



COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C S 2 0 1 7 2 2 8 0 7

COMPANY NAME

C A R D M R I P U B L I S H I N G H O U S E 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

publishing@cardmri.com

Company's Telephone Number/s

(049) 562-0009

Mobile Number

0919-531-9868

No. of Stockholders

18

Annual Meeting
Month/Day

Every 3rd 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@cardbankph
.com

Telephone Number/s

(049) 562-0009

Mobile Number

0998-974-3772

CONTACT PERSON'S ADDRESS

M.L Quezon St., City Subdivision, San Pablo City, Laguna

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 Publishing House Inc.

Financial Statements

December 31, 2023 and 2022

and

Independent Auditor's Report

ENDRIGA, MANANGU & ASSOCIATES
Certified Public Accountants

CARD MRI PUBLISHING HOUSE INC.
STATEMENTS OF FINANCIAL POSITION
As of December 31, 2023 and 2022

			As of December 31	
	Notes		2023	2022
ASSETS				
Current Assets				
Cash and cash equivalents	3, 5	P	7,700,990	P 6,300,103
Receivables	3, 6		112,179	336,053
Other current assets	3, 7		590,299	781,299
Total Current Assets			8,403,468	7,417,455
Noncurrent Assets				
Retirement asset	13		161,553	100,146
Property and equipment - net	3, 8		585,259	649,148
Intangible asset - net	3, 9		126,233	227,220
Total Noncurrent Assets			873,045	976,514
TOTAL ASSETS		P	9,276,513	P 8,393,969
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Accrued expenses and other payables	3, 10	P	728,988	P 468,124
Due to affiliates	3, 15		140	-
Income tax payable	3, 14		-	29,673
Total Current Liabilities			729,128	497,797
EQUITY				
Capital stock	3, 11		7,481,895	3,050,000
Retained earnings	3, 11		1,065,490	4,846,172
Total Equity			8,547,385	7,896,172
TOTAL LIABILITIES AND EQUITY		P	9,276,513	P 8,393,969

See accompanying Notes to Financial Statements.



CARD MRI PUBLISHING HOUSE INC.
STATEMENTS OF INCOME
As of December 31, 2023 and 2022

For the Years Ended December 31			
	Notes	2023	2022 (As restated)
REVENUES	3		
Book sales		P 16,313,547	P 14,709,140
Service revenue		8,075,620	6,401,288
		24,389,167	21,110,428
COST OF SALES AND SERVICES	3	10,110,524	10,040,446
GROSS PROFIT		14,278,643	11,069,982
OPERATING EXPENSES			
Salaries and wages		6,713,510	4,601,946
Staff training and development		1,026,576	106,044
Information technology	16	870,472	190,831
Taxes and licenses		816,768	405,304
Program, monitoring and evaluation		654,537	907,938
Outsourced services		577,035	216,000
Rentals		406,772	220,814
Transportation and travel		337,634	307,067
Seminars and meetings		274,914	166,177
Communication and postage		246,932	212,335
Depreciation expense	3, 8	245,848	190,612
Insurance expense		223,352	142,701
Office supplies		168,586	347,763
Utilities		136,590	135,859
Management and other professional fees		107,731	316,230
Amortization	3, 9	100,987	75,740
Retirement expense	3, 13	72,864	88,585
Advertising and publicity		55,244	272,292
Provision for doubtful accounts		3,924	-
Miscellaneous expenses	12, 16	240,891	308,233
		13,281,165	9,212,471
OPERATING INCOME	BY: 	997,479	1,857,511
OTHER INCOME (CHARGES) - NET			
Actuarial gain (loss) on retirement plan	3, 13	(258,673)	407,722
Interest income	3, 5	112,912	36,956
Miscellaneous income		1,909	50,494
		(143,852)	495,172
NET INCOME BEFORE INCOME TAX		853,626	2,352,683
PROVISION FOR INCOME TAX	3, 14	234,308	420,222
NET INCOME AFTER INCOME TAX		P 619,318	P 1,932,461

See accompanying Notes to Financial Statements.



CARD MRI PUBLISHING HOUSE INC.
STATEMENTS OF CASH FLOWS
As of December 31, 2023 and 2022

		For the Years Ended December 31	
	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income before income tax		P 853,626	P 2,352,683
Adjustments for:			
Actuarial (gain) loss on retirement plan	13	258,673	(407,722)
Depreciation expense	8	245,848	190,612
Retirement expense	13	72,864	88,585
Amortization	9	100,987	75,740
Interest income	5	(112,912)	(36,956)
Operating income before working capital changes		1,419,086	2,262,942
Changes in operating assets and liabilities			
Decrease (increase) in:			
Receivables	6	223,874	(258,748)
Other current assets	7	191,000	(477,378)
Increase (decrease) in:			
Accrued and other expenses payable	10	260,864	(294,496)
Due to affiliates	15	140	(11,220)
Net cash provided by operations		2,094,964	1,221,100
Interest received	5	112,912	36,956
Income taxes paid	14	(263,981)	(475,921)
Contributions to retirement plan	13	(392,944)	(172,365)
Net cash provided by operating activities		1,550,951	609,770
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash dividends paid	10	(4,400,000)	-
Proceeds from issuance of common stock	10	4,431,895	1,050,000
Net cash provided by financing activities		31,895	1,050,000
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of property and equipment	8	(181,959)	(572,830)
Acquisitions of intangible assets	9	-	(302,960)
Net cash used in investing activities		(181,959)	(875,790)
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,400,887	783,980
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		6,300,103	5,516,123
CASH AND CASH EQUIVALENTS AT END OF YEAR		P 7,700,990	P 6,300,103

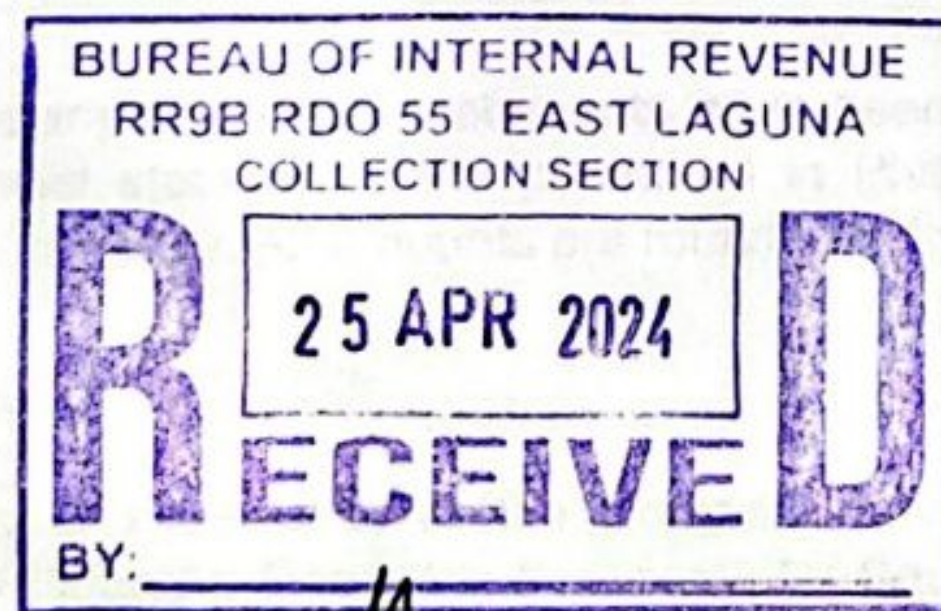
See accompanying Notes to Financial Statements.



CARD MRI PUBLISHING HOUSE INC.
STATEMENTS OF CHANGES IN EQUITY
As of December 31, 2023 and 2022

	Common Stock (Note 11)	Retained Earnings (Note 11)	Total
As at January 1, 2023	P 3,050,000	P 4,846,172	P 7,896,172
Issuance of stock through collections of subscription receivables	622,000	-	622,000
Additional subscriptions	3,809,895	-	3,809,895
Dividends paid	-	(4,400,000)	(4,400,000)
Net income after income tax	-	619,318	619,318
At December 31, 2023	P 7,481,895	P 1,065,490	P 8,547,385
As at January 1, 2022	P 2,000,000	P 2,913,711	P 4,913,711
Issuance of stock through collections of subscription receivables	1,050,000	-	1,050,000
Net income after income tax	-	1,932,461	1,932,461
At December 31, 2022	P 3,050,000	P 4,846,172	P 7,896,172

See accompanying Notes to Financial Statements.



CARD MRI PUBLISHING HOUSE INC.

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2023 and 2022

1. General Information

CARD MRI PUBLISHING HOUSE 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 development newspaper and other publications to CARD MRI stakeholders and the public; (b) to communicate microfinance and community development programs to CARD MRI, the public, and the community; (c) to distribute development newspaper and other publications in the Philippines and in other countries if needed; (d) to publish books internally produced by CARD MRI and its clients, other writers, authors, and other publisher; and (e) to carry on the business as printers, book sellers, bookbinders, paper and stationary makers, engravers, photographers, photographic printers, rishography, duplicators, electro-typers, lithographers, machinist, silk screeners, or any other business or activities that may seem expedient and/or connected with the publishing business.

Under Republic Act 9337 as implemented by Revenue Regulations No. 16-2005, sale, importation, printing or publication of books and any newspaper, magazine, review, or bulletin which appears at regular intervals with fixed prices for subscription and sale and which is not devoted principally to the publication of paid advertisement is not subject to VAT (output tax). Consequently, tax credit of VAT (Input tax) on purchases related to these VAT-exempt transactions is not allowed.

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 20 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 (P), 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 Significant Accounting Policies

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

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

Objective evidence 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 canceled, 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 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 if 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

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.

Intangible Assets

Intangible asset pertains to MFI Newswire, a site to empower the articles of the Company and also CARD Mutually Reinforcing Institutions internationally that are stated at cost less accumulated amortization and any accumulated impairment losses. The amortization of intangible asset is on a straight-line basis over a period of three (3) years and is recorded under the 'Amortization expense' account.

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 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 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 be 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 assets, liabilities, and equity.

Capital Stock

The 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.

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

Book sales

Books sales are recognized upon delivery when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of any trade discounts, prompt payment discounts, and volume rebates.

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 generated from advertisement placements, review of marketing materials, maintenance of CARD-MRI social media and website, lay-outing, printing, and other facilitation services.

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 a decrease in future economic benefit related to a decrease in an asset or an increase in 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 sales and services are costs that include all expenses associated with the specific sale of goods and services. Cost of sales and services includes the purchase price and capitalizable purchase costs less any related purchase returns, discounts and allowances. Such costs are provided in the period when sales or services are rendered.

Retirement Benefits

The Company operates a defined benefit retirement plan which requires contributions 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 an 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. The 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 to 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 pesos at exchange rates that 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 of 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, 2023 and 2022, 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 13.

5. Cash and Cash Equivalents

This account consists of:

		2023		2022
Cash in banks	P	4,104,540	P	4,270,103
Short-term time deposit		3,566,449		2,000,000
Petty cash fund		30,000		30,000
	P	7,700,990	P	6,300,103

Cash in banks consists of savings deposit accounts, with annual interest rates ranging from 0.05% to 0.10% and 0.05% to 0.50% in 2023 and 2022, respectively.

Short-term time deposit has a tenor of 36 days and interest rate of 3.25%.

Interest income earned by the Company from cash and cash equivalents amounted to P112,912 and P36,956 in 2023 and 2022, respectively.

6. Receivables

This account consists of:

		2023		2022
Due from affiliates (Note 14)	P	78,475	P	-
Other receivables		37,628		336,053
		116,103		336,053
Allowance for doubtful accounts		(3,924)		-
	P	112,179	P	336,053

All receivables are demandable and non-interest bearing. Other receivables consist of receivables related to the Company's ordinary course of business.

7. Other Current Asset

This account consists of:

		2023		2022
Inventory - books	P	203,003	P	629,561
Prepaid tax		173,103		-
Prepaid expenses		110,917		77,133
Security deposits		83,593		19,665
Inventory - supplies		19,682		31,168
Others		-		23,772
	P	590,299	P	781,299

Prepaid expense mainly consists of the accident insurance premium paid in advance which is expected to be consumed within the 12 months normal course of business.

Inventory - books pertain to unsold books, magazines, newspapers, and comics.

Inventory - supplies pertain to supplies for the daily consumption of the operations.

Prepaid tax represents overpayment of income tax.

Security deposits are payment made for computer equipment, staff house rental and office rental.

8. Property and equipment - net

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

		Furniture and Fixtures		Office Equipment		Office Computer		Total
Cost:								
Balance at beginning of the year	P	53,187	P	161,899	P	742,712	P	957,798
Additions		-		27,485		154,474		181,959
Balance at end of the year		53,187		189,384		897,186		1,139,757
Accumulated Depreciation:								
Balance at beginning of the year		26,895		96,337		185,418		308,650
Depreciation		11,654		35,786		198,408		245,848
Balance at end of the year		38,549		132,123		383,826		554,498
Net Carrying Value	P	14,638	P	57,261	P	513,360	P	585,259

The details of property and equipment as of December 31, 2022 are as follows:

	Furniture and Fixtures		Office Equipment		Office Computer		Total
Cost:							
Balance at beginning of the year	P	29,854	P	94,611	P	260,503	P 384,968
Additions		23,333		67,288		482,209	572,830
Balance at end of the year		53,187		161,899		742,712	957,798
Accumulated Depreciation:							
Balance at beginning of the year		12,493		59,626		45,919	118,038
Depreciation		14,402		36,711		139,498	190,612
Balance at end of the year		26,895		96,337		185,418	308,650
Net Carrying Value	P	26,292	P	65,562	P	557,294	P 649,148

9. Intangible asset - net

Intangible asset pertains to MFI Newswire, a site to empower the articles of the Company and also CARD Mutually Reinforcing Institutions internationally. The amortization of intangible asset is on a straight-line basis over a period of three (3) years and is recorded under the 'Amortization expense' account.

Details of intangible asset is as follows:

		2023		2022
Cost:				
Balance at beginning of the year	P	302,960	P	-
Additions		-		302,960
Balance at end of the year		302,960		302,960
Accumulated amortization:				
Balance at beginning of the year		75,740		-
Additions		100,987		75,740
Balance at end of the year		176,727		75,740
Net carrying value	P	126,233	P	227,220

10. Accrued expenses and other payables

This account consists of:

	2023		2022	
Accrued expenses	P	311,039	P	236,534
Percentage tax payable		213,215		57,527
Documentary stamp tax payable		34,100		-
Withholding taxes payable		65,583		96,154
Others		105,051		77,909
	P	728,988	P	468,124

Accrued expenses consist of unpaid employee benefits and professional fees.

Others represent other regulatory contributions and output VAT payable.

11. Equity

Capital Stock

As at December 31, 2023 and 2022, the Company's capital stock consists of:

	2023		2022	
	Shares	Amount	Shares	Amount
Common stock - P5 par value, 1,000,000 authorized stocks				
Balance at beginning of the year	610,000 P	3,050,000	400,000 P	2,000,000
Additional subscriptions	761,979	3,809,895	-	-
Issuance of capital stock from settlement of subscription	124,400	622,000	210,000	1,050,000
	1,496,379 P	7,481,895	610,000 P	3,050,000

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.

12. Miscellaneous Expenses

Details of miscellaneous expenses are as follows:

	2023	2022 (As restated)
Repairs and maintenance	P 82,589	P 112,628
Honorarium	67,500	42,000
Representation expense	7,705	-
Supervision and examination	9,202	-
Others	73,894	153,605
	P 240,891	P 308,233

Others include burial assistance and other employee-related expenses.

13. Retirement 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.

MERP complies with the requirements of Republic Act No. 7641 (Retirement Law). MERP provides lump sum benefits equivalent to up to 120% of the final salary for every year of credited service, a fraction of at least six (6) months being considered as one whole year, upon retirement, death, total and permanent disability, or voluntary separation after completion of at least one year of service with the participating companies.

In addition to the Company's defined benefit retirement plan, the Company also operates a defined contribution plan referred to as a "Hybrid Plan" which provides a retirement benefit equal to 100% of the member's employer accumulated value (the Company's contributions of 8% plan salary to Fund A plus credited earnings) and 100% of the member's employee accumulated value (member's own contributions up to 10% of plan salary to Fund B plus credited earnings), if any, provided that in no case shall 100% of the employee 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, 2023.

The amounts recognized in the statement of financial position follows:

		2023		2022
Fair value of plan assets	P	(1,822,142)	P	(1,339,597)
Present value of defined benefit obligation		1,647,786		1,231,296
Effect of asset ceiling		12,803		8,155
Retirement asset	P	(161,553)	P	(100,146)

The retirement expense recognized in profit or loss:

		2023		2022
Current service cost	P	95,573	P	90,821
Net interest		(22,709)		(2,236)
	P	72,864	P	88,585

The movements in the present value of pension obligation follows:

		2023		2022
Balance at the beginning of the year	P	1,231,296	P	841,657
Interest expense		89,638		43,514
Current service cost		95,573		90,821
Actuarial (gain) loss		200,637		(441,537)
Benefits paid from plan assets		-		(297,898)
Transfers to the plan		30,642		994,739
Balance at the end of the year	P	1,647,786	P	1,231,296

The movements in the fair value of plan assets follows:

		2023		2022
Balance at the beginning of the year	P	1,339,597	P	450,301
Interest income		112,941		45,750
Contributions		392,944		172,365
Benefits paid from plan assets		-		(297,898)
Transfer to the plan		30,642		994,739
Return on plan asset		(53,982)		(25,660)
Balance at the end of the year	P	1,822,142	P	1,339,597

The movements in the net retirement liability follows:

		2023		2022
Balance at the beginning of the year	P	(100,146)	P	391,356
Retirement expense recognized in P&L		72,864		88,585
Retirement expense recognized in OCI		258,673		(407,722)
Contributions		(392,944)		(172,365)
	P	(161,553)	P	(100,146)

The allocation of plan assets is as follows:

		2023		2022
Cash and cash equivalents	P	214,284	P	219,560
Debt instruments		1,316,133		989,292
Loans		271,499		112,392
Other		20,226		18,352

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

	2023	2022
Discount rate	6.12%	7.28%
Salary increase rate	5.00%	5.00%
Average remaining working lives	32.2 years	31.5 years

The weighted average duration of the defined benefit obligation at the end of the reporting period is 10.1 years and 10.5 years in 2023 and 2022, respectively.

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

		2023		2022
Less than 1 year	P	134,507	P	94,738
More than 1 year to 5 years		550,265		417,486
More than 5 years to 10 years		821,979		642,958

14. Income Taxes

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 P5,000,000 and with total assets not exceeding P100,000,000, 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.

a. Applicable rates

The Company is subject to Regular Corporate Income Tax (RCIT) rate of 20% and MCIT of 1.5%.

b. Optional standard deduction

Effective July 2008, Republic Act 9504 was approved giving corporate taxpayers an option to claim an 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 2023 and 2022, the Company opted to continue claiming the itemized deduction.

c. Tax computation

		2023		2022
Revenues	P	24,389,167	P	21,110,428
Less: Cost of sales and services		(10,110,524)		(10,040,446)
Gross income from operation		14,278,643		11,069,982
Add: Other income		1,909		50,494
Total Gross income		14,280,552		11,120,476
Less: Itemized deductions		(13,270,336)		(9,054,269)
Taxable income	P	1,010,216	P	2,066,207
RCIT - at 20%	P	202,043	P	413,241
MCIT - at 1.5 % and 1%		214,208		111,205
Income tax due	P	214,208	P	413,241
Income taxes paid and tax credits				
Income tax payment from 1st to 3rd quarter		(59,544)		(108,650)
Creditable taxes withheld 1st to 4th quarter		(327,767)		(274,918)
Income tax payable (overpayment)	P	(173,103)	P	29,673

d. Reconciliation

Reconciliation between accounting income and taxable income is presented below:

		2023		2022
Accounting income	P	853,626	P	2,352,683
Permanent differences:				
Contributions to retirement plan		(392,944)		(172,365)
Interest income subject to final tax		(112,912)		(36,956)
Amortized portion for the past service cost		(15,556)		(6,430)
Temporary differences:				
Contributions subject to amortization		267,634		75,402
Actuarial (gain) loss on retirement plan		258,673		(407,722)
Accumulated vacation leave		74,907		173,010
Retirement expense		72,864		88,585
Provision for doubtful accounts		3,924		-
Taxable income	P	1,010,216	P	2,066,207

e. Provision for income tax consists of:

		2023		2022
Income tax- current	P	214,208	P	413,241
Final tax		20,100		6,981
	P	234,308	P	420,222

15. 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 the 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 businesses 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, 2023 and 2022 are as follows:

December 31, 2023				
	Amount/ Volume		Outstanding Balance	Nature, Terms and Condition
Cash and cash equivalents		P	6,953,359	This pertains to savings deposit account in the bank.
Placements	P 37,556,809			
Withdrawals	36,422,336			
Due from affiliates			78,475	The amount represents the uncollected billing from Books sales, Digital and Other Publications, Planner and birthday cards.
Billings	31,246,687			
Settlement	31,168,212			
Service revenue	8,075,620		-	Income earned from Digital Publications and other services from the Job orders including printing, editing, layouts and others.
Book sales	16,313,547		-	Income earned from sale of books to affiliates; all on cash basis.
Cost of service	10,110,524		-	Direct expenses incurred by the Company in providing services.
December 31, 2022				
	Amount/ Volume		Outstanding Balance	Nature, Terms and Condition
Cash and cash equivalents		P	5,818,886	This pertains to savings deposit account in the bank.
Placements	P 30,669,798			
Withdrawals	30,221,927			
Due from affiliates				The amount represents the uncollected billing from website content, Press Release, Planner and birthday cards.
Billings	22,780,012			
Settlement	22,798,645			
Service revenue	6,401,288		-	Income earned from social media like Website Contents, Advertising Value equivalent, Press Releases and Media Briefings and others are from the Job orders including printing, editing, layouts and others.
Book sales	14,709,140		-	Income earned from sale of books to affiliates; all on cash basis.
Cost of service	10,040,446		-	Direct expenses incurred by the Company in providing services.

16. Reclassification of Certain Accounts

In 2023, the Company made the following reclassification of accounts in 2022 to conform with the 2023 presentation.

<u>Nature</u>	<u>Accounts Affected</u>	<u>Before</u> <u>Reclassifications</u>	<u>Reclassifications</u>	<u>After</u> <u>Reclassifications</u>
Operating Expense	Miscellaneous Expense- Information Technology	190,831	(190,831)	-
Operating Expense	Information Technology	-	190,831	190,831

17. Other Matter**COVID-19 Impacts**

Since December 31, 2019 to December 31, 2023, the spread of COVID-19 has severely impacted many economies around the globe. In many countries, businesses were forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. In the Philippines, varying quarantine measures were implemented beginning on March 17, 2020.

Proclamation No. 297, signed on July 21, 2023, stated that all prior orders, memoranda, and issuances that are effective only during the State of Public Health Emergency shall be deemed withdrawn, revoked, or canceled and shall no longer be in effect.

The Company's management has assessed and addressed the impacts of COVID-19. As of December 31, 2023 and 2022, all COVID-19 determinable impacts on the Company's 2023 financial statements have been either adjusted or disclosed.

18. Approval of the Release of the Financial Statements

The accompanying financial statements were authorized for issue by the Board of Directors of the Company on April 4, 2024.

19. Supplementary Information Required By Bureau of Internal Revenue**Revenue Regulations (RR) No. 15-2010**

On November 25, 2010, the Bureau of Internal Revenue (BIR) issued RR 15-2010 prescribing the manner of compliance in connection with the preparation and submission of financial statements accompanying the tax returns. It includes provisions for additional disclosure requirements in the notes to the financial statements, particularly on taxes, duties and licenses paid or accrued during the year.

This supplementary information on taxes and licenses is presented for purposes of filing with the Bureau of Internal Revenue and is not required by the PFRS for SEs.

Following is the required information under RR 15-2010 for the year ended December 31, 2023:

a. Taxes and Licenses

Percentage taxes	P	524,079
Business permit		186,693
Documentary stamp tax		5,000
BIR Annual registration fee		500
Others		100,495
	P	816,768

b. Withholding Taxes

Expanded withholding	P	279,637
Tax on compensation and benefits		113,532
	P	393,169

c. Tax Assessments and Cases

In September 2023, the Company received a Letter of Authority (LOA No. 055-2023-019340/ SN: eLA2015000038975) for the taxable year 2022. As of December 31, 2023, the tax audit is still in progress.

Endriga, Manangu & Associates
Unit 1010, Annapolis Wilshire Plaza
#11 Annapolis Street, Greenhills
San Juan, Metro Manila

This representation letter is provided in connection with your audit of the financial statements of **CARD MRI Publishing House Inc.** (the Company) for the year ended **December 31, 2023** 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, 2023, 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 4, 2024, the following representations made to you during your audit:

I. Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of our audit engagement for the 2023 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.

II. 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.

III. 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.

IV. 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.

V. 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.

VI. 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, 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.

VII. 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.

VIII. 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 potentially uncollectible receivables.

IX. 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.

X. 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.

XI. 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.

IX. 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.

X. Representations Regarding Other Matter

31. Since December 31, 2019 to December 31, 2023, the spread of COVID-19 has severely impacted many economies around the globe. In many countries, businesses were forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. In the Philippines, varying quarantine measures were implemented beginning on March 17, 2020.

Proclamation No. 297, signed on July 21, 2023, stated that all prior orders, memoranda, and issuances that are effective only during the State of Public Health Emergency shall be deemed withdrawn, revoked, or canceled and shall no longer be in effect.

The Company's management has assessed and addressed the impacts of COVID-19. As of December 31, 2023 and 2022, all COVID-19 determinable impacts on the Company's 2023 financial statements have been either adjusted or disclosed.

XII. Approval of the Financial Information

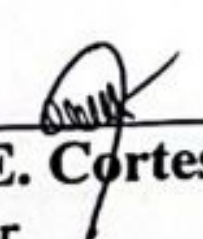
32. The Board of Directors approved the financial statements on April 4, 2024.

CARD MRI Publishing House Inc.

Signature:



Marilyn M. Manila
President



Lousel E. Cortes
Treasurer

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

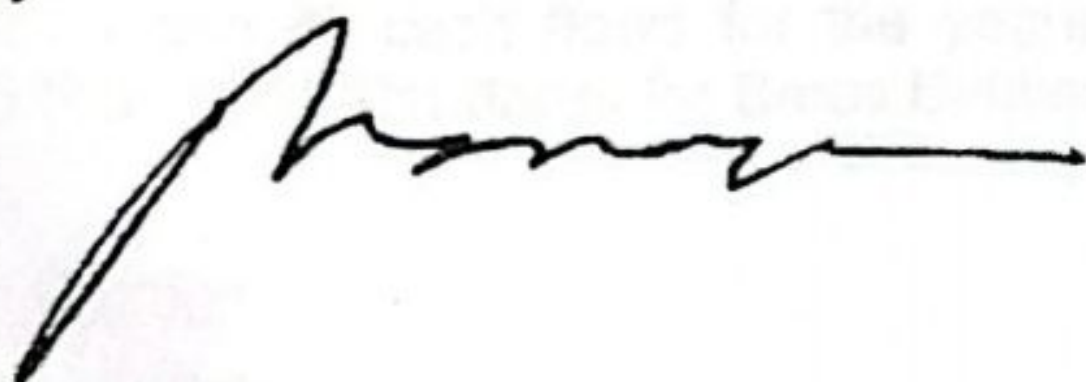
The Board of Directors and Stockholders
CARD MRI Publishing House Inc.
20 M.L. Quezon St., City Subdivision
San Pablo City, Laguna

We have audited the financial statements of CARD MRI Publishing House Inc. (the Company), for the year ended December 31, 2023, on which we have rendered our auditors' report dated April 4, 2024.

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.

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): 07-100200-001-2020, valid until Nov. 21, 2026

PTR No.: SJ1749958, issued on Jan. 5, 2024 in the City of San Juan

April 4, 2024
City of San Juan, Metro Manila



INDEPENDENT AUDITOR'S REPORT

Page 1 of 4

The Board of Directors and Stockholders
CARD MRI Publishing House Inc.
20 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 Publishing House Inc., ("the Company"), which comprise the statements of financial position as at December 31, 2023 and 2022, 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 a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards 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.



ENDRIGA, MANANGU & ASSOCIATES

Certified Public Accountants

U.1010 Wilshire Plaza, 11 Annapolis St., Greenhills, San Juan, MM

C.P. 0917 576 9000; LI. (02) 8628 0150

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.



ENDRIGA, MANANGU & ASSOCIATES

Certified Public Accountants

U.1010 Wilshire Plaza, 11 Annapolis St., Greenhills, San Juan, MM

C.P. 0917 576 9000; LI. (02) 8628 0150

INDEPENDENT AUDITOR'S REPORT

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- 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.

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.

INDEPENDENT AUDITOR'S REPORT



ENDRIGA, MANANGU & ASSOCIATES

Certified Public Accountants

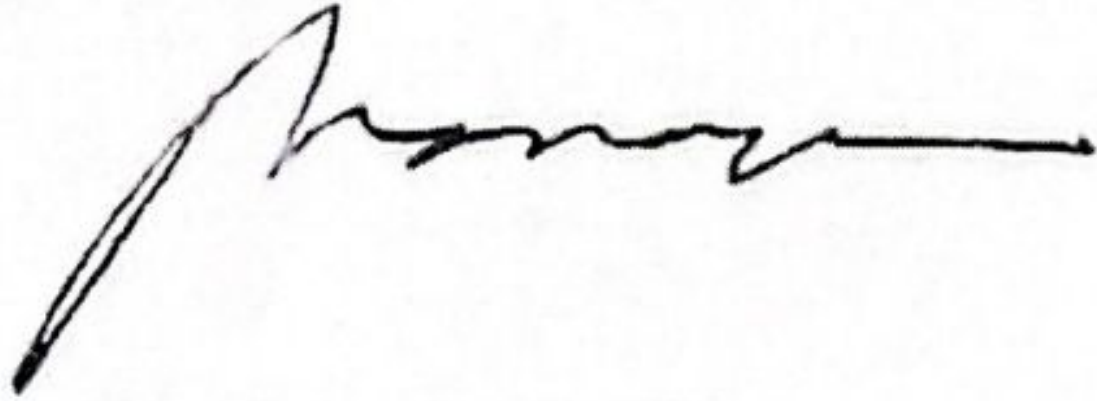
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ENDRIGA, MANANGU & ASSOCIATES

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): 07-100200-001-2020, valid until Nov. 21, 2026

PTR No.: SJ1749958, issued on Jan. 5, 2024 in the City of San Juan

April 4, 2024

City of San Juan, Metro Manila



ENDRIGA, MANANGU & ASSOCIATES

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U.1010 Wilshire Plaza, Annapolis St., Greenhills, San Juan, MM

C.P. 0917 576 9000; LI. (02) 8628 0150

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

The Board of Directors and Stockholders

CARD MRI Publishing House Inc.

20 M.L. Quezon St., City Subdivision

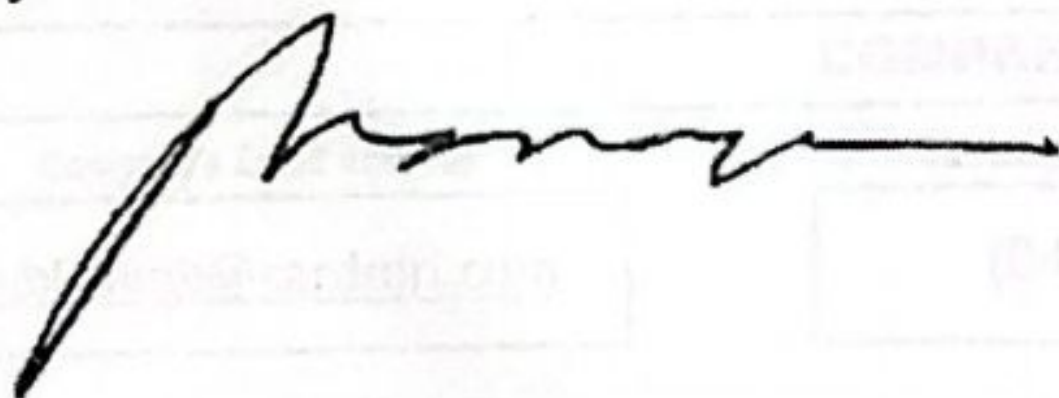
San Pablo City, Laguna

We have audited the financial statements of CARD MRI Publishing House Inc. for the year ended December 31, 2023, on which we have rendered our auditors' report dated April 4, 2024.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the said company has a total number of fifteen (15) stockholders owning one hundred (100) or more shares.

ENDRIGA, MANANGU & ASSOCIATES

By:



SEVERINO M. MANANGU

Partner

TIN: 102-091-358

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

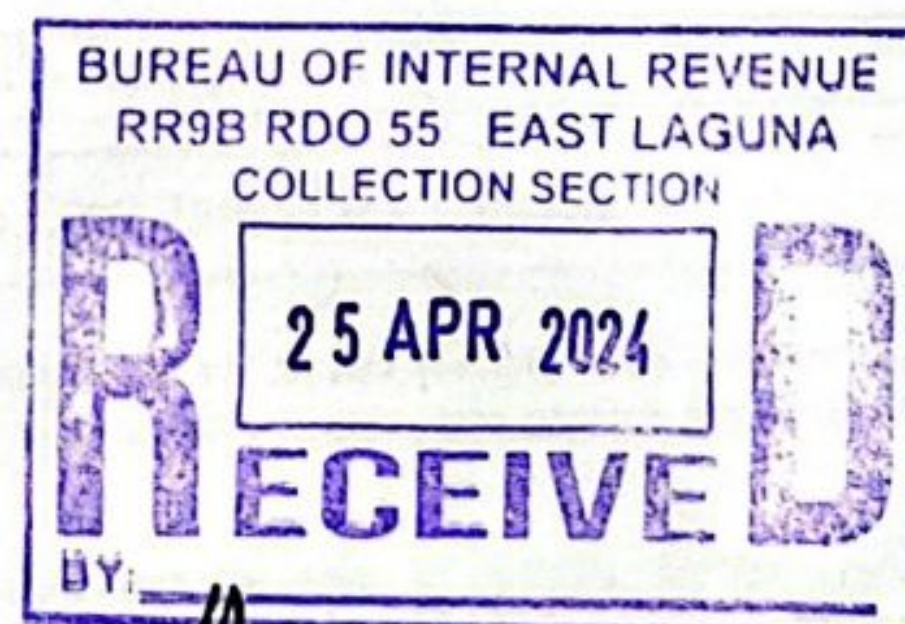
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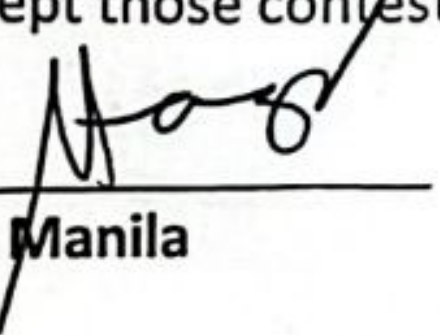


**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR ANNUAL INCOME TAX RETURN**

The Management of CARD MRI Publishing House Inc. is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2023. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all 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, 2023 and the accompanying Annual Income Tax Return are in accordance with the books and records of CARD MRI Publishing House 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 Publishing House 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 4th day of April 2024



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

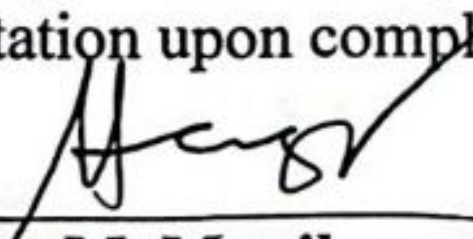
The Management of CARD MRI Publishing House Inc. (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2023 and 2022, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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.

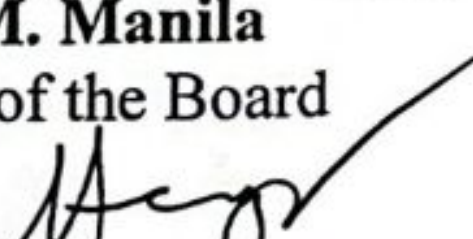
The Board of Directors is responsible for overseeing the Company's financial reporting process.

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

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 4th day of April 2024