

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C S 2 0 1 7 2 2 8 8 2

COMPANY NAME

C A R D M R I H I J O S T O U R S I N C . ,

PRINCIPAL OFFICE (No./Street/Barangay/City/Town/Province)

M . L . Q U E Z O N S T R E E T , C I T Y
S U B D I V I S I O N , S A N P A B L O C I T Y ,
L A G U N A

Form Type

A A F S

Department requiring the report

C R M D

Secondary License Type, If Applicable

N O N E

COMPANY INFORMATION

Company's Email Address

hijostours@cardmri.com

Company's Telephone Number/s

(049) 562-4309

Mobile Number

0926-896-8684

No. of Stockholders

18

Annual Meeting
Month/Day

Every 2nd Saturday of April

Fiscal Year
Month/Day

December 31

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Marilyn M. Manila

Email Address

marilyn.manila@cardmri.com

Telephone Number/s

(049) 562-4309

Mobile Number

0998-974-3772

CONTACT PERSON'S ADDRESS

Block 2 Lot 52 Camella Homes, San Miguel, Sto. Tomas , Batangas

Note 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2: All boxes must be properly and completely filled-up. Failure to do so shall the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

CARD MRI Hijos Tours Inc.

Financial Statements

December 31, 2024 and 2023

and

Independent Auditor's Report

EM & ASSOCIATES, CPAs
(Formerly Endriga, Manangu & Associates)
Certified Public Accountants

CARD MRI Hijos Tours Inc.
STATEMENTS OF FINANCIAL POSITION

		As of December 31	
	Notes	2024	2023
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3, 5	P 7,242,358	P 5,653,482
Receivables - net	3, 6	362,530	17,048
Other current assets	3, 7	436,764	506,121
Total Current Assets		8,041,652	6,176,652
NONCURRENT ASSETS			
Property and equipment - net	3, 8	1,188,397	826,535
Investment in equity securities	3, 9	499,900	-
Retirement assets	3, 10	203,258	12,951
Total Noncurrent Assets		1,891,555	839,486
TOTAL ASSETS		P 9,933,207	P 7,016,137
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Accrued expenses and other payables	3, 11	P 765,709	P 699,985
Due to affiliates	3, 17	10,228	116,359
Total Current Liabilities		775,937	816,344
EQUITY			
Capital stock	3, 12	5,000,000	4,400,285
Deposit for future stock subscriptions	3, 13	599,840	-
Retained earnings	3, 12		
Appropriated		1,000,000	-
Unappropriated		2,557,430	1,799,508
Total Equity		9,157,270	6,199,793
TOTAL LIABILITIES AND EQUITY		P 9,933,207	P 7,016,137

See accompanying Notes to Financial Statements.



CARD MRI Hijos Tours Inc.
STATEMENTS OF INCOME

	Notes	For the Years Ended December 31	
		2024	2023
SERVICE REVENUE	3	P 17,132,978	P 14,422,892
COST OF SERVICES	3	2,852,587	2,999,002
GROSS PROFIT		14,280,391	11,423,890
OPERATING EXPENSES	14	12,162,659	9,603,637
OPERATING INCOME		2,117,732	1,820,253
OTHER INCOME (CHARGES) - NET	15	142,888	(314,947)
NET INCOME BEFORE INCOME TAX		2,260,620	1,505,306
PROVISION FOR INCOME TAX	3, 16	502,698	376,871
NET INCOME AFTER INCOME TAX		P 1,757,922	P 1,128,435

See accompanying Notes to Financial Statements.



CARD MRI Hijos Tours Inc.
STATEMENTS OF CHANGES IN EQUITY

	As of December 31					
	Retained Earnings					
	Capital Stock (Note 12)	Deposit for Future Stock Subscriptions (Note 13)	Appropriated (Note 12)	Unappropriated	Total	
Balance at January 1, 2024	P 4,400,285	P -	P -	P 1,799,508	P	6,199,793
Received deposit for future stock subscriptions	-	599,840	-	-		599,840
Issuance of shares	599,715	-	-	-		599,715
Appropriation of retained earnings	-	-	1,000,000	(1,000,000)		-
Net income after income tax	-	-	-	1,757,922		1,757,922
At December 31, 2024	P 5,000,000	P 599,840	P 1,000,000	P 2,557,430	P	9,157,270
Balance at January 1, 2023	P 2,000,000	P 150,000	P -	P 3,111,075	P	5,261,075
Received deposit for future stock subscriptions	-	(150,000)	-	-		(150,000)
Issuance of shares	560,320	-	-	-		560,320
Dividends declared	1,839,965	-	-	(2,440,000)		(600,035)
Net income after income tax	-	-	-	1,128,433		1,128,433
At December 31, 2023	P 4,400,285	P -	P -	P 1,799,508	P	6,199,793

See accompanying Notes to Financial Statements.

CARD MRI Hijos Tours Inc.
STATEMENTS OF CASH FLOWS

		For the Years Ended December 31	
	Notes	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income before income tax		P 2,260,620	P 1,505,306
Adjustments for:			
Actuarial loss on retirement plan	10, 14, 15	21,148	382,397
Interest income	5, 15	150,992	(66,299)
Depreciation expense	8, 14	184,370	123,245
Provision for doubtful accounts	6, 14	29,300	1,486
Retirement expense	10, 14	5,772	56,278
Operating income before working capital changes		2,652,201	2,002,414
Changes in operating assets and liabilities			
Decrease (increase) in:			
Receivables	6	(374,782)	178,759
Other current assets	7	69,357	(399,072)
Increase (decrease) in:			
Accrued expenses and other payables	11	65,724	359,714
Due to affiliates	17	(106,131)	116,359
Net cash provided by operations		2,306,369	2,258,174
Interest received	5	(150,992)	66,299
Income taxes paid	16	(502,698)	(376,871)
Contributions to retirement plan	10	(217,227)	(87,523)
Net cash provided by operating activities		1,435,453	1,860,079
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of property and equipment	8	(546,232)	(256,821)
Increase in investment in equity securities	9	(499,900)	-
Construction in progress	8	-	(368,677)
Net cash used in investing activities		(1,046,132)	(625,498)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash dividends paid	12	-	(600,035)
Proceeds from issuance of capital stock	12	599,715	375,000
Increase in deposit for future stock subscriptions	13	599,840	35,320
Net cash provided by (used in) financing activities		1,199,555	(189,715)
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,588,876	1,044,865
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		5,653,483	4,608,617
CASH AND CASH EQUIVALENTS AT END OF YEAR	5	P 7,242,358	P 5,653,483

See accompanying Notes to Financial Statements.

CARD MRI Hijos Tours Inc.

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2024 and 2023

1. General Information

CARD MRI Hijos Tours Inc. (the Company), was incorporated and duly registered with the Securities and Exchange Commission (SEC) on July 11, 2017. The Company's primary purposes are: (a) to provide a heritage tour program for local, inbound and outbound tours; (b) to create a venue for inclusive tourism where CARD clients and their families will be involved; and (c) to share the CARD MRI story and heritage sites in different parts of the country and help in the promotion on country's tourism.

The Company is a member of Center for Agriculture and Rural Development Mutually Reinforcing Institutions (CARD-MRI; the Group).

The Company's principal office is located at M.L. Quezon Street, City Subdivision, San Pablo City, Laguna.

2. Financial Reporting Framework

Basis of Preparation

The Company's financial statements have been prepared under the historical cost basis. The financial statements are presented in Philippine peso (₱), which is the Company's functional currency. All amounts are rounded to the nearest peso unless otherwise stated.

Statement of Compliance

The financial statements of the Company have been prepared in accordance with the Philippine Financial Reporting Standards for Small Entities (PFRS for SEs) as approved by the Financial Reporting Standards Council, Board of Accountancy and the Securities and Exchange Commission (SEC).

3. Summary of Material Accounting Policies

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

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash in banks, and short-term highly liquid investments with original maturities of three months or less.



Financial Instruments

The Company classifies its financial instruments as either basic financial instruments or other financial instruments. Financial instruments are recognized only when the Company becomes a party to the contractual provisions of the contract.

Basic Financial Instruments

The Company's basic financial assets and liabilities are measured initially at transaction price (including transaction costs).

Basic Financial Instruments at amortized cost

The amortized cost of a financial instrument at the end of each reporting period is computed as the net of the amount at which the financial instrument is measured at initial recognition, minus any repayments of the principal, plus or minus the cumulative amortization using the effective interest method of any difference between the amount at initial recognition and the maturity amount, minus, in the case of a financial asset, any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Effective Interest Method

The effective interest method is a method of calculation of the amortized cost of a financial asset or a financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the carrying amount of the financial asset or financial liability. The effective interest rate is determined on the basis of the carrying amount of the financial asset or liability at initial recognition.

Under the effective interest method, the amortized cost of a financial asset (liability) is the present value of future cash receipts (payments) discounted at the effective interest rate; and the interest expense (income) in a period equals the carrying amount of the financial liability (asset) at the beginning of a period multiplied by the effective interest rate for the period.

Basic Financial Instruments measured at undiscounted amount

Short-term debt instruments are measured at an undiscounted amount of the cash or other consideration expected to be paid or received (i.e. net of impairment).

Cash is included in this category.

Basic Financial Instruments measured at lower of cost or fair value

The Company has no basic financial instruments measured at lower of cost or fair value at the end of each reporting period.

Impairment of Financial Assets Measured at Cost or Amortized Cost

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

Objective evidence that a financial asset or group of assets is impaired includes observable data that come to the attention of the Company about the following loss events:

- A breach of contract by the debtor, such as default or delinquency in interest or principal payments
- The Company, for economic or legal reasons relating to the debtor's financial difficulty, granting the debtor a concession that the Company would not otherwise consider; or
- Significant financial difficulty of the debtor or the issuer or it has become probable that the debtor or the issuer will enter bankruptcy or other financial reorganization.

For an instrument measured at amortized cost, 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. If such a financial instrument has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that the entity would receive for the asset if it were to be sold at the reporting date.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the Company reverses the previously recognized impairment loss either directly or adjusting the allowance account. The reversal shall not result in a carrying amount of the financial asset (net of allowance account) that exceeds what the carrying amount would have been had the impairment not previously recognized. The Company recognizes the amount of reversal in profit or loss immediately.

Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire or are settled, or when it transfers the financial asset and substantially all of the risks and rewards of ownership of the financial asset to another entity.

Derecognition of financial liabilities

The Company derecognizes a financial liability (or a part of a financial liability) only when it is extinguished or when the obligation specified in the contract is discharged, is cancelled or has expired.

Any difference between the carrying amount of the financial liability (or any part of financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed are recognized in profit or loss.

Inventories

Inventories are stated at the lower of cost and its market value. Costs of inventories include all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Other Current Assets

Other current assets represent assets of the Company which are expected to be realized or consumed within one year or within the Company's normal operating cycle whichever is longer. Other current assets are presented in the financial position at cost.

Property and Equipment

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

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

Depreciation is calculated on a straight-line basis over the useful lives of assets as follows:

Office Equipment	3 years
Furniture and Fixtures	3 years
Office Computer	3 to 5 years
Building Improvements	5 years

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

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

Impairment of Non-Financial Assets

Non-financial assets are assessed at each reporting date to determine whether there is any indication that the assets are impaired. When an impairment indicated is identified, the carrying value of the asset 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 costs to sell and value in use. If the recoverable amount cannot be estimated for an individual asset, the Company estimate 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 generates cash inflows that are independent of the cash flows from other assets within the Company.

If an impairment indicator no longer exists or the recoverable amount has increased 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 asset that is higher had no impairment loss was recognized in the prior years.

Provisions and Contingencies

Provisions

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

Provisions are recognized initially at the best estimate of the amount required to settle the obligation. Subsequently, the Company charged to the provision only those expenditures for which the provision was originally recognized.

Contingent Assets and Liabilities

Contingent assets and liabilities are not recognized in the statement of financial position.

Capital Stock

Capital stock is recognized as issued when the stock is paid for or subscribed under a binding subscription agreement and is measured at par value.

Deposit for Future Stock Subscriptions

Deposit for future stock subscription (DFFS) shall be classified under equity account if all of the following conditions are present as of reporting date:

- The unissued authorized capital stock of the entity is insufficient to cover the amount of shares indicated in the contract;
- There is Board of Directors' approval on the proposed increase in authorized capital stock (for which a deposit was received by the corporation);
- There is stockholders' approval of said proposed increase; and

- The application for the approval of the proposed increase has been presented for filing or has been filed with the Commission.

Retained Earnings

Retained earnings represent the cumulative balance of periodic net income, prior period adjustments and effect of changes in accounting policies, and other capital adjustments, net of any dividend declaration. Dividends, except for stock dividends, are recognized as a liability and deducted from equity when they are approved by the Company's Board of Directors and/or stockholders. Dividends for the period that are approved after the end of the financial reporting period are dealt with as an event after the financial reporting period. Retained earnings may also include the effect of changes in accounting policy as may be required by the accounting standard's transitional provisions.

Revenue Recognition

Service revenue

Service revenue is recognized in the accounting period in which the services are rendered, by reference to the completion of the specific transaction assessed on the basis of the actual service provided. This includes income recognized from tour programs including Hijos de San Pablo, Hijos de Balangiga and Hijos de Iloilo. Other services are flight booking, hotels reservation, itinerary planning and passport and visa processing.

Interest income

Interest income on deposits in banks is recognized as interest accrues, taking into account the effective yield of the asset.

Other income

Other income is recognized only when cash is received.

Expenses

Expenses are recognized in the statement of income when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Expenses are recognized in the statement of income:

- on the basis of a direct association between the costs incurred and the earning of specific items of income;
- on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or
- immediately when expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify, for recognition in the statement financial position as an asset.

Cost of services mainly comprise of personnel costs which are provided in the period when services are rendered.

Retirement Benefits

The Company operates a defined benefit retirement plan which requires contribution to be made to a separately administered fund. The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on nonroutine settlements are recognized as expense in the statement of income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by an independent qualified actuary.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in the statement of income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in profit or loss in the period in which they arise. Remeasurements are not reclassified to the statement of income in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to the creditors of the Company, nor can they be paid directly to the Company. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Income Tax

The Company's income tax expense includes only the current income tax. Income tax expense and liability are recognized based on the taxable income for the year using the tax rates that have been enacted or substantively enacted at the reporting date.

Related Parties

Parties are considered to be related if one party has the ability to, directly or indirectly, control or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject common control or common significant influence.

Related parties include members of key management personnel, including directors and officers of the Company and their close family members, and companies associated with these individuals. In considering each possible related entity relationship, attention is directed to the substance of the relationship and not merely the legal form.

Foreign Currency Transactions

Transactions in foreign currencies are translated into Philippine peso at exchange rates which approximate those prevailing on transaction dates. Monetary assets and liabilities denominated in foreign currencies are restated at the closing exchange rate prevailing as of reporting date. Exchange gains and losses arising from the settlement and restatement of foreign currency denominated monetary assets and liabilities are recognized in the statement income.

Events after the Reporting Date

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

4. Information About Key Sources of Estimation Uncertainty and Judgments

The preparation of financial statements in accordance with PFRS for SEs requires the Company to make judgments and estimates that affect the reported amounts of assets, liabilities, income, and expenses, and disclosure relating to contingent assets and contingent liabilities. Future events may occur which may cause the assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the financial statements as they become reasonably determinable.

Judgment and estimates are continually evaluated and are based on expectations of future events that are believed to be reasonable under the circumstances.

As of December 31, 2024 and 2023, management assessed that there is no significant judgment exercised in respect to the preparation of the financial statements.

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As of December 31, 2024 and 2023, management assessed that there is no significant judgment exercised in respect to the preparation of the financial statements.

Estimates

The key sources of estimation are uncertainties at the reporting date that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Present value of retirement liability

The cost of defined benefit retirement plan and other post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and long-term nature of these plans, such estimates are subject to significant uncertainty. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the market yields on Philippine government bonds with terms consistent with the expected employee benefit payout as of reporting date, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The present value of the retirement liability and fair value of plan assets are disclosed in Note 10.

5. Cash and Cash Equivalents

This account consists of:

	2024	2023
Cash in banks	P 3,978,889	P 3,488,450
Short-term time deposit	3,233,469	2,135,032
Petty cash fund	30,000	30,000
	P 7,242,358	P 5,653,482

Cash in banks consists of savings deposit accounts, with annual interest rates ranging from 0.05% to 1.0% in 2024 and 2023.

Short-term time deposit has a tenor of 90 days with annual interest rates ranging from 4.20% to 4.55%.

Interest income earned by the Company from cash and cash equivalents amounted to P150,992 and P66,299 in 2024 and 2023, respectively.

6. Receivables - Net

This account consists of:

	2024	2023
Due from affiliates (Note 17)	P 156,450	P 9,728
Other receivables	236,866	8,807
	393,316	18,535
Less: Allowance for uncollectible accounts	(30,786)	(1,486)
	P 362,530	P 17,048

All receivables are demandable and non-interest bearing.

Due from affiliates are collectibles from the affiliated CARD-MRI entities from the services provided by the Company.

Other receivables consist of receivables related to the Company's ordinary course of business mainly the staff's travel installment.

Allowance for uncollectible accounts provided where there is objective evidence that the Company may not be able to collect all amounts due according to the original terms of the receivables concerned.

The movements of the allowance for uncollectible accounts are as follows:

	2024	2023
Beginning	P 1,486	P -
Additional allowance for uncollectible accounts	29,300	1,486
	P 30,786	P 1,486

7. Other Current Assets

This account consists of:

	2024	2023
Prepaid tax	P 272,801	P 266,401
Prepaid expenses	107,966	222,472
Security deposits	55,287	17,248
Supplies inventory	710	-
	P 436,764	P 506,121

Prepaid tax is the excess creditable withholding taxes that could be claimed as tax credits on tax returns after this reporting period.

Prepaid expenses mainly consist of liability insurance premium paid in advance which is expected to be consumed within the 12-month period of normal course of business.

Security deposits refer to the initial payments made for operating leases on office space and staff houses. These deposits are recoverable at the end of the lease term.

8. Property and Equipment - Net

The details of property and equipment as of December 31, 2024 are as follows:

	Office Equipment	Office Computer	Furniture and Fixtures	Construction in Progress	Building Improvements	Total
Cost:						
Balance at beginning of the year	P 64,300	P 601,750	P 23,333	P 368,677	P -	1,058,060
Additions	-	-	-	-	546,232	546,232
Transfers	-	-	-	(368,677)	368,677	-
Balance at end of the year	64,300	601,750	23,333	-	914,909	1,604,292
Accumulated Depreciation:						
Balance at beginning of the year	17,200	202,064	12,262	-	-	231,526
Depreciation	15,633	105,690	7,744	-	55,302	184,370
Balance at end of the year	32,833	307,754	20,006	-	55,302	415,895
Net Carrying Value	P 31,467	P 293,996	P 3,327	P -	P 859,607	P 1,188,397

The details of property and equipment as of December 31, 2023 are as follows:

	Office Equipment	Office Computer	Furniture and Fixtures	Construction in Progress	Total
Cost:					
Balance at beginning of the year	P 17,300	P 391,929	P 23,333	P -	432,562
Additions	47,000	209,821	-	368,677	625,498
Balance at end of the year	64,300	601,750	23,333	368,677	1,058,061
Accumulated Depreciation:					
Balance at beginning of the year	17,200	86,563	4,518	-	108,281
Depreciation	-	115,500	7,744	-	123,245
Balance at end of the year	17,200	202,063	12,262	-	231,525
Net Carrying Value	P 47,100	P 399,687	P 11,071	P 368,677	P 826,535

In 2024, the construction in progress was completed and reclassified as part of the building improvements. This pertains to the office space in Tagum City.

In 2024, additions in building improvements primarily the construction of a single-storey building in Tagum, Davao City.

9. Investment in Equity Securities

On August 29, 2024, the Company invested in BENTE Productions, Inc. which amounted to ₱499,900 for 4,999 shares valued at ₱100 par value. As of December 31, 2024, the Company owns 2% of the total outstanding capital stock of the investee.

10. Employee Benefits

The Group maintains a funded and formal noncontributory defined benefit retirement plan - the CARD MRI Multi-Employer Retirement Plan (MERP) - covering all of their regular employees and CARD Group Employees' Retirement Plan (Hybrid Plan) applicable to employees hired on or after July 1, 2016. MERP is valued using the projected unit cost method and is financed solely by the Company and its related parties.

In addition to the Company's defined benefit retirement plan, the Company is also a participant to the CARD Group Employees' Retirement Plan (New Plan applicable to employees hired on or after July 1, 2016) which provides a retirement benefit equal to 100% of the member's employer accumulated value (the Company's contributions of 8% of plan salary to Fund A plus credited earnings) and 100% of the member's employee accumulated value (Member's own voluntary contributions up to 10% of plan salary to Fund B plus accredited earnings), if any. Provided that in no case shall 100% of the employed accumulated value in Fund A be less than 100% of plan salary for every year of credited service.

The latest actuarial valuation report covers reporting period as at December 31, 2024.

The amounts recognized in the statement of financial position follows:

	2024	2023
Fair value of plan assets	₱ (2,088,291)	₱ (547,492)
Present value of defined benefit obligation	1,868,062	533,745
Effect of asset ceiling	16,971	796
Retirement asset	₱ (203,258)	₱ (12,951)

The retirement expense recognized in profit or loss:

	2024	2023
Current service cost	₱ 51,732	₱ 60,225
Net interest	(45,960)	(3,947)
	₱ 5,772	₱ 56,278

The movements in the present value of pension obligation follows:

	2024	2023
Balance at the beginning of the year	P 533,745	P 644,927
Interest expense	32,825	47,144
Current service cost	51,732	60,225
Actuarial (gain) loss	(1,733)	489,203
Transfers to the plan	1,251,493	(707,754)
Balance at the end of the year	P 1,868,062	P 533,745

The movements in the fair value of plan assets follows:

	2024	2023
Balance at the beginning of the year	P 547,492	P 1,128,276
Interest income	78,834	59,808
Contributions	217,227	87,523
Transfer to (from) the plan	1,251,493	(707,754)
Return on plan asset	(6,755)	(20,361)
Balance at the end of the year	P 2,088,291	P 547,492

The movements in the net retirement asset follows:

	2024	2023
Balance at the beginning of the year	P (12,951)	P (364,103)
Retirement expense recognized in P&L	26,920	438,675
Contributions	(217,227)	(87,523)
	P (203,258)	P (12,951)

The fair value of plan assets by each class as at the end of the reporting period are as follows:

	2024	2023
Cash and cash equivalents	P 249,760	P 64,385
Debt instruments	1,324,603	395,453
Loans	490,957	81,576
Others	22,971	6,077
	P 2,088,291	P 547,492

The cost of defined retirement plan as well as the present value of the defined benefit obligation is determined using actuarial valuations. The actuarial valuation involves making various assumptions. The principal actuarial assumptions used in determining pension for the retirement plan are shown below:

	2024	2023
Discount rate	6.11%	6.15%
Salary increase rate	5.00%	5.00%
Average remaining working lives	30.3 years	33.3 years

The weighted average duration of the defined benefit obligation at the end of the reporting period is 9.6 years and 11.5 years in 2024 and 2023, respectively.

Shown below is the 10-year projection of expected future benefit payments of the Company:

	2024	2023
Less than 1 year	P 139,941	P 49,591
More than 1 year to 5 years	619,737	214,615
More than 5 years to 10 years	997,521	296,367

11. Accrued Expenses and Other Payables

This account consists of:

	2024	2023
Accrued expenses	P 365,797	P 140,449
Accounts payable	45,264	211,492
Other payables	354,648	348,044
	P 765,709	P 699,985

Accrued expenses consist of employee benefits, professional fees, and other Company's expenses.

Other payables consist of liabilities due to various government institutions such as withholding taxes, VAT payable, Social Security Services (SSS), PhilHealth, and HDMF contributions.

12. Equity

a. Capital Stock

As at December 31, 2024 and 2023, the Company's capital stock consists of:

	2024		2023	
	Shares	Amount	Shares	Amount
Common stock - P5 par value, 1,000,000 authorized stocks				
Common stock at the beginning of the year	880,057	P 4,400,285	400,000	P 2,000,000
Additional subscriptions	119,943	599,715	112,064	560,320
Dividends declared	-	-	367,993	1,839,965
	1,000,000	P 5,000,000	880,057	P 4,400,285

Capital Management

The Company's objectives when managing capital are (a) to safeguard the Company's ability to continue as a going concern; (b) to support the Company's stability and growth by maintaining strong credit ratings and healthy capital ratios; and (c) to provide capital for the purpose of strengthening the Company's risk management capability to support and sustain its business growth towards maximizing the shareholder's value.

Minimum Capital Requirement

The Company considers its equity as its capital and is not subject to any externally imposed regulatory capital requirements.

b. Retained Earnings

On December 18, 2024, the Company's Board of Directors approved the ₱1,000,000 appropriation of its retained earnings to ensure that its project will be supported by sufficient fund computed as follows:

i. capacity building of staff	₱	500,000
ii. website development		500,000
	₱	1,000,000

13. Deposits for Future Stock Subscriptions

On May 11, 2024, the Board of Directors of the Company met and approved the increase in the authorized capital stock of the Company from ₱5,000,000 (divided into 1,000,000 shares with a par value of ₱5) to ₱10,000,000 (divided into 2,000,000 shares with a par value of ₱5). The aforementioned increase in the authorized capital stock of the Company was likewise approved by the stockholders in their annual meeting held on May 11, 2024.

The Company entered into subscription agreements with different subscribers and approved a total of ₱1,250,000 subscriptions for the corresponding 250,000 shares. On the said subscriptions, the Company received during the year a total of ₱599,840 as deposits for future stock subscriptions. The cash received by the Company was recognized as Deposits for Future Stock Subscriptions as of December 31, 2024, in compliance with the applicable SEC reporting requirements.

The application for the approval of the proposed increase in the authorized capital stock has been presented for filing or has been filed with the Commission. The Company formally filed the application with the SEC on September 11, 2024.

As of December 31, 2024, the application is still pending with the SEC.

14. Operating Expenses

	2024	2023
Salaries and wages	P 5,182,222	P 4,252,735
Transportation and travel	1,537,608	368,293
Seminars and meetings	982,574	590,455
Staff training and development	712,620	633,522
Office supplies	635,499	425,770
Outsource services	608,682	482,000
Information technology	496,340	451,629
Rentals	396,589	156,542
Penalties and other charges	278,566	-
Insurance expense	217,349	151,347
Depreciation (Note 8)	184,370	123,245
Management and other professional fees	170,504	182,686
Advertising and publicity	161,230	79,585
Research and documentation	148,669	350,622
Taxes and licenses	78,004	148,147
Repair and maintenance	75,635	56,449
Interest expense	72,634	-
Provision for doubtful accounts (Note 6)	29,300	1,486
Utilities	25,313	86,939
Communication and postage	21,450	111,442
Retirement expense (Note 10)	5,772	56,278
Program monitoring and evaluation	-	782,367
Miscellaneous expenses	141,729	112,097
	P 12,162,659	P 9,603,637

Interest expense mainly the interest of the tax deficiencies paid by the Company.

Salaries and wages mainly consist of:

	2024	2023
Salaries and wages	P 2,867,087	P 2,353,529
Employee benefits	1,921,954	1,577,105
SSS, PHIC, and HDMF Contributions	393,181	322,101
	P 5,182,222	P 4,252,735

Miscellaneous expenses above mainly consists of the following:

	2024	2023
Honorarium	P 63,000	P 74,500
Supervision and examination	45,873	7,879
Miscellaneous expense	21,826	24,806
Membership and dues	11,030	-
Representation expense	-	3,192
Penalties and other charges	-	1,719
	P 141,729	P 112,097

15. Other Income (Charges) - Net

This account consists of:

	2024	2023
Interest income	P 150,992	P 66,299
Miscellaneous income	13,044	1,151
Actuarial loss on retirement plan	(21,148)	(382,397)
	P 142,888	P (314,947)

Interest income represent the interest earned from the cash in banks and time deposits.

16. Income Taxes

a.CREATE Act

On March 26, 2021, the Republic Act (RA) 11534, known as "The Corporate Recovery or Tax incentives for Enterprises Act" (Create Act), was passed into law. The salient provisions of the Create Act applicable to the Company are as follows:

- Effective July 1, 2020, the corporate income tax rate is reduced from 30% to 20% for domestic corporations with net taxable income not exceeding ₱5,000,000 and with total assets not exceeding ₱100,000,000, excluding land on which the particular business entity's office, plant, and equipment are situated during the taxable year for which the tax is imposed at 20%. All other domestic corporations and resident foreign corporations will be subject to 25% income tax;
- Minimum corporate income tax (MCIT) rate is reduced from 2% to 1% effective July 1, 2020, to June 30, 2023; with the MCIT rate reverting to 2% on July 1, 2023.
- The imposition of improperly accumulated earnings is repealed.

b. Applicable rates

The Company is subject to Regular Corporate Income Tax (RCIT) rate of 20% in 2024 and 2023.

The Company is subject to MCIT of 2% and 1.5% in 2024 and 2023, respectively.

c. Optional standard deduction

Effective July 2008, Republic Act 9504 was approved giving corporate taxpayers an option to claim itemized deduction or optional standard deduction (OSD) equivalent to 40% of gross income. Once the option to use OSD is made, it shall be irrevocable for the taxable year for which the option was made. In 2024 and 2023, the Company opted to continue claiming itemized deduction.

d. Tax computation

	2024	2023
Revenues	P 17,132,978	P 14,422,892
Less: Cost of services	(2,852,587)	(2,999,002)
Gross income from operation	14,280,391	11,423,890
Add: Other income	13,044	1,151
Total gross income	14,293,435	11,425,041
Less: Itemized deduction	(11,936,281)	(9,599,502)
Taxable income	P 2,357,154	P 1,825,539
RCIT - at 20%	P 471,431	P 365,108
MCIT - at 2% and 1.5%, respectively	P 285,869	P 171,376
Income tax due	P 471,431	P 365,108
Income taxes paid and tax credits		
Prior year's excess tax credit	(266,401)	(1,048)
Income tax payment from 1st to 3rd quarter	(142,552)	(352,992)
Creditable taxes withheld 1st to 4th quarter	(335,279)	(277,469)
Income tax overpayment	P (272,801)	P (266,401)

e. Reconciliation

Reconciliation between accounting income and taxable income is presented below:

	2024	2023
Accounting income	P 2,260,620	P 1,505,306
Permanent differences:		
Contributions to retirement plan	(217,227)	(87,523)
Interest income subject to final tax	(150,992)	(66,299)
Amortized portion for the past service cost	(18,978)	(16,248)
Penalties and other charges	278,566	1,719
Temporary differences:		
Actuarial loss on retirement plan	21,148	382,397
Retirement expense	5,772	56,278
Contributions subject to amortization	148,945	24,568
Accumulated vacation leave	-	23,854
Provision for doubtful accounts	29,300	1,486
Taxable income	P 2,357,154	P 1,825,539

f. Provision for income tax consists of:

	2024	2023
Current income tax	P 471,431	P 365,108
Final tax	31,267	11,763
	P 502,698	P 376,871

g. Available Net Operating Loss Carry Over (NOLCO):

Year	Amount	Applied	Expired	Balance	Expiry Year
2020	P 172,864	P -	P -	P -	2025

For NOLCO incurred for the taxable year 2020, the Company is allowed to carry over the NOLCO for the next five (5) consecutive taxable years immediately following the year of such a loss.

17. Related Party Transactions

In the ordinary course of business, the Company transacts with related parties. Related parties include directors, members, officers, employees and entities where directors, members and officers hold key management positions. Transactions with such parties are made in the ordinary course of business and on substantially same terms, including interest, as those prevailing at the time for comparable transactions with other parties. These transactions are made substantially on the same terms as other individuals and business of comparable risks and are generally settled in cash.

Transactions with retirement plans

Under PFRS for SEs, certain post-employment benefit plans are considered as related parties.

CARD-MRI's MERP is a stand-alone entity assigned in facilitating the contributions to retirement starting 2005.

Other related party transactions

Transactions between the Company and its affiliates within the CARD-MRI, qualified as related party transactions. Related party transactions and balances as at and for the years ended December 31, 2024 and 2023 are as follows:

		December 31, 2024	
	Amount/ Volume	Outstanding Balance	Nature, Terms and Condition
Cash and cash equivalents	P	6,851,871	This pertains to savings deposit account in the bank.
Placements	P 39,171,625		
Withdrawals	37,453,686		
Due from affiliates		156,450	The amount represents the uncollected billing from services rendered
Charges	25,834,542		
Collections	25,680,294		
Due to affiliates		10,229	Unpaid billed expenses incurred in rendering services to customers.
Charges	770,757		
Collections	881,672		
Service revenue	17,132,978	-	These pertains to revenue recognized from various tour packages.
Interest income	150,992	-	Income earned from deposits to CARD-MRI entities.

December 31, 2023			
	Amount/ Volume	Outstanding Balance	Nature, Terms and Condition
Cash and cash equivalents		P 5,133,932	This pertains to savings deposit account in the bank.
Placements	P 35,672,083		
Withdrawals	35,051,655		
Due from affiliates	9,728	-	The amount represents the uncollected billing from services rendered
Due to affiliates	116,359	-	Unpaid billed expenses incurred in rendering services to customers
Service revenue	3,270,041	-	These pertains to revenue recognized from various tour packages.
Interest income	66,299	-	Income earned from deposits to CARD-MRI entities.

18. Approval of the Issuance of the Financial Statements

The accompanying financial statements were authorized for issue by the Board of Directors of the Company on April 2, 2025.

19. Supplementary Information Required by the Bureau of Internal Revenue

Revenue Regulations (RR) No. 15-2010

On November 25, 2010, the Bureau of Internal Revenue (BIR) issued Revenue Regulations (RR) No. 15-2010 which prescribes additional procedural and/or documentary requirements in connection with the preparation and submission of financial statements accompanying the tax returns. Under the said RR, companies are required to disclose, in addition to the disclosures mandated under PFRS for SEs and such other standards and/or conventions, taxes, duties, and license fees paid or accrued during the taxable year. Following is the required information under RR No. 15-2010 for the year ended December 31, 2024:

a. Value-Added Tax

Output VAT P 2,055,957

The Company has VATable sales for the year ended December 31, 2024 that amounted to P17,132,978.

Input VAT P 484,623

The work forward analysis of Company's input VAT for its VATable purchases is as follows:

Balance at the beginning of the year		P	-
Add: Purchases or payments for:			
Goods (domestic)	P	1,521,369	182,564
Services (domestic)		2,517,157	302,059
Total input VAT available			484,623
Less: Output VAT			(2,055,957)
VAT Payable			(1,571,334)
Less: VAT payments			1,333,472
VAT still payable		P	(237,862)

b. Withholding taxes

		2024
Expanded withholding taxes	P	128,323
Tax on compensation and benefits		95,115
	P	223,438

c. Taxes and licenses

The following are the other taxes paid by the Company during the year recognized under Taxes and licenses account:

Business permit	P	67,385
Documentary stamp tax		10,119
Annual registration fee		500
	P	78,004

d. Tax assessments and cases

In June 2024, the Company received a Letter of Authority (LOA No. 055-2024-022993/ SN: eLA201500042818) for the taxable year 2023. As of December 31, 2024, the tax audit is still in progress.

In April 2022, the Company received a Letter of Authority (LOA No. 055-2022-00000029/ SN: eLA201500005527) for the taxable year 2020. In 2024, the Company fully settled its tax assessment for the taxable year 2020 that amounted to ₱351,200, inclusive of deficiency taxes and interest.

INDEPENDENT AUDITOR'S REPORT

Page 1 of 4

The Board of Directors and Stockholders
CARD MRI Hijos Tours, Inc.
M.L. Quezon St., City Subdivision
San Pablo City, Laguna

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of CARD MRI Hijos Tours, Inc., ("the Company"), which comprise the statements of financial position as at December 31, 2024 and 2023, and the related statements of income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, 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 SEs).

Basis for Opinion

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

INDEPENDENT AUDITOR'S REPORT

Page 2 of 4

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 SEs, 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 Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT

Page 3 of 4

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.

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

INDEPENDENT AUDITOR'S REPORT

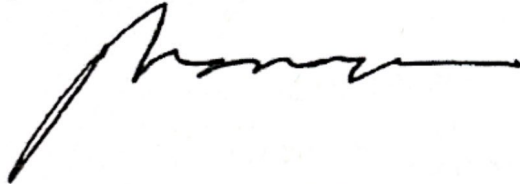
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Report on the Supplementary Information Required by the Bureau of Internal Revenue

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes, duties and license fees, and other information where applicable to the Company, in Note 19 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of the Company. The information has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as whole.

EM & ASSOCIATES, CPAs
(Formerly: Endriga, Manangu & Associates)

By:



SEVERINO M. MANANGU

Partner

TIN: 102-091-358

PRC CPA Reg. No.: 29567; license valid until Nov. 1, 2025

PRC-BOA Acc. No.: 4187 (Firm & Partners), valid until Sep. 28, 2026

BIR Acc. No. (Firm & Partners): 07-100200-001-2023, valid until Nov. 21, 2026

SEC Acc. No. (Partner): 29567-SEC Group C, valid up to FS as at Dec. 31, 2025

SEC Acc. No. (Firm): 4187-SEC Group C, valid up to FS as at Dec. 31, 2025

PTR No.: MKT 10490360, issued on Jan. 22, 2025 in the City of Makati

April 2, 2025

City of Makati, Metro Manila

**SUPPLEMENTAL WRITTEN STATEMENT OF INDEPENDENT AUDITOR
ON NUMBER OF STOCKHOLDERS OWNING 100 OR MORE SHARES**

The Board of Directors and Stockholders
CARD MRI Hijos Tours, Inc.
M.L. Quezon St., City Subdivision
San Pablo City, Laguna

We have audited the financial statements of CARD MRI Hijos Tours, Inc. for the year ended December 31, 2024, on which we have rendered the attached report dated April 2, 2025.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the said company has a total number of fourteen (14) stockholders owning one hundred (100) or more shares.

EM & ASSOCIATES, CPAs
(Formerly: Endriga, Manangu & Associates)

By:



SEVERINO M. MANANGU

Partner

TIN: 102-091-358

PRC CPA Reg. No.: 29567; license valid until Nov. 1, 2025

PRC-BOA Acc. No.: 4187 (Firm & Partners), valid until Sep. 28, 2026

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PTR No.: MKT 10490360, issued on Jan. 22, 2025 in the City of Makati

April 2, 2025
City of Makati, Metro Manila

**INDEPENDENT AUDITOR'S REPORT
TO ACCOMPANY INCOME TAX RETURN**

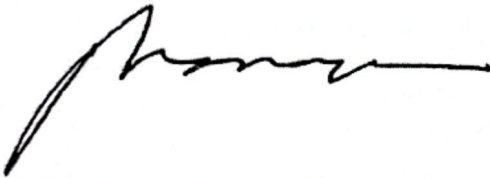
The Board of Directors and Stockholders
CARD MRI Hijos Tours, Inc.
M.L. Quezon St., City Subdivision
San Pablo City, Laguna

We have audited the financial statements of CARD MRI Hijos Tours, Inc. (the Company), for the year ended December 31, 2024, on which we have rendered our auditors' report dated April 2, 2025.

In compliance with Revenue Regulations V-20, we are stating that no partner of our firm is related by consanguinity or affinity to the principal officers or members of the Board of Directors of the Company.

EM & ASSOCIATES, CPAs
(Formerly: Endriga, Manangu & Associates)

By:



SEVERINO M. MANANGU
Partner

TIN: 102-091-358

PRC CPA Reg. No.: 29567; license valid until Nov. 1, 2025

PRC-BOA Acc. No.: 4187 (Firm & Partners), valid until Sep. 28, 2026

BIR Acc. No. (Firm & Partners): 07-100200-001-2023, valid until Nov. 21, 2026

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PTR No.: MKT 10490360, issued on Jan. 22, 2025 in the City of Makati

April 2, 2025
City of Makati, Metro Manila

EM & Associates, CPAs
(Formerly Endriga, Manangu & Associates)
Unit 1712 Cityland Herrera Tower
98 V.A. Rufino St., Salcedo Village
Bel-Air, Makati City 1227

This representation letter is provided in connection with your audit of the financial statements of **CARD MRI Hijos Tours Inc.** (the Company) for the year ended **December 31, 2024** for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and the results of its operations and cash flows for the year then ended in accordance with the Philippine Financial Reporting Standards for Small Entities (PFRS for SEs).

We acknowledge our responsibility for the fair presentation of the financial statements in accordance with the PFRS for SEs.

We confirm, to the best of our knowledge and belief as of April 2, 2025, the following representations made to you during your audit:

XIII. Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of our audit engagement for the 2024 audit, for the preparation and fair presentation of the financial statements in all material respects and in accordance with the PFRS for SEs.
2. We acknowledge our responsibility for such internal control as we determine necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error, including omissions. In particular, we acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud and error.
3. The measurement methods and significant assumptions used by us in making accounting estimates, including those measured at fair value and at amortized cost, are reasonable.
4. All events subsequent to the date of the financial statements and for which the PFRS for SEs require adjustment or disclosure have been adjusted or disclosed.

XIV. Information Provided

5. We have provided you with:
 - a) Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as all books of accounts and supporting documentation and all minutes of meetings of the Board of Directors and management committees;
 - b) Additional information that you have requested from us for the purpose of the audit; and
 - c) Unrestricted access to persons within the Company from whom you determined it necessary to obtain audit evidence.
6. All transactions that have been recorded in the accounting records and all audit adjustments, are approved and are reflected in the financial statements.
7. There are no instances of fraud or suspected fraud that we are aware of that affect materially the Company and involve:
 - a) Management; or
 - b) Employees who have a significant role in internal control
 - c) Others, where the fraud could have a material effect on the financial statements
8. There are no allegations of fraud, or suspected fraud, affecting the Company's financial statements that were communicated by employees, consultants, analysts, regulators, or others.
9. We have disclosed to you all instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements. Further, we have disclosed to you and have appropriately accounted for and/ or disclosed in the financial statements, in accordance with the PFRS for SEs, all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

XV. Representations Regarding Specific Accounts, Management Intent and Plans, and Other Information Known Only to Management

10. The revenue recognition criteria have been applied to the separately identifiable components within a single transaction to reflect the substance of the transactions. All revenue earned by the Company has been recognized.
11. We have recorded or disclosed, as appropriate, all liabilities, both actual and contingent.
12. The Company has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.
13. There are no formal or informal compensating balance agreements with any of our cash and investment accounts. We have no undisclosed credit arrangements.
14. We have provided you with the allocation of Costs and Expenses into Cost of Services (direct costs to earn the Company's revenue) and Operating Expenses (indirect costs and expenses). This allocation is based on our analysis of the association of the costs and expenses incurred to the revenue for services that we provide to our customers. We believe that this allocation is a fair allocation of costs and expenses based on pertinent tax regulations, and considering the allocation's impact on the Company's income tax liability.

XVI. Representations Regarding Title to Assets, Classification and Carrying Value of Assets, and Impairment of Assets

15. The Company has satisfactory title to all its assets and there are no liens or encumbrances on the Company's assets.
16. We have disclosed all plans or intentions that may affect the carrying value or classification of assets and liabilities reflected in the financial statements. We believe that the carrying amounts of all material assets are stated at their recoverable value.
17. We have disclosed all plans to abandon lines of service or other plans or intentions that will result in any excess or obsolete property and equipment.
18. We confirm that we have appropriately performed an impairment assessment of the Company's property and equipment in accordance with the PFRS for SEs. We concluded that these assets are provided with appropriate allowance for depreciation or impairment.

XVII. Financial Assets

19. We have assessed all financial assets to determine whether there is any objective evidence of impairment as a result of one or more loss events that occurred subsequent to their initial recognition, and any impairment identified has been recognized in the financial statements, as appropriate.

XVIII. Representation Regarding the Report on the Supplementary Information Required Under Revenue Regulation (RR) 15-2010 of the Bureau of the Internal Revenue (BIR)

20. We have provided you access to all information, of which we are aware of, that is relevant to the preparation of supplementary information required by the BIR under RR 15-2010, *Amending Certain Provisions of Revenue Regulations No. 21-2002, as Amended, Implementing Section 16 (H) of the Tax Code of 1997, Authorizing the Commissioner of Internal Revenue to Prescribe Additional Procedural and/or Documentary Requirements in Connection with the Preparation and Submission of Financial Statements Accompanying Income Tax Returns*, issued on November 25, 2010.
21. We confirm that the disclosures in respect of the supplementary information required under RR 15-2010 have been appropriately incorporated in the financial statements. Furthermore, all transactions on taxes and licenses have been extracted from the accounting records and disclosed as supplementary information in the notes to the financial statements.
22. We have provided you access to all information, of which we are aware of, that is relevant to the RR 34-2020 which prescribes the guidelines and procedures for the submission of BIR Form 1709, Transfer Pricing Documentation (TPD) and other Supporting Documents. Under the said RR, companies are required to disclose if they are not covered by Section 2 of the RR which provides the taxpayers required to file and submit Form 1709 Information Return on Related Party Transactions, together with the Annual Income Tax Return, issued on December 21, 2020.
23. We confirm that the disclosures in respect of the supplementary information required under RR 34-2020 have been appropriately incorporated in the financial statements.

XIX. Representations Regarding Exposures to Risks

24. We confirm that we have provided you with all information relating to the Company's exposures to risk arising from financial instruments and how these exposures arise.

XX. Representations Regarding Completeness of Information Provided in Respect of Key Judgments and Assumptions Made by Management

25. We confirm that we have provided you with:

- a. all relevant information regarding the significant assumptions applied in estimating fair values of financial assets that are carried at fair value.
- b. all relevant information regarding the significant assumptions applied in estimating useful lives of property and equipment.
- c. all relevant information regarding the significant assumptions applied in estimating the allowance for doubtful receivables at a level considered adequate to provide for potential uncollectible receivables.

XXI. Representations Regarding Provisions and Contingencies

26. We confirm that we have provided you with all relevant information regarding the recognition of provisions and contingencies when the Company has present legal or constructive obligations as a result of past events.

XXII. Representations Regarding Transactions and Balances with Related Parties

27. We confirm that we have provided you with all relevant information regarding the transactions and balances with related parties.

28. We confirm that the balances in the Company's books have been reconciled with the balances in the related parties' books.

XXIII. Other Representations

Functional Currency

29. We have considered which currency is the currency of the primary economic environment in which the Company operates (the "functional currency"). In making this assessment, we have used our judgment to determine the functional currency that most faithfully represents the underlying transactions, events and conditions of the Company. We have concluded that the functional currency of the Company is the Philippine peso because it is the currency of the primary economic environment in which the Company operates.

XII. Representations Regarding Subsequent Events and the Company as a Going Concern

30. We confirm that all events occurring subsequent to the date of the financial statements and for which the PFRS for SEs and other reporting standards adopted require adjustment or disclosure have been adjusted or disclosed.

XIII. Approval of the Financial Information

31. The Board of Directors approved the financial statements on April 2, 2025.

CARD MRI Hijos Tours Inc.

Signature:



Marilyn M. Manila
President



Lousel E. Cortes
Treasurer

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

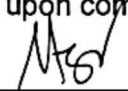
The management of **CARD MRI Hijos Tours Inc. (the Company)** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

EM & ASSOCIATES, CPAs (formerly Endriga, Manangu & Associates), 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, has expressed its opinion on the fairness of presentation upon completion of such audit.



Marilyn M. Manila
Chairman of the Board

Marilyn M. Manjila
President

Lousel E. Cortes
Treasurer

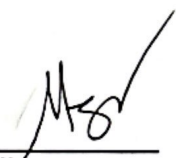
Signed this 2nd day of April 2025

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR ANNUAL INCOME TAX RETURN**

The Management of **CARD MRI Hijos Tours Inc.** is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2024. 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 the other tax returns filed for the reporting period, including, but not limited, to the value-added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended December 31, 2024 and the accompanying Annual Income Tax Return are in accordance with the books and records of **CARD MRI Hijos Tours 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 the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
- (c) **CARD MRI Hijos Tours 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.



Marilyn M. Manila
President

Lousel E. Cortes
Treasurer

Signed this 2nd day of April 2025

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

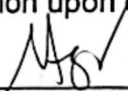
The management of **CARD MRI Hijos Tours Inc. (the Company)** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

EM & ASSOCIATES, CPAs (formerly Endriga, Manangu & Associates), 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, has expressed its opinion on the fairness of presentation upon completion of such audit.



Marilyn M. Manila
Chairman of the Board

Marilyn M. Manila
President

Lousel E. Cortes
Treasurer

Signed this 2nd day of April 2025

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR ANNUAL INCOME TAX RETURN**

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Marilyn M. Manila
President

Lousel E. Cortes
Treasurer

Signed this 2nd day of April 2025



CARD MRI Hijos Tours, Inc. <hijostours@cardmri.com>

Your BIR AFS eSubmission uploads were received

1 message

eafs@bir.gov.ph <eafs@bir.gov.ph>

Mon, Apr 28, 2025 at 6:08 PM

To: HIJOSTOURS@cardmri.com

Cc: MAYIE.MANALO@cardmri.com

Hi CARD MRI HIJOS TOURS INC,

Valid files

- EAFS009736858TCRTY122024-02.pdf.pdf
- EAFS009736858TCRTY122024-03.pdf.pdf
- EAFS009736858TCRTY122024-01.pdf.pdf
- EAFS009736858AFSTY122024.pdf
- EAFS009736858ITRTY122024.pdf
- EAFS009736858RPTTY122024.pdf

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Transaction Code: **AFS-0-AGDCHGL708H9G9B5BQ3WS4XQ40CK5B7JAB**Submission Date/Time: **Apr 28, 2025 06:08 PM**Company TIN: **009-736-858**

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- 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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