	7,057,019
Depreciation - Delivery Equipment	6,340,675	6,340,675
Repairs & Maintenance	2,306,416	4,812,628
Total	99,796,142	97,697,443

b. Operating Expenses

Details of this account are as follows:

(In Philippine Peso)	2022	2021
Rental	17,445,798	3,343,224
Salaries and Wages	10,777,247	19,209,386
13th Month pay	7,585,086	1,818,859
Interest Expense	4,467,186	8,173,032
Light and Water	3,842,496	1,598,923
Security (Agency Fee)	3,615,754	1,060,481
Taxes & License	3,426,598	3,223,895
SSS Contribution	3,171,233	331,901
Office Supplies Expense	2,099,006	518,798
Representation	1,769,301	525,039
Repairs and Maintenance	1,447,729	-
Depreciation Expense	1,370,449	917,598
Miscellaneous	840,241	596,700
Telephone	838,541	1,165,416
Insurance Expense	706,737	451,186
Commissions	208,861	-
Professional Fees	175,516	45,365
Donations	28,550	91,815
Transportation	-	397,894
Advertisement	-	54,924
Bank Charges	-	35,918
Trainings & Seminars	-	290,443
Total	63,816,330	43,850,797

NOTE 15 - RETIREMENT BENEFITS

The Company accrues its retirement benefits liability under Republic Act No. 7641 (RA7641). The RA 7641 shall apply to all employees of at least five (5) years minimum service in the private sector, regardless of their position, designation status and irrespective of the method by which their wages are paid.

Pursuant to the provision, a covered employee who retires shall be entitled to retirement pay equivalent to at least one-half (1/2) month salary for every year of service, a fraction of at least six (6) months being considered as one (1) whole year.

The Company has yet to establish retirement benefits plan for its employees based on benefits defined under RA 7641. Management believes that this has no material effect on the financial statements of the Company when this will be implemented.

NOTE 16 - RELATED PARTY TRANSACTION

In the normal course of business, the Company transacts with companies which are considered related parties under PAS 24, Related Party Disclosures. A summary of the significant transactions with related parties as of December 31, 2022 and 2021 are as follows:

Salaries of Key Management Personnel

Salaries and other short-term employee benefits paid to key management personnel for years 2022 and 2021 amounted to ₱2,640,000 and ₱2,640,000, respectively.

Advances from Related Parties

The Company is into the implementation of its capital expenditure programs, of which necessary funds are required. Stockholders' advances funds to the Company for its capital expenditures and this might be converted into capital shares in the future.

As of December 31, 2022 and 2021, this account has an outstanding balance of ₱99,860,632 and ₱84,688,674, respectively. Advances from related party transactions is subject to zero % interest with no repayment terms.

Except for the above stated matter, there is no other significant transaction involving related parties covering Year 2022 and 2021.

NOTE 17 - INCOME TAX

The current income tax expense of the Company represents Regular Corporate Income Tax (RCIT) which is higher than the Minimum Corporate Income Tax (MCIT).

The computation of the current tax expense for the years ended December 31, 2022 and 2021, is shown below:

a. *Regular Corporate Income Tax (RCIT)*

(In Philippine Peso)	2022	2021
Profit Before Tax	13,317,624	8,843,317
Add/(Deduct) Finance Income	-	(561)
Taxable Income	13,317,624	8,842,756
Tax Rate	25%	25%
Current Tax	3,329,406	2,210,689

b. Minimum Corporate Income Tax (MCIT)

(In Philippine Peso)	2022	2021
Gross Income	77,133,954	52,693,553
Tax Rate	1%	1%
Minimum Corporate Income Tax	771,340	526,935

Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act was signed into law on March 26, 2021 and took effect on April 11, 2021 which reduced the RCIT rate from 30% to 25% or 20% depending on the amount of total assets or total amount of taxable income. In addition, the minimum corporate income tax rate (MCIT) was changed from 2% to 1% of gross income for a period of three years starting July 1, 2020.

The Company is subject to either the Regular Corporate Income Tax (RCIT) of 25% based on the Taxable Net Income or the Minimum Corporate Income Tax (MCIT) of 1% based on the taxable gross income whichever is higher. Based on the figures presented above, the Company is liable to pay for the RCIT both for the years 2022 and 2021.

(In Philippine Peso)	2022	2021
Income Tax Due	3,329,406	2,210,689
Less: Creditable Withholding Tax		
Prior Year's Excess CWT	(339,851)	(368,851)
Current Year's CWT	(3,185,880)	(2,181,689)
Prepayments	(4,095)	-
Income Tax Overpayment	(200,420)	(339,851)

NOTE 18 - OPERATING LEASE COMMITMENT

The Company (lessee) rents office spaces for its branches and other warehouses from various lessors under operating lease. The term of the lease is for a period of one (1) year with fixed rentals over the same period renewable at the option of the Company under certain terms and conditions. The minimum lease payments under operating lease recognized as an expense amounted to ₱17,445,798 and ₱3,343,224 for the years 2022 and 2021, respectively.

NOTE 19 - SUPPLEMENTARY INFORMATION REQUIRED BY BIR

Under Revenue Regulation (RR 15-2010)

In compliance with the requirements set forth by Revenue Regulation 15-2010 issued by the Bureau of Internal Revenue, hereunder is the information on taxes, duties and license fees paid or accrued during the taxable year:

Value-Added Tax (VAT)

The NIRC of 1997 also provides for the imposition of VAT on sales of goods and services. Accordingly, the Company's sales are subject to output VAT while its importations and purchases from other VAT-registered individuals or corporations are subject to input VAT. RA No. 9337 increased the VAT rate from 10% to 12%, effective February 1, 2006.

Details of the Company's net sales/ receipts, output VAT and input VAT accounts are as follows:

i. Output VAT

(In Philippine Peso)	Net Sales/ Receipts	Output VAT
Vatable Sales	45,734,759	5,488,171
Sales to Government	4,069,809	488,377
Zero-rated Transactions	12,914,377	-
VAT-Exempt Sales	14,287,047	-
	77,005,992	5,976,548

The Company's zero-rated sales for Year 2022 were determined pursuant to Section 108B, *Transactions Subject to Zero Percent Rate*, of the National Internal Revenue Code of 1997.

ii. Input VAT

(In Philippine Peso)	
Balance at January 1	
Current year's domestic purchases/ payments or importations for:	
Domestic purchase of goods other than capital goods	411,619
Domestic purchase of services	4,152,586
Total	4,564,205
Claims for tax credit/ refund and other adjustments	(4,564,205)
Balance at December 31	-

Information on the Company's Importations

The Company did not enter into any importation transactions during the year 2022.

Excise Tax

The Company did not enter into any transaction subject to an excise tax.

Other Taxes and Licenses

This includes all other taxes, local and national, lodged under the caption "Taxes and Licenses" accounts under "Administrative Expenses" sections in the Statements of Income.

(In Philippine Peso)	
Permits and Licenses	2,647,793
Real Property Tax	373,731
Documentary Stamp Tax	103,991
Documentation and Licensing	201,542
Vehicle Registration Fees	99,041
BIR Annual Registration Fee	500
	3,426,598

Withholding Taxes

The amount of withholding taxes paid/ accrued for the year amounted to:

<i>(In Philippine Peso)</i>	
Withholding Tax on Compensation and Benefits	329,621
Expanded Withholding Taxes	965,734
	1,295,355

Documentary Stamp Tax

The Company paid a ₱103,991 documentary stamp tax related to its financial loans and other related transactions.

Deficiency Tax Assessment and Tax Cases

The Company has no deficiency tax assessments, whether protested or not. The Company has not been involved in any tax cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside the BIR.

Under Revenue Regulation (RR 34-2020)

On December 18, 2020, the BIR has issued Revenue Regulation 34-2020 prescribing the guidelines and procedures for the submission of BIR form 1709, Transfer Pricing Documentation and other Supporting Documents.

As of December 31, 2022, the Company is not covered by the requirements and procedures for related party transactions provided under the regulation.

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**INDEPENDENT AUDITORS' REPORT
ON SEC SUPPLEMENTARY SCHEDULE**

The Board of Directors and Stockholders

We have audited in accordance with Philippines Standards on Auditing, the financial statements of [REDACTED]

[REDACTED] (the "Company"), as of and for the year ended December 31, 2022 on which we have rendered the attached report dated April 15, 2023. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole.

The accompanying schedule of reconciliation of retained earnings available for dividend declaration is the responsibility of the Company's Management. The schedule is presented for the purpose of complying with the requirements of the Revised Securities Regulation Code Rule 68, particularly Part 1 5(B), and is not part of the basic financial statements. The information on such schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly states, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

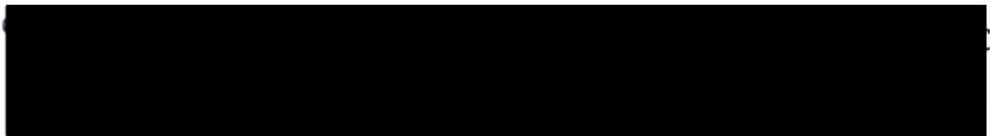
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April 15, 2023
Mandaluyong City-Philippines

**RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION**
As of December 31, 2022



Unappropriated Retained Earnings, as adjusted to available for dividend distribution, beginning	12,620,008
Add: Net income actually earned/realized during the period	
Net Income during the period closed to Retained Earnings	9,988,218
Less: Non-actual/unrealized income net of tax	
Equity in net income of associate/joint venture	-
Unrealized foreign exchange gain (after tax) except those attributable to Cash and Cash Equivalents	-
Unrealized actuarial gain	-
Fair value adjustment (market-to-market gains)	-
Fair value adjustment of Investment Property resulting to gain	-
Adjustment due to deviation from PFRS-gain	-
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-
Sub-Total	-
Add: Non-actual losses	
Depreciation on revaluation increment (after tax)	-
Adjustment due to deviation from PFRS-loss	-
Loss on fair value adjustment of investment property (after tax)	-
Sub-Total	-
Net Income actually earned during the period	9,988,218
Add/(Less):	
Dividend declarations during the period	-
Appropriations of Retained Earnings during the period	(20,000,000)
Reversals of appropriations	-
Effect of prior period adjustments	-
Treasury Shares	-
Sub-Total	(20,000,000)
TOTAL RETAINED EARNINGS, END OF THE YEAR AVAILABLE FOR DIVIDEND	2,608,226

**INDEPENDENT AUDITORS' REPORT
TO ACCOMPANY INCOME TAX RETURN**

The Board of Directors and Stockholders

We have audited the accompanying financial statements of [REDACTED]
[REDACTED] (the "Company"), which comprise the Statements of Financial Position as of December 31, 2022 and 2021 and the Statements of Income, Statements of Changes in Equity and Statements of Cash Flows for the years then ended, on which we have rendered the attached report dated April 15, 2023.

In compliance with Revenue Regulations No. V-020, we are declaring the following:

1. The supplementary information on taxes and licenses is presented in Note 19 to the financial statements.
2. No partner of our Firm is related by consanguinity or affinity to the president, manager, senior officers or principal stockholders of the Company.

April 15, 2023
Mandaluyong City-Philippines