



GBS CONCEPT <gbsconcept.2014@gmail.com>

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Sat, Apr 13, 2024 at 2:51 PM

Hi GBS CONCEPT ADVERTISING INC,

Valid files

- EA008809971ITRTY122023.pdf
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Invalid file

- <None>

Transaction Code: **AFS-0-68ACA8FJ09AAH9BGFNNZNS1MQ0MZ4YZ23**

Submission Date/Time: **Apr 13, 2024 02:51 PM**

Company TIN: **008-809-971**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

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Reference No : 462400059062442
 Date Filed : April 10, 2024 01:30 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.*



1702-RT 01/18ENCS P1

1 For Calendar Fiscal
 2 Year Ended (MM/20YY)
 12/2023

3 Amended Return?
 Yes No

4 Short Period Return?
 Yes No

5 Alphanumeric Tax Code (ATC)

IC055 Minimum Corporate Income Tax (MCIT)
 IC010 DOMESTIC CORPORATION IN GENERAL

Part I - Background Information

6 Taxpayer Identification Number (TIN)	008 - 809 - 971 - 000	7 RDO Code	027
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8 Registered Name (Enter only 1 letter per box using CAPITAL LETTERS)

GBS CONCEPT ADVERTISING INC.

9A Registered Address (Indicate complete registered address)

35-A 8TH ST COR 10TH AVE CALOOCAN CITY

9B Zipcode 1400

10 Date of Incorporation/Organization (MM/DD/YYYY)	01/07/2014
--	------------

11 Contact Number	12 Email Address
-------------------	------------------

4633343 vera_associates2016@yahoo.com.ph

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)	114,460
--	---------

15 Less: Total Tax Credits/Payments (From Part IV Item 55)	87,821
--	--------

16 Net Tax Payable (Overpayment) (Item 14 Less Item 15) (From Part IV Item 56)	26,639
--	--------

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)	26,639
---	--------

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)

Gurkis A. Calazar

Signature over printed name of President/Principal Officer/Authorized Representative

Signature over printed name of Treasurer/Assistant Treasurer

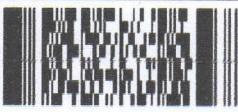
22 Number of Attachments

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 - 809 - 971 - 000		Registered Name GBS CONCEPT ADVERTISING INC.
Part IV - Computation of Tax <i>(Do NOT enter Centavos)</i>		
27 Sales/Receipts/Revenues/Fees 28 Less: Sales Returns, Allowances and Discounts 29 Net Sales/Receipts/Revenues/Fees (Item 27 Less Item 28) 30 Less: Cost of Sales/Services 31 Gross Income from Operation (Item 29 Less Item 30) 32 Add: Other Taxable Income Not Subjected to Final Tax 33 Total Taxable Income (Sum of Items 31 and 32)		12,242,397 0 12,242,397 10,720,806 1,521,591 0 1,521,591
Less: Deductions Allowable under Existing Law		
34 Ordinary Allowable Itemized Deductions (From Part VI Schedule I Item 18) 35 Special Allowable Itemized Deductions (From Part VI Schedule II Item 5) 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) 37 Total Deductions (Sum of Items 34 to 36)		1,063,750 0 0 1,063,750
<i>OR [in case taxable under Sec 27(A) & 28(A)(1)]</i>		
38 Optional Standard Deduction (40% of Item 33)		0
39 Net Taxable Income/(Loss) (If Itemized: Item 33 Less Item 37; If OSD: Item 33 Less Item 38)		457,841
40 Applicable Income Tax Rate 25 %		
41 Income Tax Due other than Minimum Corporate Income Tax (MCIT) (Item 39 x Item 40) 42 MCIT Due (2% of Item 33)		114,460 30,432
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)		114,460
Less: Tax Credits/Payments (attach proof)		
44 Prior Year's Excess Credits Other Than MCIT 45 Income Tax Payment under MCIT from Previous Quarter/s 46 Income Tax Payment under Regular/Normal Rate from Previous Quarter/s 47 Excess MCIT Applied this Current Taxable Year (From Part VI Schedule IV Item 4)		0 0 0 0
48 Creditable Tax Withheld from Previous Quarter/s per BIR Form No. 2307 49 Creditable Tax Withheld per BIR Form No. 2307 for the 4th Quarter		48,296 39,525
50 Foreign Tax Credits, if applicable 51 Tax Paid in Return Previously Filed, if this is an Amended Return 52 Special Tax Credits (To Part V Item 58)		0 0 0
Other Credits/Payments (Specify)		
53 54		0 0
		
55 Total Tax Credits/Payments (Sum of Items 44 to 54) (To Part II Item 15)		87,821
56 Net Tax Payable / (Overpayment) (Item 43 Less Item 55) (To Part II Item 16)		26,639
Part V - Tax Relief Availment		
57 Special Allowable Itemized Deductions (Item 35 of Part IV x Applicable Income Tax Rate) 58 Add: Special Tax Credits (From Part IV Item 52)		0 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) 008 - 809 - 971 - 000		Registered Name GBS CONCEPT ADVERTISING INC.	
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	11,922		
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	386,208		
14 SSS, GSIS, Philhealth, HDMF and Other Contributions	0		
15 Taxes and Licenses	243,961		
16 Transportation and Travel	1,348		
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	63,996		
c Security Services	0		
d COMMUNICATION, LIGHTS AND WATER	163,104		
e FUEL AND OIL	103,910		
f REPAIRS AND MAINTENANCE	40,767		
g MISCELLANEOUS	31,626		
h OFFICE SUPPLIES	16,908		
i	0		
 18 Total Ordinary Allowable Itemized Deductions (Sum of Items 1 to 17i) (To Part IV Item 34) 1,063,750			
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 - 809 - 971 - 000		Registered Name GBS CONCEPT ADVERTISING INC.	
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 Year Incurred		B) NOLCO Applied Previous Year A) Amount	
4	0	0	0
5	0	0	0
6	0	0	0
7	0	0	0
Continuation of Schedule IIIA (item numbers continue from table above)			
C) NOLCO Expired		D) NOLCO Applied Current Year	
4 0		0 0	
5 0		0 0	
6 0		0 0	
7 0		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	
1 0		0 0	
2 0		0 0	
3 0		0 0	
Total Excess MCIT Applied (Sum of Items 1F to 3F) (To Part JV 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 Add: Non-deductible Expenses/Taxable Other Income			457,841
2			0
3			0
			
4 Total (Sum of Items 1 to 3) Less: A) Non-Taxable Income and Income Subjected to Final Tax			457,841
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)			457,841



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	: 008-809-971-000
Name	: GBS CONCEPT ADVERTISING INC.
RDO	: 027
Form Type	: 1702
Reference No.	: 462400059062442
Amount Payable (Over Remittance)	: 26,639.00
Accounting Type	: C - Calendar
For Tax Period	: 12/31/2023
Date Filed	: 04/10/2024
Tax Type	: IT

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REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
**BUREAU OF INTERNAL
REVENUE**

eFPS PAYMENT SUMMARY

TIN	: 008-809-971-000
Name	: GBS CONCEPT ADVERTISING INC.
RDO	: 027
Bank	: 027000
Filing Reference No.	: 462400059062442
Payment Transaction No.	: 240738468
Actual Amount Paid / (Over Remittance)	: 26639.00
TDM Amount	: 0.00
TRA Amount	: 0.00

PLEASE DO NOT REPLY TO THIS E-MAIL



GBS CONCEPT ADVERTISING INC.

307 10TH Ave. Grace Park, Caloocan City
Tel. No.: 366-83-89

STATEMENT OF MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **GBS Concept Advertising Inc.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years 2023 and 2022 ended December 31, 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 statement including the schedules attached therein, and submits the same to the stockholders or members.

SUSAN MIRANDA-ESGANA, the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature 
GENEVIE SALAZAR
President and Chairman of the Board

Signature
IRENE JAVIER
Chief Financial Officer/Treasurer

Signed this _____ day of _____, 2024

GBS CONCEPT ADVERTISING INC.

307 10th Ave. Grace Park, Caloocan City
Tel. No.: 366-83-89

STATEMENT OF MANAGEMENT RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

The Management of **GBS Concept Advertising Inc.** is responsible for all information and representations contained in the Annual Income Tax Return for the period ended December 31, 2023. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all other tax returns filed for the reporting period, including but not limited, to the value added tax and/or percentage tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the period ended December 31, 2023 and the accompanying Annual Income Tax Return are in accordance with the books and records of **GBS Concept Advertising Inc.** complete and correct in all material respects. Management likewise affirms that:

- a) The Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- b) Any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of Income Tax Return pursuant to tax accounting rules has been reported as reconciling items and maintained in the company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
- c) The **GBS Concept Advertising Inc.** has filed all applicable tax returns, reports and statements required to be filed under Philippine Tax Laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

Signature _____
GENEVIE SALAZAR
Chairman of the Board / President

Signature _____
IRENE JAVIER
Treasurer

Signed this ____ day of _____ 2024



ESGANA, MIRANDA-ESGANA & ASSOCIATES

Certified Public Accountants

PRC BOA No. 1689 effective until Aug. 31, 2026

REPORT OF INDEPENDENT AUDITOR

The Board of Directors

GBS CONCEPT ADVERTISING INC.

TIN: 008-809-971-000

307 10th Avenue Grace Park, Caloocan City

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements which comprise the statements of **GBS CONCEPT ADVERTISING INC.** financial position as at December 31, 2023 and 2022 and the statements of income, statements of changes in equity, statement of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **GBS CONCEPT ADVERTISING INC.** as at December 31, 2023 and 2022 and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) for Small and Medium Sized Entities (SMEs).

Basis for Opinion

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

Material Uncertainty Related to Going —Concern

Having regard to the future period to which those charged with governance have paid particular attention in assessing going concern. I have planned and performed procedures specifically designed to identify any material matters which could indicate concern about the entity's ability to continue as a going concern. No events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Use of going concern basis of accounting is appropriate and no material uncertainty has been identified.

Emphasis of Matter

I draw attention to the financial statements which describes the policy adopted by the company of when an entity should adjust its financial statements for events after the reporting period; and the disclosures that an entity should give about the date when the financial statements were authorized for issue and about events after the reporting period.

Key Audit Matters

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

I have determined that there are no key audit matters to communicate my report.

My opinion on the financial statements does not cover the information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to send other **information and in doing so** identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS for the SMEs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with the 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 are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are 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 consolidated financial statements.

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

Identify and 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 expressing an opinion on the effectiveness of the Company's internal control.

Evaluate the appropriateness of the accounting policies used in reasonableness of the accounting estimates and related disclosures made by the management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the

date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, I determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

I describe these matters in my auditor' report unless law regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Supplementary Information Required under Revenue Regulation 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 in Note 20 as hereto included in a separate schedule 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 my 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.

my pnd
SUSAN MIRANDA-ESGANA
Partner, CPA Cert. No. 57272
PTR No. 3515502 issued on 01/29/2024, Paranaque City
TIN: 132-140-697-000
BIR A.N. 08-005908-001-2023 issued on 04/04/2023; effective until 04/04/2026
BOA/ PRC Reg. No. 1689 effective until August 31, 2026

Paranaque City
March 27, 2024

Audit • Taxation • Bookkeeping • Management Consultancy

DIVINA GRACIA E. GONZALES

Certified Public Accountant

Parañaque City

PRACTITIONER'S COMPILATION REPORT

To Management of

GBS CONCEPT ADVERTISING INC.

TIN: 008-809-971-000

307 10th Avenue Grace Park, Caloocan City

I have compiled the accompanying financial statements of **GBS CONCEPT ADVERTISING INC.** based on information you have provided. These financial statements comprise the statement of financial position **GBS CONCEPT ADVERTISING INC.** as at December 31, 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

I performed this compilation engagement in accordance with Philippine Standard on Related Services 4410 (Revised), Compilation Engagements.

I have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with Philippine Financial Reporting Standard for Small-and Medium-sized Entities (PFRS for SME's). I have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These Financial Statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not assurance engagement, I am not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, I do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with PFRS for SME's.


DIVINA GRACIA E. GONZALES

TIN: 235-537-939-000

PRC No.: 0125233

Paranaque City
March 30, 2024



ESGANA, MIRANDA-ESGANA & ASSOCIATES

Certified Public Accountants

PRC BOA No. 1689 effective until Aug. 31, 2026

SUPPLEMENTAL WRITTEN STATEMENT OF EXTERNAL AUDITOR ON THE NUMBER OF SHAREHOLDERS

The Board of Directors and Shareholders

GBS CONCEPT ADVERTISING INC.

TIN: 008-809-971-000

307 10th Avenue Grace Park, Caloocan City

We have audited the Financial Statements of **GBS CONCEPT ADVERTISING INC.** for the year ended December 31, 2023, on which rendered the attached report dated March 27, 2023.

In compliance with SRC Rule 68 and based on the certification received from the issuer's corporate secretary and the results of our work done, as of December 31, 2023, the said Company has Two (2) shareholders owning one hundred (100) or more shares.

ESGANA, MIRANDA-ESGANA & ASSOCIATES

TIN: 207-267-246

By:

Susan M. Esgana
SUSAN MIRANDA-ESGANA

Partner; CPA Cert. No. 57272

PTR No. 3515502 issued on 01/29/2024, Paranaque City

TIN 132-140-697-000

BIR A.N. 08-005908-001-2023 issued on 04/04/2023; effective until 04/04/2026

BOA/PRC Reg. No. 1689 effective until August 31, 2026

Parañaque City
March 27, 2024

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ESGANA, MIRANDA-ESGANA & ASSOCIATES

Certified Public Accountants

PRC BOA No. 1689 effective until Aug. 31, 2026

STATEMENT REQUIRED BY SECTION 8-A, REVENUE REG. NO. V-20

To the Board of Directors and Shareholders of

GBS CONCEPT ADVERTISING INC.

TIN: 008-809-971-000

307 10th Avenue Grace Park, Caloocan City

I have audited the financial statements of **GBS CONCEPT ADVERTISING INC.** for the calendar year ended December 31, 2023, on which I have rendered my report dated March 27, 2024.

In compliance with Section 8-A, Revenue Regulation V-20, I am stating the following:

1. That the taxes paid or accrued by the above taxpayer for the year ended December 31, 2023 are shown in the schedule of taxes and licenses attached to the income tax return.
2. That I am not related by consanguinity or affinity to the Management and Members of the Board of Directors;
3. That I, as the Managing Partner of ESGANA, MIRANDA-ESGANA AND ASSOCIATES, or any of my staff, have no financial interest to the Corporation or any family relationships with its management.

ESGANA, MIRANDA-ESGANA & ASSOCIATES

TIN: 207-267-246

By:


SUSAN MIRANDA-ESGANA

Partner, CPA Cert. No. 57272

PTR No. 3515502 issued on 01/29/2024, Paranaque City

TIN 132-140-697-000

BIR A.N. 08-005908-001-2023 issued on 04/04/2023; effective until 04/04/2026

BOA/PRC Reg. No. 1689 effective until August 31, 2026

Parañaque City

March 27, 2024

Audit • Taxation • Bookkeeping • Management Consultancy

GBS CONCEPT ADVERTISING INC.

307 10TH Avenue Grace Park,

Caloocan City

TIN: 008-809-971-000 VAT

FINANCIAL STATEMENTS

As of and for the year ended December 31, 2023

(With Comparative figures in 2022)

(Amounts in Philippine Peso)

GBS CONCEPT ADVERTISING INC.

Statement of Financial Position

As of December 31, 2023

(With Comparative Figure for 2022)

(Amounts in Philippine Peso)

	<i>Notes</i>	2023		2022	
ASSETS					
Current Assets	4	P	4,788,176	P	4,563,148
TOTAL ASSETS		P	4,788,176	P	4,563,148
LIABILITIES AND EQUITY					
Current Liabilities	5	P	188,039	P	306,391
Non Current Liabilities	6		-		-
Equity	7		4,600,136		4,256,756
TOTAL LIABILITIES AND EQUITY		P	4,788,176	P	4,563,148

See Notes to the financial statement

GBS CONCEPT ADVERTISING INC.

Statement of Comprehensive Income
For the year ended December 31, 2023
(With comparative figures for 2022)
(Amounts in Philippine Peso)

	<i>Notes</i>	2023	2022
REVENUES	8 P	12,242,397 P	9,843,009
COST OF SALES	9	10,720,806	8,632,290
GROSS PROFIT		1,521,591	1,210,719
GENERAL AND ADMINISTRATIVE EXPENSES	10	1,063,751	836,091
INCOME BEFORE TAX		457,840	374,628
TAX EXPENSE	11	114,460	93,657
NET INCOME AFTER TAX	P	343,380 P	280,971

See notes to the financial statements

GBS CONCEPT ADVERTISING INC.

Statements of Changes in Equity

For the period ended December 31, 2023

(With Comparative Figure for 2022)

(Amounts in Philippine Peso)

	2023	2022
CAPITAL STOCK (Note 8)	P 3,062,500	P 3,062,500
RETAINED EARNINGS		
Appropriated (Note 8)	-	-
Unappropriated		
Balance at beginning of the year	1,194,256	913,285
Net profit / (loss) during the year	343,380	280,971
Transferred to appropriated retained earnings during the year (Note 8)	-	-
Balance at the end of year	1,537,636	1,194,256
TOTAL EQUITY	P 4,600,136	P 4,256,756

See Notes to the financial statement

GBS CONCEPT ADVERTISING INC.

Statement of Cash Flows

For the year ended December 31, 2023

(With comparative figures for 2022)

(Amounts in Philippine Peso)

CASH FLOWS FROM OPERATING ACTIVITIES:		2023	2022
Net income for the year	P	457,840	P 374,628
Add back: Amortization/Depreciation of fixed assets		-	-
Total cash applied to (provided by) operating activities		457,840	374,628
Add/Deduct: Changes in Operating Assets/Liabilities:			
(Increase)/Decrease in Current Assets		31,895	101,320
Increase/(Decrease) in Current Liabilities		(118,352)	(495,624)
Increase/(Decrease) in Non-Current Liabilities		-	-
Cash paid for Income Taxes		(114,460)	(93,657)
Net Cash Applied Operating Activities		256,923	(113,333)
CASH FLOWS FROM INVESTING/FINANCING ACTIVITIES:			
Cash provided/applied to investing assets:		-	-
Net Cash provided by Investing/financing Activities		-	-
NET INCREASE (DECREASE) IN CASH		256,923	(113,333)
Add: Beg. Balance 01/01/2023		4,269,658	4,382,991
CASH BALANCE, END - 12/31/2023	P	4,526,581	P 4,269,658

GBS CONCEPT ADVERTISING INC.
NOTES TO FINANCIAL STATEMENT
December 31, 2023 and 2022
(Amounts in Philippine Peso)

1. COMPANY INFORMATION

The **GBS Concept Advertising Inc.** (the company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) number CS201412659 on July 1, 2014. The Company's primary purpose is to engage in the business of publishing in different forms of media for local and worldwide market; and to engage in the study, research, conceptualization, design, arranging, and or rearranging of corporate data and materials to provide related publishing, advertising and marketing consultancy services to support the marketing, advertising, public relations, management, and operational needs of lawful business, whether local or foreign within the limits allowed by the law in the Philippines.

The registered office address of the Company is 307 10th Avenue, Grace Park, Caloocan City

Approval of Financial Statements

The Financial Statements of the Company as of and for the year ended December 31, 2023 (including the comparatives as of and for the year ended December 31, 2022) were authorized for issue by the Company's Board of Directors on April 1, 2024

2. 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 years presented, unless otherwise stated.

Basis of Preparation of Financial Statements

a. Statement of Compliance with Philippine Financial Reporting Standards

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standard for Small and Medium-sized Entities (PFRS for SMEs). The financial statements have been prepared using the measurement bases specified by PFRS for SMEs for each type of assets, liabilities and income and expense. The measurement bases are more fully described in the accounting policies in the succeeding pages.

The preparation of financial statement in accordance with the PFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimations are significant to the financial statement are disclosed in Note 3.

b. Presentation of Statement of Income and Statement of Changes in Equity

The Company opted to present a separate statement of income and separate statement of changes in equity even when the changes to equity during the years presented arise only from profit or loss.

c. Functional and Presentation Currency

These financial statements are presented in Philippine peso, the Company's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the financial statements of the Company are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Company operates.

2017 Amendment to PFRS for SMEs but not Adopted Early

In December 2017, the limited amendments to International Financial Reporting Standards (IFRS) for SMEs were released by the International Accounting Standards Board. Entities reporting using IFRS for SMEs are required to apply the amendments for annual periods beginning on or after January 1, 2018. In August 2018, the Financial Reporting Standards Council adopted the 2015 amendments to IFRS for SMEs. The following amendments are relevant to the Company but management does not expect any significant impact on the Company's financial statements:

- Section 2, *Concepts and Pervasive Principles* – addition of clarifying guidance on the undue cost of effort exemption that is used in several sections of PRFRS for SMEs as well as a new requirement within relevant sections for entities to disclose their reasoning for using such exemption.
- Section 4, *Statement of Financial Position* – addition of a requirement to present investment property measured at cost less accumulated depreciation and impairment separately on the face of the statements of financial position; and, removal of the requirements to disclose comparative information for the reconciliation of the opening and closing number of shares outstanding.
- Section 9, *Consolidated and Separate Financial Statements* – addition of an option to permit an entity to account for investment in subsidiaries, associate and jointly controlled entities in its separate financial statements using the equity method and clarification of the definition of "separate financial statements."
- Section 17, *Property, Plant and Equipment* – alignment of the wording with the amendments to Philippine Accounting Standard (PAS) 16, *Property, Plant and Equipment*, regarding the classification of spare parts, stand-by equipment and servicing equipment as property, plant and equipment or inventory; addition of the exemption in paragraph 70 of PAS 16 allowing an entity to use the cost of the replacement part as an indication of what the cost of the replaced part was at the time that it was acquired or constructed, if it is not practicable to determine the carrying amount of a part of an item of property, plant an equipment that has been replaced; and, addition of an option to use the revaluation mode.
- Section 18, *Intangible Assets other than Goodwill* – modification to require that if the useful life of goodwill or another intangible asset cannot be established reliably, the useful life shall be determined based on management's best estimate but shall not exceed ten years.
- Section 22, *Liabilities and Equity* – clarification that income tax relating to distributions to holders of equity instruments (owners) and to transaction cost of an equity transaction should be accounted for in accordance with Section 22, *Income Tax*; and, addition of an undue cost or effort exemption from the requirement to measure the liability to pay a non-cash distribution at the fair value of the non-cash assets to be distributed and clarifying guidance on accounting for the settlement of the dividend payable.
- Section 28, *Employee Benefits* – clarification of the application of the accounting requirements in paragraph 28.23 to other long-term employee benefits; and, removal of the requirement to disclose the accounting policy for termination benefits.
- Section 29, *Income Tax* – alignment of the main principles of Section 29 with PAS 12, *Income Taxes*, for the recognition and measurement of deferred income tax, but modified to be consistent with the other requirements of PFRS for SMEs; and, addition of an undue cost or effort exemption to the requirement to offset income tax asset and liabilities

- Section 33, *Related Party Disclosures* – alignment of the definition of “related party” with the PAS 24, *Related Party Disclosures*, including incorporation of the amendment to the definition of the related party, which include a management entity providing key management personnel services

The other amendments clarify existing requirements or add supporting guidance, rather than change the underlying requirements of IFRS for SMEs. Consequently, the amendments are expected to improve understanding of the existing requirements, without having a significant effect on the financial reporting practice and financial statements.

Cash

Cash includes on hand and in bank to meet short-term cash commitment rather than for investment or other purposes.

Inventories

Inventories are stated at the lower of cost and selling price less costs to complete and sell. Cost of inventories includes all cost of purchase, cost of conversion and other costs incurred to bring the inventories to their present location and condition. Cost is calculated using the first-in, first-out method.

Prepayments

Prepayments pertain to prepaid expense of the Company. Prepayments are carried at transaction cost.

Property and Equipment

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of an asset comprises its purchase price and directly attributable cost of bringing the asset to working condition for its intended use. Expenditures for additions, major improvements and renewals are capitalized, expenditures for repairs and maintenance are charged to expense during the period in which they are incurred. When assets are sold, retired or otherwise disposed of, their cost and related accumulated depreciation and impairment losses are removed from the accounts and any resulting gain or loss is reflected in profit for the year.

Depreciation on property and equipment is calculated using the straight-line method over their estimated useful lives. The useful live of the depreciable assets are as follows

If there is an indication that there has been a significant change in the useful lives or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (*see Note 7*).

Gains and losses on disposal of property and equipment are determined by comparing the proceeds with the carrying amount of the item and are recognized as part of Other Income in profit and loss.

Trade and Other Payables

Trade and other payable are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method.

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

Provision and Contingencies

Provisions 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.

Provision are measured at the present value of the amount expected to be required to settle 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.

In those cases where the possible outflow of economic resource as a result of present obligation is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements. Similarly, possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements. On the other hand, any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

Revenue and Expense Recognition

Revenue comprises revenue from sale of goods measured by reference to the fair value of consideration received or receivable by the Company for goods sold, excluding value-added tax (VAT), sales returns and trade discounts.

Revenue is recognized to the extent that the revenue can be reliably measured; it is probable that the economic benefits will flow to the Company; and the costs incurred or to be incurred can be measured reliably.

Revenue recognized when the risks and rewards of ownership of the goods have passed to the buyers, i.e., generally when the customer has acknowledged delivery of goods.

Cost and expenses are recognized in profit and loss upon utilization of the service or at the date they are incurred. Finance costs are reported on an accrual basis.

Income Tax

Tax expense represents the sum of the current tax and deferred tax. The current tax is based on taxable profit for the year and measured using the tax rates and laws that have been enacted or substantively enacted at the end of reporting period.

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

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

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax assets to be realized or the deferred tax liability to be

settled, on the basis of tax rates that have been enacted or substantively enacted by the end of reporting period.

Impairment of Assets

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

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

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

Employee benefits

Wages, salaries, bonuses and social security contributions are recognized as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognized when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognized when absences occur.

Equity

Capital stock represents the nominal value of shares that have been issued.

Retained earnings represent all current and prior period result of operations as reported in the profit or loss section of the statement of income.

Related Party Transaction and Relationship

Related party transactions are transfer of resources, services or obligation between the Company and its related parties, regardless whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These parties include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Company; (b) associates, and (c) 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.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

Events after the event of the Reporting Period

Any post-year-end event that provides additional information about the Company's financial position at the end of the reporting period (adjusting event), if any, are disclosed when material to the financial statements:

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The Company's financial statements prepared in accordance with PFRS for SMEs requires management to make judgment, estimates and assumptions that effect amounts reporting in the financial statements and related notes. 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 circumstances and any revisions to accounting estimates are recognized prospectively. Actual results may ultimately differ from these estimates.

Critical Management Judgment in Applying Accounting Policies

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the financial statements:

a. Distinction between Operating and Finance Leases

The Company has entered into lease agreement as a lessee. Critical judgment was exercised by management to distinguish each lease agreement as either an operating or finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities.

b. Recognition of Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies and disclosure of provisions and contingencies are discussed in Note 2 and relevant disclosures are presented in Note 16.

Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

a. Determining Net Realizable of Inventories

In determining the net realizable value of inventories, management takes into account the most reliable evidence available at the time the estimates are made. Management also considers key sources of estimation uncertainly and may cause significant adjustment to the Company's inventories within the next financial year.

b. Estimating Useful Lives of Property and Equipment

The Company estimates the useful lives of property and equipment 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. The carrying amounts of property and equipment are analyzed in Note

Based on managements' assessment as at December 31, 2023, there is no change in estimated useful lives of property and equipment during the year. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above

4 CURRENT ASSETS**2023** **2022**

This account consists of:

Cash and Cash Equivalents	P 4,526,581	P 4,269,658
Inventories	P 261,595	P 293,490
Total Current Assets	P <u>4,788,176</u>	P <u>4,563,148</u>

5 CURRENT LIABILITIES**2023** **2022**

This account consists of:

Other Payables	P 156,400	P 293,500
Accrued Expense	P 5,000	P 5,000
Income Tax Payable	P 26,639	P 7,891
Total Current Liabilities	P <u>188,039</u>	P <u>306,391</u>

6 NON-CURRENT LIABILITIES**2023** **2022**

This account consists of:

Due to Related Parties	P -	P -
Total Non Current Liabilities	P <u>-</u>	P <u>-</u>

In the normal course of business, the Company obtains cash advance from its associates for working capital requirements. These advances are unsecured, non-interest bearing and with no specific repayment terms. Outstanding balance of advances from related parties are presented in Due to related parties account in statements of financial position.

7 CAPITAL STOCK

The Company is authorized to issue P 5,000,000 divided P 50,000 shares of common stock at P 100 par value. The issued and outstanding shares of stock as of December 31, 2023 and 2022 amounted to P 3,062,500

As of December 31, 2023 and 2022, the Company has (5) five stockholders owning 100 ore more shares each of the Company's common stock.

8 REVENUES**2023** **2022**

The revenue reported in the statement of income represent mainly the income from conduct of business, are as follows:

Sales	P 12,242,397	P 9,843,009
Total Revenues	P <u>12,242,397</u>	P <u>9,843,009</u>

9 COST OF SERVICES**2023** **2022**

The details of cost of sales are shown below:

Publishing cost	P 10,720,806	P 8,632,290
Cost of Service	P <u>10,720,806</u>	P <u>8,632,290</u>

10 GENERAL AND ADMINISTRATIVE EXPENSES**2023****2022**

The breakdown of cost and other operating expenses is shown below:

Salaries & Other Benefits	P 386,208	P 282,500
Taxes & Licenses	243,961	242,266
Communication, Lights & Water	163,104	85,915
Fuel & Oil	103,910	48,035
Professional Fees	63,996	69,000
Repairs & Maintenance	40,767	8,422
Miscellaneous	31,626	7,539
Office Supplies	16,908	8,205
Representation	11,922	74,826
Transportation and Travel	1,348	1,250
Insurance	-	8,132
Total General and Administrative Expenses	P <u>1,063,751</u>	P <u>836,091</u>

11 INCOME TAX

The expenses as reported in the statement of income pertaines to regular corporate income tax (RCIT) amounted to P 114,460 in 2023 and P 93,657 in 2022, respectively

The Company is subject to the minimum corporate income tax (MCIT), which is computed at 2% of gross income as defined under the tax regulations. The said MCIT can be claimed as tax credit in the next three years from the year it was incurred whenever the regular is higher than the MCIT

In 2023 and 2022, the Company claims itemized deductions for income tax purposes.

12 COMMITMENTS AND CONTINGENCIES

There are commitments and contingent liabilities that arise in the normal course of the Company's operation that are not reflected in the accompanying financial statements. Management is of the opinion that losses, if any, from these events and conditions will not have materials effects on the Company's financial statements.

13 SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE

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 required disclosure underd PFRS for SMEs.

Requirements under Revnue Regulations (RR) 15-2010

The information of taxes, duties and licenses fees paid or accrued during the taxable year required under RR 15-20 are as follows:

a. *Output Value-Added Tax (VAT)*

In 2023, the Company declared output VAT as follows:

	Tax base	Output Vat
Sale of services		
Vatable sales	P <u>12,242,397</u>	P <u>1,469,088</u>
	P <u>12,242,397</u>	P <u>1,469,088</u>

The Company's exempt sales/receipts were determined pursuant to Section 109, VAT exempt transaction, of the 1997 National Internal Revenue Code.

b. *Input VAT*

The movements in input VAT as of December 31, 2023 are summarized below:

Input Tax from domestic purchases of goods and services	P 1,382,172
Applied against output VAT	(1,382,172)
Balance at end of year	P -

c. *Tax on importation*

The Company has no tax on importation since it does not have any transaction which are subject to importation tax.

d. *Excise Tax*

The Company does not have excise tax in any of the year presented since it does not have any transaction which are subject to excise tax.

e. *Taxes and licenses*

The breakdown of taxes & licenses is shown below:

Municipal licenses and permits	P 243,461
BIR Registration fee	500
Total Taxes & Licenses	P 243,961

Taxes and licenses are allocated mainly to administrative expenses.

g. *Withholding taxes*

The details of total withholding taxes for the year ended December 31, 2023 are as follows:

Expanded	P 122,910
Compensation	-
	P 122,910

h. *Deficiency Tax Assessment and Tax Case*

As of December 31, 2023, the Company neither have deficiency tax assessments with the BIR nor tax cases outstanding or pending in courts or bodies outside the BIR in any of the open years.

GBS CONCEPT ADVERTISING
INC.

TIN: 008-809-971-000

2022 Income Tax Return
Audited Financial Statement



For BIR
Use Only:
Item:



Republic of the Philippines
Department of Finance
Bureau of Internal Revenue

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.



1702-RT 01/18ENCS P1

1 For Calendar Fiscal
2 Year Ended (MM/20YY)
12/2022

3 Amended Return?
 Yes No

4 Short Period Return?
 Yes No

5 Alphanumeric Tax Code (ATC)

IC055 Minimum Corporate Income Tax (MCIT)
IC010 DOMESTIC CORPORATION IN GENERAL

Part I - Background Information

6 Taxpayer Identification Number (TIN) 008 - 809 - 971 - 000 7 RDO Code 027

8 Registered Name (Enter only 1 letter per box using CAPITAL LETTERS)

GBS CONCEPT ADVERTISING INC.

9A Registered Address (Indicate complete registered address)

35-A 8TH ST COR 10TH AVE CALOOCAN CITY

9B Zipcode 1400

10 Date of Incorporation/Organization (MM/DD/YYYY) 01/07/2014

11 Contact Number 12 Email Address

4633343 vera_associates2016@yahoo.com.ph

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) 93,657

15 Less: Total Tax Credits/Payments (From Part IV Item 55) 85,766

16 Net Tax Payable (Overpayment) (Item 14 Less Item 15) (From Part IV Item 56) 7,891

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) 7,891

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)

Genove A. Catazar

Signature over printed name of President/Principal Officer/Authorized Representative

Signature over printed name of Treasurer/Assistant Treasurer

22 Number of Attachments
4

Title of Signatory	TIN	Title of Signatory	TIN
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Part III - Details of Payment

Particulars	Drawee Bank/Agency	Number	Date (MM/DD/YYYY)	Amount
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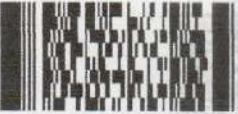
23 Cash/Bank Debit Memo 0

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)
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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)		Registered Name
008 - 809 - 971 - 000	GBS CONCEPT ADVERTISING INC.	
Part IV - Computation of Tax		(Do NOT enter Centavos)
27 Sales/Receipts/Revenues/Fees	9,843,009	
28 Less: Sales Returns, Allowances and Discounts	0	
29 Net Sales/Receipts/Revenues/Fees (Item 27 Less Item 28)	9,843,009	
30 Less: Cost of Sales/Services	8,632,290	
31 Gross Income from Operation (Item 29 Less Item 30)	1,210,719	
32 Add: Other Taxable Income Not Subjected to Final Tax	0	
33 Total Taxable Income (Sum of Items 31 and 32)	1,210,719	
Less: Deductions Allowable under Existing Law		
34 Ordinary Allowable Itemized Deductions (From Part VI Schedule I Item 18)	836,091	
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)	836,091	
OR [in case taxable under Sec 27(A) & 28(A)(1)]		
38 Optional Standard Deduction (40% of Item 33)	0	
39 Net Taxable Income/(Loss) (If Itemized: Item 33 Less Item 37; If OSD: Item 33 Less Item 38)	374,628	
40 Applicable Income Tax Rate	25 %	
41 Income Tax Due other than Minimum Corporate Income Tax (MCIT) (Item 39 x Item 40)	93,657	
42 MCIT Due (2% of Item 33)	24,214	
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)	93,657	
Less: Tax Credits/Payments (attach proof)		
44 Prior Year's Excess Credits Other Than MCIT	0	
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	79,789	
49 Creditable Tax Withheld per BIR Form No. 2307 for the 4th Quarter	5,977	
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)		
		85,766
56 Net Tax Payable / (Overpayment) (Item 43 Less Item 55)) (To Part II Item 16)		7,891
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 - 809 - 971 - 000	GBS CONCEPT ADVERTISING INC.

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	74,826
7 Fringe Benefits	0
8 Interest	0
9 Losses	0
10 Pension Trust	0
11 Rental	0
12 Research and Development	8,422
13 Salaries, Wages and Allowances	282,500
14 SSS, GSIS, Philhealth, HDMF and Other Contributions	0
15 Taxes and Licenses	242,266
16 Transportation and Travel	1,250
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	69,000
c Security Services	0
d COMMUNICATION, LIGHTS AND WATER	85,915
e FUEL AND OIL	48,035
f OFFICE SUPPLIES	8,205
g MISCELLANEOUS	7,540
h INSURANCE	8,132
i	0

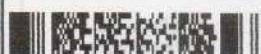
18 Total Ordinary Allowable Itemized Deductions (Sum of Items 1 to 17i) (To Part IV Item 34)	836,091
---	---------

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 - 809 - 971 - 000

Registered Name

GBS CONCEPT ADVERTISING INC.

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	374,628
Add: Non-deductible Expenses/Taxable Other Income	
2	0
3	0
4 Total (Sum of Items 1 to 3)	374,628
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)	374,628

GBS CONCEPT ADVERTISING INC.

307 10th Ave. Grace Park, Caloocan City

Tel. No.: 366-36-94

STATEMENT OF MANAGEMENT RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

The Management of **GBS Concept Advertising Inc.** is responsible for all information and representations contained in the Annual Income Tax Return for the period ended December 31, 2022. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all other tax returns filed for the reporting period, including but not limited, to the value added tax and/or percentage tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the period ended December 31, 2022 and the accompanying Annual Income Tax Return are in accordance with the books and records of **GBS Concept Advertising Inc.** complete and correct in all material respects. Management likewise affirms that:

- a) The Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- b) Any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of Income Tax Return pursuant to tax accounting rules has been reported as reconciling items and maintained in the company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
- c) The **GBS Concept Advertising Inc.** has filed all applicable tax returns, reports and statements required to be filed under Philippine Tax Laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

Signature _____
GENEVIE SALAZAR
Chairman of the Board / President

Signature _____
IRENE JAVIER
Treasurer

Signed this ____ day of _____ 2023

GBS CONCEPT ADVERTISING INC.

307 10TH Ave. Grace Park, Caloocan City
Tel. No.: 366-36-94

STATEMENT OF MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **GBS Concept Advertising Inc.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years 2022 and 2021 ended December 31, 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 statement including the schedules attached therein, and submits the same to the stockholders or members.

SUSAN MIRANDA-ESGANA, the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature _____
GENEVIE SALAZAR
President and Chairman of the Board

Signature _____
IRENE JAVIER
Chief Financial Officer/Treasurer

Signed this _____ day of _____, 2023



ESGANA, MIRANDA-ESGANA & ASSOCIATES

Certified Public Accountants

PRC BOA No. 1689 effective until Aug. 31, 2023

REPORT OF INDEPENDENT AUDITOR

The Board of Directors

GBS CONCEPT ADVERTISING INC.

TIN: 008-809-971-000

307 10th Avenue Grace Park, Caloocan City

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements which comprise the statements of **GBS CONCEPT ADVERTISING INC.** financial position as at December 31, 2022 and 2021 and the statements of income, statements of changes in equity, statement of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **GBS CONCEPT ADVERTISING INC.** as at 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 (PFRS) for Small and Medium Sized Entities (SMEs).

Basis for Opinion

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

Material Uncertainty Related to Going —Concern

Having regard to the future period to which those charged with governance have paid particular attention in assessing going concern. I have planned and performed procedures specifically designed to identify any material matters which could indicate concern about the entity's ability to continue as a going concern. No events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Use of going concern basis of accounting is appropriate and no material uncertainty has been identified.

Emphasis of Matter

I draw attention to the financial statements which describes the policy adopted by the company of when an entity should adjust its financial statements for events after the reporting period; and the disclosures that an entity should give about the date when the financial statements were authorized for issue and about events after the reporting period.

Key Audit Matters

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

I have determined that there are no key audit matters to communicate my report.

My opinion on the financial statements does not cover the information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to send other **information and in doing so** identified above when it becomes available and, in doing so, considers whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS for the SMEs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with the 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 are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are 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 consolidated financial statements.

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

Identify and 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 expressing an opinion on the effectiveness of the Company's internal control.

Evaluate the appropriateness of the accounting policies used in reasonableness of the accounting estimates and related disclosures made by the management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the

date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, I determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

I describe these matters in my auditor' report unless law regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Supplementary Information Required under Revenue Regulation 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 in Note 20 as hereto included in a separate schedule 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 my 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.


SUSAN MIRANDA-ESGANA
Partner; CPA Cert. No. 57272
PTR No. 3200689 issued on 01/04/2023, Paranaque City
TIN: 132-140-697-000
BIR A.N. 08-005908-001-2020 issued on 03/09/2020; effective until 03/08/2023
BOA/ PRC Reg. No. 1689 effective until August 31, 2023

Paranaque City
February 25, 2023

Audit • Taxation • Bookkeeping • Management Consultancy



ESGANA, MIRANDA-ESGANA & ASSOCIATES

Certified Public Accountants

PRC BOA No. 1689 effective until Aug. 31, 2023

STATEMENT REQUIRED BY SECTION 8-A, REVENUE REG. NO. V-20

To the Board of Directors and Shareholders of

GBS CONCEPT ADVERTISING INC.

TIN: 008-809-971-000

307 10th Avenue Grace Park, Caloocan City

I have audited the financial statements of **GBS CONCEPT ADVERTISING INC.** for the calendar year ended December 31, 2022, on which I have rendered my report dated February 25, 2023.

In compliance with Section 8-A, Revenue Regulation V-20, I am stating the following:

1. That the taxes paid or accrued by the above taxpayer for the year ended December 31, 2022 are shown in the schedule of taxes and licenses attached to the income tax return.
2. That I am not related by consanguinity or affinity to the Management and Members of the Board of Directors;
3. That I, as the Managing Partner of ESGANA, MIRANDA-ESGANA AND ASSOCIATES, or any of my staff, have no financial interest to the Corporation or any family relationships with its management.

ESGANA, MIRANDA-ESGANA & ASSOCIATES

TIN: 207-267-246

By:

Susan Miranda
SUSAN MIRANDA-ESGANA

Partner; CPA Cert. No. 57272

PTR No. 3200689 issued on 01/04/2023, Paranaque City

TIN 132-140-697-000

BIR A.N. 08-005908-001-2020 issued on 03/09/2020; effective until 03/08/2023

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Parañaque City
February 25, 2023

Audit • Taxation • Bookkeeping • Management Consultancy



ESGANA, MIRANDA-ESGANA & ASSOCIATES

Certified Public Accountants

PRC BOA No. 1689 effective until Aug. 31, 2023

SUPPLEMENTAL WRITTEN STATEMENT OF EXTERNAL AUDITOR ON THE NUMBER OF SHAREHOLDERS

The Board of Directors and Shareholders

GBS CONCEPT ADVERTISING INC.

TIN: 008-809-971-000

307 10th Avenue Grace Park, Caloocan City

We have audited the Financial Statements of **GBS CONCEPT ADVERTISING INC.** for the year ended December 31, 2022, on which rendered the attached report dated February 25, 2023.

In compliance with SRC Rule 68 and based on the certification received from the issuer's corporate secretary and the results of our work done, as of December 31, 2022, the said Company has Two (2) shareholders owning one hundred (100) or more shares.

ESGANA, MIRANDA-ESGANA & ASSOCIATES

TIN: 207-267-246

By:

Susan Miranda
SUSAN MIRANDA-ESGANA

Partner, CPA Cert. No. 57272

PTR No. 3200689 issued on 01/04/2023, Paranaque City

TIN 132-140-697-000

BIR A.N. 08-005908-001-2020 issued on 03/09/2020; effective until 03/08/2023

BOA/PRC Reg. No. 1689 effective until August 31, 2023

Parañaque City
February 25, 2023

Audit • Taxation • Bookkeeping • Management Consultancy

DIVINA GRACIA E. GONZALES

Certified Public Accountant

Parañaque City

PRACTITIONER'S COMPILATION REPORT

To Management of

GBS CONCEPT ADVERTISING INC.

TIN: 008-809-971-000

307 10th Avenue Grace Park, Caloocan City

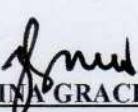
I have compiled the accompanying financial statements of **GBS CONCEPT ADVERTISING INC.** based on information you have provided. These financial statements comprise the statement of financial position **GBS CONCEPT ADVERTISING INC.** as at December 31, 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

I performed this compilation engagement in accordance with Philippine Standard on Related Services 4410 (Revised), Compilation Engagements.

I have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with Philippine Financial Reporting Standard for Small-and Medium-sized Entities (PFRS for SME's). I have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These Financial Statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not assurance engagement, I am not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, I do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with PFRS for SME's.


DIVINA GRACIA E. GONZALES

TIN: 255-537-939-000

PRC No.: 0125233

Paranaque City
March 15, 2023

GBS CONCEPT ADVERTISING INC.

307 10TH Avenue Grace Park,
Caloocan City
TIN: 008-809-971-000 VAT

FINANCIAL STATEMENTS

As of and for the year ended December 31, 2022
(With Comparative figures in 2021)
(Amounts in Philippine Peso)

GBS CONCEPT ADVERTISING INC.

Statement of Financial Position

As of December 31, 2022

(With Comparative Figure for 2021)

(Amounts in Philippine Peso)

	<i>Notes</i>	2022		2021	
ASSETS					
Current Assets	4	P	4,563,148	P	4,777,801
TOTAL ASSETS		P	4,563,148	P	4,777,801
LIABILITIES AND EQUITY					
Current Liabilities	5	P	306,391	P	802,015
Non Current Liabilities	6		-		-
Equity	7		4,256,756		3,975,785
TOTAL LIABILITIES AND EQUITY		P	4,563,148	P	4,777,801

See Notes to the financial statement

GBS CONCEPT ADVERTISING INC.

Statement of Comprehensive Income
For the year ended December 31, 2022
(With comparative figures for 2021)
(Amounts in Philippine Peso)

	<i>Notes</i>	2022	2021
REVENUES	8 P	9,843,009 P	20,406,722
COST OF SALES	9	8,632,290	18,690,375
GROSS PROFIT		1,210,719	1,716,347
GENERAL AND ADMINISTRATIVE EXPENSES	10	836,091	790,961
INCOME BEFORE TAX		374,628	925,386
TAX EXPENSE	11	93,657	231,347
NET INCOME AFTER TAX	P	280,971 P	694,040

See notes to the financial statements

GBS CONCEPT ADVERTISING INC.

Statements of Changes in Equity

For the period ended December 31, 2022

(With Comparative Figure for 2021)

(Amounts in Philippine Peso)

	2022	2021
CAPITAL STOCK (Note 8)	P 3,062,500	P 3,062,500
RETAINED EARNINGS		
Appropriated (<i>Note 8</i>)	-	-
Unappropriated		
Balance at beginning of the year	913,285	219,245
Net profit / (loss) during the year	280,971	694,040
Transferred to appropriated retained earnings during the year (<i>Note 8</i>)	-	-
Balance at the end of year	1,194,256	913,285
TOTAL EQUITY	P 4,256,756	P 3,975,785

See Notes to the financial statement

GBS CONCEPT ADVERTISING INC.

Statement of Cash Flows

For the year ended December 31, 2022

(With comparative figures for 2021)

(Amounts in Philippine Peso)

CASH FLOWS FROM OPERATING ACTIVITIES:		2022	2021
Net income for the year	P	374,628	P 925,386
Add back: Amortization/Depreciation of fixed assets		-	-
Total cash applied to (provided by) operating activities		374,628	925,386
Add/Deduct: Changes in Operating Assets/Liabilities:			
(Increase)/Decrease in Current Assets		101,320	(186,855)
Increase/(Decrease) in Current Liabilities		(495,624)	(435,694)
Increase/(Decrease) in Non-Current Liabilities		-	-
Cash paid for Income Taxes		(93,657)	(231,347)
Net Cash Applied Operating Activities		(113,333)	71,491
CASH FLOWS FROM INVESTING/FINANCING ACTIVITIES:			
Cash provided/applied to investing assets:			
Proceeds from additional issuance of paid-up capital		-	2,750,000
Increase/(Decrease) In Non Current Liabilities		-	-
Net Cash provided by Investing/financing Activities		-	2,750,000
NET INCREASE (DECREASE) IN CASH		(113,333)	2,821,491
Add: Beg. Balance 01/01/2022		4,382,991	1,561,500
CASH BALANCE, END - 12/31/2022	P	4,269,658	P 4,382,991

GBS CONCEPT ADVERTISING INC.
NOTES TO FINANCIAL STATEMENT
December 31, 2022 and 2021
(Amounts in Philippine Peso)

1. COMPANY INFORMATION

The **GBS Concept Advertising Inc.** (the company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) number CS201412659 on July 1, 2014. The Company's primary purpose is to engage in the business of publishing in different forms of media for local and worldwide market; and to engage in the study, research, conceptualization, design, arranging, and or rearranging of corporate data and materials to provide related publishing, advertising and marketing consultancy services to support the marketing, advertising, public relations, management, and operational needs of lawful business, whether local or foreign within the limits allowed by the law in the Philippines.

The registered office address of the Company is 307 10th Avenue, Grace Park, Caloocan City

Approval of Financial Statements

The Financial Statements of the Company as of and for the year ended December 31, 2022 (including the comparatives as of and for the year ended December 31, 2021) were authorized for issue by the Company's Board of Directors on April 3, 2023

2. 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 years presented, unless otherwise stated.

Basis of Preparation of Financial Statements

a. Statement of Compliance with Philippine Financial Reporting Standards

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standard for Small and Medium-sized Entities (PFRS for SMEs). The financial statements have been prepared using the measurement bases specified by PFRS for SMEs for each type of assets, liabilities and income and expense. The measurement bases are more fully described in the accounting policies in the succeeding pages.

The preparation of financial statement in accordance with the PFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimations are significant to the financial statement are disclosed in Note 3.

b. Presentation of Statement of Income and Statement of Changes in Equity

The Company opted to present a separate statement of income and separate statement of changes in equity even when the changes to equity during the years presented arise only from profit or loss.

c. Functional and Presentation Currency

These financial statements are presented in Philippine peso, the Company's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the financial statements of the Company are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Company operates.

2017 Amendment to PFRS for SMEs but not Adopted Early

In December 2017, the limited amendments to International Financial Reporting Standards (IFRS) for SMEs were released by the International Accounting Standards Board. Entities reporting using IFRS for SMEs are required to apply the amendments for annual periods beginning on or after January 1, 2018. In August 2018, the Financial Reporting Standards Council adopted the 2015 amendments to IFRS for SMEs. The following amendments are relevant to the Company but management does not expect any significant impact on the Company's financial statements:

- Section 2, *Concepts and Pervasive Principles* – addition of clarifying guidance on the undue cost of effort exemption that is used in several sections of PRFRS for SMEs as well as a new requirement within relevant sections for entities to disclose their reasoning for using such exemption.
- Section 4, *Statement of Financial Position* – addition of a requirement to present investment property measured at cost less accumulated depreciation and impairment separately on the face of the statements of financial position; and, removal of the requirements to disclose comparative information for the reconciliation of the opening and closing number of shares outstanding.
- Section 9, *Consolidated and Separate Financial Statements* – addition of an option to permit an entity to account for investment in subsidiaries, associate and jointly controlled entities in its separate financial statements using the equity method and clarification of the definition of “separate financial statements.”
- Section 17, *Property, Plant and Equipment* – alignment of the wording with the amendments to Philippine Accounting Standard (PAS) 16, *Property, Plant and Equipment*, regarding the classification of spare parts, stand-by equipment and servicing equipment as property, plant and equipment or inventory; addition of the exemption in paragraph 70 of PAS 16 allowing an entity to use the cost of the replacement part as an indication of what the cost of the replaced part was at the time that it was acquired or constructed, if it is not practicable to determine the carrying amount of a part of an item of property, plant an equipment that has been replaced; and, addition of an option to use the revaluation mode.
- Section 18, *Intangible Assets other than Goodwill* – modification to require that if the useful life of goodwill or another intangible asset cannot be established reliably, the useful life shall be determined based on management’s best estimate but shall not exceed ten years.
- Section 22, *Liabilities and Equity* – clarification that income tax relating to distributions to holders of equity instruments (owners) and to transaction cost of an equity transaction should be accounted for in accordance with Section 22, *Income Tax*; and, addition of an undue cost or effort exemption from the requirement to measure the liability to pay a non-cash distribution at the fair value of the non-cash assets to be distributed and clarifying guidance on accounting for the settlement of the dividend payable.
- Section 28, *Employee Benefits* – clarification of the application of the accounting requirements in paragraph 28.23 to other long-term employee benefits; and, removal of the requirement to disclose the accounting policy for termination benefits.
- Section 29, *Income Tax* – alignment of the main principles of Section 29 with PAS 12, *Income Taxes*, for the recognition and measurement of deferred income tax, but modified to be consistent with the other requirements of PFRS for SMEs; and, addition of an undue cost or effort exemption to the requirement to offset income tax asset and liabilities

Provision and Contingencies

Provisions 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.

Provision are measured at the present value of the amount expected to be required to settle 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.

In those cases where the possible outflow of economic resource as a result of present obligation is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements. Similarly, possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements. On the other hand, any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

Revenue and Expense Recognition

Revenue comprises revenue from sale of goods measured by reference to the fair value of consideration received or receivable by the Company for goods sold, excluding value-added tax (VAT), sales returns and trade discounts.

Revenue is recognized to the extent that the revenue can be reliably measured; it is probable that the economic benefits will flow to the Company; and the costs incurred or to be incurred can be measured reliably.

Revenue recognized when the risks and rewards of ownership of the goods have passed to the buyers, i.e., generally when the customer has acknowledged delivery of goods.

Cost and expenses are recognized in profit and loss upon utilization of the service or at the date they are incurred. Finance costs are reported on an accrual basis.

Income Tax

Tax expense represents the sum of the current tax and deferred tax. The current tax is based on taxable profit for the year and measured using the tax rates and laws that have been enacted or substantively enacted at the end of reporting period.

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

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

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax assets to be realized or the deferred tax liability to be

settled, on the basis of tax rates that have been enacted or substantively enacted by the end of reporting period.

Impairment of Assets

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

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

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

Employee benefits

Wages, salaries, bonuses and social security contributions are recognized as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognized when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognized when absences occur.

Equity

Capital stock represents the nominal value of shares that have been issued.

Retained earnings represent all current and prior period result of operations as reported in the profit or loss section of the statement of income.

Related Party Transaction and Relationship

Related party transactions are transfer of resources, services or obligation between the Company and its related parties, regardless whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These parties include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Company; (b) associates, and (c) 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.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

Events after the event of the Reporting Period

Any post-year-end event that provides additional information about the Company's financial position at the end of the reporting period (adjusting event), if any, are disclosed when material to the financial statements.

- Section 33, *Related Party Disclosures* – alignment of the definition of “related party” with the PAS 24, *Related Party Disclosures*, including incorporation of the amendment to the definition of the related party, which include a management entity providing key management personnel services

The other amendments clarify existing requirements or add supporting guidance, rather than change the underlying requirements of IFRS for SMEs. Consequently, the amendments are expected to improve understanding of the existing requirements, without having a significant effect on the financial reporting practice and financial statements.

Cash

Cash includes on hand and in bank to meet short-term cash commitment rather than for investment or other purposes.

Inventories

Inventories are stated at the lower of cost and selling price less costs to complete and sell. Cost of inventories includes all cost of purchase, cost of conversion and other costs incurred to bring the inventories to their present location and condition. Cost is calculated using the first-in, first-out method.

Prepayments

Prepayments pertain to prepaid expense of the Company. Prepayments are carried at transaction cost.

Property and Equipment

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of an asset comprises its purchase price and directly attributable cost of bringing the asset to working condition for its intended use. Expenditures for additions, major improvements and renewals are capitalized, expenditures for repairs and maintenance are charged to expense during the period in which they are incurred. When assets are sold, retired or otherwise disposed of, their cost and related accumulated depreciation and impairment losses are removed from the accounts and any resulting gain or loss is reflected in profit for the year.

Depreciation on property and equipment is calculated using the straight-line method over their estimated useful lives. The useful live of the depreciable assets are as follows

If there is an indication that there has been a significant change in the useful lives or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (*see Note 7*).

Gains and losses on disposal of property and equipment are determined by comparing the proceeds with the carrying amount of the item and are recognized as part of Other Income in profit and loss.

Trade and Other Payables

Trade and other payable are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method.

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The Company's financial statements prepared in accordance with PFRS for SMEs requires management to make judgment, estimates and assumptions that effect amounts reporting in the financial statements and related notes. 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 circumstances and any revisions to accounting estimates are recognized prospectively. Actual results may ultimately differ from these estimates.

Critical Management Judgment in Applying Accounting Policies

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the financial statements:

a. Distinction between Operating and Finance Leases

The Company has entered into lease agreement as a lessee. Critical judgment was exercised by management to distinguish each lease agreement as either an operating or finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities.

b. Recognition of Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies and disclosure of provisions and contingencies are discussed in Note 2 and relevant disclosures are presented in Note 16.

Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

a. Determining Net Realizable of Inventories

In determining the net realizable value of inventories, management takes into account the most reliable evidence available at the time the estimates are made. Management also considers key sources of estimation uncertainly and may cause significant adjustment to the Company's inventories within the next financial year.

b. Estimating Useful Lives of Property and Equipment

The Company estimates the useful lives of property and equipment 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. The carrying amounts of property and equipment are analyzed in Note

Based on managements' assessment as at December 31, 2022, there is no change in estimated useful lives of property and equipment during the year. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above

4 CURRENT ASSETS**2022****2021**

This account consists of:

Cash and Cash Equivalents	P 4,269,658	P 4,382,991
Inventories	293,490	394,810
Total Current Assets	P <u>4,563,148</u>	P <u>4,777,801</u>

5 CURRENT LIABILITIES**2022****2021**

This account consists of:

Other Payables	P 293,500	P 739,068
Accrued Expense	5,000	5,000
Income Tax Payable	7,891	57,948
Total Current Liabilities	P <u>306,391</u>	P <u>802,015</u>

6 NON-CURRENT LIABILITIES**2022****2021**

This account consists of:

Due to Related Parties	P -	P -
Total Non Current Liabilities	P <u>-</u>	P <u>-</u>

In the normal course of business, the Company obtains cash advance from its associates for working capital requirements. These advances are unsecured, non-interest bearing and with no specific repayment terms. Outstanding balance of advances from related parties are presented in Due to related parties account in statements of financial position.

7 CAPITAL STOCK

The Company is authorized to issue P 5,000,000 divided P 50,000 shares of common stock at P 100 par value. The issued and outstanding shares of stock as of December 31, 2022 and 2021 amounted to P 3,062,500

As of December 31, 2022 and 2021, the Company has (5) five stockholders owning 100 or more shares each of the Company's common stock.

8 REVENUES**2022****2021**

The revenue reported in the statement of income represent mainly the income from conduct of business, are as follows:

Sales	P 9,843,009	P 20,406,722
Total Revenues	P <u>9,843,009</u>	P <u>20,406,722</u>

9 COST OF SERVICES**2022****2021**

The details of cost of sales are shown below:

Publishing cost	P 8,632,290	P 18,690,375
Cost of Service	P <u>8,632,290</u>	P <u>18,690,375</u>

10 GENERAL AND ADMINISTRATIVE EXPENSES**2022****2021**

The breakdown of cost and other operating expenses is shown below:

Salaries & Other Benefits	P 282,500	P 212,875
Taxes & Licenses	242,266	179,437
Representation	74,826	131,272
Communication, Lights & Water	85,915	109,229
Professional Fees	69,000	69,000
Fuel & Oil	48,035	41,907
Office Supplies	8,205	33,561
Miscellaneous	7,539	8,012
Repairs & Maintenance	8,422	3,654
Transportation and Travel	1,250	1,364
Insurance	8,132	650
Total General and Administrative Expenses	P 836,091	P 790,961

11 INCOME TAX

The expenses as reported in the statement of income pertains to regular corporate income tax (RCIT) amounted to P 93,657 in 2022 and P 237,347 in 2021, respectively

The Company is subject to the minimum corporate income tax (MCIT), which is computed at 1% of gross income as defined under the tax regulations. The said MCIT can be claimed as tax credit in the next three years from the year it was incurred whenever the regular is higher than the MCIT

In 2022 and 2021, the Company claims itemized deductions for income tax purposes.

12 COMMITMENTS AND CONTINGENCIES

There are commitments and contingent liabilities that arise in the normal course of the Company's operation that are not reflected in the accompanying financial statements. Management is of the opinion that losses, if any, from these events and conditions will not have materials effects on the Company's financial statements.

13 SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE

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 required disclosure underd PFRS for SMEs.

Requirements under Revnue Regulations (RR) 15-2010

The information of taxes, duties and licenses fees paid or accrued during the taxable year required under RR 15-20 are as follows:

a. *Output Value-Added Tax (VAT)*

In 2022, the Company declared output VAT as follows:

Sale of services	Tax base	Output Vat
Vatable sales	P 9,843,009	P 1,181,161
	P 9,843,009	P 1,181,161

The Company's exempt sales/receipts were determined pursuant to Section 109, VAT exempt transaction, of the 1997 National Internal Revenue Code.

b. Input VAT

The movements in input VAT as of December 31, 2022 are summarized below:

Input Tax from domestic purchases of goods and services	P 1,111,971
Applied against output VAT	(1,111,971)
Balance at end of year	P -

c. Tax on importation

The Company has no tax on importation since it does not have any transaction which are subject to importation tax.

d. Excise Tax

The Company does not have excise tax in any of the year presented since it does not have any transaction which are subject to excise tax.

e. Taxes and licenses

The breakdown of taxes & licenses is shown below:

Municipal licenses and permits	P 241,766
BIR Registration fee	500
Total Taxes & Licenses	P 242,266

Taxes and licenses are allocated mainly to administrative expenses.

g. Withholding taxes

The details of total wilholding taxes for the year ended December 31, 2022 are as follows:

Expanded Compensation	P 89,543
	P 89,543

h. Deficiency Tax Assessment and Tax Case

As of December 31, 2022, the Company neither have deficiency tax assessments with the BIR nor tax cases outstanding or pending in courts or bodies outside he BIR in any of the open years.

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Submission Date/Time: **Apr 14, 2023 11:00 AM**

Company TIN: **008-809-971**

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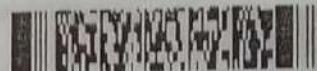
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CORPORATION/ PARTNERSHIP TAX RETURN
**Corporation, Partnership and Other Non-Individual
 Taxpayer Subject Only to REGULAR Income Tax Rate**
 Enter all required information in CAPITAL LETTERS. Mark applicable boxes with an "X".
 Two copies MUST be filed with the BIR and one held by the taxpayers.



1702-RT 01/BENOS P1

1 For Calendar
 2 Year Ended (MM/DD/YY)

3 Amended Return?

 Yes No

4 Short Period Return

 Yes No

5 Alphanumeric Tax Code (ATC)

(C 055-Minimum Corporate Income Tax
(MCIT))ICMP CORPORATION IN GENERAL JAN 1
2009**Part I - Background Information**6 Tax Identification Number (TIN) 7 RDO Code

8 Registered Name (Enter only 1 letter per box using CAPITAL LETTERS)

GBS CONCEPT ADVERTISING INC

9 Registered Address (Indicate complete address; if the registered address is different from the current address, go to the RDO to update registered address by using BIR Form No. 1405)

35-A 8THG ST COR 10TH AVENUE, CALOOCAN CITY

9A ZIP Code 10 Date of Incorporation/Organization 11 Contact Number 12 Email Address 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]**Part II - Total Tax Payable**

(Do NOT enter Centavos. 49 Centavos or Less drop down .50 or more round up)

14 Tax Due 15 Less: Total Tax Credits/Payments 16 Net Tax Payable (Overpayment) (Sum of 14 Less Item 15)

Add Penalties

17 Surcharge 18 Interest 19 Compromise 20 Total Penalties (Sum of Items 17 to 19) 21 TOTAL AMOUNT PAYABLE (Overpayment) (Sum of Items 16 and 20)

If Overpayment, mark one(1) 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 a tax credit for next year/quarter

We declare under the penalties of perjury that this return, and all its attachments, have been made in good faith, verified by us, and to the best of our knowledge and belief, are true and correct, pursuant to the provisions of the National Internal Revenue Code as amended, and the regulations issued under authority thereof. (If signed by an Authorized Representative, indicate TIN and attach authorization letter)

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**Part III - Details of Payment**

Particulars	Drawee Bank/ Agency	Number	Date (MM/DD/YYYY)	Amount
23 Cash/Bank Debit Memo	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="0"/>
24 Check	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="0"/>
25 Tax Debit Memo	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="0"/>
26 Others (Specify Below)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="0"/>

Machine Validation/Revenue Official Receipt Details (if not filed with an Authorized Stamp of Receiving Office/AAB and Date of Receipt (RO's

BIR Form No.
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Annual Income Tax Return
Corporation, Partnership and Other Non-Individual
Taxpayer Subject Only to REGULAR Income Tax Rate



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Taxpayer Identification Number(TIN)

008 | 809 | 971 | 00000

Registered Name

GBS CONCEPT ADVERTISING INC

Part IV - Computation of Tax

(DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)

27 Sales/Revenues/Receipts/Fees	20,406,722
28 Less: Sales Returns, Allowances and Discounts	0
29 Net Sales/Revenues/Receipts/Fees (Item 27 Less Item 28)	20,406,722
30 Less: Cost of Sales/Services	18,690,375
31 Gross Income from Operation (Item 29 less Item 30)	1,716,347
32 Add: Other Taxable Income Not Subjected to Final tax	0
33 Total Taxable Income (Sum of Items 31 and 32)	1,716,347
Less: Deductions Allowable under Existing Law	
34 Ordinary Allowable Itemized Deductions	790,961
35 Special Allowable Itemized Deductions	0
36 NOLCO (Only for those taxable under Sec. 27(A) to G; Sec. 28(A)(1)(A)(6)(b) of Tax code, as amended)	0
37 Total Deductions (Sum of Items 34 to 36)	790,961
OR (in case taxable under Sec 27(A) & 28(A)(1))	
38 Optional Standard Deduction (OSD) (40% of Item 33)	0
39 Net Taxable Income/(Loss) (Item 33 Less Item 37; If OSD: Item 33 Less Item 38)	925,386
40 Applicable Income Tax Rate	25 %
41 Income Tax Due other than Minimum Corporate Income Tax(MCIT) (Item 39 x Item 40)	231,347
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)	231,347
Less: Tax Credits/Payments (attach proof)	
44 Prior Year's Excess Credits Other Than MCIT	0
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	0
48 Creditable Tax Withheld from Previous Quarter/s per BIR Form No. 2307	93,221
49 Creditable Tax Withheld per BIR Form No. 2307 for the 4th Quarter	80,178
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	0
Other Credits/Payments (Specify)	
53	0
54	0
55 Total Tax Credits/Payments (Sum of Items 44 to 54)	173,399
56 Net Tax Payable (Overpayment) (Item 43 Less Item 55)	57,948
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	0
59 Total Tax Relief Availment (Sum of Items 57 & 58)	0

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Annual Income Tax Return
Corporation, Partnership and Other Non-Individual
Taxpayer Subject Only to REGULAR Income Tax Rate



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Taxpayer Identification Number(TIN)

008 809 971 00000

Registered Name

GBS CONCEPT ADVERTISING INC.

Part VI - Schedules

(DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)

Schedule I - Ordinary Allowable Itemized Deductions (Attach additional sheet/s, if necessary)

1 Amortization	0
2 Bad Debts	0
3 Charitable and Other Contributions	0
4 Depletion	0
5 Depreciation	0
6 Entertainment, Amusement and Recreation	131,272
7 Fringe Benefits	33,561
8 Interest	0
9 Losses	0
10 Pension Trusts	650
11 Rental	0
12 Research and Development	3,654
13 Salaries, Wages and Allowances	212,875
14 SSS, GSIS, Philhealth, HDMF and Other Contributions	0
15 Taxes and Licenses	179,437
16 Transportation and Travel	1,364
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	69,000
c Security Services	0
d COMMUNICATION, LIGHTS AND WATER	109,229
e FUEL AND OIL	41,907
f MISCELLANEOUS	8,012
g	0
h	0
i	0

18 Total Ordinary Allowable Itemized Deductions (Sum of Items 1 to 17) 790,961

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)	0

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Annual Income Tax Return
Corporation, Partnership and Other Non-Individual
Taxpayer Subject Only to REGULAR Income Tax Rate



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Taxpayer Identification Number(TIN) Registered Name
008 809 971 00000 GBS CONCEPT ADVERTISING INC.

Schedule II - Computation of Net Operating Loss Carry Over (NOLCO)

1 Gross Income	0
2 Less: Ordinary Allowable Itemized Deductions	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)

Year Incurred	Net Operating Loss A) Amount	B) NOLCO Applied Previous Years
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)	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 Years/ [G = C Less (D + E + F)]
1	0	0	0
2	0	0	0
3	0	0	0
4 Total Excess MCIT Applied (Sum of Items 1F to 3F)		0	

Schedule V - Reconciliation of Net Income per Books Against Taxable Income (Attach additional sheet/s, if necessary)

1 Net Income/(Loss) per Books	925,386
Add: Non-deductible Expenses/Taxable Other Income	
2	0
3	0
4 Total (Sum of Items 1 to 3)	925,386
Less: A) Non-Taxable Income and Income Subjected to Final Tax	
5	0
6	0
B) Special Deductions	
7	0

GBS CONCEPT ADVERTISING INC.

307 10th Ave. Grace Park, Caloocan City

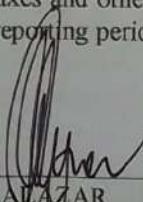
Tel. No.: 366-36-94

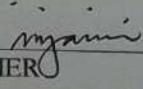
STATEMENT OF MANAGEMENT RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

The Management of **GBS Concept Advertising Inc.** is responsible for all information and representations contained in the Annual Income Tax Return for the period ended December 31, 2021. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all other tax returns filed for the reporting period, including but not limited, to the value added tax and/or percentage tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the period ended December 31, 2021 and the accompanying Annual Income Tax Return are in accordance with the books and records of **GBS Concept Advertising Inc.** complete and correct in all material respects. Management likewise affirms that:

- a) The Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- b) Any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of Income Tax Return pursuant to tax accounting rules has been reported as reconciling items and maintained in the company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
- c) The **GBS Concept Advertising Inc.** has filed all applicable tax returns, reports and statements required to be filed under Philippine Tax Laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

Signature 
GENEVIE SALAZAR
Chairman of the Board / President

Signature 
IRENE JAVIER
Treasurer

Signed this _____ day of _____ 2022

GBS CONCEPT ADVERTISING INC.

307 10TH Ave. Grace Park, Caloocan City

Tel. No.: 366-36-94

STATEMENT OF MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **GBS Concept Advertising Inc.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years 2021 and 2020 ended December 31, 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 statement including the schedules attached therein, and submits the same to the stockholders or members.

SUSAN MIRANDA-ESGANA, the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature _____

GENEVIE SALAZAR

President and Chairman of the Board

Signature _____

IRENE JAVIER

Chief Financial Officer/Treasurer

Signed this _____ day of _____, 2022



ESGANA, MIRANDA-ESGANA & ASSOCIATES

Certified Public Accountant

PRC BOA No. 1689 effective until Aug. 31, 2023

REPORT OF INDEPENDENT AUDITOR

The Board of Directors

GBS CONCEPT ADVERTISING INC.

TIN: 008-809-971-000

307 10th Avenue Grace Park, Caloocan City

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements which comprise the statements of **GBS CONCEPT ADVERTISING INC.** financial position as at December 31, 2021 and 2020 and the statements of income, statements of changes in equity, statement of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Material Uncertainty Related to Going —Concern

Having regard to the future period to which those charged with governance have paid particular attention in assessing going concern. I have planned and performed procedures specifically designed to identify any material matters which could indicate concern about the entity's ability to continue as a going concern. No events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Use of going concern basis of accounting is appropriate and no material uncertainty has been identified.

Emphasis of Matter

I draw attention to the financial statements which describes the policy adopted by the company of when an entity should adjust its financial statements for events after the reporting period; and the disclosures that an entity should give about the date when the financial statements were authorized for issue and about events after the reporting period.

Key Audit Matters

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

I have determined that there are no key audit matters to communicate my report.

My opinion on the financial statements does not cover the information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to send other **information and in doing so** identified above when it becomes available and, in doing so, considers whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS for the SMEs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with the 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 are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are 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 consolidated financial statements.

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

Identify and 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 expressing an opinion on the effectiveness of the Company's internal control.

Evaluate the appropriateness of the accounting policies used in reasonableness of the accounting estimates and related disclosures made by the management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the



ESGANA, MIRANDA-ESGANA & ASSOCIATES

Certified Public Accountant

PRC BOA No. 1689 effective until Aug. 31, 2023

STATEMENT REQUIRED BY SECTION 8-A, REVENUE REG. NO. V-20

To the Board of Directors and Shareholders of

GBS CONCEPT ADVERTISING INC.

TIN: 008-809-971-000

307 10th Avenue Grace Park, Caloocan City

I have audited the financial statements of **GBS CONCEPT ADVERTISING INC.** for the calendar year ended December 31, 2021, on which I have rendered my report dated March 21, 2022.

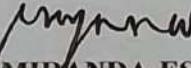
In compliance with Section 8-A, Revenue Regulation V-20, I am stating the following:

1. That the taxes paid or accrued by the above taxpayer for the year ended December 31, 2021 are shown in the schedule of taxes and licenses attached to the income tax return.
2. That I am not related by consanguinity or affinity to the Management and Members of the Board of Directors;
3. That I, as the Managing Partner of ESGANA, MIRANDA-ESGANA AND ASSOCIATES, or any of my staff, have no financial interest to the Corporation or any family relationships with its management.

ESGANA, MIRANDA-ESGANA & ASSOCIATES

TIN: 207-267-246

By:


SUSAN MIRANDA-ESGANA

Partner; CPA Cert. No. 57272

PTR No. 2905989 issued on 01/03/2022, Paranaque City

TIN 132-140-697-000

BIR A.N. 08-005908-001-2020 issued on 03/09/2020; effective until 03/08/2023

BOA/PRC Reg. No. 1689 effective until August 31, 2023

Parañaque City
March 21, 2022



ESGANA, MIRANDA-ESGANA & ASSOCIATES

Certified Public Accountant

PRC BOA No. 1689 effective until Aug. 31, 2023

SUPPLEMENTAL WRITTEN STATEMENT OF EXTERNAL AUDITOR ON THE NUMBER OF SHAREHOLDERS

The Board of Directors and Shareholders

GBS CONCEPT ADVERTISING INC.

TIN: 008-809-971-000

307 10th Avenue Grace Park, Caloocan City

We have audited the Financial Statements of **GBS CONCEPT ADVERTISING INC.** for the year ended December 31, 2021, on which rendered the attached report dated March 21, 2022.

In compliance with SRC Rule 68 and based on the certification received from the issuer's corporate secretary and the results of our work done, as of December 31, 2021, the said Company has Two (2) shareholders owning one hundred (100) or more shares.

ESGANA, MIRANDA-ESGANA & ASSOCIATES

TIN: 207-267-246

By:

Miranda
SUSAN MIRANDA-ESGANA
Partner, CPA Cert. No. 57272
PTR No. 2905989 issued on 01/03/2022, Paranaque City
TIN 132-140-697-000
BIR A.N. 08-005908-001-2020 issued on 03/09/2020; effective until 03/08/2023
BOA/PRC Reg. No. 1689 effective until August 31, 2023

Paranaque City
March 21, 2022

DIVINA GRACIA E. GONZALES

Certified Public Accountant
Parañaque City

PRACTITIONER'S COMPILATION REPORT

To Management of

GBS CONCEPT ADVERTISING INC.

TIN: 008-809-971-000
307 10th Avenue Grace Park, Caloocan City

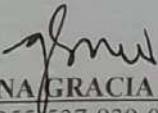
I have compiled the accompanying financial statements of **GBS CONCEPT ADVERTISING INC.** based on information you have provided. These financial statements comprise the statement of financial position of **GBS CONCEPT ADVERTISING INC.** as at December 31, 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

I performed this compilation engagement in accordance with Philippine Standard on Related Services 4410 (Revised), Compilation Engagements.

I have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with Philippine Financial Reporting Standard for Small-and Medium-sized Entities (PFRS for SME's). I have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These Financial Statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not assurance engagement, I am not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, I do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with PFRS for SME's.



DIVINA GRACIA E. GONZALES
TIN: 255-537-939-000
PRC No.: 0125233
Parañaque City

March 30, 2022

GBS CONCEPT ADVERTISING INC.

307 10TH Avenue Grace Park,
Caloocan City
TIN: 008-809-971-000 VAT

FINANCIAL STATEMENTS

As of and for the year ended December 31, 2021

(With Comparative figures in 2020)

(Amounts in Philippine Peso)

GBS CONCEPT ADVERTISING INC.

Statement of Financial Position

As of December 31, 2021

(With Comparative Figure for 2020)

(Amounts in Philippine Peso)

	<i>Notes</i>	2021	2020
ASSETS			
Current Assets	4 P	4,777,801 P	1,769,455
TOTAL ASSETS	P	4,777,801 P	1,769,455
LIABILITIES AND EQUITY			
Current Liabilities	5 P	802,015 P	1,237,709
Non Current Liabilities	6	-	-
Equity	7	3,975,785	531,745
TOTAL LIABILITIES AND EQUITY	P	4,777,801 P	1,769,455

See Notes to the financial statement

GBS CONCEPT ADVERTISING INC.

Statement of Comprehensive Income

For the year ended December 31, 2021

(With comparative figures for 2020)

(Amounts in Philippine Peso)

	Notes	2021	2020
REVENUES	8 P	20,406,722 P	7,944,185
COST OF SALES	9	18,690,375	7,153,194
GROSS PROFIT		1,716,347	790,990
GENERAL AND ADMINISTRATIVE EXPENSES	10	790,961	583,798
INCOME BEFORE TAX		925,386	207,192
TAX EXPENSE	11	231,347	62,158
NET INCOME AFTER TAX	P	694,040 P	145,034

See notes to the financial statements

GBS CONCEPT ADVERTISING INC.

Statements of Changes in Equity

For the period ended December 31, 2021

(With Comparative Figure for 2020)

(Amounts in Philippine Peso)

	2021	2020
CAPITAL STOCK (Note 8)	P 3,062,500	P 312,500
RETAINED EARNINGS		
Appropriated (Note 8)	-	-
Unappropriated		
Balance at beginning of the year	219,245	74,211
Net profit / (loss) during the year	694,040	145,034
Transferred to appropriated retained earnings during the year (Note 8)	-	-
Balance at the end of year	913,285	219,245
TOTAL EQUITY	P 3,975,785	P 531,745

See Notes to the financial statement

GBS CONCEPT ADVERTISING INC.

Statement of Cash Flows

For the year ended December 31, 2021

(With comparative figures for 2020)

(Amounts in Philippine Peso)

CASH FLOWS FROM OPERATING ACTIVITIES:		2021	2020
Net income for the year	P	925,386	P 207,192
Add back: Amortization/Depreciation of fixed assets		-	-
Total cash applied to (provided by) operating activities		925,386	207,192
Add/Deduct: Changes in Operating Assets/Liabilities:			
(Increase)/Decrease in Current Assets		(186,855)	76,362
Increase/(Decrease) in Current Liabilities		(435,694)	1,139,070
Increase/(Decrease) in Non-Current Liabilities		-	(1,102,310)
Cash paid for Income Taxes		(231,347)	(62,158)
Net Cash Applied Operating Activities		71,491	258,156
CASH FLOWS FROM INVESTING/FINANCING ACTIVITIES:			
Cash provided/applied to investing assets:			
Proceeds from additional issuance of paid-up capital		2,750,000	250,000
Increase/(Decrease) In Non Current Liabilities		-	(1,600,000)
Net Cash provided by Investing/financing Activities		2,750,000	(1,350,000)
NET INCREASE (DECREASE) IN CASH		2,821,491	(1,091,844)
Add: Beg. Balance 01/01/2021		1,561,500	2,653,344
CASH BALANCE, END - 12/31/2021	P	4,382,991	P 1,561,500

GBS CONCEPT ADVERTISING INC.
NOTES TO FINANCIAL STATEMENT
December 31, 2021 and 2020
(Amounts in Philippine Peso)

1. COMPANY INFORMATION

The **GBS Concept Advertising Inc.** (the company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) number CS201412659 on July 1, 2014. The Company's primary purpose is to engage in the business of publishing in different forms of media for local and worldwide market; and to engage in the study, research, conceptualization, design, arranging, and or rearranging of corporate data and materials to provide related publishing, advertising and marketing consultancy services to support the marketing, advertising, public relations, management, and operational needs of lawful business, whether local or foreign within the limits allowed by the law in the Philippines.

The registered office address of the Company is 307 10th Avenue, Grace Park, Caloocan City

Approval of Financial Statements

The Financial Statements of the Company as of and for the year ended December 31, 2021 (including the comparatives as of and for the year ended December 31, 2020) were authorized for issue by the Company's Board of Directors on April 4, 2022

2. 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 years presented, unless otherwise stated.

Basis of Preparation of Financial Statements

a. Statement of Compliance with Philippine Financial Reporting Standards

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standard for Small and Medium-sized Entities (PFRS for SMEs). The financial statements have been prepared using the measurement bases specified by PFRS for SMEs for each type of assets, liabilities and income and expense. The measurement bases are more fully described in the accounting policies in the succeeding pages.

The preparation of financial statement in accordance with the PFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimations are significant to the financial statement are disclosed in Note 3.

b. Presentation of Statement of Income and Statement of Changes in Equity

The Company opted to present a separate statement of income and separate statement of changes in equity even when the changes to equity during the years presented arise only from profit or loss.

c. Functional and Presentation Currency

These financial statements are presented in Philippine peso, the Company's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the financial statements of the Company are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Company operates.

2017 Amendment to PFRS for SMEs but not Adopted Early

In December 2017, the limited amendments to International Financial Reporting Standards (IFRS) for SMEs were released by the International Accounting Standards Board. Entities reporting using IFRS for SMEs are required to apply the amendments for annual periods beginning on or after January 1, 2018. In August 2018, the Financial Reporting Standards Council adopted the 2015 amendments to IFRS for SMEs. The following amendments are relevant to the Company but management does not expect any significant impact on the Company's financial statements:

- Section 2, *Concepts and Pervasive Principles* – addition of clarifying guidance on the undue cost of effort exemption that is used in several sections of PFRS for SMEs as well as a new requirement within relevant sections for entities to disclose their reasoning for using such exemption.
- Section 4, *Statement of Financial Position* – addition of a requirement to present investment property measured at cost less accumulated depreciation and impairment separately on the face of the statements of financial position; and, removal of the requirements to disclose comparative information for the reconciliation of the opening and closing number of shares outstanding.
- Section 9, *Consolidated and Separate Financial Statements* – addition of an option to permit an entity to account for investment in subsidiaries, associate and jointly controlled entities in its separate financial statements using the equity method and clarification of the definition of "separate financial statements."
- Section 17, *Property, Plant and Equipment* – alignment of the wording with the amendments to Philippine Accounting Standard (PAS) 16, *Property, Plant and Equipment*, regarding the classification of spare parts, stand-by equipment and servicing equipment as property, plant and equipment or inventory; addition of the exemption in paragraph 70 of PAS 16 allowing an entity to use the cost of the replacement part as an indication of what the cost of the replaced part was at the time that it was acquired or constructed, if it is not practicable to determine the carrying amount of a part of an item of property, plant an equipment that has been replaced; and, addition of an option to use the revaluation mode.
- Section 18, *Intangible Assets other than Goodwill* – modification to require that if the useful life of goodwill or another intangible asset cannot be established reliably, the useful life shall be determined based on management's best estimate but shall not exceed ten years.
- Section 22, *Liabilities and Equity* – clarification that income tax relating to distributions to holders of equity instruments (owners) and to transaction cost of an equity transaction should be accounted for in accordance with Section 22, *Income Tax*; and, addition of an undue cost or effort exemption from the requirement to measure the liability to pay a non-cash distribution at the fair value of the non-cash assets to be distributed and clarifying guidance on accounting for the settlement of the dividend payable.
- Section 28, *Employee Benefits* – clarification of the application of the accounting requirements in paragraph 28.23 to other long-term employee benefits; and, removal of the requirement to disclose the accounting policy for termination benefits.
- Section 29, *Income Tax* – alignment of the main principles of Section 29 with PAS 12, *Income Taxes*, for the recognition and measurement of deferred income tax, but modified to be consistent with the other requirements of PFRS for SMEs; and, addition of an undue cost or effort exemption to the requirement to offset income tax asset and liabilities

- Section 33, *Related Party Disclosures* – alignment of the definition of “related party” with the PAS 24, *Related Party Disclosures*, including incorporation of the amendment to the definition of the related party, which include a management entity providing key management personnel services

The other amendments clarify existing requirements or add supporting guidance, rather than change the underlying requirements of IFRS for SMEs. Consequently, the amendments are expected to improve understanding of the existing requirements, without having a significant effect on the financial reporting practice and financial statements.

Cash

Cash includes on hand and in bank to meet short-term cash commitment rather than for investment or other purposes.

Inventories

Inventories are stated at the lower of cost and selling price less costs to complete and sell. Cost of inventories includes all cost of purchase, cost of conversion and other costs incurred to bring the inventories to their present location and condition. Cost is calculated using the first-in, first-out method.

Prepayments

Prepayments pertain to prepaid expense of the Company. Prepayments are carried at transaction cost.

Property and Equipment

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of an asset comprises its purchase price and directly attributable cost of bringing the asset to working condition for its intended use. Expenditures for additions, major improvements and renewals are capitalized, expenditures for repairs and maintenance are charged to expense during the period in which they are incurred. When assets are sold, retired or otherwise disposed of, their cost and related accumulated depreciation and impairment losses are removed from the accounts and any resulting gain or loss is reflected in profit for the year.

Depreciation on property and equipment is calculated using the straight-line method over their estimated useful lives. The useful live of the depreciable assets are as follows

If there is an indication that there has been a significant change in the useful lives or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (*see Note 7*).

Gains and losses on disposal of property and equipment are determined by comparing the proceeds with the carrying amount of the item and are recognized as part of Other Income in profit and loss.

Trade and Other Payables

Trade and other payable are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method.

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

Provision and Contingencies

Provisions 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.

Provision are measured at the present value of the amount expected to be required to settle 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.

In those cases where the possible outflow of economic resource as a result of present obligation is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements. Similarly, possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements. On the other hand, any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

Revenue and Expense Recognition

Revenue comprises revenue from sale of goods measured by reference to the fair value of consideration received or receivable by the Company for goods sold, excluding value-added tax (VAT), sales returns and trade discounts.

Revenue is recognized to the extent that the revenue can be reliably measured; it is probable that the economic benefits will flow to the Company; and the costs incurred or to be incurred can be measured reliably.

Revenue recognized when the risks and rewards of ownership of the goods have passed to the buyers, i.e., generally when the customer has acknowledged delivery of goods.

Cost and expenses are recognized in profit and loss upon utilization of the service or at the date they are incurred. Finance costs are reported on an accrual basis.

Income Tax

Tax expense represents the sum of the current tax and deferred tax. The current tax is based on taxable profit for the year and measured using the tax rates and laws that have been enacted or substantively enacted at the end of reporting period.

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

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

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax assets to be realized or the deferred tax liability to be

settled, on the basis of tax rates that have been enacted or substantively enacted by the end of reporting period.

Impairment of Assets

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

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

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

Employee benefits

Wages, salaries, bonuses and social security contributions are recognized as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognized when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognized when absences occur.

Equity

Capital stock represents the nominal value of shares that have been issued.

Retained earnings represent all current and prior period result of operations as reported in the profit or loss section of the statement of income.

Related Party Transaction and Relationship

Related party transactions are transfer of resources, services or obligation between the Company and its related parties, regardless whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These parties include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Company; (b) associates, and (c) 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.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

Events after the event of the Reporting Period

Any post-year-end event that provides additional information about the Company's financial position at the end of the reporting period (adjusting event), if any, are disclosed when material to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The Company's financial statements prepared in accordance with PFRS for SMEs requires management to make judgment, estimates and assumptions that effect amounts reporting in the financial statements and related notes. 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 circumstances and any revisions to accounting estimates are recognized prospectively. Actual results may ultimately differ from these estimates.

Critical Management Judgment in Applying Accounting Policies

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the financial statements:

a. Distinction between Operating and Finance Leases

The Company has entered into lease agreement as a lessee. Critical judgment was exercised by management to distinguish each lease agreement as either an operating or finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities.

b. Recognition of Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies and disclosure of provisions and contingencies are discussed in Note 2 and relevant disclosures are presented in Note 16.

Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

a. Determining Net Realizable of Inventories

In determining the net realizable value of inventories, management takes into account the most reliable evidence available at the time the estimates are made. Management also considers key sources of estimation uncertainly and may cause significant adjustment to the Company's inventories within the next financial year.

b. Estimating Useful Lives of Property and Equipment

The Company estimates the useful lives of property and equipment 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. The carrying amounts of property and equipment are analyzed in Note 7.

Based on managements' assessment as at December 31, 2021, there is no change in estimated useful lives of property and equipment during the year. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above

4 CURRENT ASSETS	2021	2020
-------------------------	-------------	-------------

This account consists of:

Cash and Cash Equivalents	P 4,382,991	P 1,561,500
Inventories	394,810	207,955
Prepayments	-	-
Total Current Assets	<u>P 4,777,801</u>	<u>P 1,769,455</u>

5 CURRENT LIABILITIES	2021	2020
------------------------------	-------------	-------------

This account consists of:

Other Payables	P 739,068	P 1,204,096
Accrued Expense	5,000	5,000
Income Tax Payable	57,948	28,613
Total Current Liabilities	<u>P 802,015</u>	<u>P 1,237,709</u>

6 NON-CURRENT LIABILITIES	2021	2020
----------------------------------	-------------	-------------

This account consists of:

Due to Related Parties	P -	P -
Total Non Current Liabilities	<u>P -</u>	<u>P -</u>

In the normal course of business, the Company obtains cash advance from its associates for working capital requirements. These advances are unsecured, non-interest bearing and with no specific repayment terms. Outstanding balance of advances from related parties are presented in Due to related parties account in statements of financial position.

7 CAPITAL STOCK	2021	2020
------------------------	-------------	-------------

The Company is authorized to issue P 5,000,000 divided P 50,000 shares of common stock at P 100 par value. The issued and outstanding shares of stock as of December 31, 2020 and 2019 amounted to P 3,062,500

As of December 31, 2021 and 2020, the Company has (5) five stockholders owning 100 or more shares each of the Company's common stock.

8 REVENUES	2021	2020
-------------------	-------------	-------------

The revenue reported in the statement of income represent mainly the income from conduct of business, are as follows:

Sales	P 20,406,722	P 7,944,185
Total Revenues	<u>P 20,406,722</u>	<u>P 7,944,185</u>

9 COST OF SERVICES	2021	2020
---------------------------	-------------	-------------

The details of cost of sales are shown below:

Publishing cost	P 18,690,375	P 7,153,194
Cost of Service	<u>P 18,690,375</u>	<u>P 7,153,194</u>

10 GENERAL AND ADMINISTRATIVE EXPENSES

2021

2020

The breakdown of cost and other operating expenses is shown below:

Salaries & Other Benefits	P 212,875	P 288,708
Taxes & Licenses	179,437	65,131
Representation	131,272	101,696
Communication, Lights & Water	109,229	57,171
Professional Fees	69,000	-
Fuel & Oil	41,907	9,275
Office Supplies	33,561	38,357
Miscellaneous	8,012	2,563
Repairs & Maintenance	3,654	14,543
Transportation and Travel	1,364	1,854
Insurance	650	4,500
Total General and Administrative Expenses	P <u>790,961</u>	P <u>583,798</u>

11 INCOME TAX

The expenses as reported in the statement of income pertains to regular corporate income tax (RCIT) amounted to P 231,347 in 2021 and P 62,158 in 2020, respectively

The Company is subject to the minimum corporate income tax (MCIT), which is computed at 2% of gross income as defined under the tax regulations. The said MCIT can be claimed as tax credit in the next three years from the year it was incurred whenever the regular is higher than the MCIT

In 2021 and 2020, the Company claims itemized deductions for income tax purposes.

12 COMMITMENTS AND CONTINGENCIES

There are commitments and contingent liabilities that arise in the normal course of the Company's operation that are not reflected in the accompanying financial statements. Management is of the opinion that losses, if any, from these events and conditions will not have materials effects on the Company's financial statements.

13 SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE

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 required disclosure underd PFRS for SMEs.

Requirements under Revnue Regulations (RR) 15-2010

The information of taxes, duties and licenses fees paid or accrued during the taxable year required under RR 15-20 are as follows:

a. Output Value-Added Tax (VAT)

In 2021, the Company declared output VAT as follows:

	<u>Tax base</u>	<u>Output Vat</u>
Sale of services		
Vatable sales	P <u>20,406,722</u>	P <u>2,448,807</u>
	<u>P <u>20,406,722</u></u>	<u>P <u>2,448,807</u></u>

The Company's exempt sales/receipts were determined pursuant to Section 109, VAT exempt transaction, of the 1997 National Internal Revenue Code.

b. Input VAT

The movements in input VAT as of December 31, 2021 are summarized below:

Input Tax from domestic purchases of goods and services	P (2,411,499)
Applied against output VAT	2,411,499
Balance at end of year	P -

c. Tax on importation

The Company has no tax on importation since it does not have any transaction which are subject to importation tax.

d. Excise Tax

The Company does not have excise tax in any of the year presented since it does not have any transaction which are subject to excise tax.

e. Taxes and licenses

The breakdown of taxes & licenses is shown below:

Municipal licenses and permits	P 178,937
BIR Registration fee	500
Total Taxes & Licenses	P 179,437

Taxes and licenses are allocated mainly to administrative expenses.

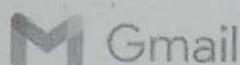
g. Withholding taxes

The details of total withholding taxes for the year ended December 31, 2021 are as follows:

Expanded	P 26,626
Compensation	-
	P 26,626

h. Deficiency Tax Assessment and Tax Case

As of December 31, 2021, the Company neither have deficiency tax assessments with the BIR nor tax cases outstanding or pending in courts or bodies outside the BIR in any of the open years.



Bella Nuestro <paperworksbookkeeping.0406@gmail.com>

Tax Return Receipt Confirmation

ebirforms-noreply@bir.gov.ph <ebirforms-noreply@bir.gov.ph>
To: paperworksbookkeeping.0406@gmail.com

Tue, Apr 12, 2022 at 1:29 PM

This confirms receipt of your submission with the following details subject to validation by BIR:

File name: 008809971000-1702RTv2018C-122021.xml

Date received by BIR: 12 April 2022

Time received by BIR: 01:01 PM

Penalties may be imposed for any violation of the provisions of the NIRC and issuances thereof.

FOR RETURNS WITH PAYMENT

Please print this e-mail together with the RETURN and proceed to pay through the Authorized Agent Bank / Collection Agent / GCASH or use other payment options.

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SECURITY BANK BIR eFPS PAYMENT SYSTEM

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efps

e-Filing and Payment System

Bureau of Internal Revenue
Republic of the Philippines

BIR eFPS has received the payment confirmation for your tax return from SBTC.

TIN	008 - 809 - 971 - 000
Taxpayer's Name	GBS CONCEPT ADVERTISING INC.
Tax Type	IT
Return Period	12/31/2021
Transacting Bank	SBTC (027000)
Reference Number	292200047226341
Payment Transaction Number	227133839
Payment Transaction Date	04/12/2022
Actual Amount Paid	57948.00
SBTC's Confirmation Number	BI-041222-90817

Please refer to the Tax Return Inquiry facility to check the status of your payment.

Sac

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REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City

ADVISORY

To all Concerned Taxpayers, Revenue Officials and Employees:

For the guidance and information of all concerned, the deadline for the filing of Annual Income Tax Returns (AITR) for Calendar Year 2021 as well as the payment of the corresponding taxes due thereon is on April 18, 2022 (Monday), since April 15, 2022 falls on a Good Friday.

Taxpayers may file AITR and pay the corresponding taxes due thereon thru Authorized Agent Banks (AABs) and Revenue Collection Officers (RCOs) notwithstanding the Revenue District Office (RDO) jurisdiction.

For payment through RCO, concerned taxpayers may pay **income taxes** in cash and in check regardless of the amount. Provided that, checks shall be made payable to Bureau of Internal Revenue, with or without "IFO Name and TIN of the taxpayer" written on the check, as previously required; and that the name and branch of the receiving AAB need not be indicated therein.

For taxpayers required to use or voluntarily opt to use the Electronic Filing and Payment System (eFPS), they shall file the return electronically and pay the corresponding taxes due thereon through the eFPS-AABs where they are enrolled.

In case that the newly created tax returns are not yet available in the eFPS Facility but already available in the eBIRForms System, taxpayers shall file the said returns using the eBIRForms System and pay through any payment channels.

Taxpayers may file AITR through **eBIR Forms System** and pay taxes manually thru AABs/RCOs or thru the following electronic payment (ePAY) facilities:

- Land Bank of the Philippines' (LBP) Link.Biz Portal- for taxpayers who have ATM account with LBP and/or holders of BancNet ATM/Debit/Prepaid Card and taxpayer utilizing PCHC PayGate or PesoNet facility (depositors of RCBC, Robinsons Bank, Union Bank, BPI and PSBank);
- Development Bank of the Philippines' (DBP) Pay Tax Online – for holders of Visa/Mastercard Credit Card and/or BancNet ATM/Debit Card; or
- Union Bank of the Philippines' (UBP) Online/The Portal – for taxpayers who has an account with UBP or InstaPay using UPAY Facility for individual non-accountholder of Union Bank.

Electronic payments may also be made through the BIR Taxpayer Software Provider (TSP) such as **GCash, PayMaya and MyEG**.

"No Payment Returns" shall be filed electronically through the eBIRForms facility.

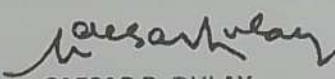
However, the following taxpayers may manually file their "No Payment Returns" with the RDO using the electronic or computer-generated returns or photocopied returns in its original format and in Legal/Folio size bond paper:

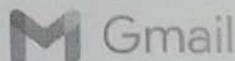
1. Senior Citizen (SC) or Persons with Disabilities (PWDs) filing for their own returns;
2. Employees deriving purely compensation income from two or more employers, concurrently or successively at any time during the taxable year, or from a single employer, although the income of which has been correctly subjected to withholding tax, but whose spouse is not entitled to substituted filing; and
3. Employees qualified for substituted filing under Revenue Regulations No. 2-98 Sec. 2.83.4, as amended, but opted to file for an ITR and are filing for purposes of promotion, loans, scholarships, foreign travel requirements, etc.

As provided in Revenue Memorandum Circular No. 4-2021, electronically filed and/or paid returns using eBIRForms or eFPS without any attachment required, **need not submit printed copy** of e-filed tax returns to the office under the Large Taxpayers Service/Revenue District Offices. Likewise, for electronically filed Annual/Quarterly ITRs, taxpayers may submit its attachments to the **Electronic Audited Financial Statement (eAFS) System**.

In general, taxpayers who are required to file electronically but filed and paid manually shall be liable for violation tantamount to Wrong Venue filing pursuant to Section 248(A)(2) of the NIRC of 1997. In case of unavailability of eFPS covered by a duly released advisory, taxpayers shall electronically file through the eBIRForms facility and pay the corresponding taxes due thereon through the payment facilities provided above. However, in case of unavailability of both eFPS and eBIRForms facility through a duly released advisory, taxpayers shall observe the procedures in manual filing and payment of taxes as provided for in Item II above.

Issued this 22nd day of March, 2022


CAESAR R. DULAY
Commissioner of Internal Revenue
051470
J-1



Bella Nuestro <paperworksbookkeeping.0406@gmail.com>

Your BIR AFS eSubmission uploads were received

eafs@bir.gov.ph <eafs@bir.gov.ph>
To: GBSCONCEPT.2014@gmail.com
Cc: PAPERWORKSBOOKKEEPING.0406@gmail.com

Sun, Apr 17, 2022 at 11:20 AM

Hi GBS CONCEPT ADVERTISING INC.

Valid files

- EAFS008809971AFSTY122021.pdf
- EAFS008809971ITRTY122021.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-B8EAFF5G0431NVP44M32XWYV4022ZPM2P3**

Submission Date/Time: **Apr 17, 2022 11:20 AM**

Company TIN: **008-809-971**

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