



CARD MRI PUBLISHING HOUSE ANNUAL REPORT 2022

SAMA-SAMANG PAGSULONG

PAGPUPUGAY NG MGA PUSONG NAGDIRIWANG AT NAGPAPASALAMAT



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ABOUT THE COVER

In the past two years, we braved every challenge with a humble heart and a resilient mindset. While the recent global health crisis drove us into isolation — demanding us to change the way we normally do things — we took it as an opportunity to rediscover and reflect on our purpose of being. Like a seed buried into the deep earth, we found strength in the challenge to break out into the ground.

This 2022, we embarked on a journey towards recovery. We are again in full bloom.

Sama-samang pagsulong: Pagpupugay ng mga pusong nagdiriwang at nagpapasalamat (Moving forward together: A tribute from reverent and grateful hearts), this annual report's theme, captures our sentiment for all institutions and people, both clients and staff, who helped us achieve the many successes for every Filipino family. We take every step forward as a cause for celebration, a reason to be grateful.

The petals on the cover represent the stories of how we bounced back. The festive colors and lines signify each of our member-institutions, connecting at a certain point, ensuring that we continue to remain as institutions that mutually support and reinforce one another.

Moreover, throughout the pages of the report, the products of CARD MRI clients are featured — from food items to souvenir products, to clothing — as we pay homage to their strength and dedication, their artistry, and their stories.

CARD MRI keeps a grateful heart that never falters to serve and empower people as we achieve a poverty-free Philippines.

VISION

CARD MRI Publishing House is the leading publisher of print and digital materials that inspires innovative undertakings for the growth and development of communities.

MISSION

CARD MRI Publishing House is committed to:

- Provide relevant information that will inspire innovative ventures among CARD MRI community (members, staff, etc.) that will contribute to community development;
- Engage the CARD MRI community to become co-publisher of print and digital materials;
- Share success stories that will inspire others towards
- life-changing initiatives and life-long learning; and Communicate the CARD MRI culture and values.

A TRIBUTE TO OUR TRIUMPHS

Grateful. If there was a single word I can use to summarize what the year 2022 was for CARD MRI Publishing House, then that would be grateful. Since 2020, CARD Publishing has encountered numerous challenges that had the potential to adversely affect and hinder our purpose of providing hope and inspiration to the millions of our clients and communities throughout the Philippines. In response to these uncertainties, CARD Publishing made great strides to quickly strengthen and adapt in the new normal to continue delivering development stories to the communities. Now, after two years, I am proud to say that we have successfully overcome these challenges and have gained quite substantial accomplishments in turn, thanks in large part to the collective dedication of our institution, staff, and clients.

I am thankful that our collective efforts to achieve our goal of poverty eradication continue to prosper. During the span of two



DR. JAIME ARISTOTLE B. ALIP

CARD MRI FOUNDER AND
CHAIRMAN EMERITUS

years under a pandemic, our publishing house bravely pursued growth, offering development and literacy programs to the clients and their families, and the communities we serve. It is invigorating

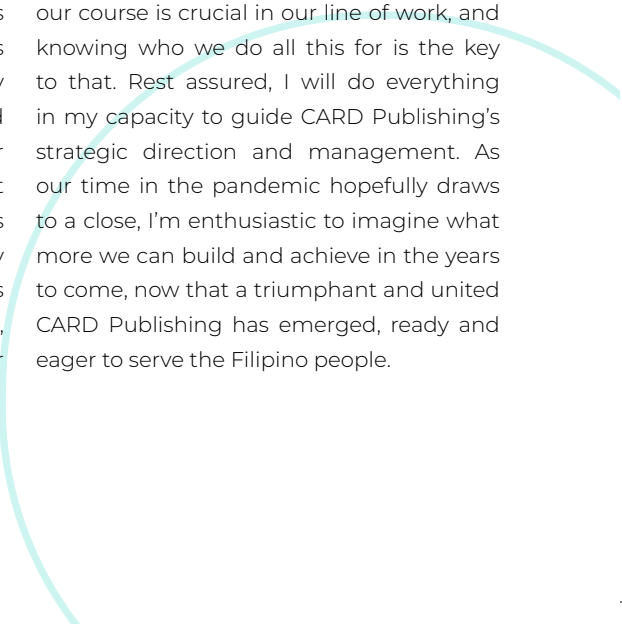


to know that this risk-taking bore fruit, inspiring more communities to overcome poverty through the stories we have shared.

Our accomplishments in the year 2022 are a testament to the strong and collective spirit we have built with our clients and communities. Had it not been for the relationship and trust we fostered throughout the years, I believe we would not have been able to achieve as much as we have during this pandemic. This bond is best exemplified by our staff whose loyalty and dedication is simply a humbling and inspiring sight to behold. Thanks to their support and passion, our clients did not lose hope and thus made great efforts themselves to build back their lives. I am truly humbled to know how CARD Publishing's core values guided our staff in their duties, and made a positive effect with how our

clients faced adversities as well. I am also grateful to witness how much of an impact we have made in the lives of our clients and I hope we continue to inspire and help more Filipinos to strive for a better life.

Moving forward, I hope our connection with our communities continues to blossom as CARD Publishing expands its services throughout the Philippines. Staying true to our course is crucial in our line of work, and knowing who we do all this for is the key to that. Rest assured, I will do everything in my capacity to guide CARD Publishing's strategic direction and management. As our time in the pandemic hopefully draws to a close, I'm enthusiastic to imagine what more we can build and achieve in the years to come, now that a triumphant and united CARD Publishing has emerged, ready and eager to serve the Filipino people.



THE KEY TO SUCCESS

We at CARD MRI Publishing House end the year 2022 with celebration and thanksgiving. After overcoming the challenges we have faced since the start of 2020, we have emerged triumphant and jubilant with our successful recovery from the pandemic, and our numerous achievements these past two years. Thanks to our collective effort, CARD Publishing's duty to share uplifting narratives to our clients and communities was unimpeded.

Being united in a common goal was our key to success, and the great results from all our work this year are a testament to that. CARD Publishing is very proud of what we were able to achieve and now we once again would like to humbly share some of our accomplishments this 2022.

In 2022, CARD Publishing stands as a beacon of hope for the communities

we touch. Through life's tempests and uncertainties, we shine a light, ensuring that our communities find inspiration in



ARISTEO A. DEQUITO
CARD MRI MANAGING DIRECTOR



the stories we share across both traditional and digital landscapes.

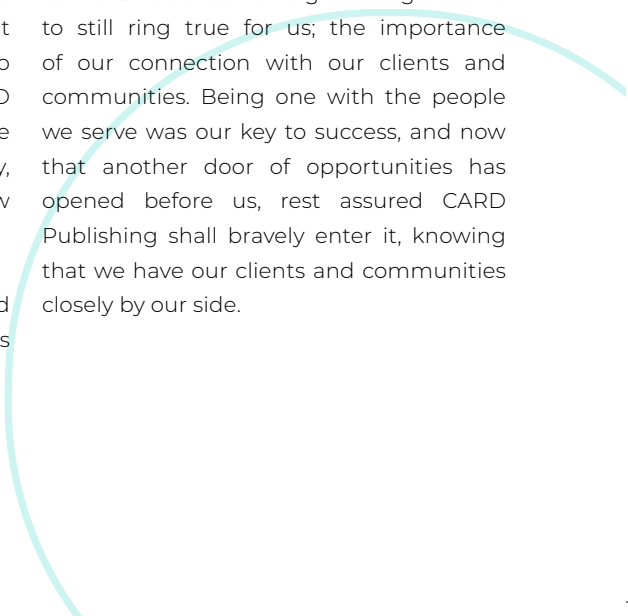
Every word we pen is crafted to ignite the spirit of resilience and paving the path towards a better future. Our steadfast belief is that by sharing uplifting stories and essential knowledge and information, we inch closer to a world filled with promise and potential.

While financial support has its place, the power of unwavering hope cannot be underestimated. It is this hope that can shatter the chains of poverty. And at CARD Publishing, we are dedicated to delivering this hope through stories. CARD Publishing will also continue to unearth the untapped strengths within our community, empowering each individual to reach new heights.

As we journey into the future, I am filled with optimism. I foresee countless tales

that will embolden our communities to march forward with purpose.

Braving another Tomorrow



As CARD Publishing prepares to face another year this 2023, we are once again thankful for how far we have come after five years of our work in publishing and development. Throughout all those years, we have gained many valuable lessons, most recently from the pandemic, and we shall strive to continue to learn from all our experiences in the many years to come. One constant insight though seems to still ring true for us; the importance of our connection with our clients and communities. Being one with the people we serve was our key to success, and now that another door of opportunities has opened before us, rest assured CARD Publishing shall bravely enter it, knowing that we have our clients and communities closely by our side.

INSPIRING ACTIONS

Every now and then, we are tested by many challenges. Keeping our grip on hope is what we need to move forward. The story of CARD MRI Publishing House in the year 2022 is a tale of indestructible hope, and of endless gratitude and celebration for the people who continuously build the many accomplishments of CARD MRI and its community.

Creating wonderful stories

CARD Publishing was able to produce various publications in the hope of inspiring

people to rise above poverty. Our continuous effort as a publishing house also aims to celebrate and preserve the CARD MRI values and culture.

Today, CARD MRI is reputed as one of the industry leaders because of the journey it passes through. As CARD MRI's legacy keeper, we documented the challenges and breakthroughs of the organization through publications available in digital and print to share to people our crusade of ending poverty. Our stories provide people with meaningful lessons and resources to come up with better plans and initiatives to help the Filipino people improve their lives.

In 2022, we produced 12 issues of *Sulong: Ang Pahayagang Pangkaunlaran ng CARD MRI*, circulated to more than 3,500 CARD MRI offices nationwide. We also increased the



number of copies of our official newspaper to share worthwhile stories to more local communities. Through this publication, the CARD MRI community can read more about the different faces of success. The featured client stories share their hard work and determination to touch people.

We also released a special issue of Forward Magazine featuring the value of simplicity in the CARD MRI organization. While we achieve many accomplishments for the Filipino families, we want our community to stay unpretentious. Simplicity is one of the values we uphold at CARD MRI to effectively empower our community we are serving.

In addition, we also published CARDventures Davao, a CARD MRI travelog that introduces the story of the mega city and its people to the readers. It also helps microentrepreneurs as the magazine featured their stories and enterprise. This travelog also serves as the complimentary copy for the travelers of CARD MRI Hijos Tours. Through this travel magazine, we aim to further introduce our own Filipino identity and assist entrepreneurs who bank on the tourism industry.

The world we live in is constantly changing.

A large percentage in the circle of our community have access to the digital initiatives of CARD MRI. Despite this fact, remote communities still exist where they continue

“We at CARD Publishing always believe that no one should be left behind. We aim to bridge the existing digital divide.”

to live offline. They still have little to no access to the digital world. We at CARD Publishing always believe that no one should be left behind. We aim to bridge the existing digital divide. To reach our offline and hard-to-reach communities, we produced 12 issues of Konektado, the CARD MRI's monthly social media bulletin to keep them informed and updated in the CARD MRI digital world.

We also published the AgriKaalaman guidebook for all agri enthusiasts. In collaboration with CARD-Business Development Service Foundation Inc. (CARD-BDSFI), we will boost the agricultural sector in the country even further.

Paying homage to CARD MRI staff who served as our frontliners during the pandemic, we immortalize their challenges, fears, sacrifices, dreams, and feats in serving the community amidst the threat of the COVID-19 through a comic entitled *Para Kay Tita Claring*. Apart from this, it also brings to life the story of our *nanays* who worked hard in the midst of the health crisis to continually support their families.

We have also published another series of 25 *Kwento ng mga Pangarap, Pagpupunyagi,*



at *Tagumpay* featuring CARD MRI staff and officers who become our modern day heroes, especially at the height of the pandemic. It shares that we may have different responsibilities, but we are all working for the ultimate goal of CARD MRI in eradicating poverty in the country. From CARD MRI's healthcare practitioners to field operations and admin staff, this book tells that our combined and connected efforts create a significant contribution to empower Filipino communities amidst adversities.

We also want to extend our greatest appreciation to our media partners nationwide who helped us to continue spreading the stories and impact of the microfinance and microinsurance industries in the country.

In the year 2022, we have conducted four Media Lakbay-Aral in Davao del Norte, Laguna, Iloilo, and Baguio where more than 50 media practitioners from Luzon, Visayas, and Mindanao participated. With this program, we have amplified the voice of the microfinance and microinsurance industries throughout the country. Their contribution in our cause has brought deeper inspiration to different sectors of our society, whether they are a person of authority or ordinary citizens.

Stronger Digital Presence

In an era where social media is more often used as a means of communication, we strengthen our social media unit to

communicate better with our clients. We ensure that their queries and concerns are addressed on time. As of December 2022, we have a total 881,955 followers in all CARD MRI FB pages. With our increasing followers, we also ensure to provide timely, reliable, and relevant sources of information to them.

To boost the message of microfinance and microinsurance industries in empowering communities, we are disseminating the advocacy articles written by Dr. Jaime Aristotle B. Alip using different online platforms. We utilize various social networking sites (SNS) like Facebook, Instagram, LinkedIn, and YouTube to reach different types of social media users and make our message more effective.

We also introduced Koa the Kwago as the official mascot of CARD Publishing. Koa the Kwago represents a Philippine eagle owl that embodies the character of the institution – its bravery. It also signifies the value of excellence CARD MRI upholds in bringing people out of poverty.

In order to further introduce CARD MRI as a social development organization and its products and services, CARD Publishing, in collaboration with the CARD MRI Hijos and Mga Likha ni Inay, launched a pop-up event called Koa Kafe. It becomes a venue of learning in a fun way about CARD MRI and its goal of empowering communities.

Along with this pop-event where we travel to different parts of the country, more than 170 kids attended our storytelling activity featuring a book we published for kids entitled *Ang Lapis ni Anya*. It teaches the client's children to prioritize their education and control the use of their gadgets. The kids also received a Koa coloring kit with a coloring book and Koa stuff toy. This is also one way for CARD Publishing to recognize the CARD clients who are well-fulfilling their obligations to their family, the community, and CARD MRI.

A holistic development

We are more than stories. We also take initiatives to address the needs for personal growth and discovery of the CARD MRI community. CARD Publishing taps the endless potential of CARD MRI staff, clients, and their families to grow as an individual. Realizing this need, CARD MRI staff and CMDI students were able to join as online radio DJs for our CARD MRI Online Radio. Aside from this, we conducted two competitions for the CARD MRI community - a dance and film making competitions.

We launched the first-ever microfinance film fest in the Philippines called SineMaya: the CARD MRI Community Film Festival in 2022. The nine finalists shared their stories of challenges, hope, and dreams with their families, community, and CARD MRI at their side.

Through this, we help them discover and achieve their full potential by also employing their creative ideas.

Beyond the call of duty

In the coming years, CARD Publishing will continue to live with its true north of inspiring people to get out of poverty. We will not drift away from our mandate to write good, beautiful, and development stories that will inspire action to our communities.

We will intensify the use of social media to build a well-informed community that can help them make better decisions in life.

In 2023, we will amplify the message of our industry in empowering communities. We will involve other microfinance and other social development institutions in our Media Lakbay-Aral and film fest to share the impact we do in nation-building.

The past years were full of challenges, yet we conquered them all. Our wins over these difficulties were made achievable with the collective efforts of our staff and community who share their talents with us. I am grateful for the initiatives, hard work, and devotion of all our staff in turning all our ideas into reality.

Together, we can successfully achieve all our plans to improve their quality of life. We can write more stories because together, we will move forward to a better tomorrow.

2022 YEAR-END REVIEW

MEDIA RELATIONS



Articles Written

215

Medial Value Generated

PHP 13,506,936.73

Media Lakbay Aral Conducted

4



REGULAR PUBLICATIONS

Sulong Newspaper
Produced

12

Konektado Newsletter
Produced

12



SOCIAL MEDIA



Facebook Page Likes

881,955



Social Media contents produced

1,002



Contest Facilitated

2



Koa Kafe Conducted

12



Storytelling Beneficiaries

175

AN SAKUYANG KINANG

"Ang Aking Kislap"
Kislap ng Padayon Photo Exhibit

PAGPUPUGAY, PAGDIRIV

3/F Room 306
Maharlika Square
San Pablo City
July 4 - 5, 2022
8:00 am - 5:00 pm



AGRI- KAALAMAN

Agri Webinar Series by CARD-BDS

EFFECTIVE MICROORGANISM
ACTIVATED SOLUTION

November 28, 2022
2:00PM - 3:00PM

KUYA DEK

AGRI-COOL KUYA

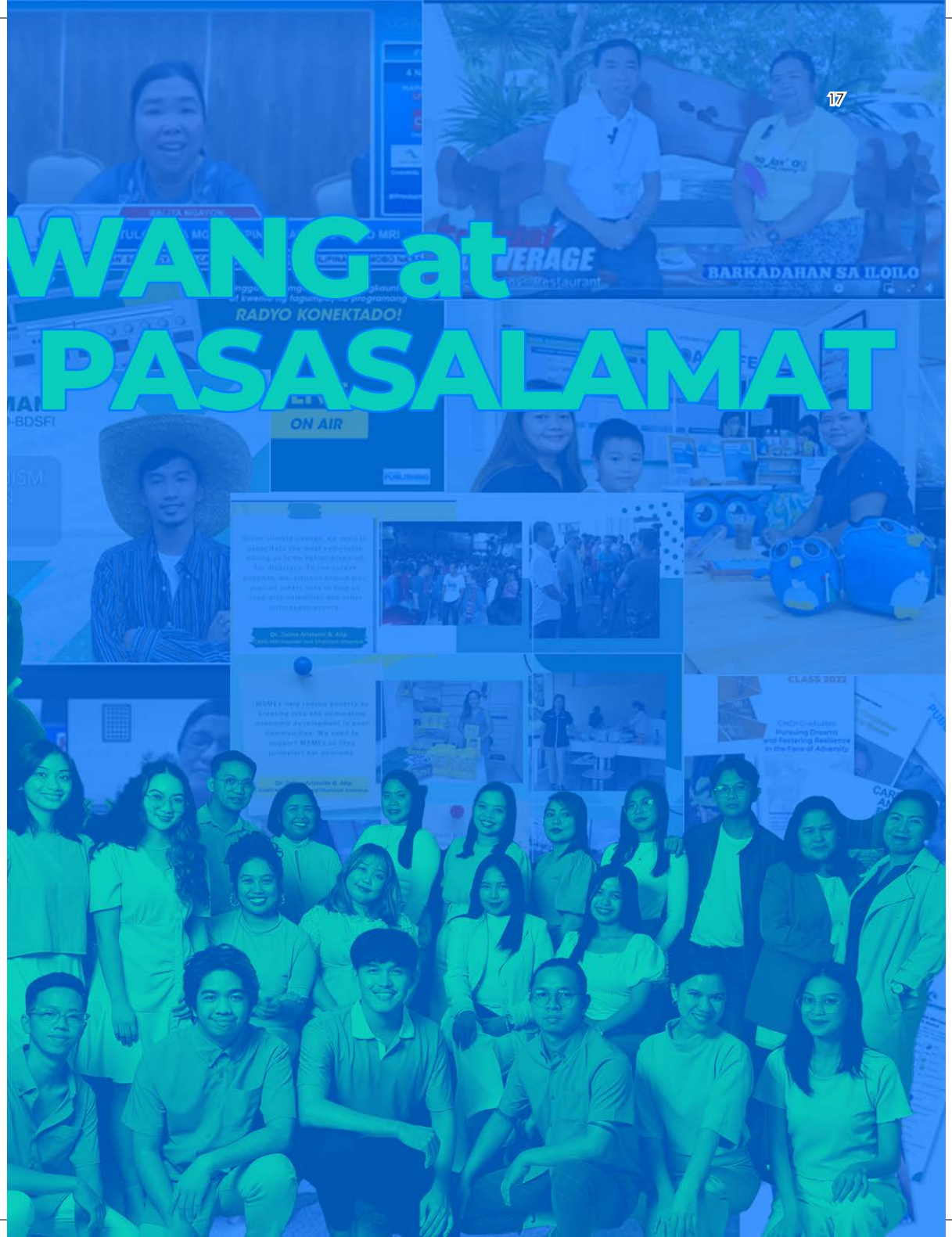
CARD MRI Publishing House Inc.
Presents

KOA KAFE



THIS IS
OUR **2022**

WANG at PASASALAMAT



CAMILO G. CASALS

Director

MARILYN M. MANILA

Chairperson/President



GUILLERMO G. RAMOS, JR.

Independent Director

ANICETA R. ALIP

Director

BOARD OF DIRECTORS

DR. EDZEL A. RAMOS

Director

FREDERICK NICASIO M. TORRES

Ex-Officio Member



EVELYN TEODORA M. NARVAEZ

Vice-Chairperson

HUGO D. YONZON III

Director

MANAGEMENT COMMITTEE



Ms. Marilyn M. Manila
Chairperson/President

Ms. Cyrene Grace DC. Lubigan
Deputy Director for Publishing

Ms. Lobelyn G. Bermudez
Senior Manager for Finance

Mr. Jeffrey C. Tandingan
Publishing Manager

Mr. Albert A. Dayag
Publishing Officer



AUDITED FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

**CARD MRI PUBLISHING HOUSE INC.
STATEMENTS OF FINANCIAL POSITION**

As of December 31, 2022

		As of December 31	
	Notes	2022	2021
ASSETS			
Current Assets			
Cash and cash equivalents	3, 5	P 6,300,103	P 5,516,123
Receivables	3, 6	336,053	77,305
Other current assets	3, 7	781,299	303,921
Total Current Assets		7,417,455	5,897,349
Noncurrent Asset			
Retirement asset		100,146	-
Fixed assets, net	3, 8	649,148	266,930
Intangible assets, net	9	227,220	-
Total Noncurrent Assets		976,514	-
TOTAL ASSETS		P 8,393,969	P 6,164,279
LIABILITIES AND STOCKHOLDERS' EQUITY			
LIABILITIES			
Current Liabilities			
Accrued expenses and other payables	3, 10	P 468,124	P 762,620
Due to affiliates	3, 15	-	11,220
Income tax payable	3, 14	29,673	85,372
Total Current Liabilities		497,797	859,212
Noncurrent Liability			
Retirement liability	3, 13	-	391,356
Total Noncurrent Liability		-	391,356
STOCKHOLDERS' EQUITY			
Capital stock	3, 11	3,050,000	2,000,000
Retained earnings	3	4,846,172	2,913,711
Total Stockholders' Equity		7,896,172	4,913,711
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		P 8,393,969	P 6,164,279

See accompanying Notes to Financial Statements.

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

		For the Years Ended December 31	
	Notes	2022	2021
REVENUES	3		
Book sales		P 14,709,140	P 11,342,494
Service revenue		6,401,288	3,296,927
		21,110,428	14,639,421
COST OF SALES AND SERVICES	3	10,040,446	6,047,031
GROSS INCOME		11,069,982	8,592,390
OPERATING EXPENSES			
Salaries and wages		4,601,946	3,665,167
Program, monitoring and evaluation		907,938	326,315
Taxes and licenses		405,304	247,890
Office supplies		347,763	220,981
Management and other professional fees		316,230	82,380
Transportation and travel		307,067	227,146
Advertising and publicity		272,292	2,500
Rentals		220,814	78,444
Outsource services		216,000	-
Communication and Postage		212,335	137,557
Depreciation expense	3, 8	190,612	83,908
Seminars and meetings		166,177	128,140
Insurance expense		142,701	94,099
Utilities		135,859	116,988
Staff training and development		106,044	141,398
Retirement expense	3, 13	88,585	78,125
Amortization		75,740	-
Miscellaneous expense	12	499,064	348,332
		9,212,471	5,979,370
OPERATING INCOME		1,857,511	2,613,020
OTHER INCOME (CHARGES), NET			
Actuarial gain (loss) on retirement plan	3, 13	407,722	(143,396)
Interest income	3, 5	36,956	48,521
Miscellaneous income		50,494	-
		495,172	(94,875)
NET INCOME BEFORE TAX		2,352,683	2,518,145
PROVISION FOR INCOME TAX	3, 14	420,222	494,800
NET INCOME AFTER TAX		P 1,932,461	P 2,023,345

See accompanying Notes to Financial Statements.

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

		Common Stock (Note 11)		Retained Earnings		Total
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 for the year		-		1,932,461		1,932,461
At December 31, 2022	P	3,050,000	P	4,846,172	P	7,896,172
As at January 1, 2021	P	2,000,000	P	890,366	P	2,890,366
Net income for the year		-		2,023,345		2,023,345
At December 31, 2021	P	2,000,000	P	2,913,711	P	4,913,711

See accompanying Notes to Financial Statements.

CARD MRI PUBLISHING HOUSE INC.
STATEMENTS OF CASH FLOWS

As of December 31, 2022

		For the Years Ended December 31	
	Notes	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income before tax		P 2,352,683	P 2,518,145
Adjustments for:			
Actuarial (gain) loss on retirement plan	13	(407,722)	143,396
Depreciation expense	8	190,612	83,908
Retirement expense	13	88,585	78,125
Amortization	9	75,740	-
Interest income	5	(36,956)	(48,521)
Operating income before working capital changes		2,262,942	2,775,053
Changes in operating assets and liabilities			
Decrease (increase) in:			
Receivables	6	(258,748)	160,437
Other current assets	7	(477,378)	843,739
Increase (decrease) in:			
Due to affiliates	15	(11,220)	(7,680)
Accrued and other expenses payable	10	(294,496)	89,241
Net cash provided by operations		1,221,100	3,860,790
Interest received	5	36,956	48,521
Income taxes paid	14	(475,921)	(409,428)
Contributions to retirement plan	13	(172,365)	(142,428)
Net cash provided by operating activities		609,770	3,357,455
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash dividends paid	10	-	(35)
Proceeds from issuance of common stock	10	1,050,000	-
Net cash provided by (used in) financing activities		1,050,000	(35)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of fixed assets	8	(572,830)	(270,703)
Acquisition of intangible assets	9	(302,960)	-
Net cash used in investing activities		(875,790)	(270,703)
NET INCREASE IN CASH		783,980	3,086,717
CASH AT BEGINNING OF YEAR		5,516,123	2,429,406
CASH AT END OF YEAR	P	6,300,103	P 5,516,123

See accompanying Notes to Financial Statements.

CARD MRI PUBLISHING HOUSE INC.
NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended December 31, 2022 and 2021

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 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 (CARD) - Mutually Reinforcing Institutions (MRI).

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).

Functional and Presentation Currency

These financial statements are presented in Philippine Peso, the currency of the primary economic environment in which the Company operates. All amounts are rounded to the nearest peso, except when otherwise indicated.

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.

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 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-outting, 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.

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, 2022 and 2021, 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 12.

5. Cash and Cash Equivalents

This account consists of:

	2022		2021	
Cash in banks	P	4,270,103	P	5,486,123
Short-term time deposit		2,000,000		-
Petty cash fund		30,000		30,000
	P	6,300,103	P	5,516,123

Cash in banks represents deposits with four local banks which earn an annual interest rate of 0.05% to 0.50% and 0.05% to 1.00% in 2022 and 2021, 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 P36,956 and P48,521 in 2022 and 2021, respectively.

6. Receivables

This account consists of:

		2022		2021
Due from affiliates (Note 14)	P	-	P	18,633
Other receivables		336,053		58,672
	P	336,053	P	77,305

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:

		2022		2021
Inventory - books	P	629,561	P	86,665
Prepaid expenses		77,133		86,956
Inventory - supplies		31,168		56,292
Security deposits		19,665		30,376
Prepaid tax		-		43,632
Others		23,772		-
	P	781,299	P	303,921

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.

Inventories-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.

8. Fixed assets, net

Details of fixed assets are as follows:

2022

		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 Book Value	P	26,293	P	65,562	P	557,294	P	649,148

2021

		Furniture and Fixtures		Office Equipment		Office Computer		Total
Cost:								
Balance at beginning of the year	P	19,654	P	94,611	P	-	P	114,265
Additions		10,200		-		260,503		270,703
Balance at end of the year		29,854		94,611		260,503		384,968
Accumulated Depreciation								
Balance at beginning of the year		5,975		28,155		-		34,130
Depreciation		6,518		31,470		45,919		83,908
Balance at end of the year		12,493		59,626		45,919		118,038
Net Book Value	P	17,361	P	34,985	P	214,584	P	266,930

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:

2022

Cost:

Balance at beginning of the year	P	-
Additions		302,960
Balance at end of the year		302,960

Accumulated Depreciation

Balance at beginning of the year		-
Depreciation		75,740
Balance at end of the year		75,740

Net Book Value		227,220
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10. Accrued expenses and other payables

This account consists of:

		2022		2021
Accrued expenses	P	236,534	P	189,462
Withholding taxes payable		89,954		34,696
Percentage tax payable		57,527		-
Deposits for future stock subscription		-		500,000
Others		84,109		38,462
	P	468,124	P	762,620

Accrued expenses consist of unpaid employee benefits and professional fees while others represent other regulatory contributions.

In 2021, the Company has approved an increase in its authorized capital stock and received deposits for future stock subscriptions to the said increase.

11. Equity

Capital Stock

As at December 31, 2022 and 2021, the Company's capital stock consists of:

	2022		2021	
	Shares	Amount	Shares	Amount
Common stock - P5 par value, 1,000,000 authorized stocks				
Balance at beginning of the year	400,000	P 2,000,000	400,000	P 2,000,000
Issuance of capital stock from settlement of subscription	210,000	1,050,000	-	-
	610,000	P 3,050,000	400,000	P 2,000,000

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 Expense

Details of operating expenses are as follows:

	2022	2021
Information technology	190,831	56,535
Repairs and maintenance	112,628	109,732
Honorarium	42,000	63,000
Supervision and examination	-	23,021
Others	153,605	96,044
P	499,064	P 348,332

Others include burial assistance, rapid testing expenses and other employee-related expenses.

13. Retirement benefits

The Company, CARD Bank Inc., CARD MRI Development Institute, Inc. (CMDI), CARD Mutual Benefit Association, Inc., CARD SME Bank, Inc., CAMIA, CMIT, CARD Employees Multi-Purpose Cooperative (EMPC), Responsible Investments for Solidarity and Empowerment Financing Co., BotiCARD Inc., CLFC, Rizal Bank, Inc. and CARD, Inc., maintain 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 Group 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, 2022.

The amounts recognized in the statement of financial position follows:

		2022		2021
Fair value of plan assets	P	(1,339,597)	P	(450,301)
Present value of defined benefit obligation		1,231,296		841,657
Effect of asset ceiling		8,155		-
Retirement (asset) liability	P	(100,146)	P	391,356

The retirement expense recognized in profit or loss:

		2022		2021
Current service cost	P	90,821	P	68,411
Net interest		(2,236)		9,714
	P	88,585	P	78,125

The movements in the present value of pension obligation follows:

		2022		2021
Balance at the beginning of the year	P	841,657	P	607,023
Interest expense		43,514		24,463
Current service cost		90,821		68,411
Actuarial (gain) loss		(441,537)		141,760
Benefits paid from plan assets		(297,898)		-
Transfers to the plan		994,739		-
Balance at the end of the year	P	1,231,296	P	841,657

The movements in the fair value of plan assets follows:

		2022		2021
Balance at the beginning of the year	P	450,301	P	294,760
Interest income		45,750		14,749
Contributions		172,365		142,428
Benefits paid from plan assets		(297,898)		-
Transfer to the plan		994,739		-
Return on plan asset		(25,660)		(1,636)
Balance at the end of the year	P	1,339,597	P	450,301

The movements in the net retirement liability follows:

		2022		2021
Balance at the beginning of the year	P	391,356	P	312,263
Retirement expense recognized in P&L		88,585		78,125
Retirement expense recognized in OCI		(407,722)		143,396
Contributions		(172,365)		(142,428)
	P	(100,146)	P	391,356

The allocation of plan assets is as follows:

		2022		2021
Cash and cash equivalents	P	219,560	P	183,453
Debt instruments		989,292		218,531
Loans		112,392		38,095
Other		18,352		10,222

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:

	2022	2021
Discount rate	7.28%	5.17%
Salary increase rate	5.00%	5.00%
Average remaining working lives	31.5 years	32.8 years

The weighted average duration of the defined benefit obligation at the end of the reporting period is 10.5 years.

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

		2022		2021
Less than 1 year	P	94,738	P	45,409
More than 1 year to 5 years		417,486		231,674
More than 5 years to 10 years		642,958		376,504

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%.

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 2022 and 2021, the Company opted to continue claiming the itemized deduction.

c. Tax computation

	2022	2021
Revenue	P 21,110,428	P 14,639,421
Less: Cost of sales and services	(10,040,446)	(6,047,031)
Gross income from operation	11,069,982	8,592,390
Add: Other income	50,494	-
Total Gross income	11,120,476	8,592,390
Less: Itemized deductions	(9,054,269)	(5,856,012)
Taxable income	P 2,066,207	P 2,736,378
Income tax expense - at 20%	P 413,241	P 547,276
MCIT- at 1%	110,700	85,924
Income tax expense	P 413,241	P 547,276
Income taxes paid and tax credits		
Prior year's excess tax credit	-	(284,052)
Income tax payment from 1st to 3rd quarter	(108,650)	-
Creditable taxes withheld 1st to 4th quarter	(274,918)	(177,852)
Income tax payable	P 29,673	P 85,372

d. Reconciliation

Reconciliation between accounting income and taxable income is presented below:

Regular Corporate Income Tax (RCIT)		2022		2021
Accounting income	P	2,352,683	P	2,518,145
Permanent differences:				
Interest income subject to final tax		(36,956)		(48,521)
Contributions to retirement plan		(172,365)		(142,428)
Amortized portion for the past service cost		(6,430)		-
Accumulated vacation leave		173,010		129,788
Temporary differences:				
Actuarial (gain) loss on retirement plan		(407,722)		143,396
Retirement expense		88,585		78,125
Contributions subject to amortization		75,402		57,873
Taxable income	P	2,066,207	P	2,736,378

e. Provision for income tax consists of:

		2022		2021
Provision for current tax	P	413,241	P	547,276
Provision for final tax		6,981		9,704
Income tax adjustment (effect of CREATE Law in 2020)		-		(62,180)
	P	420,222	P	494,800

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, 2022 and 2021 are as follows:

December 31, 2022			
	Amount/ Volume	Outstanding Balance	Nature, Terms and Condition
Cash and cash equivalents	P	5,818,886	
Placements	P 30,669,798		This pertains to savings account with annual interest rate of 1.0%.
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.

December 31, 2021			
	Amount/ Volume	Outstanding Balance	Nature, Terms and Condition
Cash and cash equivalents	P	5,486,123	
Placements	P 16,531,053		This pertains to savings account with annual interest rate of 1.0%.
Withdrawals	13,444,337		
Due from affiliates		18,633	The amount represents the uncollected billing from website content, Press Release, Planner and birthday cards.
Billings	14,738,440		
Settlement	14,901,376		
Service revenue	3,296,927		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	11,342,494		Income earned from sale of books to affiliates; all on cash basis.
Due to affiliates		11,220	Unpaid over payment for the books purchased.
Cost of service	6,047,031		Direct expenses incurred by the Company in providing services.

16. Other Matter

COVID-19 Impacts

Since December 31, 2019 to December 31, 2022, 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.

The Company's management has assessed and addressed the impacts of COVID-19. As of December 31, 2022 and 2021, all COVID-19 determinable impacts on the Company's 2022 and 2021 financial statements, as well as other subsequent events, that are adjusting events have been adjusted. Other determinable subsequent events that were not adjusting events have been disclosed as needed.

Uncertainties due to COVID-19 may still exist as the pandemic has not been officially declared over globally (although the state of public health emergency in the Philippines has been extended only until December 31, 2022). Even so, management confirms the validity of the going concern assumption for the Company. The Company has adequate funds and liquidity for its subsequent operations.

17. 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 March 23, 2023.

18. 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, 2022:

a. Taxes and Licenses

Percentage taxes	P	211,104
Documentary stamp tax		107,230
Business permit		86,470
BIR Annual registration fee		500
	P	405,304

b. Withholding Taxes

Expanded withholding	P	253,402
Tax on compensation and benefits		121,332
	P	374,734

c. Tax Assessments and Cases

In March 2022, the Company received a Letter of Authority (LOA No. 055-2022-00000031 / SN: eLA201500005529) for the taxable year 2020. As of December 31, 2022, the tax audit is still in progress.



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