

QUICKWAY HOLDINGS, INC.

AMENDED AUDITED FINANCIAL STATEMENTS

For the year ended December 31, 2020 and 2019



SECURITIES AND EXCHANGE COMMISSION

Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City, 1307 Metro Manila Philippines

Tel: (632) 838-0921 Fax: (632) 818-5293 Email: msis@sec.gov.ph



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Company Information

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Industry Classification:

Company Type:

Document Information

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Remarks: None

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

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

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Form Type

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Department requiring the report

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Secondary License Type, If Applicable

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COMPANY INFORMATION

Company's email Address

quickwayholdings@gmail.com

Company's Telephone Number

09063736123

Mobile Number

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No. of Stockholders

6

Annual Meeting (Month / Day)

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Fiscal Year (Month / Day)

12/2020

CONTACT PERSON INFORMATION

The designated contact person MUST be an Officer of the Corporation

Name of Contact Person

FLORENTINO H. GARCES

Email Address

fhgarces@yahoo.com

Telephone Number/s

876-92-27

Mobile Number

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CONTACT PERSON's ADDRESS

L-35, B-31, Kiel Street, MEV Brgy. San Andres, Cainta, Rizal.

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 cause 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.



VALERIO, VALERIO & CO., CPA'S

Rm. 312 Burke Bldg., Burke St. Escolta Tel. Nos. (632) 8241-5254 * (632) 8243-5896
Manila, Philippines Email Add. esval1950@yahoo.com

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
QUICKWAY HOLDINGS, INC.
6/F Zeta II Annex Building, 191 Salcedo St.,
Legaspi Village, Makati City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **QUICKWAY HOLDINGS, INC.** which comprise the statements of financial position as at December 31, 2020 and 2019, and the statements of income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standard for Small Entities (the Framework).

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 *Auditors Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the, the Code of Ethics of Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audits 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.

Other Matter

The financial statements of **QUICKWAY HOLDINGS, INC.** for the year ended December 31, 2020 was amended as approved by the Board of Directors on March 25, 2021 for the application of the New Income Tax Rate as provided by the laws under Republic Act (R.A.) No. 11534 effective July 01, 2020.

Consequently, our opinion on the financial statement is not modified in respect to the amendment made.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives is 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not guarantee that an audit conducted in accordance with PSA 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 a part of an audit in accordance with PSA, 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.
- 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 auditors' 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 auditors' 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.

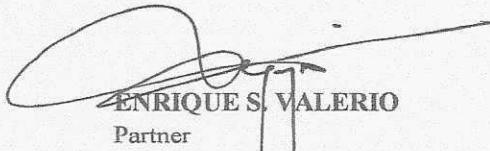
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the years ended December 31, 2020 and 2019, required by the Bureau of Internal Revenue as disclosed in Notes to the financial statements is presented for purpose of additional analysis and is not a required part of the basic financial statements prepared in accordance with the Framework. Such supplementary information is the responsibility of management.

The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

VALERIO, VALERIO & CO.



ENRIQUE S. VALERIO

Partner

CPA Certificate No. 38508

PTR No. 9860042; 01-15-2021; Manila

TIN: 115-711-112

BOA /PRC Accreditation No. 8202 issued on January 11, 2018, effective until September 9, 2021

SEC Accreditation No.1245-AR-2 (Individual) Group C, issued on Sept. 28, 2018, effective until Sept. 27, 2021

SEC Accreditation No.0365 F (Firm) Group C, issued on Sept. 28, 2018, Effective until September 27, 2021

BIR Accreditation No.06-007339-001-2018, issued August 14, 2018, effective until August 13, 2021

Escolta, Manila

June 14, 2021

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eaafs@bir.gov.ph <eaafs@bir.gov.ph>
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Cc: QUICKWAYHOLDINGS@gmail.com

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Hi QUICKWAY HOLDINGS INCORPORATED,

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Company TIN: **009-413-704**

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eaafs@bir.gov.ph <eaafs@bir.gov.ph>
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Cc: QUICKWAYHOLDINGS@gmail.com

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QUICKWAY HOLDINGS INC.

BALANCE SHEETS

As of December 31, 2020

AMENDED

ASSETS		2020		2019
CURRENT ASSETS				
Cash in Banks	Php	7,485,768.59	Php	3,954,842.89
Interest		9,487.91		-
Accounts Receivable		-		503,606.68
Subscription Receivable		38,372,205.00		-
Investment in Stocks		956,965,395.00		837,606,600.00
Total Current Assets	Php	1,002,832,856.50	Php	842,065,049.57
OTHER ASSETS				
Security Deposit	Php	45,000.00	Php	45,000.00
Total Other Assets	Php	45,000.00	Php	45,000.00
TOTAL ASSETS	Php	1,002,877,856.50	Php	842,110,049.57
LIABILITIES AND STOCKHOLDER'S EQUITY				
CURRENT LIABILITIES				
Income Tax Payable	Php	1,153,094.00	Php	1,128,018.00
Withholding Tax Payable - Compensation		142,348.72		142,348.72
Value Added Tax Payable		90,030.06		118,275.06
Total Current Liabilities	Php	1,385,472.78	Php	1,388,641.78
STOCKHOLDER'S EQUITY				
Authorized Capital Stocks to issue (10,000,000 @ P/100)				
Subscribed Capital Stocks	Php	157,731,000.00	Php	-
Subscribed and Fully Paid-up Capital		842,269,000.00		842,269,000.00
Retained Earnings		1,492,383.72		(1,547,592.21)
Total Stockholder's Equity	Php	1,001,492,383.72	Php	840,721,407.79
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	Php	1,002,877,856.50	Php	842,110,049.57

QUICKWAY HOLDINGS INC.

INCOME STATEMENTS

For the years ended December 31, 2020 & 2019

AMENDED

INCOME		2020		2019
Management Fee	Php	11,025,488.01	Php	10,460,826.77
GROSS PROFIT	Php	11,025,488.01	Php	10,460,826.77
<hr/>				
LESS: OPERATING EXPENSES				
Compensation Expense	Php	5,993,300.00	Php	5,754,928.48
Professional Fee		90,000.00		90,000.00
Taxes & Licenses		49,881.18		46,110.00
Printing Fee/Stationery and office Supplies		9,750.19		7,950.00
Rent Expense		-		180,000.00
Miscellaneous Expenses		601,123.40		521,071.52
SSS/PhilHealth/HDMF		88,363.00		100,707.74
TOTAL OPERATING EXPENSES	Php	6,832,417.77	Php	6,700,767.74
NET INCOME (LOSS) FROM OPERATION		4,193,070.24		3,760,059.03
Less: Provision for Income Tax		1,153,094.32		1,128,017.71
NET INCOME (LOSS) FOR THE YEAR		3,039,975.92		2,632,041.32
Retained Earnings - Beginning		(1,547,592.21)		(4,179,633.53)
RETAINED EARNINGS - ENDING	Php	1,492,383.72	Php	(1,547,592.21)

QUICKWAY HOLDINGS INC.
STATEMENTS OF CASH FLOW
For the years ended December 31, 2020 & 2019
AMENDED

		2020		2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Income/(Loss) for the year	Php	3,039,975.92	Php	2,632,041.32
Adjustments for:				
Depreciation		-		-
Operating income (loss) before working capital changes	Php	3,039,975.92	Php	2,632,041.32
Decrease (increase) in:				
Accounts Receivable		503,606.68		(503,606.68)
Interest		(9,487.91)		
Increase (decrease) in accounts payable and accrued expenses		(3,169.00)		595,908.77
Cash generated from operating activities	Php	3,530,925.69	Php	2,724,343.41
Net cash from operating activities	Php	3,530,925.69	Php	2,724,343.41
CASH FLOWS FROM INVESTING ACTIVITIES				
Subscription Receivable	Php	(38,372,205.00)	Php	-
Investment in Stocks		(119,358,795.00)		(339,769,000.00)
Net cash used in investing activities	Php	(157,731,000.00)	Php	(339,769,000.00)
CASH FLOWS FROM FINANCING ACTIVITY				
Subscribed Capital Stocks	Php	157,731,000.00	Php	339,769,000.00
Net cash from financing activity	Php	157,731,000.00	Php	339,769,000.00
NET INCREASE (DECREASE) IN CASH	Php	3,530,925.69	Php	2,724,343.41
Cash at Beginning of the Year		3,954,842.89		1,230,499.48
CASH AT END OF YEAR	Php	7,485,768.59	Php	3,954,842.89

QUICKWAY HOLDINGS INC.
STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2020 & 2019
AMENDED

	2020	2019
Adjustment for:		
Paid-up Capital	62,500,000.00	62,500,000.00
Additional Capital Infusion	779,769,000.00	779,769,000.00
TOTAL PAID-UP CAPITAL	842,269,000.00	842,269,000.00
 RETAINED EARNINGS		
Beginning Balance	(1,547,592.21)	(4,179,633.53)
Add: Net Income	3,039,975.92	2,632,041.32
TOTAL RETAINED EARNINGS	1,492,383.72	(1,547,592.21)
 TOTAL STOCKHOLDER'S EQUITY	843,761,383.72	840,721,407.79

QUICKWAY HOLDINGS, INC.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 & 2019 AMENDED

1. GENERAL INFORMATION

QUICKWAY HOLDINGS, INC. is a holding company engaged in buying and holding companies whether common, preferred, treasury, founders or other kinds of shares, either by subscribing to the unissued shares of the capital stock in public or private offerings or by purchasing the shares of other stockholders by the way of assignment in private sale; invest in the stock of other companies by way of pledge, chattel mortgage or assignment; sell, dispose, assign, pledge or convey any or all of its shareholdings in other companies in favor of qualified persons by way of private sale, assignment or other forms of private conveyance, all in accordance with the Corporate Code, the Security Act and other applicable laws and regulations. To vote its shareholdings in other companies and exercise all the rights of a shareholder under the Corporation Code and applicable laws. To do other acts and things necessary, desirable or appropriate for the attainment of the foregoing purposes without acting as broker or dealer or engaging in investment solicitation or any investment taking activities from public investors.

The registered address of the company is located at 6th Floor Zeta II Annex Building 191 Salcedo St., Legaspi Village, San Lorenzo, Makati City.

The financial statements of the Company for the years ended December 31, 2020 were authorized for issue by the Board of Directors on May 28, 2021. The Board of Directors is still empowered to make amendments even after the date of issue.

2. 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.

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The financial statements of **QUICKWAY HOLDINGS, INC.** have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs). PFRSs are adopted by the Financial Reporting Standards Council (FRSC), formerly the Accounting Standards Council, from the pronouncements issued by the International Accounting Standards Board (IASB). PFRSs consist of:

- a. Philippine Financial Reporting Standards (PFRSs) - corresponding to International Financial Reporting Standards;
- b. Philippine Accounting Standards (PASs) - corresponding to International Accounting Standards; and

c. Interpretations to existing standards - representing interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), formerly the Standing Interpretations Committee (SIC), of the IASB which are adopted by the FRSC.

(b) Basis of Measurement

These financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial assets. The measurement bases are more fully described in the accounting policies that follow.

(c) Presentation of Financial Statements

The financial statements are presented in accordance with Philippine Accounting Standard (PAS 1), *Presentation of Financial Statements*. The Company presents all items of income and expenses in a single statement of comprehensive income.

The Company presents a third statement of financial position as at the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the statement of financial position at the beginning of the preceding period. The related notes to the third statements of financial position are not required to be disclosed.

2.2 Functional Currency and Foreign Currency Transactions

These financial statements are presented in Philippine Peso, the Company's functional currency, and all values represent absolute amounts except when otherwise indicated.

(i) Functional and Presentation Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Philippine Peso, which is also the Company's functional currency.

(ii) Transactions and Balance

The accounting records of the Company are maintained in Philippine Peso. Foreign currency transactions during the period are translated into the functional currency at exchange rates, which approximate those prevailing on transaction dates.

2.3 Adoption of New Interpretation, Revisions and Amendments to PFRS

Changes in Accounting Policies

Except for the following standards and amended PFRS which were adopted as of January 1, 2016 the accounting policies and methods of computation adopted in the preparation of the financial statements are consistent with those followed in

the previous financial year. Unless otherwise indicated, these new and revised accounting standards have no impact to the Company.

- (i) PFRS 10 (Amendments), *Consolidated Financial Statements* and PAS 28 (Amendments), *Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exemption*. These amendments clarify that the exemption in PFRS 10 from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity that measures all of its subsidiaries at fair value and that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity parent is consolidated. The amendments also allow an investor (that is not an investment entity and has an investment entity associate or joint venture), when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.
- (ii) PFRS 11 (Amendments), *Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations*. The amendments to PFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant PFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to PFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments are not expected to have significant effect, since the Company has no joint venture arrangement or any acquired interest in joint ventures.

- (iii) PFRS 14, *Regulatory Deferral Accounts*. PFRS 14 is an optional standard that allows an entity, whose activities are subject to rate regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of PFRS. Entities that adopt PFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. The Company is an existing PFRS preparer, this standard would not apply.
- (iv) PAS 1 (Amendments), *Presentation of Financial Statements - Disclosure Initiative*. The amendments are intended to assist entities in applying judgment when meeting the presentation and disclosure requirements in PFRS. They clarify the following:
 - That entities shall not reduce the understandability of their financial statements by either obscuring material information with immaterial

information; or aggregating material items that have different natures or functions;

- That specific line items in the statements of comprehensive income and the statements of financial position may be disaggregated;
- That entities have flexibility as to the order in which they present the notes to the financial statements;
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

(v) PAS 16 (Amendments), *Property and Equipment*, and PAS 38 (Amendments), *Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortization*. The amendments clarify the principle in PAS 16 and PAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue based method cannot be used to depreciate property and equipment and may only be used in very limited circumstances to amortize intangible assets.

(vi) PAS 16 (Amendments), *Property and Equipment*, and PAS 41 (Amendments), *Agriculture - Bearer Plants*. The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of PAS 41. Instead, PAS 16 will apply. After initial recognition, bearer plants will be measured under PAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of PAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, PAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*, will apply.

(vii) PAS 27 (Amendments), *Separate Financial Statements - Equity Method in Separate Financial Statements*. The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying PFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of PFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to PFRS. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted.

(viii) *Annual Improvements to PFRS (2012-2014 cycle)*. The Annual Improvements to PFRS (2012-2014 cycle) are effective for annual periods beginning on or after January 1, 2016 and are not expected to have a material impact on the Company, unless otherwise stated. They include:

- a. *PFRS 5, Non-current Assets Held for Sale and Discontinued Operations - Changes in Methods of Disposal*. The amendment is applied

prospectively and clarifies that changing from a disposal through sale to a disposal through distribution to owners and vice-versa should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in PFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification.

- b. *PFRS 7, Financial Instruments: Disclosures - Servicing Contracts.* PFRS 7 requires an entity to provide disclosures for any continuing involvement in a transferred asset that is derecognized in its entirety. The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance in PFRS 7 in order to assess whether the disclosures are required. The amendment is to be applied such that the assessment of which servicing contracts constitute continuing involvement will need to be done retrospectively. However, comparative disclosures are not required to be provided for any period beginning before the annual period in which the entity first applies the amendments.
- c. *PFRS 7 - Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements.* This amendment is applied retrospectively and clarifies that the disclosures on offsetting of financial assets and financial liabilities are not required in the condensed interim financial report unless they provide a significant update to the information reported in the most recent annual report.
- d. *PAS 19, Employee Benefits - Regional Market Issue regarding Discount Rate.* This amendment is applied prospectively and clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.
- e. *PAS 34, Interim Financial Reporting - Disclosure of Information 'Elsewhere in the Interim Financial Report'.* The amendment is applied retrospectively and clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report).

Standards Issued but Not Yet Effective

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt these standards when they become effective. Except as otherwise indicated, the Company does not expect the adoption of these new and amended PAS, PFRS and Philippine Interpretations to have significant impact on the financial statements.

Effective in 2018

(i) PFRS 9, *Financial Instruments* (2014 or final version). In July 2014, the final version of PFRS 9, *Financial Instruments*, was issued. PFRS 9 reflects all phases of the financial instruments project and replaces PAS 39, *Financial Instruments: Recognition and Measurement*, and all previous versions of PFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. PFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory.

Early application of previous versions of PFRS 9 is permitted if the date of initial application is before February 1, 2015.

The adoption of PFRS 9 will have an effect on the classification and measurement of the Company's financial assets and impairment methodology for financial assets, but will have no impact on the classification and measurement of the Company's financial liabilities. The Company will quantify this effect to present a comprehensive picture of the impact of adoption on the financial position or performance of the Company.

(ii) IFRS 15, *Revenue from Contracts with Customers*. IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2017 with early adoption permitted. The Company is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date once adopted locally.

Effective in 2019

(i) IFRS 16, *Leases*. On January 13, 2016, the IASB issued its new standard, IFRS 16, which replaces IAS 17, the current leases standard, and the related Interpretations. Under the new standard, lessees will no longer classify their leases as either operating or finance leases in accordance with IAS 17. Rather, lessees will apply the single-asset model. Under this model, lessees will recognize the assets and related liabilities for most leases on their balance sheets, and subsequently, will depreciate the lease assets and recognize interest on the lease liabilities in their profit or loss. Leases with a term of 12 months or less or for which the underlying asset is of low value are exempted from these requirements. The accounting by lessors is substantially unchanged as the new standard carries forward the principles of lessor accounting under IAS 17. Lessors, however, will be required to

disclose more information in their financial statements, particularly on the risk exposure to residual value. IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted but only if IFRS 15 is applied at or before the date of initial application of IFRS 16. The Company is currently assessing the impact of IFRS 16 and plans to adopt the new standard on the required effective date once adopted locally.

Mandatory Date Yet to be Determined

(i) Philippine Interpretation IFRIC 15, *Agreements for the Construction of Real Estate*. This interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The interpretation requires that revenue on construction of real estate be recognized only upon completion, except when such contract qualifies as construction contract to be accounted for under PAS 11, *Construction Contracts*, or involves rendering of services in which case revenue is recognized based on stage of completion. Contracts involving provision of services with the construction materials and where the risks and reward of ownership are transferred to the buyer on a continuous basis will also be accounted for based on stage of completion. The SEC and the Financial Reporting Standards Council (FRSC) have deferred the effectiveness of this interpretation until the final Revenue standard is issued by the International Accounting Standards Board (IASB) and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed.

Adoption of the interpretation when it becomes effective will not have any impact on the financial statements of the Company.

2.4 Financial Assets

Financial assets, which are recognized when the Company becomes a party to the contractual terms of the financial instrument, include cash and other financial instruments. Financial assets, other than hedging instruments, are classified into the following categories financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired. The designation of financial assets is re-evaluated at every reporting period at which date a choice of classification or accounting treatment is available, subject to compliance with specific provisions of applicable accounting standards.

The Company's financial assets include cash and, loans and other receivables.

All financial assets that are not classified as at fair value through profit or loss are initially recognized at fair value, plus transaction costs.

Interest income, interest expense and impairment losses, relating to financial assets are presented as separate items in the statements of comprehensive income, unless indicated otherwise.

Non-compounding interest and other cash flows resulting from holding financial assets are recognized in profit or loss when earned, regardless of how the related carrying amount of financial assets is measured.

A more detailed description of the four categories of financial assets is as follows:

(a) Financial Assets at Fair Value through Profit or Loss (FAFVTPL)

This category includes financial assets that are either classified as held for trading or are designated by the entity to be carried at fair value through profit or loss upon initial recognition. All derivatives fall into this category, except for those designated and effective as hedging instruments. Assets in this category are classified as current if they are either held for trading or are expected to be realized within 12 months from the end of the reporting period. Financial assets at fair value through profit or loss are initially recognized at fair value. Any related transaction costs are recognized in the profit or loss.

Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss. Financial assets (except derivatives and financial instruments originally designated as financial assets at fair value through profit or loss) may be reclassified out of fair value through profit or loss category if they are no longer held for the purpose of being sold or repurchased in the near term.

The Company has no Financial Assets at Fair Value through Profit or Loss as of December 31, 2019.

(b) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivables. Included in this category are those arising from direct loans to clients, receivable from clients and other receivables.

The Company initially recognized loans and receivables at fair value plus transaction cost. Fair value at initial recognition is normally the transaction price. Loans and receivables are subsequently measured at amortized cost using the effective interest method, less impairment loss, if any. Any change in their value is recognized in profit or loss. An impairment loss is provided when there is objective evidence that the Company will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the impairment loss is determined as the difference between the assets' carrying amount and the present value of estimated cash flows.

For short term receivables, the fair value is equal to the face value or original invoice amount. Cash flows relating to short term receivables are not discounted

because the effect of discounting is usually immaterial. Thus, accounts receivable and advances shall be measured initially at fair value. Subsequently, shall be measured at net realizable value, meaning the amount of cash expected to be collected or the estimated recoverable amount.

Interest income is amortized using the effective interest method of amortization and any unamortized loan discounts are deducted from the outstanding balance to arrive at the amortized cost of the account.

Impairment losses is the estimated amount of losses in the Company's loan portfolio, based on the evaluation of the estimated future cash flows discounted at the loan's original effective interest rate or the last repricing rate for loans issued at variable rates. It is established through an allowance account which is charged to expense. Loans and receivables are written off against the allowance for impairment losses when the Company's management believes that the collectability of the principal is unlikely.

The Company's financial assets categorized as loans and receivables are presented as Cash, Loans receivable, Advances to employees, Accounts receivable – Related party and Accounts receivable – Client included under Loans and other receivables in the statements of financial position.

The Company recognized cash or cash equivalent as current asset when it is not restricted from being exchanged or used to settle liability for at least twelve months after the end of the reporting period. Cash includes petty cash fund, and demand and savings deposits which are all readily available for the Company's day-to-day operation. Cash equivalents, if any, includes placements with original maturities of three months or less from the dates of placements and that are subject to insignificant risk of changes in value. Cash and cash equivalents are measured at face value.

(c) Held-to-Maturity Financial Assets

This category includes non-derivative financial assets with fixed or determinable payments and a fixed date of maturity that the Company has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Held-to-maturity investments are included in non-current assets under Financial Assets account in the statements of financial position, except those maturing within 12 months from the reporting period, which are presented as part of current assets. Held-to-maturity financial instruments are initially recognized at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent to initial recognition, the investments are measured at amortized cost using the effective interest method, less impairment losses, if any. Impairment loss, which is the difference between the carrying value and the present value of estimated cash flows of the investment, is recognized when there is objective evidence that the investment has been impaired. Any changes to the carrying amount of the investment, including impairment loss, are recognized in profit or loss.

(d) Available-for-sale Financial Assets

This category includes non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. They are included in non-current assets under the Financial Assets account in the statements of financial position unless management intends to dispose of the investment within 12 months from the reporting period. Available-for-sale financial assets are initially recognized at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

All available-for-sale financial assets are measured at fair value, unless otherwise disclosed, with changes in value recognized in other comprehensive income, net of any effects arising from income taxes. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognized in other comprehensive income is reclassified from revaluation reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income.

Reversal of impairment loss is recognized in other comprehensive income, except for financial assets that are debt securities which are recognized in profit or loss only if the reversal can be objectively related to an event occurring after the impairment loss was recognized.

All income and expenses, including impairment losses, relating to financial assets that are recognized in profit or loss are presented as part of Finance Costs or Finance Income in the statements of comprehensive income.

For investments that are actively traded in organized financial markets, fair value is determined by reference to stock exchange-quoted market bid prices at the close of business on the reporting period. For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

Non-compounding interest, dividend income and other cash flows resulting from holding financial assets are recognized in profit or loss when earned, regardless of how the related carrying amount of financial assets is measured.

Derecognition of financial assets occurs when the rights to receive cash flows from the financial instruments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

The Company has no available-for-sale financial assets as of December 31, 2020 and 2019.

2.5 Property and Equipment

The cost of an item of property and equipment shall be recognized as an asset if and only if: (a) it is probable that future economic benefits associated with the item will flow to the Company and (b) the cost of the item can be measured reliably.

Property and equipment are initially recorded at cost and subsequently carried at acquisition cost less subsequent depreciation and any impairment losses.

The cost of an asset comprises its purchase price and directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, major improvements and renewals are capitalized; expenditures for repairs and maintenance are charged to expense as incurred. When assets are sold, retired or otherwise disposed of, their cost and related accumulated depreciation and impairment losses are removed from the accounts and any resulting gain or loss is reflected in income for the period.

The following costs are not costs of an item of property and equipment, and the entity recognized them as an expense when they are incurred: costs of opening a new facility, costs of introducing a new product or service (including costs of advertising and promotional activities), costs of conducting business in a new location or with a new class of customer (including costs of staff training), administration and other general overhead costs and borrowing costs. For financial reporting purposes, duties and taxes related to the acquisition of property and equipment are capitalized. For income tax reporting purposes, such duties and taxes are treated as deductible expenses in the year these charges are incurred.

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

Depreciation is computed on the straight-line basis over the estimated useful lives as follows:

Delivery equipment	10-20 years
Furniture and fixture	10-20 years
Fixed asset - forfeited	5-10 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The residual values and estimated useful lives of property and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

2.6 Impairment of Financial Assets

The Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that loss

event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Company about certain loss events, including, among others: significant financial difficulty of the issuer or debtor; a breach of contract, such as a default or delinquency in interest or principal payments; it is probable that the borrower will enter bankruptcy or other financial reorganization; the disappearance of an active market for that financial asset because of financial difficulties; or observable data indicating that there is measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group.

(a) Assets carried at amortized cost.

The Company first assesses whether objective evidence of impairment exists individually significant and individually or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the Company includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on loans and discount or held-to-maturity investments carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the statements of comprehensive income. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. When practicable, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

The calculation of the present value of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e., on the basis of the Company's grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtor's ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets and historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently.

Estimates of changes in future cash flows for groups of assets should reflect and be consistent with changes in related observable data from period to period. The methodologies and assumption used for estimating future cash flows are reviewed regularly by the group to reduce any differences between loss estimates and actual loss experience.

When a loan is uncollectible, it is written off, against the related allowance for loan impairment. Such loans are written off after all the necessary procedures including approval from the management and the Board has been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the impairment loss in the statement of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decrease and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in the statements of comprehensive income.

In addition, a 100% allowance should be set up for the loans which are uncollected for almost six (6) months.

The above loss events were considered in the allowance for probable losses recorded by the Company, based on the guidelines and requirements of PAS 39, *Financial Instruments: Recognition and Measurements*.

(b) Assets carried at fair value with changes charged to capital funds.

In the case of investments classified as available-for-sale financial assets, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss is removed from capital funds and recognized in the statement of comprehensive income.

Impairment losses recognized in the statements of comprehensive income on equity instruments are not reversed from capital funds and recognized in the statements of comprehensive income. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increase and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss was recognized in profit or loss, the impairment loss is reversed through the statement of comprehensive income.

(c) Assets carried at cost.

The Company assesses at each reporting date whether there is objective evidence that any of the unquoted equity securities and derivative assets linked to and required to be settled in such unquoted equity instruments, which are carried at cost and for which objective evidence of impairment exist. The amount of impairment loss is the difference between the carrying amount of the equity security and the present value of the estimated future cash flows discounted at the current market rate of return of a similar asset. Impairment losses on assets carried at cost cannot be reversed.

2.7 Impairment of Non - Financial Assets

At each reporting date, the Company assesses whether there is any indication that its nonfinancial assets may be impaired. The Company's property and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. When an indicator of impairment exists or when an annual impairment testing for an asset is required, the Company makes a formal estimate of recoverable amount. Recoverable amount is the higher of an asset's (or cash-generating units) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is assessed as part of the cash generating unit to which it belongs.

Where the carrying amount of an asset (or cash generating unit) exceeds its recoverable amount, the asset (or cash generating unit) is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or cash generating unit).

An impairment loss is charged to operations in the year in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is charged to the revaluation increment of the said asset. An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statements of comprehensive income unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation expense is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life.

2.8 Financial Liabilities

Financial liabilities include Trade and other payables and Advances from stockholders which are measured at fair value or transaction price less settlement payments.

Financial liabilities are recognized when the Company becomes a party to the contractual terms of the instrument where the substance of the arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue. All interest-related charges are recognized as an expense in the statement of comprehensive income.

For short term payables, the fair value is equal to the face value or original invoice amount. Cash flows relating to short term payable are not discounted because the effect of discounting is usually immaterial. Thus accounts payable and advances shall be measure initially at fair value. Subsequently, shall be measured at net realizable value, meaning the amount of cash expected to be collected paid.

2.9 Derecognition of Financial Assets and Liabilities

(a) Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired; or
- The Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
- The Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained the risk and rewards of the asset but has transferred the control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Bank’s continuing involvement in the asset.

(b) Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in statements of comprehensive income.

2.10 Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statements of financial position.

2.11 Equity

Common stock is determined using the nominal value of shares that have been issued. Preferred stock is also being valued using the nominal value of shares that have been issued.

Additional paid-in capital, if any, includes any premiums received on the issuance of capital stock. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital.

Retained earnings include all current and prior period results as disclosed in the statements of comprehensive income.

2.12 Earnings per Share (EPS)

Basic earnings per share (EPS) is computed by dividing net income attributable to common shareholders for the year by the weighted average number of common shares outstanding during the year after giving retroactive effect to stock dividends declared and stock rights exercised during the year, if any. The Company does not have dilutive potential common shares.

2.13 Revenue and Expense Recognition

Revenue comprises of interest income, service charge, collection charges and credit investigation fees measured by reference to the amount of loan multiplied by the corresponding rates.

Revenue is recognized to the extent that the revenue can be reliably measured; it is probable that the economic benefits will flow to the Company; and the costs incurred or to be incurred can be measured reliably. The following specific recognition criteria must be met before income is recognized. The current specific revenue recognition policies of the Company are as follows:

- a) *Interest income on loans*—Income are recognized in the statements of comprehensive income for all instruments measured at amortized cost using

the effective interest method. Unless collected, interest income is not recognized on loans that remain outstanding beyond their maturity dates.

b) *Service charge and other fees*— Service charges and other fees deducted immediately from loan proceeds are immediately recognized as income. On the other hand, service charge and other fees not automatically deducted from loan proceeds are recognized as income when amortized using effective interest method.

Cost and expenses are recognized in profit or loss upon utilization of goods or services or at the date they are incurred. All finance costs are reported in profit or loss, except capitalized borrowing costs, if any, which are included as part of the cost of the related qualifying asset, on an accrual basis.

Cost and expenses are recognized in the statements of comprehensive income at the date they are incurred.

2.14 Related Party Transactions

Two or more parties are related parties when at any time during the financial period: (a) one party has direct or indirect control of the other party; or (b) the parties are subject to common control from the same source; or (c) one party has influence over the financial and operating policies of the other party to an extent that the other party might be inhibited from pursuing at all times its own separate interests; or the parties, in entering a transaction, are subject to influence from the same sources to such an extent that one of the parties to the transaction has subordinated its own separate interests.

Transactions with related parties are executed substantially on the same terms, including mark-up rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties and do not involve more than a normal risk.

2.15 Income Taxes

(a) Current taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxing authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted during the reporting period.

(b) Deferred taxes

Deferred tax is provided, using the balance sheet liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, including asset revaluations. Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits from the excess of minimum corporate income tax (MCIT) over the regular income tax, and unused

tax losses from net operating loss carryover (NOLCO), to the extent that it is probable that sufficient taxable profit will be available against which the deductible temporary differences and carry forward of unused tax credits from MCIT and unused NOLCO can be utilized. Deferred income tax, however, is not recognized on temporary differences that arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates expected in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Current tax and deferred tax relating to items recognized directly in equity are also recognized in equity and not in the statements of comprehensive income. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred taxes related to the same taxable entity and the same taxation authority.

(c) Documentary Stamp Tax

Documentary stamp taxes (at varying rates) are imposed on the following:

- i. Bank checks, drafts, or certificate of deposit not bearing interest, and other instruments;
- ii. Bonds, loan agreements, promissory notes, bills of exchange, drafts, instruments and securities issued by the Government or any of its instrumentalities, deposit substitute debt instruments, certificates of deposits bearing interest and other not payable on sight or demand;
- iii. Acceptance of bills of exchange and letters of credit; and
- iv. Bills of lading or receipt.

2.16 Employee Benefits

Employee benefits are all forms of consideration given by the Company in exchange for service rendered by employees, including directors and management.

(a) Short-term Benefits

The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given by the Company to its employees include compensation, social security contributions, short-term compensated absences, bonuses and other non-monetary benefits.

(b) Retirement Benefit Obligations

As of the reporting period, the Company has no retirement plan yet and did not recognize any retirement liabilities. Liability for the retirement benefits should be computed based on R.A. No. 7641 and R.A. No. 8558. The minimum retirement pay due for covered employees shall be equivalent to one-half month salary for every year of service, a fraction of at least six (6) months being considered as one whole year. One-half month salary include: (a) 15 days salary based on the latest salary rate; (b) cash equivalent of 5 days of service incentive leave (or vacation leave); (c) one-twelfth (1/12) of the 13th month pay; provided that the retiree has 10 years of continuous service and at least sixty (60) years of age.

2.17 Prior Period Adjustment

Prior period adjustments are omissions from, and misstatements in, the Company's financial statements for one or more periods arising from a failure to use, or misuse of, reliable information. This adjustment includes correction of errors, change in estimates and other adjustments pertaining to prior periods.

A prior period error shall be corrected by retrospective restatement except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the error.

2.18 Provisions

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and these can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Any reimbursement expected to be received in the course of settlement of the present obligation is recognized, if virtually certain as a separate asset, not exceeding the amount of the related provisions. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. In addition, long-term provisions are discounted to their present values, where the time value of money is material.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements.

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Probable inflows of economic benefits that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements.

2.19 Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized, but are disclosed in the financial statements when an inflow of economic benefits is probable.

2.20 Events after the End of the Reporting Period

Events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of events can be identified:

- (a) those that provide evidence of conditions that existed at the end of the reporting period (*adjusting events after the reporting period*); and
- (b) those that are indicative of conditions that arose after the reporting period (*non-adjusting events after the reporting period*).

Post year-end events up to the date of the auditor's report that provide additional information about the Company's position at the reporting period (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

3.1 Critical Accounting Estimates

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed as follows:

(a) Allowance for Impairment of Loans Receivable

The Company reviews its loans receivable at each reporting date to assess whether an allowance for impairment should be recorded in the statements of financial position and any changes thereto in the statements of comprehensive income. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on assumptions about a number of factors. Actual results may also differ, resulting in future changes to the allowance.

Adequate amount of allowance is made and provided for species and groups of accounts, where the objective of impairments exists. The Company evaluates these accounts based on available facts and circumstances, including, but not limited to,

the Company's knowledge and understanding of borrowers' paying capacity, the borrowers' current credit status based on known market forces, average age of accounts, collection experience and historical loss experience.

The carrying value of loans receivable and the analysis of the allowance for the probable loss of such financial assets, if any.

(b) Useful Life of Property and Equipment

The Company estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, estimation of the useful lives of property and equipment is based on the collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors and circumstances. A reduction in the estimated useful lives of property and equipment would increase recorded operating expenses and decrease non-current assets.

(c) Impairment of Non-financial Assets

Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

No impairment losses were recognized on non-financial assets for the years ended December 31, 2020 and 2019.

3.2 Critical Accounting Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the financial statements:

(a) Functional Currency

The Company has determined that its functional currency is the Philippine Peso which is the currency of the primary environment in which the Company operates.

(b) Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies.

(c) Going Concern Assessment

The Management has made an assessment of the Organization's ability to continue as a going concern and is satisfied that the Organization has the resources to continue in business for the foreseeable future. Furthermore, Management is not aware of any material uncertainties that may cast significant doubt upon the Organization's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

(d) Fair Value Measurement and Disclosure

PFRS 13 requires that financial assets and liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value, but for which fair value is required to be disclosed in accordance with other relevant PFRS to be categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels

- (a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;
- (b) Level 2: inputs other than quoted prices included within level 1 that are observable for the asset (i.e., derived from price); and,
- (c) Level 3: inputs for the assets or liability that are not based on observable marked data(unobservable inputs).

The level within which the asset or liability is classified is determined based on the lowest level significant input to the fair value measurement.

As of December 31, 2020 and 2019, the Company neither has assets and liabilities measured at fair value nor does it has assets and liabilities required to be disclosed at fair value. Accordingly, it has no assets and liabilities categorized into the foregoing levels.

4. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of financial risks in relation to financial instruments. The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The main types of risks are market risk, credit risk and liquidity risk.

The most significant financial risks to which the Company is exposed to are described below.

4.1 Market Risk

The Company's exposure relates primarily to changes in the price of a financial instrument. The Company manages its risk by identifying, analyzing and measuring relevant or likely market risks.

4.2 Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in a day-to-day business.

The following are the contractual maturities of financial liabilities:

	December 31, 2020			
	Carrying Amount	Total	Due within one (1) year	Due Beyond one (1) year
Non-derivative Financial liabilities				
Trade & other payables	142,348.72	142,348.72	142,348.72	
Income Tax Payable	838,614.00	838,614.00	838,614.00	
VAT Payable	90,030.06	90,030.06	90,030.06	
	1,070,992.78	1,070,992.78	1,070,992.78	-

	December 31, 2019			
	Carrying Amount	Total	Due within one (1) year	Due Beyond one (1) year
Non-derivative Financial liabilities				
Trade & other payables	142,348.72	142,348.72	142,348.72	
Income Tax Payable	1,128,018.00	1,128,018.00	1,128,018.00	
VAT Payable	118,275.06	118,275.06	118,275.06	
	1,388,641.78	1,388,641.78	1,388,641.78	-

4.3 Credit Risk

Credit risk is the risk that counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers and placing deposits.

The Company continuously monitors defaults of borrowers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties.

The Company's management considers that all the above financial assets that are not impaired or past due for each reporting date are of good credit quality.

(a) Cash in banks

The credit risk for cash in banks is considered negligible since the counterparties are reputable banks with high quality external credit rating. Cash in banks insured by the Philippines Deposit Insurance Corporation up to a maximum coverage of P500,000.00 for every depositor per banking institution.

(b) Investment in Stock

Investment in stocks are stated at par value.

COMPANY NAME	SUBSCRIBED SHARES	SUBSCRIBED CAPITAL	PAR VALUE	PAID UP CAPITAL
Stronghold Insurance Co. Inc.	3,500,000	350,000,000.00	100	295,762,795.00
Sterling Insurance Co. Inc.	3,493,128	349,312,800.00	100	349,312,800.00
Bethel Gen. Insurance	15,442,000	154,420,000.00	10	120,000,000.00
Milestone Guaranty & Assurance Corp.	1,890,000	189,000,000.00	100	189,000,000.00
Mega Re International, Inc.	2,200,000	2,200,000.00	100	2,200,000.00
Rural Bank of Apalit, Inc.	6,898	689,800.00	100	689,800.00
TOTAL		1,045,622,600.00		956,965,395.00

(c) Loans and other receivables

In respect of loans receivable, the Company is not exposed to any significant Credit exposure to any single counterparty or and a group of counterparties having similar characteristic. The company manages credit risk by setting limits for individual borrowings, and group of borrowers and industry segments.

The Company maintains a general policy of avoiding excessive exposure in any particular sector Philippines economy. The Company actively seeks to increase its exposure in industry sectors which it is believed to possess attractive grow opportunities. Conversely, it actively seeks to reduce its exposure in industry sectors where growth potential is minimal. As the Company's loan portfolio is composed of transactions with workers which subsequently worked abroad, the results of operations and financial condition of the Company may be adversely affected by any downturn in these sectors as well as in the Philippines economy in general.

The aging analysis of financial assets as of December 31, 2020 and 2019 that were past due but not impaired are as follows:

4.4 Capital Management

The Company's capital management objectives are:

- i. To ensure the Company's ability to continue as a going concern; and
- ii. To provide an adequate return to stockholders by pricing services commensurately with the level of risk. The Company monitors capital on the basis of the carrying amount of equity as presented on the face of the statements of financial position

The Company sets the amount of capital in proportion to its over-all financing structure as indicated in its debt-to-equity ratio. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may adjust the amount of the dividend payment to shareholders or issue new shares. No changes were made on the objectives, policies or processes in the years ended December 31, 2020 and 2019, respectively.

As of December 31, 2020 and 2019, the Company is compliant with the minimum paid-up capital requirements under *Lending Act of 1997*.

5. CASH

This account consists of:

	2020	2019
Cash in Banks	7,485,768.59	3,954,842.89
Total	7,485,768.59	3,954,842.89

None of the foregoing assets were used as collateral to secure any liability of the Company.

6. INCOME TAX

Republic Act (RA) No.9337 was enacted into law effective November 1, 2005 amending various provisions in the existing 1997 National Internal Revenue Code. Among the reforms introduced by the said RA are as follows:

- Increase in the corporate income tax rate from 32% to 35% with a reduction thereof to 30% beginning January 1, 2009;
- Grant of authority to the Philippine President to increase the 10% value added tax (VAT) rate to 12% effective January 1, 2006, subject to compliance with certain economic conditions
- Revised invoicing and reporting requirement for VAT;
- Expanded scope of transaction subject to VAT and
- Provided thresholds and limitation on the amount of VAT credits that can be claimed.

Due to the enactment of RA, the deferred income tax assets and liabilities as of December 31, 2005 were measured at 35%. Also the effective statutory income tax rate as of December 31, 2005 is at 32.5%.

QUICKWAY HOLDINGS, INC.
Notes to the financial statements

On January 31, 2006, the Bureau of Internal Revenue issued Revenue Memorandum Circular No. 7 – 2006 increasing the VAT rate from 10% to 12% effective February 1, 2006.

RA No. 9361 was enacted into law effective December 13, 2006 amending Section 110B of the 1997 NIRCP and abolishing the limitation on the amount of VAT credits that can be claimed.

	2020	2019
Net Income before Tax	4,193,070.24	3,760,059.03
Tax Rate	27.5 %	30 %
Provision for Income Tax	1,153,094.32	1,128,017.71

MINIMUM CORPORATE INCOME TAX

Implementing Republic Act No. 8424, “An Act Amending the National Internal Revenue Code, as amended” Relative to the imposition of the Minimum Corporate Income Tax (MCIT) on Domestic Corporations and Resident Foreign Corporations and order Revenue Regulations No.9-98 Sec. 2-27 (E). A minimum corporate income tax (MCIT) of two percent (2%) of the gross income as of the end of the taxable year (whether calendar or fiscal year, depending on the accounting period employed) is hereby imposed upon any domestic corporation beginning the fourth (4th) taxable year immediately following the taxable year in which such corporation commenced its business operations.

The MCIT shall be imposed whenever such corporation has zero or negative taxable income tax or whenever the amount of minimum-corporate-income tax is greater than the normal income tax due from such corporation.

7. SHARE CAPITAL

The total authorized number of ordinary shares is ten million (10,000,000) common shares with a par value of one hundred peso Php100.00 per share. As of December 31, 2020 and 2019, the following shares were fully subscribed and paid:

	Shares	2020	2019
Authorized - P100.00 par value per share	10,000,000	1,000,000,000	1,000,000,000
Less: Unissued Capital Stock	1,577,310	157,731,000	157,731,000
Issued and Paid-up Capital Stock	8,422,690	842,269,000	842,269,000

8. RETAINED EARNINGS

This account consists of:

	2020	2019
Balance, January 1	(1,547,592.21)	(4,179,633.53)
Net Income	3,039,975.92	2,632,041.32
Balance, December 31	1,492,383.72	(1,547,592.21)

9. GROSS INCOME

This account consists of:

	2020	2019
Revenue	11,025,488.01	10,460,826.77
Total	11,025,488.01	10,460,826.77

10. OPERATING EXPENSES

This account consists of:

	2020	2019
Compensation Expense	5,993,300.00	5,754,928.48
Professional Fee	90,000.00	90,000.00
Taxes and Licenses	49,881.18	46,110.00
Printing Fee/Stationery and Office Supplies	9750.19	7,950.00
Rent Expense	-	180,000.00
Miscellaneous Expenses	601123.40	521,071.52
SSS/PhilHealth/MDMF	88,363.00	100,707.74
Total	6,832,417.77	6,700,767.74

11. RELATED PARTY TRANSACTIONS

In the ordinary course of business, the Company has no transactions with related parties which mainly cash provided by its officers which are considered as deposit future stock subscription.

12. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE (BIR)

Presented below is the supplementary information which is required by the BIR under its existing revenue regulations to be disclosed as part of the notes to the financial statements. This supplementary information is not a required disclosure under PFRS for SMEs.

12.1 Requirements under Revenue Regulations No. 15-2010

In compliance with BIR Revenue Regulations No. 15-2010 (amending certain provision of Sec. 2 of RR No. 21-2002), which requires addition to the disclosures mandated under the Philippine Financial Reporting Standards for Small and Medium-Sized Entities, and such other standards and convention, the Notes to the Financial Statements shall include information on taxes, duties and license fees paid or accrued during the taxable year particularly on the following which is applicable to the Company:

(a) Value Added Tax

VAT paid – P90,030.06 and P118,275.06 for 2020 and 2019, respectively.

(b) Taxes on Importation

The Company has no importation transaction during the year 2020 and 2019.

(c) Excise Tax

The Company has no transaction which is subject to excise tax during the year 2020 and 2019.

(d) Taxes and Licenses

The taxes and licenses account refers to payment of annual registration, barangay clearance and business permits amounting to P49,881.18.

(e) Withholding Taxes

Withholding tax on compensation – P142,348.72 and P142,348.72 for 2020 and 2019, respectively.

12.2 Requirements under Revenue Regulations No. 19-2011

Revenue Regulations No. 19-2011 requires schedules of taxable revenues and other non-operating income, costs of sales and/or services, itemized deductions and other significant tax information, to be disclosed in the notes to the financial statements.

The amounts of taxable revenues and income, and deductible costs and expenses presented below are based on relevant tax regulations issued by the BIR, hence, may not be the same as the amounts of revenues reflected in the 2015 statement of comprehensive income, which is based on PFRS for SMEs.

(a) Taxable Revenue

The Company has taxable revenue of P11,025,488.01 and P10,460,826.77 for 2020 and 2019, respectively.

QUICKWAY HOLDINGS, INC.
Notes to the financial statements

(b) *Itemized Deductions*

	2020	2019
Compensation Expense	5,993,300.00	5,754,928.48
Professional Fee	90,000.00	90,000.00
Taxes and Licenses	49,881.18	46,110.00
Printing Fee/Stationery and Office Supplies	9750.19	7,950.00
Rent Expense	-	180,000.00
Miscellaneous Expenses	601123.40	521,071.52
SSS/PhilHealth/MDMF	88,363.00	100,707.74
Total	6,832,417.77	6,700,767.74

13. CONTINGENCIES

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



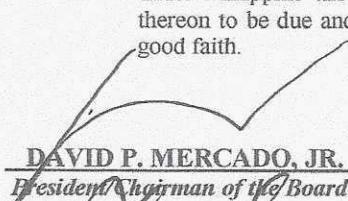
QUICKWAY HOLDINGS, INC.

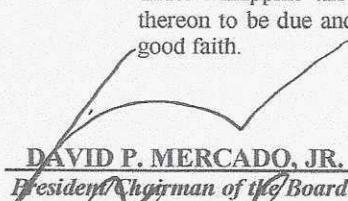
STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

The Management of **QUICKWAY HOLDINGS, INC.** is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2020. The management is likewise responsible for all the information and representations contained in the financial statements accompanying the Annual Income Tax Return/Annual Information 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 return, documentary stamps, and any all other tax return.

In this regard, the Management affirms that the attached audited financial statements for the year ended December 31, 2020, and the accompanying Annual Income Tax Returns are in accordance with the books and records of **QUICKWAY HOLDINGS, INC.** is 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 issuance of the Department of Finance and the Bureau of Internal Revenue.
- b.) Any disparity of figures is the submitted reports arising from the preparation of financial statements pursuant to tax accounting rules has been reported as reconciling items and maintained in the company's books and record in accordance with the requirements of **Revenue Regulations No. 8-2007** and other relevant issuances;
- c.) The management has filed all the 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.


DAVID P. MERCADO, JR.
President/Chairman of the Board


MARIA PILAR B. MERCADO
Treasurer

SUBSCRIBED AND SWORN TO ME BEFORE ME this 13th day of APRIL 2021 affiants exhibiting to me their Tax Identification Nos. (TIN) as follows:

NAME
DAVID P. MERCADO, JR.
MARIA PILAR B. MERCADO

Doc. No. 199 ;
Page No. 40 ;
Book No. X ;
Series of 2021 .

TIN
TIN: 189-037-270
TIN: 301-363-935

NOTARY PUBLIC ATTY. **DAVE JOHN T. HERNANDEZ**
NOTARY PUBLIC FOR MAKATI CITY
COMMISSION NO. M-278
UNTIL JUNE 30, 2021
(PER SUPREME COURT EN BANC RESOLUTION DATED
DECEMBER 1, 2020 PURSUANT TO B.M. NO. 3795)
6th/F - ZETA II ANNEX BUILDING
191 SALCEDO STREET, LEGASPI VILLAGE
MAKATI CITY, METRO MANILA
ROLL OF ATTORNEYS NO. 59749
IBP OR NO. 141229/01042021/ MANILA
PTR NO. 9824678/ 01-04-2021 / MANILA
ESSE COMPLIANCE NO. VI-0021957 / 04-12-2019



Estanislao, Mamuri & Co., CPAs <estanislao.mamuri@gmail.com>

Tax Return Receipt Confirmation

ebirforms-noreply@bir.gov.ph <ebirforms-noreply@bir.gov.ph>
To: estanislao.mamuri@gmail.com

Thu, Jun 17, 2021 at 11:26 AM

This confirms receipt of your submission with the following details subject to validation by BIR:

File name: 009413704000-1702RTv2018C-122020V1.xml

Date received by BIR: 17 June 2021

Time received by BIR: 10:57 AM

Penalties may be imposed for any violation of the provisions of the NIRC and issuances thereof.

FOR RETURNS WITH PAYMENT, PLEASE PROCEED TO PAY:

VIA ELECTRONIC MEANS thru

- Development Bank of the Philippines' (DBP) pay Tax online (for holders of Visa/Mastercard Credit Card and/or BancNet ATM/Debit Card); or
- Land Bank of the Philippines' (LBP) Link.Biz Portal (for taxpayers who have ATM account with LBP and/or holders of BancNet ATM/Debit/prepaid card or taxpayer utilizing PESoNet facility for depositors of RCBC, Robinsons Bank, Union Bank and BPI); or
- Union Bank online web and Mobile Payment Facility (for taxpayer who has an account with Union Bank of the Philippines); or
- Mobile Payment (GCash/PayMaya)

OR VIA MANUAL MEANS,

Please print this e-mail together with the RETURN and proceed to the:

- AUTHORIZED AGENT BANK (AAB) assigned in the RDOs where you are registered; or
- In areas where there are no AABs, please proceed to the Revenue Collection Officer (RCO) under the Revenue District Office where you are registered.
The assigned RCO will receive your payment and issue the eOR using Mobile Revenue Collection Officer System (MRCOS).

This is a system-generated email. Please do not reply.

Bureau of Internal Revenue

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REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
**BUREAU OF INTERNAL
REVENUE**

FILING REFERENCE NO.

TIN	:	009-413-704-000
Name	:	QUICKWAY HOLDINGS, INC.
RDO	:	047
Form Type	:	0605
Reference No.	:	292100041250502
Amount Payable (Over Remittance)	:	48,151.00
Accounting Type	:	C - Calendar
For Tax Period	:	12/31/2020
Quarter	:	4
Date Filed	:	04/14/2021
Tax Type	:	IT

Proceed to Payment

[[BIR Main](#) | [eFPS Login](#) | [User Menu](#) | [Help](#)]

1702-RT January 2018(ENCS) Page 1	Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate Enter all required information in CAPITAL LETTERS. Mark applicable boxes with an "X". Two copies MUST be filled with the BIR and one held by the taxpayers.	 1702-RT 01/18ENCS P1
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1 For <input checked="" type="checkbox"/> Calendar 2 Year Ended (MM/20YY) [12 - December '20] 20	Fiscal <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	3 Amended Return? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	4 Short Period Return <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	5 Alphanumeric Tax Code (ATC) IC 055-Minimum Corporate Income Tax (MCIT) [IC010 - CORPORATION IN GENERAL - JAN 1, 2009]
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Part I - Background Information

6 Tax Identification Number (TIN) 009 - 413 - 704 - 00000 7 RDO Code [047]

8 Registered Name (Enter only 1 letter per box using CAPITAL LETTERS)

QUICKWAY HOLDINGS, INCORPORATED

9 Registered Address (Indicate complete address. If the registered address is different from the current address, go to the RDO to update registered address by using BIR Form No. 1805)

6TH FLOOR ZETA II ANNEX BLDG SALCEDO ST. LEGASPI VILLAGE SAN LORENZO MAKATI

9A ZIP Code [1223]

10 Date of Incorporation/Organization (MM/DD/YYYY) 09/20/2016 11 Contact Number 88911329

12 Email Address ammercado.qhi@gmail.com

13 Method of Deductions Itemized Deductions [Section 34 (A-J), NIRC] Optional Standard Deduction (OSD) - 40% of Gross Income [Section 34(L), NIRC as amended]

Part II - Total Tax Payable (Do NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)

14 Tax Due 1,257,921

15 Less: Total Tax Credits/Payments 1,209,770

16 Net Tax Payable (Overpayment) (Item 14 Less Item 15) 48,151

Add: Penalties

17 Surcharge 0

18 Interest 0

19 Compromise 0

20 Total Penalties (Sum of items 17 to 19) 0

21 TOTAL AMOUNT PAYABLE (Overpayment) (Sum of items 16 and 20) 48,151

If Overpayment, mark one(1) box only (Once the choice is made, the same is irrevocable)

To be refunded To be issued a Tax Credit Certificate (TCC) To be carried over as a tax credit for next year/quarter

We declare under the penalties of perjury that this return, and all its attachments, have been made in good faith, verified by us, and to the best of our knowledge and belief, are true and correct, pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof. (If signed by an Authorized Representative, indicate TIN and attach authorization letter)

DAVID P. MERCADO JR.

MARIA PILAR B. MERCADO

22 Number of Attachments
000

Signature over Printed Name of President/Principal Officer/Authorized Representative

Signature over Printed Name of Treasurer/Assistant Treasurer

Title of Signatory PRESIDENT

TIN 1890372700000

Title of Signatory TREASURER

TIN 3013639350000

Part III - Details of Payment

Particulars	Drawee Bank/ Agency	Number	Date(MM/DD/YYYY)	Amount
23 Cash/Bank Debit Memo				0
24 Check				0
25 Tax Debit Memo				0
26 Others(Specify Below)				0

Machine Validation/Revenue Official Receipt Details (If not filled with an

Stamp of Receiving Office/AAB and Date of Receipt (RO's)

BIR Form No. 1702-RT January 2018(ENCS) Page 2		Annual Income Tax Return Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	 1702-RT 01/18ENCS P2
Taxpayer Identification Number(TIN) 009 413 704 00000		Registered Name QUICKWAY HOLDINGS, INCORPORATED	
Part IV - Computation of Tax <small>(DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)</small>			
27 Sales/Revenues/Receipts/Fees		11,025,488	
28 Less: Sales Returns, Allowances and Discounts		0	
29 Net Sales/Revenues/Receipts/Fees (Item 27 Less Item 28)		11,025,488	
30 Less: Cost of Sales/Services		0	
31 Gross Income from Operation (Item 29 less Item 30)		11,025,488	
32 Add: Other Taxable Income Not Subjected to Final tax		0	
33 Total Taxable Income (Sum of Items 31 and 32)		11,025,488	
Less: Deductions Allowable under Existing Law			
34 Ordinary Allowable Itemized Deductions		6,832,417	
35 Special Allowable Itemized Deductions		0	
36 NOLCO (Only for those taxable under Sec. 27(A) to C; Sec. 28(A)(1)(A)(6)(b) of Tax code, as amended)		0	
37 Total Deductions (Sums of Items 34 to 36)		6,832,417	
OR [in case taxable under Sec 27(A) & 28(A)(1)]			
38 Optional Standard Deduction (OSD) (40% of Item 33)		0	
39 Net Taxable Income/(Loss) <small>If Itemized: Item 33 Less Item 37; If OSD: Item 33 Less Item 38</small>		4,193,071	
40 Applicable Income Tax Rate		30 %	
41 Income Tax Due other than Minimum Corporate Income Tax(MCIT) (Item 39 x Item 40)		1,257,921	
42 MCIT Due (2% of Item 33)		0	
43 Tax Due (Normal Income Tax Due in Item 41 OR the MCIT Due in Item 42, whichever is higher)		1,257,921	
Less: Tax Credits/Payments(attach proof)			
44 Prior Year's Excess Credits Other Than MCIT		0	
45 Income Tax Payment under MCIT from Previous Quarter/s		0	
46 Income Tax Payment under Regular/Normal Rate from Previous Quarter/s		1,209,770	
47 Excess MCIT Applied this Current Taxable Year		0	
48 Creditable Tax Withheld from Previous Quarter/s per BIR Form No. 2307		0	
49 Creditable Tax Withheld per BIR Form No. 2307 for the 4th Quarter		0	
50 Foreign Tax Credits, if applicable		0	
51 Tax Paid in Return Previously Filed, if this is an Amended Return		0	
52 Special Tax Credits		0	
Other Credits/Payments (Specify)			
53		0	
54		0	
55 Total Tax Credits/Payments (Sum of Items 44 to 54)		1,209,770	
56 Net Tax Payable (Overpayment) (Item 43 Less Item 55)		48,151	
Part V - Tax Relief Availment			
57 Special Allowable Itemized Deductions (Item 35 of Part IV x Applicable Income Tax Rate)		0	
58 Add: Special Tax Credits		0	
59 Total Tax Relief Availment (Sum of Items 57 & 58)		0	

BIR Form No. 1702-RT January 2018(ENCS) Page 3	Annual Income Tax Return Corporation, Partnership and Other Non-individual Taxpayer Subject Only to REGULAR Income Tax Rate		 1702-RT 01/18ENCS P3
Taxpayer Identification Number(TIN) 009 413 704 00000		Registered Name QUICKWAY HOLDINGS, INCORPORATED	
Part VI - Schedules			(DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)
Schedule I - Ordinary Allowable Itemized Deductions (Attach additional sheet/s if necessary)			
1 Amortization	0		
2 Bad Debts	0		
3 Charitable and Other Contributions	0		
4 Depletion	0		
5 Depreciation	0		
6 Entertainment, Amusement and Recreation	0		
7 Fringe Benefits	0		
8 Interest	0		
9 Losses	0		
10 Pension Trusts	0		
11 Rental	0		
12 Research and Development	0		
13 Salaries, Wages and Allowances	5,993,300		
14 SSS, GSIS, Philhealth, HDMF and Other Contributions	88,363		
15 Taxes and Licenses	49,881		
16 Transportation and Travel	0		
17 Others(Deductions Subject to Withholding Tax and Other Expenses) (Specify below; Add additional sheet/s, if necessary)			
a Janitorial and Messengerial Services	0		
b Professional Fees	90,000		
c Security Services	0		
d OFFICE SUPPLIES	9,750		
e MISCELLANEOUS EXPENSES	601,123		
f	0		
g	0		
h	0		
i	0		
18 Total Ordinary Allowable Itemized Deductions (Sum of items 1 to 17)	6,832,417		
Schedule II - Special Allowable Itemized Deductions (Attach additional sheet/s, if necessary)			
Description	Legal Basis	Amount	
1		0	
2		0	
3		0	
4		0	
5 Total Special Allowable Itemized Deductions (Sum of items 1 to 4)			

BIR Form No. 1702-RT January 2018(ENCS) Page 4	Annual Income Tax Return Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	 1702-RT 01/18ENCS P4	
Taxpayer Identification Number(TIN) _____		Registered Name _____	
Schedule III - Computation of Net Operating Loss Carry Over (NOLCO)			
1 Gross Income	0		
2 Less: Ordinary Allowable Itemized Deductions	0		
3 Net Operating Loss (Item 1 Less Item 2) (To Schedule IIIA, Item 7A)	0		
Schedule IIIA - Computation of Available Net Operating Loss Carry Over (NOLCO) <small>(DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)</small>			
Year Incurred	Net Operating Loss A) Amount	B) NOLCO Applied Previous Year/s	
4	0	0	
5	0	0	
6	0	0	
7	0	0	
Continuation of Schedule IIIA <small>(item numbers continue from table above)</small>			
C) NOLCO Expired	D) NOLCO Applied Current Year	E) Net Operating Loss (Unapplied) [E = A Less (B + C + D)]	
4	0	0	
5	0	0	
6	0	0	
7	0	0	
8 Total NOLCO <small>(Sum of Items 4D to 7D)</small>		0	
Schedule IV -Computation of Minimum corporate Income Tax(MCIT)			
Year	A) Normal Income Tax as Adjusted	B) MCIT	C) Excess MCIT over Normal Income Tax
1	0	0	0
2	0	0	0
3	0	0	0
Continuation of Schedule IV <small>(item numbers continue from table above)</small>			
D) Excess MCIT Applied/Used in Previous Years	E) Expired Portion of Excess MCIT	F) Excess MCIT Applied this Current Taxable Year	G) Balance of Excess MCIT Allowable as Tax Credit for Succeeding Year/s [G = C Less (D + E + F)]
1	0	0	0
2	0	0	0
3	0	0	0
4 Total Excess MCIT Applied <small>(Sum of Items 1F to 3F)</small>		0	
Schedule V - Reconciliation of Net Income per Books Against Taxable Income <small>(Attach additional sheet/s, if necessary)</small>			
1 Net Income/(Loss) per Books			4,193,071
Add: Non-deductible Expenses/Taxable Other Income			
2			0
3			0
4 Total <small>(Sum of Items 1 to 3)</small>			4,193,071
Less: A) Non-Taxable Income and Income Subjected to Final Tax			
5			0
6			0
B) Special Deductions			
7			0



AMIEL MERCADO <ammercado.qhi@gmail.com>

Tax Return Receipt Confirmation

ebirforms-noreply@bir.gov.ph <ebirforms-noreply@bir.gov.ph>
To: ammercado.qhi@gmail.com

14 April 2021 at 15:23

This confirms receipt of your submission with the following details subject to validation by BIR:

File name: 009413704000-1702RTv2018C-122020.xml

Date received by BIR: 14 April 2021

Time received by BIR: 02:48 PM

Penalties may be imposed for any violation of the provisions of the NIRC and issuances thereof.

FOR RETURNS WITH PAYMENT

Please print this e-mail together with the RETURN and proceed to pay through the Authorized Agent Bank / Collection Agent / GCASH or use other payment options.

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Bureau of Internal Revenue

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Republika ng Pilipinas
Kagawaran ng Pananalapi
Kawanihan ng Rentas Internas

eFPS Payment Details

TIN : 009 - 413 - 704 - 000
Name : QUICKWAY HOLDINGS, INC.
Tax Period : 12/31/2020
Reference Number : 292100041250502
Tax Type : IT -

Payment Transaction Number		: 210609093					
Date		: 04/14/2021					
Cash Amount Paid		: 48,151.00					
Bank		: 010000 - UCPB					
Origin	Bank Code	Amount	Number	Date	Status	Message	CBR BCS No.
Online Confirmation	010000	48,151.00	351804	04/14/2021	Authorized	0 - Successful	57207
Batch Confirmation	010000	48,151.00	00000000000000351804	04/14/2021	Authorized	0 - Successful	57207
Batch Acknowledgment	010000	48,151.00	00000000000000351804	04/14/2021	Authorized	0 - Successful	57207
Payment Transaction Number		: 210608958					
Date		: 04/14/2021					
Cash Amount Paid		: 48,151.00					
Bank		: 010000 - UCPB					
Origin	Bank Code	Amount	Number	Date	Status	Message	CBR BCS No.
Pending Online Confirmation	010000	48,151.00	-		Unknown	60 - Details of Payment were redirected to the corresponding Bank. Please verify with your Bank.	0
No Available Batch Confirmation							
No Available Batch Acknowledgement							

Total Payments (Successful/Unsuccessful): 96,302.00

Total Payments (Successful) : 48,151.00

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