

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 .
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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) 562-4309

Mobile Number

0998-974-3815

No. of Stockholders

18

Annual Meeting
Month/Day

Every 2nd Saturday of May

Fiscal Year
Month/Day

December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Marilyn M. Manila

Email Address

marilyn.manila@cardmri.com

Telephone Number/s

(049) 562-4309

Mobile Number

0998-974-3772

CONTACT PERSON'S ADDRESS

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

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

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

CARD MRI Publishing House Inc.

Financial Statements

December 31, 2024 and 2023

and

Independent Auditor's Report

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

CARD MRI PUBLISHING HOUSE INC.
STATEMENTS OF FINANCIAL POSITION

		As of December 31	
	Notes	2024	2023
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3, 5	P 13,752,051	P 7,700,990
Receivables - net	3, 6	497,919	112,179
Other current assets	3, 7	872,323	590,299
Total Current Assets		15,122,293	8,403,468
NONCURRENT ASSETS			
Property and equipment - net	3, 8	647,271	585,259
Intangible asset - net	3, 9	25,246	126,233
Investment in equity securities	3, 10	1,499,900	-
Retirement asset	3, 16	-	161,553
Total Noncurrent Assets		2,172,417	873,045
TOTAL ASSETS		P 17,294,710	P 9,276,513
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Accrued expenses and other payables	3, 11	P 683,073	P 728,988
Due to affiliates	3, 18	72,000	140
Income tax payable	3, 17	209,518	-
Total Current Liabilities		964,591	729,128
NONCURRENT LIABILITY			
Retirement liability	3, 16	396,144	-
Total Noncurrent Liability		396,144	-
EQUITY			
Capital stock	3, 12	8,409,950	7,481,895
Retained earnings			
Appropriated	3, 12	4,500,000	-
Unappropriated		3,024,024	1,065,490
Total Equity		15,933,974	8,547,385
TOTAL LIABILITIES AND EQUITY		P 17,294,710	P 9,276,513

See accompanying Notes to Financial Statements.



CARD MRI PUBLISHING HOUSE INC.
STATEMENTS OF INCOME

For the Years Ended December 31			
	Notes	2024	2023
REVENUES	3		
Book sales		P 32,729,095	P 16,313,547
Service revenue		8,574,603	8,075,620
		41,303,698	24,389,167
COST OF SALES AND SERVICES	3, 13	14,656,897	10,110,524
GROSS PROFIT		26,646,801	14,278,643
OPERATING EXPENSES	14	17,397,949	13,281,165
OPERATING INCOME		9,248,852	997,479
OTHER CHARGES - NET	15	(322,252)	(143,852)
NET INCOME BEFORE INCOME TAX		8,926,600	853,627
PROVISION FOR INCOME TAX	3, 17	2,468,066	234,308
NET INCOME AFTER INCOME TAX		P 6,458,534	P 619,319

See accompanying Notes to Financial Statements.



CARD MRI PUBLISHING HOUSE INC.
STATEMENTS OF CHANGES IN EQUITY

	Capital Stock (Note 11)		Retained Earnings (Note 12)		Total
			Appropriated	Unappropriated	
As at January 1, 2024	P	7,481,895	P	-	P 1,065,490 P 8,547,385
Issuance of stock through collections of subscription receivables		928,055		4,500,000 (4,500,000)	928,055
Net Income after Income tax		-		-	6,458,534 6,458,534
At December 31, 2024	P	8,409,950	P	4,500,000	P 3,024,024 P 15,933,974
As at January 1, 2023	P	3,050,000	P	-	4,846,172 P 7,896,172
Dividends paid		-		-	(4,400,000) (4,400,000)
Issuance of stock through collections of subscription receivables		622,000		-	- 622,000
Additional subscriptions		3,809,895		-	- 3,809,895
Net income after income tax		-		-	619,318 619,318
At December 31, 2023	P	7,481,895	P	-	P 1,065,490 P 8,547,385

See accompanying Notes to Financial Statements.

CARD MRI PUBLISHING HOUSE INC.
STATEMENTS OF CASH FLOWS

		For the Years Ended December 31	
	Notes	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income before income tax		P 8,926,600	P 853,626
Adjustments for:			
Actuarial loss on retirement plan	15, 16	621,480	258,673
Depreciation expense	8, 14	237,038	245,848
Retirement expense	14, 16	144,311	72,864
Amortization	9, 14	100,987	100,987
Interest income	5, 15	(297,160)	(112,912)
Operating income before working capital changes		9,733,257	1,419,086
Changes in operating assets and liabilities			
Decrease (increase) in:			
Receivables	6	(385,740)	223,874
Other current assets	7	(282,024)	191,000
Increase (decrease) in:			
Accrued and other expenses payable	11	(45,915)	260,864
Due to affiliates	18	71,860	140
Net cash provided by operations		9,091,438	2,094,964
Interest received	5, 15	297,160	112,912
Income taxes paid	17	(2,258,548)	(263,981)
Contributions to retirement plan	16	(208,094)	(392,944)
Net cash provided by operating activities		6,921,956	1,550,951
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash dividends paid	12	-	(4,400,000)
Proceeds from issuance of common stock	12	928,055	4,431,895
Net cash provided by financing activities		928,055	31,895
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of property and equipment	8	(299,050)	(181,959)
Increase in investment in equity securities	10	(1,499,900)	-
Net cash used in investing activities		(1,798,950)	(181,959)
NET INCREASE IN CASH AND CASH EQUIVALENTS		6,051,061	1,400,887
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		7,700,990	6,300,103
CASH AND CASH EQUIVALENTS AT END OF YEAR		P 13,752,051	P 7,700,990

See accompanying Notes to Financial Statements.

CARD MRI PUBLISHING HOUSE INC.

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2024 and 2023

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).

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

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

2. Financial Reporting Framework

Basis of Preparation

The Company's financial statements have been prepared under the historical cost basis. The financial statements are presented in Philippine peso (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 (P), 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 Material Accounting Policies

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

Cash and cash equivalents

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

Financial Instruments

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

Basic Financial Instruments

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

Basic Financial Instruments at amortized cost

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

Effective Interest Method

The effective interest 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.

Investment in equity securities

Investment in equity securities are measured at cost less impairment. Impairment loss is recognized in profit or loss if there is an objective evidence of impairment.

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.

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

Estimates

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

Present value of retirement liability

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

In determining the appropriate discount rate, management considers the market yields on Philippine government bonds with terms consistent with the expected employee benefit payout as of reporting date, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The present value of the retirement liability and fair value of plan assets are disclosed in Note 15.

5. Cash and Cash Equivalents

This account consists of:

	2024	2023
Cash in banks	P 6,955,260	P 4,104,540
Short-term time deposit	6,766,791	3,566,450
Petty cash fund	30,000	30,000
	P 13,752,051	P 7,700,990

Cash in banks consists of current and savings accounts that earn annual interest rates ranging from 0.05% to 1% in 2024 and 2023.

Time deposits pertain to short-term placements with affiliate banks that bear annual interest rates ranging from 4.5% to 4.6% and terms ranging shorter than 90 days.

Interest income earned by the Company from cash and cash equivalents amounted to ₱297,160 and ₱112,912 in 2024 and 2023, respectively.

6. Receivables - Net

This account consists of:

	2024	2023
Due from affiliates (Note 17)	₱ 82,473	₱ 78,475
Other receivables	470,110	37,628
	552,583	116,103
Allowance for doubtful accounts	(54,664)	(3,924)
	₱ 497,919	₱ 112,179

All receivables are demandable and non-interest bearing. Other receivables include interest receivables, subscription receivables, and receivables from employees.

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

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

	2024	2023
Beginning	₱ 3,924	₱ -
Additional allowance for doubtful accounts	50,740	3,924
	₱ 54,664	₱ 3,924

7. Other Current Assets

This account consists of:

	2024	2023
Inventory - books	₱ 646,704	₱ 203,003
Prepaid expenses	108,019	110,917
Security deposits	76,708	83,593
Inventory - supplies	40,892	19,682
Prepaid tax	-	173,103
	₱ 872,323	₱ 590,299

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

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

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

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

8. Property and Equipment - Net

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

		Furniture and Fixtures		Office Equipment		Office Computer		Total
Cost								
Balance at beginning of the year	P	53,187	P	189,384	P	897,186	P	1,139,757
Additions		-		11,550		287,500		299,050
Balance at end of the year		53,187		200,934		1,184,686		1,438,807
Accumulated Depreciation:								
Balance at beginning of the year		38,549		132,123		383,826		554,498
Depreciation		11,111		32,445		193,482		237,038
Balance at end of the year		49,660		164,568		577,308		791,536
Net Carrying Value	P	3,527	P	36,366	P	607,378	P	647,271

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

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.

Details of intangible asset is as follows:

	2024	2023
Cost:		
Balance at beginning of the year	P 302,960	P 302,960
Additions	-	-
Balance at end of the year	302,960	302,960
Accumulated amortization:		
Balance at beginning of the year	176,727	75,740
Additions	100,987	100,987
Balance at end of the year	277,714	176,727
Net carrying value	P 25,246	P 126,233

10. Investment in Equity Securities

On July 19, 2024, the Company invested in BENTE Productions, Inc. which amounted to P1,499,900 for 14,999 shares valued at P100 par value. As of December 31, 2024, the Company owns 6% of the total outstanding capital stock of the investee.

11. Accrued Expenses and Other Payables

This account consists of:

	2024	2023
Accrued expenses	P 265,792	P 311,039
Percentage tax payable	257,106	213,215
Others	117,083	105,051
Withholding taxes payable	43,092	65,583
Documentary stamp tax payable	-	34,100
	P 683,073	P 728,988

Accrued expenses include the accrual of vacation leave and other expenses.

Others consist of liabilities due to various government institutions such as Social Security System (SSS), PhilHealth, and HDMF contributions.

12. Equity

a. Capital Stock

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

	2024		2023	
	Shares	Amount	Shares	Amount
Common stock - ₱5 par value, 2,000,000 authorized stocks				
Balance at beginning of the year	1,496,379	₱ 7,481,895	610,000	₱ 3,050,000
Additional subscriptions	-	-	761,979	3,809,895
Issuance of capital stock from settlement of subscription	185,611	928,055	124,400	622,000
	1,681,990	₱ 8,409,950	1,496,379	₱ 7,481,895

Capital Management

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

Minimum Capital Requirement

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

b. Retained Earnings

On December 18, 2024, the Company's Board of Directors approved the ₱4,500,000 appropriation of its retained earnings to ensure that its project will be supported by sufficient fund computed as follows:

i. capacity building of staff	₱ 1,500,000
ii. educational assistance for masters degree	1,500,000
iii. information technology expenses including website development	1,500,000
	₱ 4,500,000

13. Cost of Sales and Services

13.1 Cost of Sales

	2024	2023
Newspapers	₱ 10,602,008	₱ 6,247,587
Books	1,030,882	827,843
Others	-	254,273
	₱ 11,632,890	₱ 7,329,703

13.2 Cost of Services

	2024	2023
Other services	P 3,009,205	P 922,806
Digital and other publication	14,802	1,858,015
	P 3,024,007	P 2,780,821

14. Operating Expenses

	2024	2023
Salaries and wages	P 7,934,129	P 6,713,510
Donation	1,658,849	-
Taxes and licenses	1,380,078	816,768
Staff training and development	1,241,890	1,026,576
Transportation and travel	1,203,615	337,634
Information technology	635,648	870,472
Outsourced services	629,097	577,035
Seminars and meetings	386,114	274,914
Rentals	362,308	406,772
Penalties and charges	357,782	-
Office supplies	306,116	168,586
Depreciation expense (Note 8)	237,038	245,848
Insurance expense	204,046	223,352
Retirement expense	144,311	72,864
Amortization (Note 9)	100,987	100,987
Provision for doubtful accounts (Note 6)	50,740	3,924
Communication and postage	29,246	246,932
Interest expense	25,232	-
Management and other professional fees	24,463	107,731
Utilities	23,797	136,590
Advertising and publicity	4,270	55,244
Program monitoring and evaluation	-	654,537
Miscellaneous expenses	458,193	240,891
	P 17,397,949	P 13,281,165

Donation represents the donation made by the Company to non-government organizations (NGOs) such as CARD MRI Development Institute, Inc. (CMDI), Pioneer Foundation, Inc., and Microfinance Council of the Philippines, Inc.

The donation aims to support NGOs in their roles as advocates for poverty reduction and social protection by promoting ethical and inclusive financial and non-financial services.

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

Salaries and wages mainly consist of:

	2024	2023
Salaries and wages	P 4,137,237	P 3,576,509
Employee benefits	3,212,017	2,667,517
SSS, PHIC, and HDMF Contributions	584,875	469,484
	P 7,934,129	P 6,713,510

Miscellaneous expenses above mainly consists of the following:

	2024	2023
Honorarium	P 178,500	P 67,500
Janitorial, messengerial, and security	99,805	-
Miscellaneous expense	64,548	73,894
Repairs and maintenance	63,761	82,589
Supervision and examination	51,579	9,202
Representation expense	-	7,705
	P 458,193	P 240,891

15. Other Charges - Net

	2024	2023
Interest income	P 297,160	P 112,912
Miscellaneous income	2,068	1,909
Actuarial loss on retirement plan	(621,480)	(258,673)
	P (322,252)	(143,852)

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

16. 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, 2024.

The amounts recognized in the statement of financial position follows:

	2024	2023
Present value of defined benefit obligation	P 1,268,377	P 1,647,786
Fair value of plan assets	(872,233)	(1,822,142)
Effect of asset ceiling	-	12,803
Retirement liability (asset)	P 396,144	P (161,553)

The retirement expense recognized in profit or loss:

	2024	2023
Current service cost	P 123,801	P 95,573
Net interest	20,510	(22,709)
	P 144,311	P 72,864

The movements in the present value of pension obligation follows:

	2024	2023
Balance at the beginning of the year	P 1,647,786	P 1,231,296
Interest expense	100,845	89,638
Current service cost	123,801	95,573
Actuarial loss	597,385	200,637
Benefits paid from plan assets	-	-
Transfers to the plan	(1,201,440)	30,642
Balance at the end of the year	P 1,268,377	P 1,647,786

The movements in the fair value of plan assets follows:

	2024	2023
Balance at the beginning of the year	P 1,822,142	P 1,339,597
Interest income	81,119	112,941
Contributions	208,094	392,944
Benefits paid from plan assets	-	-
Transfer to (from) the plan	(1,201,440)	30,642
Return on plan asset	(37,682)	(53,982)
Balance at the end of the year	P 872,233	P 1,822,142

The movements in the net retirement liability follows:

	2024	2023
Balance at the beginning of the year	P (161,553)	P (100,146)
Retirement expense recognized in P&L	765,791	331,537
Contributions	(208,094)	(392,944)
	P 396,144	P (161,553)

The allocation of plan assets is as follows:

	2024	2023
Cash and cash equivalents	P 104,319	P 214,284
Debt instruments	553,257	1,316,133
Loans	205,062	271,499
Other	9,595	20,226

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:

	2024	2023
Discount rate	6.09%	6.12%
Salary increase rate	5.00%	5.00%
Average remaining working lives	32.1 years	32.2 years

The weighted average duration of the defined benefit obligation at the end of the reporting period is 11.5 years and 10.1 years in 2024 and 2023, respectively.

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

	2024	2023
Less than 1 year	P 97,016	P 134,507
More than 1 year to 5 years	495,859	550,265
More than 5 years to 10 years	928,519	821,979

17. 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 ₱5,000,000 and with total assets not exceeding ₱100,000,000, excluding land on which the particular business entity's office, plant, and equipment are situated during the taxable year for which the tax is imposed at 20%. All other domestic corporations and resident foreign corporations will be subject to 25% income tax;

- Minimum corporate income tax (MCIT) rate is reduced from 2% to 1% effective July 1, 2020, to June 30, 2023; with the MCIT rate reverting to 2% on July 1, 2023.
- The imposition of improperly accumulated earnings is repealed.

a. Applicable rates

The Company is subject to Regular Corporate Income Tax (RCIT) rate of 25% and 20% in 2024 and 2023, respectively. The Company is subject to MCIT at 2% and 1.5% in 2024 and 2023, respectively.

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 2024 and 2023, the Company opted to continue claiming the itemized deduction.

c. Tax computation

	2024	2023
Revenues	P 41,303,698	P 24,389,167
Less: Cost of sales and services	(14,656,897)	(10,110,524)
Gross income from operation	26,646,801	14,278,643
Add: Other income	2,068	1,909
Total Gross income	26,648,869	14,280,552
Less: Itemized deductions	(17,022,639)	(13,270,336)
Taxable income	P 9,626,230	P 1,010,216
RCIT - at 25% and 20%, respectively	P 2,406,558	P 202,043
MCIT - at 2 % and 1.5%, respectively	532,977	214,208
Income tax due	P 2,406,558	P 214,208
Income taxes paid and tax credits		
Prior year's excess tax credit	(173,103)	-
Quarterly income tax payments	(1,536,957)	(59,544)
Creditable withholding taxes	(486,980)	(327,767)
Income tax payable (overpayment)	P 209,518	P (173,103)

d. Reconciliation

Reconciliation between accounting income and taxable income is presented below:

	2024	2023
Accounting income	P 8,926,600	P 853,626
Permanent differences:		
Contributions to retirement plan	(208,094)	(392,944)
Interest income subject to final tax	(297,160)	(112,912)
Amortized portion for the past service cost	(45,293)	(15,556)
Penalties and other charges	357,782	-
Temporary differences:		
Contributions subject to amortization	75,864	267,634
Actuarial loss on retirement plan	621,480	258,673
Accumulated vacation leave	-	74,907
Retirement expense	144,311	72,864
Provision for doubtful accounts	50,740	3,924
Taxable income	P 9,626,230	P 1,010,216

e. Provision for income tax consists of:

	2024	2023
Current income tax	P 2,406,558	P 214,208
Final tax	61,508	20,100
	P 2,468,066	P 234,308

18. 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, 2024 and 2023 are as follows:

December 31, 2024			
	Amount/ Volume	Outstanding Balance	Nature, Terms and Condition
Cash and cash equivalents	P	12,457,438	This pertains to savings deposit account in the bank.
Placements	P 63,257,624		
Withdrawals	57,753,545		
Due from affiliates		82,473	The amount represents the uncollected billing from Books sales, Digital and Other Publications, Planner and birthday cards.
Billings	47,069,621		
Settlement	47,065,623		
Due to affiliates		72,000	The amount represents unpaid bills for purchases of goods and services owed to its affiliated businesses.
Charges	1,038,935		
Payments	967,075		
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	32,729,095	-	Income earned from sale of books to affiliates; all on cash basis.
Cost of services	725,064	-	Direct expenses incurred by the Company in providing services.

December 31, 2023			
	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 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	33,968,725	-	Income earned from sale of books to affiliates; all on cash basis.
Cost of services	10,110,524	-	Direct expenses incurred by the Company in providing services.

19. 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 2, 2025.

20. 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 Revenue Regulation No.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 No.15-2010 for the year ended December 31, 2024:

a. Taxes and Licenses

Percentage tax	P	1,252,763
Business permit and licenses		90,097
Documentary stamp tax		30,209
Annual registration fee		7,010
	P	1,380,078

b. Withholding Taxes

Expanded withholding taxes	P	395,681
Tax on compensation and benefits		96,150
	P	491,831

c. Tax Assessments and Cases

On May 31, 2024, the Company received a replacement Letter of Authority (LOA No. 201-5000-41953/ SN:eLA201500042806) for the continuation of audit of all internal revenue taxes liabilities for the period of January 1, 2021 to December 31, 2021. As of December 31, 2024, the tax audit is still in progress

In September 2023, the Company received a Letter of Authority (LOA No. 055-2023-019340/ SN: eLA2015000038975) for the taxable year 2022. On March 25, 2024, the Company fully settled its tax assessment for the taxable year 2022 which amounted to ₱396,666, inclusive of deficiency taxes and interest.

INDEPENDENT AUDITOR'S REPORT

Page 1 of 4

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

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards for Small Entities (PFRS for SEs).

Basis for Opinion

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

INDEPENDENT AUDITOR'S REPORT

Page 2 of 4

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

INDEPENDENT AUDITOR'S REPORT

Page 3 of 4

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

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

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

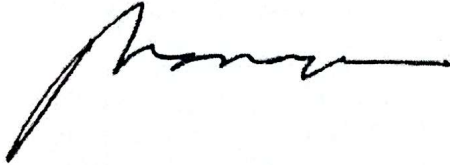
Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes, duties and license fees, and other information where applicable to the Company, in Note 20 to the financial statements is presented for purposes 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

Page 4 of 4

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

By:



SEVERINO M. MANANGU

Partner

TIN: 102-091-358

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

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

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

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

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

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

April 2, 2025

City of Makati, Metro Manila

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

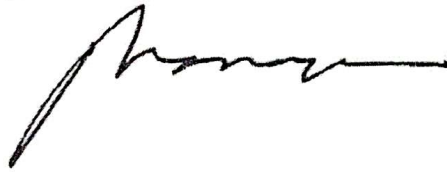
The Board of Directors and Stockholders
CARD MRI Publishing House, Inc.
M.L. Quezon St., City Subdivision
San Pablo City, Laguna

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

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

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

By:



SEVERINO M. MANANGU
Partner

TIN: 102-091-358

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

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April 2, 2025
City of Makati, Metro Manila

EM & ASSOCIATES, CPAs
(Formerly: Endriga, Manangu & Associates)
Unit 1712 Cityland Herrera Tower, Rufino St., Salcedo Village, Bel-Air, Makati City 1227
CP: 0917 576 9000; LL: 8628 0150

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

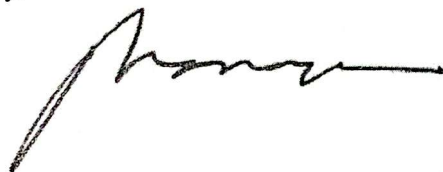
The Board of Directors and Stockholders
CARD MRI Publishing House, Inc.
M.L. Quezon St., City Subdivision
San Pablo City, Laguna

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

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

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

By:



SEVERINO M. MANANGU

Partner

TIN: 102-091-358

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

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April 2, 2025
City of Makati, Metro Manila

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

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

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

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

I. Financial Statements

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

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.

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

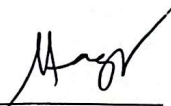
30. We confirm that all events occurring subsequent to the date of the financial statements and for which the PFRS for SEs and other reporting standards adopted require adjustment or disclosure have been adjusted or disclosed.

XIII. Approval of the Financial Information

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

CARD MRI Publishing House Inc.

Signature:



Marilyn M. Manila
President



Lousel E. Cortes
Treasurer

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

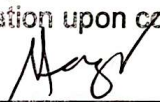
The Management of **CARD MRI Publishing House Inc.** (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2024 and 2023, in accordance with the prescribed financial reporting framework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

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

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

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

EM & ASSOCIATES, CPAs (formerly Endriga, Manangu & Associates), the independent auditor appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.



Marilyn M. Manila
Chairman of the Board



Marilyn M. Manila
President



Lousel E. Cortes
Treasurer

Signed this 2nd day of April 2025

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

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, 2024. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended December 31, 2024 and the accompanying Annual Income Tax Return are in accordance with the books and records of **CARD MRI 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 2nd day of April 2025

Your BIR AFS eSubmission uploads were received

1 message

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

To: PUBLISHING@cardmri.com

Cc: JEFFIE.UBALDO@cardmri.com

Mon, Apr 28, 2025 at 5:49 PM

Hi CARD MRI PUBLISHING HOUSE INC.,

Valid files

- EAFS009736106TCRTY122024-01.pdf
- EAFS009736106TCRTY122024-02.pdf
- EAFS009736106TCRTY122024-03.pdf
- EAFS009736106AFSTY122024.pdf
- EAFS009736106RPPTY122024.pdf
- EAFS009736106ITRTY122024.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-BHF5ADC707DBE9DL7M4WQPWRV0MVT4RZYT**

Submission Date/Time: **Apr 28, 2025 05:49 PM**

Company TIN: **009-736-106**

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

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

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