



SECURITIES AND EXCHANGE COMMISSION

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Submission Type: Annual

Remarks: None

Grace T. Lim

CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
METECHS INDUSTRIAL CORP.
168 Mercado St. Tabe Guiguinto Bulacan 3015

Report on the Audit of the Financial Statements

Opinion

I have audited the accompanying financial statements of **METECHS INDUSTRIAL CORP.** (the Company), which comprise the statements of financial position as at December 31, 2021 and 2020, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

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

Basis For Opinion

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

Management's Responsibility for the Financial Statements

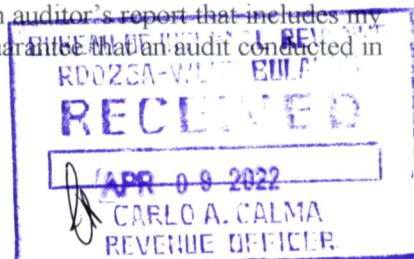
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards for Small Entities (PFRS for Small Entities), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibility

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in



accordance with Philippine Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I concluded 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.

Report on the Supplementary Information Required Under Revenue Regulations 15-2010

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


GRACE T. LIM

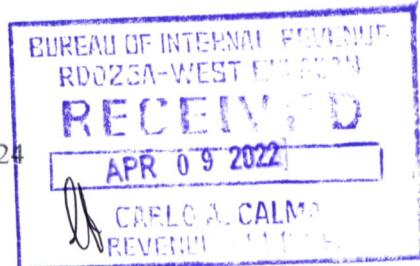
CPA Certificate No. 44534, valid until October 3, 2023

BOA Certificate of Reg. No. 9277, valid until October 31, 2023

Tax Identification No. 100-846-980-000

BIR Accreditation No. 06-000010-001-2021, valid until October 26, 2024

PTR No. 0153699, January 03, 2022, City of Manila



March 9, 2022

Grace T. Lim

CERTIFIED PUBLIC ACCOUNTANT

SUPPLEMENTAL STATEMENT OF INDEPENDENT AUDITOR

The Stockholders and the Board of Directors
METECHS INDUSTRIAL CORP.
168 Mercado St. Tabe Guiguinto Bulacan 3015

I have audited the accompanying financial statements of **METECHS INDUSTRIAL CORP.** (the Company) as at and for the year ended December 31, 2021, on which I have rendered the attached report dated March 9, 2022.

In compliance with Securities Regulation Code Rule 68, I am stating that the said Company has a total number of five (5) stockholders owning one hundred (100) or more shares each.



GRACE T. LIM

CPA Certificate No. 44534, valid until October 3, 2023

BOA Certificate of Reg. No. 9277, valid until October 31, 2023

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PTR No. 0153699, January 03, 2022, City of Manila

Grace T. Lim

CERTIFIED PUBLIC ACCOUNTANT

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

The Stockholders and the Board of Directors
METECHS INDUSTRIAL CORP.
168 Mercado St. Tabe Guiguinto Bulacan 3015

I have audited the accompanying financial statements of **METECHS INDUSTRIAL CORP.** (the Company) as at and for the year ended December 31, 2021, on which I have rendered the attached report dated March 9, 2022.

In compliance with Revenue Regulations V-20, I am stating that I am not related by consanguinity or affinity to the president, manager or principal stockholders of the Company.



GRACE T. LIM

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BOA Certificate of Reg. No. 9277, valid until October 31, 2023

Tax Identification No. 100-846-980-000

BIR Accreditation No. 06-000010-001-2021, valid until October 26, 2024

PTR No. 0153699, January 03, 2022, City of Manila

March 9, 2022

Grace T. Lim

CERTIFIED PUBLIC ACCOUNTANT

AUDITOR'S STATEMENT OF REPRESENTATION

TO THE SECURITIES AND EXCHANGE COMMISSION:

In connection with my examination of the Financial Statements of **METECHS INDUSTRIAL CORP.** which are to be submitted to the Commission, I hereby represent the following:

1. That I am in the active practice of the Accounting Profession and duly registered with the Board of Accountancy (BOA);
2. That Financial Statements are presented in conformity with Generally Accepted Principles in the Philippines in all cases where I shall express an Unqualified opinion; Except that in case of any departure from such principles, I shall indicate the nature of the departure, the effects thereof, and the reasons why compliance with the principles would result in a misleading statement, if such is a fact;
3. That I shall fully meet the requirements of Independence as provided under the Code of Professional Ethics of CPAs;
4. That in the conduct of the Audit, I shall comply with the Generally Accepted Auditing Standards promulgated by the Board of Accountancy; in case of any departure from such standards or any limitations in the scope of my examination, I shall indicate the nature of the departure and the extent of the limitation, the reasons therefore and the effects thereof on the expression of my opinion or which may necessitate the negation of the expression of an opinion;
5. That I shall comply with the applicable rules and regulations of the Securities and Exchange Commission in the preparation and submission of Financial Statements; and
6. That relative to the expression of my opinion on the said Financial Statements, I shall not commit any acts discreditable to the profession as provided under the Code of Professional Ethics for CPAs.

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


GRACE T. LIM

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BOA Certificate of Reg. No. 9277, valid until October 31, 2023

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PTR No. 0153699, January 03, 2022, City of Manila

March 9, 2022

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENT

The Management of METECHS INDUSTRIAL CORP. is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2021 and 2020, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

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

The Board of Director is responsible for overseeing the company's financial reporting process.

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

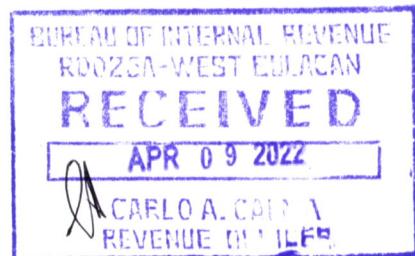
GRACE T. LIM, the independent auditor appointed by the stockholders for the periods 31 December 2021 and 2020, respectively, have audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in their reports to the stockholders have expressed their opinion on the fairness of presentation upon completion of such audit.

MARY ANN G. CO
CHAIRMAN

MARY ANN G. CO
CHIEF EXECUTIVE OFFICER

ELLEN GRACE CO LIAO
CHIEF FINANCIAL OFFICER

March 9, 2022



METECHS INDUSTRIAL CORPORATION
168 Mercado St., Tabe, Guiguinto, Bulacan

"Exhibit A"

COMPARATIVE STATEMENT OF FINANCIAL POSITION

As of December 31, 2021 & 2020

(Amounts in Philippine Peso)

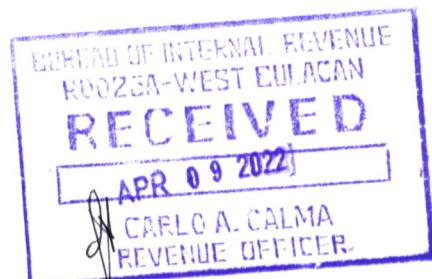
ASSETS

	Notes	2021	2020
ASSETS			
Cash in Bank	2.3	P/ 2,557,457	P/ 1,778,716
Trade Receivables	2.4	P/ 26,274,253	P/ 27,409,240
Inventories	2.5	P/ 10,190,218	P/ 13,984,772
Other Current Assets	2.6	P/ 542,778	P/ 2,131,849
CURRENT ASSETS		P/ 39,564,706	P/ 45,304,577
NON-CURRENT ASSETS			
Property, Plant & Equipment	2.6	P/ 7,059,947	P/ 8,170,659
NON-CURRENT ASSETS		P/ 7,059,947	P/ 8,170,659
TOTAL ASSETS		P/ 46,624,653	P/ 53,475,236

LIABILITIES & STOCKHOLDERS EQUITY

LIABILITIES				
Loans Payable	2.7	P/ (0)	P/	13,650,759
Other Current Liabilities	2.8	P/ 394,471	P/	185,171
Income Tax Payable		P/ 497,148	P/	109,612
TOTAL LIABILITIES		P/ 891,619	P/	13,945,542
EQUITY				
Share Capital	2.10	P/ 27,000,000	P/	27,000,000
Retained Earnings, end	2.11	P/ 18,733,034	P/	12,529,695
TOTAL STOCKHOLDERS EQUITY		P/ 45,733,034	P/	39,529,695
TOTAL LIABILITIES & EQUITY		P/ 46,624,653	P/	53,475,236

(The accompanying Notes to Financial are an integral part of this financial statement)

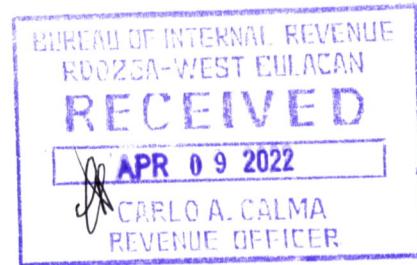


METECHS INDUSTRIAL CORPORATION

168 Mercado St., Tabe, Guiguinto, Bulacan

"Exhibit B"**COMPARATIVE STATEMENTS OF INCOME**
For the Years Ended December 31, 2021 & 2020
(Amounts in Philippine Peso)

	Notes	2021	2020
REVENUE	2.12	P/ 173,582,385	P/ 130,786,452
COST OF SALE	2.13	155,025,195	120,662,197
GROSS INCOME		P/ 18,557,190	P/ 10,124,256
OPERATING EXPENSES	2.14	10,803,016	6,958,247
INCOME (LOSS) BEFORE TAX		P/ 7,754,174	P/ 3,166,008
PROVISION FOR INCOME TAX	2.14	1,550,835	949,803
NET INCOME AFTER FINAL TAX		P/ 6,203,339	P/ 2,216,206

(The accompanying Notes to Financial are an integral part of this financial statement)

METECHS INDUSTRIAL CORPORATION

168 Mercado St., Tabe, Guiguinto, Bulacan

"Exhibit C"**COMPARATIVE STATEMENTS OF CHANGES IN EQUITY**

For the Years Ended December 31, 2021 & 2020

(Amounts in Philippines Peso)

	Notes	Shares	2021	2020
Authorized Capital Stock				
Common Stock - P1 par value		P/	- P/	-
Issued Capital Stock			-	-
Subscribed Capital Stock		-	27,000,000	27,000,000
Paid-up Capital Stock	2.10	- P/	27,000,000	P/ 27,000,000
Retained Earnings				
Balance, January 31		P/	12,529,695 P/	10,563,492
Less: Prior Year Adjustments			-	250,003
Net Income/Loss/(Loss)			6,203,339	2,216,206
Balance, December 31	2.11	P/	18,733,034 P/	12,529,695
TOTAL EQUITY		P/	45,733,034 P/	39,529,695

(The accompanying Notes to Financial are an integral part of this financial statement)

METECHS INDUSTRIAL CORPORATION
168 Mercado St., Tabre, Guiguinto, Bulacan

STATEMENT OF COST OF GOODS MANUFACTURED
For the Year Ended December 31, 2021

RAW MATERIALS:

Inventory-Beginning	P/ 12,210,838.82	
Add: Purchases	<u>142,172,162.30</u>	
Total Materials Goods Available for Use	P/ 154,383,001.12	
Less: Inventory-End	<u>8,689,528.20</u>	P/ 145,693,472.92

DIRECT LABOR 6,145,118.21

MANUFACTURING OVERHEAD:

Manpower Service	P/ -	
Light & Water	1,049,386.49	
Factory Supplies	1,376,197.50	
Depreciation Expense	<u>487,776.02</u>	<u>2,913,360.01</u>

COST OF GOODS MANUFACTURED P/ 154,751,951.14

METECHS INDUSTRIAL CORPORATION

168 Mercado St., Tabe, Guiguinto, Bulacan

"Exhibit D"**COMPARATIVE STATEMENT OF CASH FLOWS****For the Years Ended December 31, 2021 & 2020***(Amounts in Philippine Peso)*

	Notes	2021		2020	
Cash Flows From Operating Activities					
Net Income/Loss	<i>Exhibit B</i>	P/	6,203,339	P/	2,216,206
Depreciation	2.6		1,110,712		1,148,023
Others					(250,003)
Operating income/(loss) before working capital changes		P/	7,314,051	P/	3,114,226
Increase/(Decrease) in:					
Trade Receivables	2.4		1,134,987		14,367,700
Inventories	2.5		3,794,555		(6,079,772)
Other Current Assets			1,589,071		480,761
Others, specify					(1,125,566)
Increase/(Decrease) in:					
Loans Payable	2.7		(13,650,759)		(5,736,801)
Other Current Liabilities	2.8		596,836		(1,279,439)
CASH FLOW FROM INVESTING ACTIVITIES					
(Increase) in Long-term Receivables					
(Increase) Decrease in Investment					
Reductions/(Additions) to Property, Plant, and Equipment					
Others, specify:					(3,196,429)
Net cash provided by operating activities		P/	(6,535,311)	P/	(2,569,546)
Net Increase/(Decrease) in Cash		P/	778,740	P/	544,681
Cash at the beginning of the year	2.3		1,778,716		1,234,036
Cash at the end of the year	2.3	P/	2,557,457	P/	1,778,716

(The accompanying Notes to Financial are an integral part of this financial statement)

METECHS INDUSTRIAL CORPORATION

168 Mercado St., Tabe, Guiguinto, Bulacan

SCHEDULE OF TAXES & LICENSES
For the Year Ended December 31, 2021

<u>DATE</u>	<u>PARTICULARS</u>	<u>O. R. #</u>	<u>AMOUNT</u>
01/13/21	Annual Reg. Fee	EFPS-202597345	P/ 500.00
02/04/21	Cedula	00005033	10,500.00
02/04/21	M. Permit & M. Licenses	B 5786055	<u>1,036,060.00</u>
			<u><u>P/ 1,047,060.00</u></u>

SCHEDULE OF VALUE ADDED TAX PAID
For the Year Ended December 31, 2021

<u>M O N T H</u>	<u>S A L E S</u>	<u>OUTPUT TAX</u>	<u>INPUT TAX</u>	<u>AMT. PAID</u>	<u>O. R. #</u>	<u>D A T E</u>
January	P/ 17,308,913.38	P/ 2,077,069.61	P/ 644,794.69	P/ 1,330,125.53	EFPS-219695399	02/22/21
February	12,921,702.51	1,550,604.30	1,069,555.74	481,048.56	EFPS-210279831	03/19/21
March	14,068,692.52	1,688,243.10	1,656,527.04	31,716.06	EFPS-210733499	04/22/21
April	11,228,723.54	1,347,446.82	1,235,449.31	111,997.51	EFPS-211255245	05/19/21
May	14,277,941.57	1,713,352.99	1,505,532.64	207,820.35	EFPS-211737916	06/17/21
June	16,229,871.69	1,947,584.60	1,787,719.45	159,865.15	EFPS-212188312	07/23/21
July	19,705,527.21	2,364,663.27	2,149,262.90	215,400.37	EFPS-21266264	08/16/21
August	16,440,224.79	1,972,826.97	1,960,522.02	12,304.95	EFPS-213186438	09/16/21
September	13,786,054.68	1,654,326.56	1,571,593.78	82,732.78	EFPS-213663216	10/20/21
October	4,699,704.51	563,964.54	804,219.33	(240,254.79)	FILED	11/18/21
November	25,593,665.81	3,071,239.90	2,476,394.57	354,590.54	EFPS-214724125	12/13/21
December	7,321,363.07	878,563.57	728,972.18	149,591.39	EFPS-225323088	01/19/22
	P/ 173,582,385.28	P/ 20,829,886.23	P/ 18,920,669.18	P/ 1,909,217.05		

METECHS INDUSTRIAL CORPORATION

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

1. CORPORATE INFORMATION

1.1 Business Incorporation

METECHS INDUSTRIAL CORPORATION a domestic corporation duly registered with the Securities and Exchange Commission under Sec. Reg. No. AS096-002467 as approved on March 5, 1996.

The company's primary objective is to engage in, operate, conduct and maintain the business of manufacturing, importing, exporting, buying, selling or otherwise dealing at wholesale and retail.

The office address of the business is located at 168 Mercado St., Tabe Guiguinto Bulacan.

The company had met the threshold of the criteria of being a PFRS for SME by having a total assets in the amount of Php 46,624,652.34 as of December 31, 2021.

1.2 Approval of Financial Statements

The accompanying financial statements were approved and authorized for issuance by the Board of Directors on February 19, 2022. The Board of Directors is empowered to make revisions even after the date of issuance.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

Statement of Compliance

The financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) for Small Entities issued by Philippine Financial Reporting Standards Council.

This Framework was developed in response to feedback of small entities that PFRS for Small and Medium-sized Entities (PFRS for SMEs) is too complex to apply. By reducing choices for accounting treatment, eliminating topics that are generally not relevant to small entities, simplifying methods for recognition and measurement, and reducing disclosure requirements, the Framework allows small entities to comply with the financial reporting requirements without undue cost or burden.

METECHS INDUSTRIAL CORPORATION

Basis of Measurement

The financial statements have been prepared on a historical cost convention, except for certain financial instruments that are carried at amortized cost.

Financial Instruments

A financial instrument is a contract that gives rise to a financial assets of one entity and a financial liability or equity instrument of another entity. A financial instrument is recognized when the entity becomes a party to its contractual provisions. The company classifies its financial instruments into the following categories:

- a.) Basic financial instrument
- b.) Complex financial instrument

The company's basic financial instruments consist of cash and cash equivalents, receivables, and accrued expenses and other payables.

The company does not have complex financial instruments.

Basic financial instruments

Initial measurement

On initial recognition, a debt financial instrument is measured at transaction price (including transaction cost) unless the arrangement is in effect a financing transaction. In this case, it is measured at present value of the future payment discounted using a market rate of interest for a similar debt instrument.

Subsequent measurement

The company's debt financial instrument are subsequently measured at amortized cost using the effective interest method.

Impairment of financial instruments measured at amortized cost

At each reporting date, the company assesses whether there is objective evidence of impairment on any financial assets that are measured at amortized cost. Where there is any objective evidence of impairment, an impairment loss is recognized immediately in profit or loss.

The impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

Derecognition of financial assets

An entity only derecognizes a financial assets when the contractual rights to the cash flows from the assets have expired or are settled, or the entity has transferred to another party substantially all the risks and reward of ownership relating to the financial assets.

Derecognition of financial liabilities

Financial liabilities are derecognized only when these are extinguished that is, when the obligation is discharged, cancelled, or has expired.

METECHS INDUSTRIAL CORPORATION

Functional and Presentation Currency

The financial statements are presented in Philippines peso, which is the Company's functional currency. All amounts are rounded to the nearest Philippine peso, except when otherwise indicated.

Revenue Recognition

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the company and the amount of revenue can be measured reliably.

Cash

Cash includes cash on hand and in banks. Cash in bank represents savings and current account in a reputable local bank. Savings account deposits earn interest at the respective bank deposit rates and current account deposits do not earn interest.

Trade and other receivables

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

Investment Property

Investment property is property (land or building or part of a buildings , or both) held by the owner to earn rentals or for capital appreciation or both.

Measurement at initial recognition

An entity shall measure investment property at its cost at initial recognition. The cost of purchases comprises purchase price and any directly attributable expenditure such as legal and brokerage fees, property transfer taxes and other transaction cost. If payment is deferred beyond normal credit term, the cost is the present value of all future payments. The cost of a self-constructed investment property shall be determined in accordance with Section 12-Property, Plant and equipment.

Subsequent Measurement

The company after initial recognition use the cost model and shall measure in all of its investment properties.

METECHS INDUSTRIAL CORPORATION

Property, plant and equipment

Property and equipment are carried at historical cost less subsequent depreciation, amortization and impairment except for land and buildings which as a class, are stated at fair value less depreciation for the buildings. Historical cost includes expenditures that are directly attributable to the acquisitions of the items. Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit and loss during the financial period in which they are incurred.

Following initial recognition at cost, land and buildings which are stated are carried at re-valued amounts which are the fair values at the date of revaluation as determined by independent appraisers, less any subsequent accumulated depreciation for the buildings and accumulated impairment losses. Fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date. Any revaluation surplus is credited to the Revaluation Surplus account in the equity section of the balance sheet net of the applicable deferred income taxes. Any revaluation deficit directly offsetting a previous surplus in the same asset is directly offset against Revaluation Surplus. Accumulated depreciation as at revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the re-valued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings. Revaluations are performed every three years or at such intervals as to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

The useful life of each of the Company's item of property and equipment is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of similar businesses, internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and 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. It is possible, however, that future results of operations could be materially affected by changes in the amount and timing of recorded expenses brought about by changes in the factors mentioned above. A reduction in the estimated useful life of any item of property and equipment would increase the recorded depreciation expenses and decrease the carrying value of property and equipment.

METECHS INDUSTRIAL CORPORATION

The estimated useful lives of the assets follow:

	No. of Years
Transportation Equipment	5yrs
Delivery Truck	5yrs
Machineries & Equipment	5yrs
Vehicle	10yrs
Office Furniture & Fixtures	10yrs
Tools & Equipment	10yrs

The depreciation method and estimated useful life are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

The estimated residual values, useful lives and depreciation and amortization method are reviewed periodically to ensure that the residual values and periods and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognized.

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

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

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

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

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of property and equipment is recognized in profit or loss when the item is derecognized (unless Section 18 Leases requires otherwise on a sale and leaseback) such gain is not recognized as revenue.

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments and fixed maturities that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivables. After initial measurement, such financial assets are subsequently measured in the statement of financial position at amortized cost using the effective interest rate method, less any allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the effective interest rate method. Gains and losses are recognized in the statement of comprehensive income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Loans and receivables are included in current assets if maturity is within twelve (12) months from the reporting date. Otherwise, these are classified as noncurrent assets.

Borrowing Cost

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs include interest expense calculated using the effective interest method.

Recognition

An entity shall recognize all borrowing costs as an expense in profit or loss in the period in which they are incurred

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Impairment of Financial Assets

Assets such as property and equipment and investment property are assessed at each reporting date to determine whether there is any indication that the assets are impaired. When an impairment indicator is identified, the carrying value of the assets is tested for impairment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value-in-use. If the recoverable amount cannot be estimated for individual assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. A cash -generating unit is the smallest identifiable group of assets that generate cash inflows that are independent of the cash flows from other assets within the company.

If an impairment indicator no longer exist or the recoverable amount has increase subsequently, the company will determine the amount of impairment loss that can be reversed to the extent that the reversal should not result in a carrying amount of the assets that is higher had no impairment loss was recognized in the prior years.

Other Noncurrent Assets

Other noncurrent assets includes prepayments such as prepaid expenses that are initially recorded at transaction cost and subsequently measured at cost less impairment loss, if any.

Trade and other payables

Trade and other payables are obligations on the basis of normal credit terms and do not bear interest.

Other Current Liabilities

Other current liabilities include statutory obligation as of the end of the period such as withholding tax payable.

Expenses

Expenses are recognized as incurred and measured at the amount of consideration paid or payable.

Income Taxes

The company uses taxes payable method to account for income taxes. Under this method the company recognizes income taxes and liability based on the taxable income for the year using tax rates that have been enacted or substantively enacted at the reporting date.

Retirement Benefits Cost

The Company conforms to the minimum regulatory benefit under the Retirement Pay Law (Republic Act (RA) No. 7641) which is of the defined benefit type and provides a retirement benefit equal to 22.5 days' pay for every year of credited service. The regulatory benefit is paid in a lump-sum amount upon retirement. Defined benefit plan defines an amount of retirement benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

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Events after the End of the Reporting Period

Post year-end events that provide additional information about the Company's position at the balance sheet date (adjusting events) are reflected in the separate financial statements where applicable. Post year-end events that are not adjusting events are disclosed in the notes to the separate financial statements when material.

Equity

Share Capital

Share Capital is determined using the nominal value of shares that have been issued and fully paid.

Any costs of acquiring Company's own shares are shown as a deduction from equity attributable to the Company's equity holders until the shares are cancelled or reissued. When such shares are subsequently sold or reissued, any consideration received, net of directly attributable incremental transaction costs and the related income tax effects, is included to the Company's equity holders.

Retained Earnings

Retained Earnings represent the cumulative balance of periodic net income or loss, dividend distributions, prior period errors, changes in accounting policy and other adjustments.

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3. CASH

This account consists of:

	2021	2020
Cash	P/ 2,557,457	P/ 1,778,716
Total	P/ 2,557,457	P/ 1,778,716

Cash includes cash on hand and cash in banks. Cash on hand as of the end of the period were deposited the next banking day. Cash in banks are deposits held at call with banks.

The company reconciles the books and bank balances regularly as part of its cash monitoring and internal control measures

4. TRADE RECEIVABLES

This account consists of:

	2021	2020
Trade Receivables	P/ 26,274,253	P/ 27,409,240
Total	P/ 26,274,253	P/ 27,409,240

5. INVENTORY

This account consists of:

	2021	2020
Raw Materials	8,689,528	12,210,839
Finish Goods Inventory	1,500,690	1,773,934
Total	P/ 10,190,218	P/ 13,984,772

6. OTHER CURRENT ASSETS

This account consists of:

	2021	2020
Vat Credit	-	1,330,126
Deferred Input Tax	542,778	703,329
Unexpired Insurance	-	98,395
Total	P/ 542,778	P/ 2,131,849

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7. PROPERTY, PLANT, AND EQUIPMENT

The movements within each class of property and

For the Year Ended December 31, 2021

	Vehicle	Tools and Equipment	Delivery Truck	Transportation Equipment	Machineries & Equipment	Office Furniture & Fixtures	Total
Gross Carrying Amount:							
December 31, 2020	5,837,455	245,435	1,340,000	2,510,615	11,625,007	765,013	22,323,525
Additions/(Disposals)	-	-	-	-	-	-	-
December 31, 2021	5,837,455	245,435	1,340,000	2,510,615	11,625,007	765,013	22,323,525
Accumulated Depreciation:							
December 31, 2020	1,105,259	245,434	1,339,999	2,510,614	8,225,739	725,821	14,152,866
Depreciation	583,745	-	-	-	487,776	39,191	1,110,712
December 31, 2021	1,689,004	245,434	1,339,999	2,510,614	8,713,515	765,012	15,263,578
Net Carrying amount:							
December 31, 2020							*
December 31, 2021	4,148,451	1	1	1	2,911,492	1	7,059,947

For the Year Ended December 31, 2020

	Vehicle	Tools and Equipment	Delivery Truck	Transportation Equipment	Machineries & Equipment	Office Furniture & Fixtures	Total
Gross Carrying Amount:							
December 31, 2019	2,641,027	245,435	1,340,000	2,510,615	11,625,007	765,013	20,467,096
Additions/(Disposals)	3,196,429				-		3,196,429
December 31, 2020	5,837,455	245,435	1,340,000	2,510,615	11,625,007	765,013	23,663,525
Accumulated Depreciation:							
December 31, 2019	521,513	245,434	1,339,999	2,510,614	7,737,963	649,320	14,344,843
Depreciation	583,746	-	-	-	487,776	76,501	1,148,023
December 31, 2020	1,105,259	245,434	1,339,999	2,510,614	8,225,739	725,821	15,492,866
Net Carrying amount:							
December 31, 2019							*
December 31, 2020	4,732,196	1	1	1	3,399,267	39,191	8,170,659

Property and equipment are carried at cost less accumulated depreciation, and amortization and any impairment in value.

The Cost of other Property, Plant & Equipment was fully depreciated but still in use and its being maintained in the books of accounts. A nominal assigned value was made for its existence.

The amount of depreciation recognized for the years 2021 and 2020 amounted to P1,110,712 and P 1,148,023 respectively.

METECHS INDUSTRIAL CORPORATION

8. TRADE AND OTHER PAYABLES

This account consists of:

		2021		2020
Accounts and Other Payable	P/	(0)	P/	11,860,759
Loans Payable-Vehicle		-		1,790,000
Total		(0)		13,650,759

9. OTHER CURRENT LIABILITIES

This account consists of:

		2021		2020
Value Added Tax Payable	P/	149,591	P/	-
Withholding Tax Payable-Salaries		10,036		(27,568)
Withholding Tax Payable-Expanded		114,644		85,167
SSS, PHIC, & ECC Payable		105,999		111,372
PAG-IBIG Fund Payable		14,200		16,200
Total	P/	394,471	P/	185,171

Other Current Liabilities includes SSS Payables, HDMF Payables, Philhealth Payables, and Accrued Expense which is expected to be settling within a year.

10. INCOME TAX

On March 26, 2021, Republic Act No. 11534 or the Corporate Recovery and Tax Incentives for Enterprise (CREATE Act) was signed into law by President Rodrigo Duterte. It was implemented under the Revenue Regulation No. 5-2021 dated April 8, 2021. Under Sec. 21 of the CREATE Act, the corporate income tax in the country was lowered with effective date as of July 1, 2020. The new Income Tax Rate and other reforms are as follows:

- 25% For Domestic Corporation, in general
- 20% For corporation with net taxable income not exceeding Five Million Pesos (P5,000,000.00) and total assets not exceeding One Hundred Million (P100,000,000.00), excluding the land on which the particular business entity's office, plant and equipment are situated.
- 1% Minimum Corporate Income Tax (MCIT) - from July 1, 2020 to June 30, 2023
- 1% Proprietary Educational Institution - from July 1, 2020 to June 30, 2023
- 25% Resident Foreign Corporation

METECHS INDUSTRIAL CORPORATION

The provision for income tax was computed at the statutory rates for the years ended December 31, 2021 as shown in the statements of income as follows:

		2021	2020
Net Income	P/	7,754,174	3,166,008
Rate		20%	30%
Tax Due	P/	1,550,835	949,803
Less: Withholding Tax at Source		923,885	720,714
Corporate Qtrly Income Tax		129,802	119,477
Total (Note 5)		497,148	109,612

MINIMUM CORPORATE INCOME TAX

Implementing Republic Act No. 11534, “An Act Amending the National Internal Revenue Code, as amended” Relative to the Imposition of the Minimum Corporate Income Tax (MCIT) on Domestic Corporations and Resident Foreign Corporations and order Revenue Regulations No. 9-98 Sec. 2.27 (E). A minimum corporate income tax (MCIT) of one percent (1%) until July 1, 2023 of the gross income as of the end of the taxable year (whether calendar or fiscal year, depending on the accounting period employed) is hereby imposed upon any domestic corporation beginning the fourth (4th) taxable year immediately following the taxable year in which such corporation commenced its business operations. The MCIT shall be imposed whenever such corporation has zero or negative taxable income tax or whenever the amount of minimum-corporate-income tax is greater than the normal income tax due from such corporation.

The provision for income tax was computed at the statutory rates for the years ended December 31, 2021 as shown in the statements of income as follows:

		2021	2020
Gross Income	P/	18,557,190	10,124,256
Rate		1%	2%
Tax Due	P/	185,572	202,485
Less: Withholding Tax at Source		923,885	720,714
Corporate Qtrly Income Tax		129,802	119,477
Income Tax Payable	P/	(868,115)	P/ (637,706)

METECHS INDUSTRIAL CORPORATION

11. SHARE CAPITAL

	2021	2020
Authorized Capital Stock P/ 30,000,000.00		
300,000 shares at P/100.00 par value		
Subscribed Capital Stock	P/ 27,000,000	P/ 27,000,000
Add: Stock Dividend	-	-
Paid-Up Capital Stock	P/ 27,000,000	P/ 27,000,000

12. RETAINED EARNINGS

This account consists of:

	2021	2020
Balance, January 1	12,529,695	10,563,492
Prior Year Adjustments	-	250,003
Net Income for the year	6,203,339	2,216,206
Balance, December 31	18,733,034	12,529,695

Retained earnings pertains to the cumulative balance of periodic net income or loss, dividend distributions, prior periods errors, changes in accounting policy and other capital adjustments.

METECHS INDUSTRIAL CORPORATION

13. REVENUE

This account consists of:

		2021	2020
Sales	P/	173,582,385	P/ 130,786,452
Total	P/	173,582,385	P/ 130,786,452

Revenue is measured at fair value of the consideration received or receivable, net of discounts and sales-related taxes collected.

14. COST OF SERVICE

This account consists of:

		2021	2020
Finished Goods Inventory-Beginning		1,773,934	1,126,480
Add: Cost of Goods Manufactured		154,751,951	121,309,650
Total Finish Goods		156,525,885	122,436,130
Less: Finished Goods Inventory-End		1,500,690	1,773,934
COST OF GOODS SOLD		155,025,195	120,662,197

15. OPERATING EXPENSES

This account consists of:

		2021	2020
Taxes & Licenses	P/	1,047,060	P/ 1,045,620
Salaries, Wages & 13th Mo. Pay		4,890,000	2,298,000
SSS, Philhealth & ECC Premium		942,434	657,993
Pag-ibig Fund Expense		89,400	69,400
Communication Expense		20,422	33,334
Gasoline & Oil		496,582	386,958
Stationeries & Office Supplies		10,411	6,071
Representation & Entertainment		69,250	68,952
Interest Expense		323,529	-
Repairs & Maintenance		345,984	22,567
Insurance Expense		98,395	173,167
Depreciation Expense		622,936	660,247
Light & Water		689,576	637,485
Retainer's Fee		70,588	70,588
Security Fee		1,080,000	787,892
Miscellaneous Expense		6,450	39,972
TOTAL	P/	10,803,016	P/ 6,958,247

Operating expenses are recognized in the statement of income upon utilization of the service or on the date they are incurred.

METECHS INDUSTRIAL CORPORATION

16. RELATED PARTY DISCLOSURE

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. This includes: (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.

The Company's related parties include the Company's Key Management. The compensation of the key management personnel of the Company pertains to the usual monthly salaries and government mandated bonuses; there are no other special benefits paid to management personnel.

The remuneration of key management personnel for the years ended December 31 consist of:

2021				
Category	Amount/Volume	Outstanding Balance	Terms	Conditions
1.) Advances from Stockholders				-unsecured -no collateral -no impairment

2020				
Category	Amount/Volume	Outstanding Balance	Terms	Conditions
1.) Advances from Stockholders				-unsecured -no collateral -no impairment

The company is not required to file the BIR Form No. 1709 (RPT Form) as part of the attachments of the Annual Income Tax Return (AIR) for its related party transaction under Revenue Regulations No. 34-2020 issued on December 21, 2020 which prescribed the guidelines and procedures on the submission of BIR Form No. 1709 [Related Party Transactions (RPT Form)], Transfer Pricing Documentation (TPD) and other supporting documents, amending for this purpose pertinent provisions of Revenue Regulations (RR) Nos. 19-2020 and 21-2002, as amended by RR No. 15-2010. Likewise, Key Management Personnel (KMP) as defined under Section 3(7) of RR No. 19-2020 shall no longer be required to file and submit the RPT Form nor shall there be any requirement to report any transaction between KMP and the reporting entity/parent company of the latter in the RPT Form.

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168 Mercado St., Tabo, Guiguinto, Bulacan

17. SUPPLEMENTARY TAX INFORMATION UNDER RR-15-2010ADDITIONAL PROCEDURAL AND/OR DOCUMENTARY REQUIREMENTS (RR 15 - 2010)**1.) VAT - OUTPUT TAX DECLARED DURING THE YEAR:**

	<u>S A L E S</u>	<u>OUTPUT TAX</u>
A.) VATABLE SALES/RECEIPT	P/ 173,582,385	P/ 20,829,886
B.) SALES TO GOVERNMENT	N/A	N/A
C.) ZERO RATED SALES/RECEIPTS - PEZA REGISTERED	N/A	N/A
D.) EXEMPT SALES/RECEIPTS - Agricultural and Marine Food Products - For Exempt Rental - Amount is exempt as prescribed by the government rental law.	N/A	N/A

2.) VAT - INPUT TAX CLAIMED:

BEG. BALANCE		P/ 1,330,126
PURCHASES - DOMESTIC		P/ 105,597,138
IMPORTATION OF GOODS	36,286,465	P/ 12,671,657 4,354,376
CAPITAL GOODS SUBJECT TO AMORTIZATION		N/A
CAPITAL GOODS NOT SUBJECT TO AMORTIZATION	N/A	N/A
SERVICES LODGE UNDER COST OF GOODS SOLD	N/A	N/A
SERVICES LODGED UNDER OTHER ACCOUNTS	-	-
TOTAL INPUT		P/ 18,356,158
CLAIMED FOR TAX CREDIT/REFUND AND OTHER ADJUSTMENTS,		N/A

3.) LANDED COST OF IMPORTATION:

A.) COST OF GOODS	N/A
B.) IMPORT DUTY	N/A
C.) I.P. FEE	N/A
D.) IMPORT CHARGES	N/A

4.) DOCUMENTARY STAMP TAX:

A.) LOAN RELEASED	N/A
B.) CAPITAL STOCK	N/A

5.) TAXES & LICENSES ACCOUNT:

A.) LICENSES & PERMITS	P/ 1,047,060
B.) REAL ESTATE TAX	N/A
C.) PERCENTAGE TAX	N/A

6.) WITHHOLDING TAXES CONSISTS OF:

A.) COMPENSATION	P/ 120,480
B.) EXPANDED	1,178,482

C.) FINAL WITHHOLDING TAX	N/A
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METECHS INDUSTRIAL CORPORATION

18. Reportorial Requirements of the Corporation Code Under Revised Code Sec 177

Republic Act No. 11232 or the Act Providing for the Revised Corporation Code (the “Revised Code”) was approved on February 20, 2019 which took effect on February 23, 2019.

Section 177 of the Revised Code has no material impact on the current financial reporting since the requirements in the Old Corporation have almost the same provision with the Revised Code with the exception for corporations vested with public interest which must submit a director or trustee compensation report and the standard or criteria used to assess each director or trustee. Likewise Section 29 mandates corporations vested with public interest to submit to their shareholders and the Commission an annual report of the total compensation of each of their directors or trustees.

The company is not a publicly listed corporation and/or vested with public interest.

19. BUSINESS OPERATION

COVID-19 is a disease caused by a corona virus called SARS-CoV-2. On March 11, 2020, the World Health Organization (WHO) declared COVID-19 a pandemic. Subsequent to the declaration of the pandemic, the Philippine national government imposed an Enhanced Community Quarantine (ECQ) of the entire Luzon from midnight of March 15 to April 14 to manage and prevent the spread of the disease. The enhanced community quarantine was later on extended until May 15, 2020. On May 11, 2020 the Inter-Agency Task Force of Emerging Infectious Disease (IATF) Resolution No. 35 was released wherein high-risk local government units such as Laguna, Cebu City and the entire Metro Manila were placed under the Modified Enhanced Community Quarantine (MECQ). Moderate-risk local government units were placed under General Community Quarantine (GCQ). As of December 31, 2020, Metro Manila has implemented the General Community Quarantine (GCQ).

Businesses and industries were divided into categories and only the essential services under Category 1 such as hospitals, public utilities and logistic services were allowed to operate under any quarantine system. The other businesses and industries that were allowed to operate during MECQ cannot have more than fifty percent of their employees work on site.

As the pandemic is still on-going, the full extent of the consequences of the spread of this virus to the Company cannot be reliably estimated. However, the two-month lock down period and the prevailing restrictions and limitations to movement and travel and other health precautions set out by the national government definitely has an impact on its financial position and results of operations.

20. CONTINGENCIES

The Company has no pending case, which may have any adverse effect on the Company’s financial position or results of operations.