

ANNUAL FINANCIAL STATEMENT

SAMPLE

Company Information

SEC Registration No: CS201539840
Company Name: GWU MKTG CORP.
Industry Classification: OTHER SVC ACTIVITIES
Company Type: Stock Corporation

Document Information

Document ID: 208042036680102
Document Type: FINANCIAL STATEMENT-ANNUAL
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No. of Days Late:
Department:
Remarks:

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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Company Name

G	W	U	M	K	T	G	C	O	R	P												

Principal Office (No./Street/Barangay/City/Town)Province

U	N	I	T	-	B	2	N	D	F	L	O	O	R	M	E	R	C	E	D	E	S	B	E	N	Z
C	E	N	T	E	R	B	E	R	T	H	S	P	H	I	L	V	I	I	M	A	R	O	X	A	S
H	I	G	H	W	A	Y	,	C	L	A	R	K	F	R	E	E	P	O	R	T	Z	O	N	E	

Form Type

A	F	S	
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Department requiring the report

C	R	M	D
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Secondary License Type, if applicable

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COMPANY INFORMATION

Company's Email Address

caibsdtrade@gmail.com

Company's Telephone Number/s

(045) 499-0283

Mobile Number

0916-471-7512

No. of Stockholders

5

Annual Meeting
Month/Day

03 - 31

Fiscal Year
Month/Day

12 - 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

ROSE MARIE S. NACPIL

Email Address

rosemarlenacpil.coa@gmail.com

Telephone Number/s

(045) 458-1620

Mobile Number

0922-882-0465

Contact Person's Address

BLK-1 LOT-11 ALFONSO ST., HOLY FAMILY VILLAGE PHASE I, CUTCUT, ANGELES CITY

Note: 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.

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GWU MKTG. CORP.

Unit B 2nd Floor, Mercedes - Benz Center, Berthaphil VIII, MA Roxas Highway, Clark Freeport Zone

FINANCIAL STATEMENTS

December 31, 2019

and

REPORT OF INDEPENDENT AUDITOR

Philippine Peso



ROSE MARIE SANGA - NACPIL ACCOUNTING OFFICE

Blk. 1 Lot 11 Alfonso Street
Holy Family Village I
Cutcut, Angeles City

Mobile: 0922-882-0465
Landline: 045-458-1620
Email: rosemarienacpil.cpa@gmail.com

INDEPENDENT AUDITOR'S REPORT

The Stockholders and Board of Directors

GWU Mktg. Corp.

Unit B 2nd Floor, Mercedes – Benz Center, Berthaphil VIII, MA Roxas Highway, Clark Freeport Zone

Opinion

I have audited the financial statements of **GWU Mktg. Corp.** (the Company), which comprise the statement of financial position as at December 31, 2019 and the statement of income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respect, the financial position of the Company as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standards for Small and Medium-Sized Entities (PFRS for SMEs).

Basis for Opinion

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

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 Philippine Financial Reporting Standards for Small and Medium-Sized Enterprises (PFRS for SMEs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

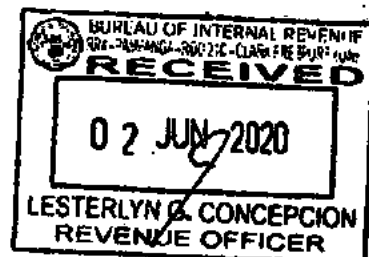
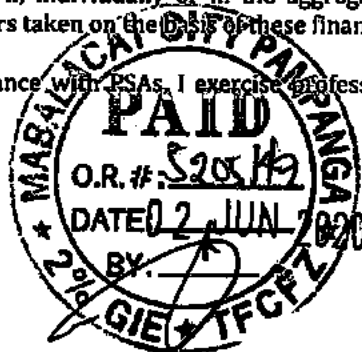
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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



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ROSE MARIE SANGA - NACPIL ACCOUNTING OFFICE

Blk. 1 Lot 11 Alfonso Street
Holy Family Village I
Cutcut, Angeles City

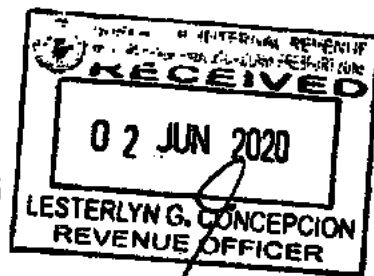
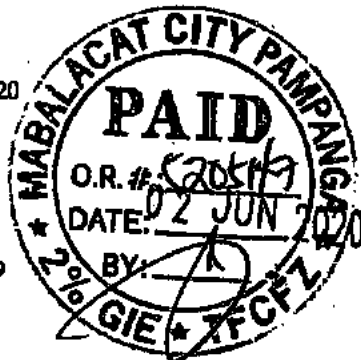
Mobile: 0922-882-0465
Landline: 045-458-1620
Email: rosemarienacpil.cpa@gmail.com

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- 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- I 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 I identify during my audit.
- I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits.

Rose Marie Sanga
ROSE MARIE S. NACPIL

PRC License No. 103700
PTR No. 1473149 issued January 15, 2020
Expiration date: December 31, 2020
Angeles City, Pampanga
TIN: 208-787-456-001
BOA Accreditation No.: 5219
Expiration date: February 23, 2022
BIR Accreditation No. 04-005716-1-2019
Expiration date: February 23, 2022
Angeles City
February 21, 2020





**STATEMENT OF MANAGEMENT RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

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The Management of **GWU Mktg. Corp.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the year ended December 31, 2019 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

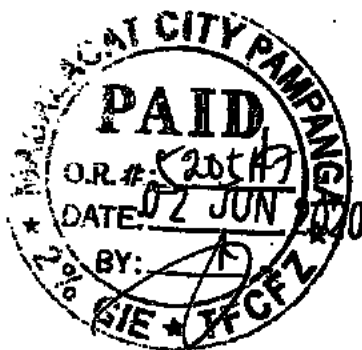
The Board of Directors is responsible for overseeing the Company's financial reporting process.

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

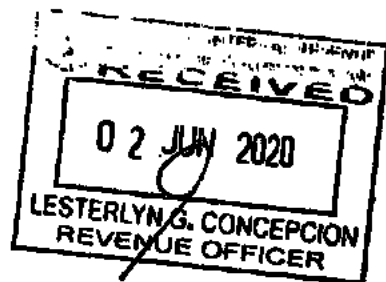
Rose Marie S. Nacpil, the independent auditor appointed by the stockholders for the period December 31, 2019 has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, and has expressed her opinion on the fairness of the presentation upon completion of such audit.


MARICAR S. DIZON
Chairman/President


MARIA EDNA C. PINEDA
Treasurer



Signed this _____ day of _____, 2020.





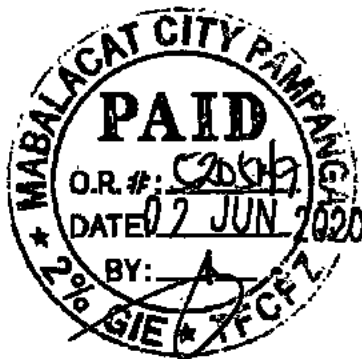
STATEMENT OF MANAGEMENT RESPONSIBILITY
FOR ANNUAL INCOME TAX RETURN

58330 0755

The Management of GWU Mktg. Corp. is responsible for all information and representation contained in the Annual Income Tax Return for the year ended December 31, 2019. Management is likewise responsible for all information and representation contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all other tax return filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax return, documentary stamp tax returns, and any and all other tax return.

In this regard, the Management affirms that the attached audited financial statements for the year ended December 31, 2019 and the accompanying Annual Income Tax Return are in accordance with the books and records of GWU Mktg. Corp. complete and correct in all materials respects. Management likewise affirms that:

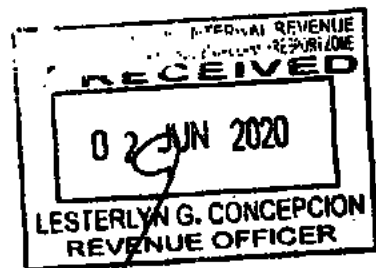
- (a) The Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- (b) Any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
- (c) That taxpayer has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.



[Signature]
MARICAR J. DIZON
Chairman/President

[Signature]
MARIA EULA C. PINEDA
Treasurer

Signed this _____ day of _____, 2020.





ROSE MARIE SANGA - NACPIL ACCOUNTING OFFICE

Blk. 1 Lot 11 Alfonso Street
Holy Family Village 1
Cutcut, Angeles City

Mobile: 0922-882-0465
Landline: 045-458-1620
Email: rosemarienacpil.cpa@gmail.com

STATEMENT OF REPRESENTATION

TO THE SECURITIES AND EXCHANGE COMMISSION:

In connection with my examination of the financial statements of **GWU Mktg. Corp.** which is to be submitted to the Commission, I hereby present the following:

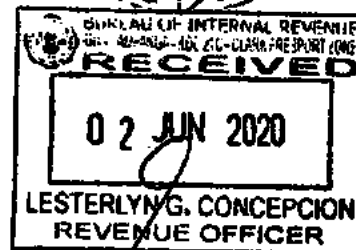
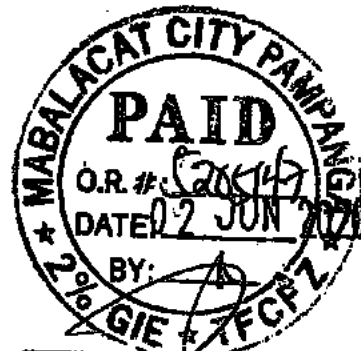
1. That I am in the active practice of the accounting profession and duly registered with the Board of Accountancy (BOA)
2. That said financial statements are presented in conformity with the Philippine Financial Reporting Standards in all cases where I shall express an unqualified opinion; Except that the case of any departure, the effects thereof, and the reasons why the compliance with the principles would result in a misleading statements, if such is a fact;
3. That I shall fully meet the requirements of independence as provided under the Code of Professional Ethics for CPA's;
4. That in the conduct of audit, I shall comply with Philippine Standards on Auditing promulgated by the Board of Accountancy; in case of any departure from such standards or any limitation in the scope of my examination, I shall indicate the nature of the departure and the extent of the limitation, the reasons therefore and the effects thereof in the expression of my opinion or which may necessitate the negation of the expression of an opinion;
5. That I shall comply with the applicable rules and regulations of the Securities and Exchange Commission in the preparation and submission of financial statements; and
6. That relative to the expression of my opinion on the said financial statements, I shall not commit any acts discreditable to the profession as provided under the Code of Professional Ethics for CPA's.

As a CPA engaged in public practice, I make these representation in my individual capacity.


ROSE MARIE S. NACPIL

PRC License No. 103700
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Expiration date: December 31, 2020
Angeles City, Pampanga
TTN: 208-787-456-001
BOA Accreditation No.: 5219
Expiration date: February 23, 2022
BIR Accreditation No. 04-005716-1-2019
Expiration date: February 23, 2022

Angeles City
February 21, 2020



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ROSE MARIE SANGA - NACPIL ACCOUNTING OFFICE

Blk. 1 Lot 11 Alfonso Street
Holy Family Village I
Cutcut, Angeles City

Mobile: 0922-882-0465
Landline: 045-458-1620
Email: rosemarienacpil.cpa@gmail.com

SUPPLEMENTAL WRITTEN STATEMENT

58330 0757

Required by:
BIR Revenue Regulations No. V-1, Section 8-A
Bureau of Internal Revenue

And
SEC SRC Rule
Securities and Exchange Commission

The Stockholders and Board of Directors
GWU Mktg. Corp.
Unit B 2nd Floor, Mercedes - Benz Center, Berthaphil VIII, MA Roxas Highway, Clark Freeport Zone

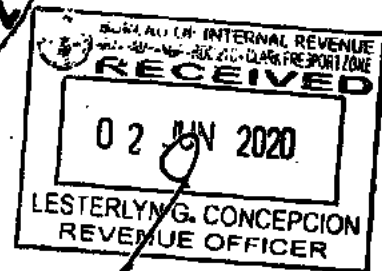
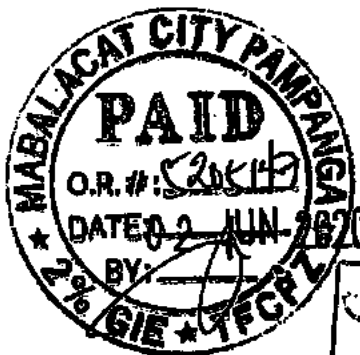
I have examined the financial statements of **GWU Mktg. Corp.** for the period ended December 31, 2019, on which we have rendered our report dated February 21, 2020.

In compliance with SRC rule 68 and based on the certification received from the Company's corporate secretary and the results of our work done, the Company has five (5) stockholders owning one hundred (100) or more shares each.

In compliance with Revenue Regulation V-1 Section 8-A and Revenue Regulation NO. 15-2010, I am stating the following:

1. The taxes paid or payable by the company during the year are shown in the notes to financial statements under Schedules of Income Taxes and Taxes and Licenses Expense attached in the income tax return.
2. In compliance with BIR Revenue Regulations V-1, Section 8-A, I am stating I do not have any financial interest in **GWU Mktg. Corp.** or any family relationships with its president, manager, or principal shareholder.

Rose Marie Sanga
ROSE MARIE S. NACPIL
 PRC License No. 103700
 PTR No. 1473149 issued January 15, 2020
 Expiration date: December 31, 2020
 Angeles City, Pampanga
 TIN: 208-787-456-001
 BOA Accreditation No.: 5219
 Expiration date: February 23, 2022
 BIR Accreditation No. 04-005716-1-2019
 Expiration date: February 23, 2022



Angeles City
February 21, 2020

CERTIFICATION

We, the undersigned officers of **GWU Mktg. Corp.** (the Company), a domestic corporation duly registered with the Philippines Securities and Exchange Commission (SEC), hereby certify:

- i. That the Company's financial year-end is December 31, 2019;
- ii. That the Company has significant business operations in areas affected by COVID-19; and
- iii. That the preparation of financial statements and timely completion of statutory audit of the Company's financial statements as of December 31, 2019 have been affected by the travel restriction/ban, temporary suspension of business operations, and/or measures imposed by the authorities or companies in response to the COVID-19.

We hereby issue this certification in compliance with the SEC Memorandum Circular No. 5, Series of 2020.


MARICAR S. DIZON
 President


MARIA EULA C. PINEDA
 Treasurer

Signed this JUN 01 2020, 2020.

ACKNOWLEDGEMENT


REPUBLIC OF THE PHILIPPINES
ANGELES CITY, S.S.

BEFORE ME, a Notary Public for and in ANGELES CITY this JUN 01 2020 personally appeared the following affiants with their respective valid IDs, as follows:

Name	CTC / Passport No./TIN	Date / Place Issued
Maricar S. Dizon	PP ID no: P2801331A	26 APR 2017 / OZA Angeles
Maria Eula C. Pineda	UMID no: 011-2006171-1	GSS

WITNESS MY HAND SEAL on the date and place first above written.

Doc. No. 97
Page No. 66
Book No. III
Series of 2020.

 NOTARY PUBLIC
ATTY. JOSEPH DEXTER M. FELICIANO
 Notary Public, Angeles City
 Until December 31, 2020
 PTR No. AC-1463428 / 12-18-19
 IBP No. 106887/01-06-20
 Roll of Atty. No. 59806/04-19-11
 Commission No. 2019 - 751
 Room 206 BPI Arcade Nepo Mart, Angeles City

58330 0758



ROSE MARIE SANGA - NACPIL ACCOUNTING OFFICE
 Blk. 1 Lot 11 Alfonso Street
 Holy Family Village I
 Cutcut, Angeles City

Mobile: 0922-882-0465
 Landline: 045-458-1620
 Email: rosemarienacpil.cpa@gmail.com

CERTIFICATION

I, **ROSE MARIE S. NACPIL**, the duly appointed external auditor of **GWU Mktg. Corp.** for the financial year December 31, 2019 do hereby certify:

- i. That the Company has significant business operations in areas affected by COVID-19; and
- ii. That the preparation of financial statements and timely completion of statutory audit of the Company's financial statements as of December 31, 2019 have been affected by the travel restriction/ban, temporary suspension of business operations, and/or measures imposed by the authorities or companies in response to the COVID-19.

I hereby issue this certification in compliance with the SEC Memorandum Circular No. 5, Series of 2020.

Rose Marie S. Nacpil
ROSE MARIE S. NACPIL

PRC License No. 103700
 PTR No. 1473149 issued January 15, 2020
 Expiration date: December 31, 2020
 Angeles City, Pampanga
 TIN: 208-787-456-001
 BOA Accreditation No.: 5219
 Expiration date: February 23, 2022
 BIR Accreditation No. 04-005716-1-2019
 Expiration date: June 13, 2022

Signed this 9th day of Jun, 2020.

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES

~~ANGELES CITY~~⁵⁶

BEFORE ME, a Notary Public for and in ANGELES CITY this JUN 10 2020 personally appeared the following affiants with their respective valid IDs, as follows:

Name	CTC / Passport No./TIN	Date / Place Issued
Rose Marie S. Nacpil	TIN: 208-787-456-000	11/11/2006

WITNESS MY HAND SEAL on the date and place first above written.

Doc. No. 119
 Page No. 70
 Book No. VI
 Series of 2020.

NOTARY PUBLIC

Joseph Dexter M. Feliciano
ATTY. JOSEPH DEXTER M. FELICIANO
 Notary Public Angeles City
 Until December 31, 2020
 PTR No. AC-1403428 / 12-18-19
 IBP No. 106887/01-06-20
 Roll of Atty. No. 59806/04-19-11
 Commission No. 2019-751
 Room 206 BPI Arcade Nepo Mart, Angeles City

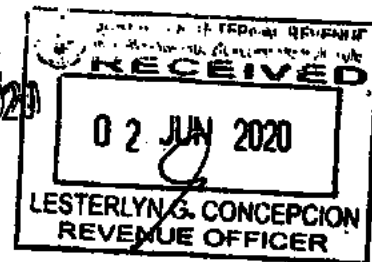
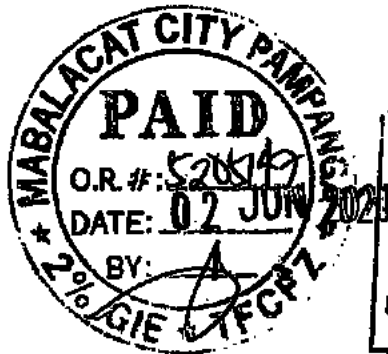
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GWU MKTG CORP.
STATEMENT OF FINANCIAL POSITION
As of December 31, 2019
(With Comparative Figures for 2018)
(Philippine Peso)

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash (Notes 4, 7)	1,895,335	2,088,987
Accounts & Other Receivables (Notes 4, 8)	231,211	540,837
Total Current Assests	2,126,546	2,629,824
NON-CURRENT ASSETS		
Deposits (Notes 4, 9)	936	-
Fixed Assets, net (Notes 4, 10)	1,271,136	1,690,852
Total non-current assets	1,272,073	1,690,852
TOTAL ASSETS	3,398,618	4,320,676
LIABILITIES & STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts & Other Payables (Notes 4, 11)	2,790,984	1,445,182
Income tax payable (Notes 20)	236,392	85,030
Total Liabilities	3,027,375	1,530,211
STOCKHOLDERS' EQUITY		
Capital Stock (Notes 4, 12)	375,000	375,000
Retained Earnings (Deficit) (Notes 4, 13)	(3,757)	2,415,465
Total Stockholder's Equity	371,243	2,790,465
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	3,398,618	4,320,676

See Accompanying Notes to Financial Statements

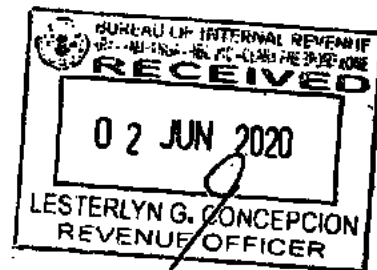


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GWU MKTG CORP.
STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
For the Period December 31, 2019
(With Comparative Figures for 2018)
(Philippine Peso)

	Year Ended December 31	
	2019	2018
CAPITAL STOCK- P 1,000 par value (Notes 4, 12)		
Authorized - 6,000 shares		
Subscribed - 1,500 shares		
Issued and Outstanding - 375 shares	375,000	375,000
CUMULATIVE EARNINGS (DEFICIT) (Notes 4, 13)		
Balance at beginning of year	2,415,465	(1,709,420)
Less: Prior Year Adjustment	(4,187,078)	-
Adjusted Retained Earnings	(1,771,614)	(1,709,420)
Net Income (loss) for the year	1,767,857	4,124,884
Retained Earnings, Ending	(3,757)	2,415,465
Balance at the end of year	371,243	2,790,465

See Accompanying Notes to Financial Statements

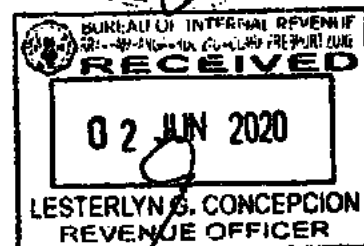
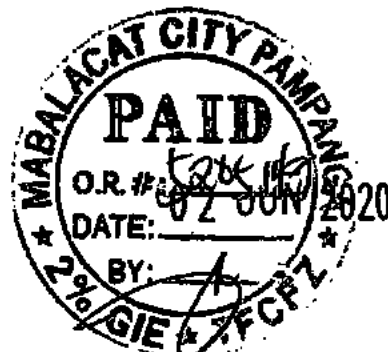


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GWU MKTG CORP.
STATEMENT OF COMPREHENSIVE INCOME
For the Period ended December 31, 2019
(With Comparative Figures for 2018)
(Philippine Peso)

	2019	2018
REVENUE (Notes 4, 14)	63,491,095	44,540,049
COST OF REVENUE (Notes 4, 16)	<u>(44,767,157)</u>	<u>(33,313,550)</u>
GROSS INCOME	18,723,938	11,226,499
OPERATING EXPENSES (Notes 4, 17)	<u>(16,020,757)</u>	<u>(6,540,813)</u>
INCOME (LOSS) FROM OPERATIONS/BEFORE INCOME TAX	2,703,181	4,685,686
OTHER INCOME		
Interest on Bank Deposits (Notes 4, 15)	873	523
NET INCOME (LOSS) BEFORE INCOME TAX	2,704,054	4,686,209
PROVISION FOR INCOME TAX - (Notes 4, 20)	<u>(936,197)</u>	<u>(561,325)</u>
NET INCOME (LOSS)	<u>1,767,857</u>	<u>4,124,884</u>

See Accompanying Notes to Financial Statements

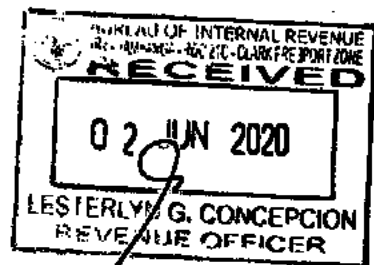
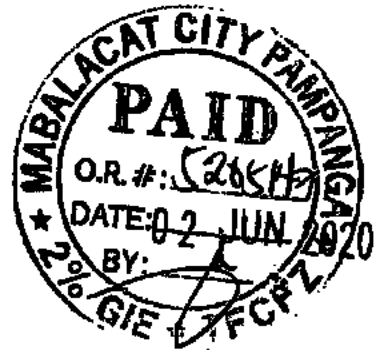


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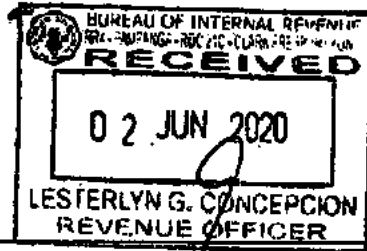
GWU MKTG CORP.
STATEMENT OF CASH FLOWS
For the Period December 31, 2019
(With Comparative Figures for 2018)
(Philippine Peso)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (Loss)	1,767,857	4,124,884
Adjustments for:		
Prior Year Adjustment	(4,187,078)	-
Depreciation (Notes 4, 17)	991,307	585,799
Operating income before working capital changes	(1,427,914)	4,710,683
Decrease (increase) in:		
Accounts Receivables (Notes 4, 8)	309,625	(250,464)
Accounts and Other Payables (Notes 4, 11)	1,345,802	(832,096)
Income Tax Payable (Note 20)	151,362	36,775
Net cash provided by operating activities	378,875	3,664,898
CASH FLOWS FROM INVESTING ACTIVITIES		
Deposits (Note 9)	(936)	-
Acquisition of Fixed Assets (Notes 4, 10)	(571,591)	(2,173,995)
Net cash used in investing activities	(572,528)	(2,173,995)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital Stock (Notes 4, 12)	-	-
Net cash provided by (used in) financing activities	-	-
NET INCREASE (DECREASE) IN CASH (Notes 4, 7)	(193,653)	1,490,903
CASH AT BEGINNING OF YEAR	2,088,987	598,084
CASH AT END OF YEAR	1,895,335	2,088,987

See Accompanying Notes to Financial Statements



NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019 and 2018



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1. CORPORATE INFORMATION

GWU Mktg. Corp. (the "Company") is a domestic corporation that was registered with Philippine Securities and Exchange Commission (PSEC) on June 24, 2015, under registration number CS201539840. Its primary purpose is to engage in, conduct and carry on the business of general online marketing and advertising, both as principal and agent, from the Philippines to offshore businesses and other related telemarketing service for affiliate companies.

The Company changed its business address to Unit B 2nd Floor, Mercedes - Benz Center, Berthaphil VIII, MA Roxas Highway, Clark Freeport Zone as per its amended SEC registration dated November 15, 2018.

The audited financial statements have been approved by the Board of Directors for release on March 12, 2020.

2. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

The financial statements of the Company have been prepared on a fair value measurement. The financial statements are presented in Philippine pesos, which is the Company's functional currency. All amounts are rounded to the nearest Philippine Peso, except when otherwise indicated.

Moreover, the financial statements have been prepared in compliance with the Philippine Financial Reporting Standard (PFRS) for Small and Medium-sized Entities (SMEs) issued by the Philippine Financial Reporting Standards Council.

3. SUMMARY OF CHANGES IN PFRS FOR SMEs

Amendments to Standards Not Yet Adopted

New amendments to standards are effective for annual periods beginning after January 1, 2017 and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company, which becomes mandatory for the Company's 2018 financial statements and could change the classification and measurement of assets. The Company does not plan to adopt these standards early and the extent of the impact has not yet been determined.

The following amendments that have been published and issued by the International Accounting Standards Board (IASB) FRSC which will become effective for accounting periods beginning on or after January 1, 2017 are not adopted early by the Company:

Section 1, *Small and Medium-sized Entities* - The amendments clarify that the types of entities listed are not automatically publicly accountable and addition of clarifying guidance on the use of the standard for SMEs in the parent's separate financial statements.

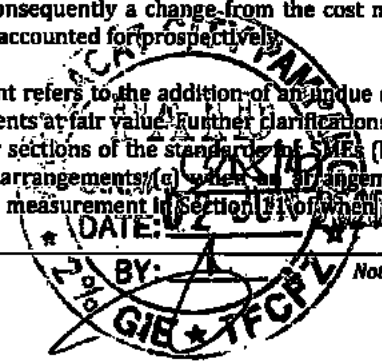
Section 4, *Statement of Financial Position* - The amendment refers to an addition of a requirement to present investment property measured at cost less accumulated depreciation and impairment separately on the face of the statement of financial position and the removal of the requirement to disclose comparative information for the reconciliation of the opening and closing number of shares outstanding.

Section 5, *Statement of Comprehensive Income and Income Statement* - The amendments clarify that the single amount presented for discontinued operations includes any impairment of the discontinued operation in accordance with section 27, and the addition of a requirement that entities shall group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss - based on *Presentation of Items of Other Comprehensive Income*.

Section 6, *Statement of Changes in Equity and Statement of Income and Retained Earnings* - The amendments clarify the information presented in the statement of changes in equity based on *Improvements to standards* issued in May 2010.

Section 10, *Accounting Policies, Estimates and Errors* - The amendment refers the initial application of a policy to revalue assets in accordance with Section 17 *Property, Plant and Equipment* is a change in accounting policy to be dealt with as a revaluation in accordance with Section 17. Consequently a change from the cost model to the revaluation model for a class property, plant and equipment shall be accounted for prospectively.

Section 11, *Basic Financial Instruments* - The amendment refers to the addition of an undue cost or effort exemption from the measurement of investments in equity instruments at fair value. Further clarifications made on the following: (a) the interaction of the scope of Section 11 with other sections of the standards for SMEs (b) the application of the criteria for basic financial instruments to simple loan arrangements, (c) when an arrangement would constitute a financing transaction, and (d) the guidance on fair value measurement in Section 11 of when the best evidence of fair



value may be a price in a binding sale agreement.

Section 20, *Leases - Modification to include leases with an interest rate variation clause that is linked to market interest rates and the clarification that only some outsourcing arrangements, telecommunication contracts that provide rights to capacity and take-or-pay contracts are, in substance, leases.*

Section 21, *Provisions and Contingencies - Addition of clarifying guidance on the undue cost or effort exemption. Application of 'undue cost or effort'— as well as a new requirement for entities to disclose their reasoning for using such an exemption.*

Section 22, *Liabilities and Equity - The amendments clarify guidance on classifying financial instruments as equity or a liability. Exemption from the initial requirements for equity instruments issued as part of a business combination, including business combinations of entities or business under common control, and exemption requirements for distributions of non-cash assets ultimately controlled by the same parties before and after the distribution. IFRIC 19 interpretation to provide guidance on debt for equity swaps when the financial liability is negotiated and the debtor extinguishes the liability by issuing equity instruments. Further clarify that income tax relating to distribution to holders of equity instruments and to transaction costs of an equity transaction should be accounted for. Modification to require that the liability component of a compound financial instrument is accounted for in the same way as a similar standalone financial liability. Addition of an undue cost or effort exemption from the requirement to measure the liability to pay a non-cash distribution at the fair value of the non-cash assets to be distributed and clarifying guidance on accounting for the settlement of the dividend payable.*

Section 27, *Impairment of Assets - The amendments clarify that section 27 does not apply to assets arising from construction contracts.*

Section 28, *Employee Benefits - The clarification of the application of the accounting requirements to other long-term employee benefits and removal of the requirements to disclose the accounting policy for termination benefits.*

Section 29, *Income Tax - Alignment of the main principles of Section 29 with IAS 12 Income Taxes for the recognition and measurement of deferred income tax, but modified to be consistent with the other requirements in the IFRS for SMEs. Addition of an undue cost or effort exemption to the requirement to offset income tax assets and liabilities.*

Section 33, *Related Party Disclosures - Alignment of the definition of 'related party' with IAS 24 Related Party Disclosures, including incorporation of the amendment to the definition in IAS 24 from Annual Improvements to IFRSs 2010-2012 Cycle, issued in December 2013, which include a management entity providing key management personnel services in the definition of a related party.*

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Cash

Cash include petty cash fund and cash in banks. Cash on hand as of the end of the period were deposited the next banking day. Cash in banks are deposited, held at call with banks. The company reconciles the books and bank balance regularly as part of its cash monitoring and internal control measures.

Trade and Other Receivables

Trade receivables pertain to accounts receivable derived from sale of goods and are recognized initially at transaction price (normally the invoice price) and subsequently measured at undiscounted amount of cash or other consideration expected to be paid or received at the end of the reporting period, the Company assess whether there is objective evidence that the Company will not be able to collect all amounts due according to the original term of the receivables. If there is objective evidence of impairment, the entity shall recognize an impairment loss in the profit and loss immediately. Such impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that the entity would receive for the asset if it were to be sold at the reporting date.

Non-trade receivables, on the other hand, are derived from recoveries from various companies, advances to contractors, employees and officers.

Property and Equipment

Property and equipment are measured initially at its cost. Property and equipment, after initial recognition are measured at cost less any accumulated depreciation and any accumulated impairment losses.

The initial cost of property and equipment, comprises its purchase price and any cost directly attributable to bringing

the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. These can include the costs of initial delivery and handling, installation and assembly, and testing of functionality.

The following costs are not costs of an item of property and equipment, and the entity recognized them as expense when they are incurred: costs of opening a new facility, costs to 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 customers including costs of staff training), administration and other general overhead costs and borrowing costs.

For financial reporting purposes, depreciation is computed using the straight-line method over the estimated useful lives of the assets.

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.

Factors such as a change in how an asset is used, significant unexpected wear and tear, technological advancement and changes in market prices may indicate that the residual value or useful life of an asset has changed since the most recent annual reporting date. If such indicators are present, an entity shall review its previous estimates and, if current expectations differ, amend the residual value, depreciation method or useful life. The entity shall account for the change in residual value, depreciation method or useful life as a change in an accounting estimate.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of property and equipment is recognized in profit or loss when the item is derecognized (unless Section 20 Leases requires otherwise on sale and leaseback, such gain is not recognized as revenue).

For income tax reporting purposes, depreciation is computed using the straight-line method.

The estimated useful lives and depreciation method are reviewed periodically to ensure that they are consistent with the expected pattern of economic benefits from those assets.

When an asset is disposed for, or is permanently withdrawn from use and no future economic benefits are expected from its disposal, the cost and accumulated depreciation and impairment losses, if any, are removed from the accounts and any resulting gain or loss arising from the retirement or disposal is recognized in the statements of operations.

Financial Liabilities

Financial liabilities are recognized initially at fair value. Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities include Trade Payables.

Trade and Other Payables

Trade payables are liabilities to pay for goods or services that have been received or supplied and have been invoiced or formally agreed with the supplier. Other payables include salaries and other government statutory obligation as of the end of the period such as income tax payable.

Income tax payable

The tax currently payable for the year is Regular Corporate Income Tax (RCIT). Taxable profit differs from net profit as reported in the statements of income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The reconciliation of the company liability for current tax is calculated at 30% tax rate.

Share Capital

Share capital is recorded at nominal value of shares that have been issued and fully paid. The cost of acquiring the Company's own shares are shown as a deduction from equity attributable to the Company's equity holders until the shares are cancelled or re-issued. When such shares are subsequently sold or re-issued, any consideration, net of directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to company's equity holders associated with the issuing of shares.

Retained Earnings

Retained earnings include all current and prior period results as disclosed in the statement of Income.

Any appropriation of Retained Earnings be in accordance with the policy set forth in Section 43 of the Corporation Code, to wit:

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Stock corporations are prohibited from retaining surplus profits in excess of one hundred (100%) percent of their paid-in capital stock, except:

- 1) When justified by definite corporate expansion projects or programs approved by the board of directors; or
- 2) When the corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its/his consent, and such consent has not yet been secured; or
- 3) When it can be clearly shown that such retention is necessary under special circumstances obtaining in the corporation, such as when there is a need for special reserve for probable contingencies.

Retained earnings include income earned in current and prior periods net of any dividend declaration and effects of prior period adjustments.

Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the company's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

The company recognizes revenue when the amount of revenue can be reliably measured, it is possible that future economic benefits will flow into the entity and specific criteria have been met for each of the company's activities. The amount of revenue is not considered to be reliably measured until all contingencies relating to the sale have been resolved. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

- **Sale of services**

The following specific criteria must be met before revenue is measured: (a) when the Company has transferred to the buyer the significant risks and rewards of ownership of the goods; (b) the amount of revenue can be measured reliably; (c) it is probable that the economic benefits associated with the transaction will flow to the Company and; (d) the costs incurred or to be incurred in respect of the transaction can be measured reliably

- **Interest income**

Interest income is recognized as the interest accrues (taking into consideration the effective yield on the asset).

Cost and Expense Recognition

Cost & expenses are measured in the statement of income upon consumption of the goods and/or utilization of the service or at the date they are incurred. The Company follows the matching principle on when to recognize revenue, cost and expenses.

Employees' Benefits

Employee benefits represent: (a) short-term employee benefits, which are employee benefits (other than termination benefits) that are wholly due within twelve months after the end of the period in which the employees render the related service, and (b) termination benefits, which are employee benefits payable as a result of either: an entity's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept voluntary redundancy in exchange for those benefits.

Short-term benefits

Short-term benefits given by the Company to its employees include salaries and wages, 13th month pay, employer share contributions and other de minimis benefits, among others.

Borrowing Costs

All borrowing costs are recognized in profit and loss in the period in which they are incurred.

Income tax

Income tax expense includes current tax expense and deferred tax expense. The current tax expense is based on taxable profit for the year. Deferred tax is recognized on the differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases.

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 taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date.

Financial Instruments

Initial recognition of financial assets and liabilities

A financial asset or a financial liability is recognized only when the entity becomes a party to the contractual provisions of the instrument.

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Initial measurement

A financial asset or financial liability is initially measured as follows:

- For goods sold to a customer on short-term credit, a receivable is recognized at the transaction price, which is normally the invoice price
- For goods purchased from a supplier on short-term credit, a payable is recognized at the transaction price, which is normally the invoice price.

Subsequent measurement

At the end of each reporting period, financial asset or financial liability is subsequently measured as follows, without any deduction for transaction costs that may incur on sale or other disposal:

- For goods sold to a customer on short-term credit, a receivable is recognized at the undiscounted amount of cash or other consideration expected to be received, net of any impairment or any uncollectible accounts
- For goods purchased from a supplier on short-term credit, a payable is recognized at the undiscounted amount of cash or other consideration expected to be paid.

Derecognition of Financial Assets and Financial Liabilities

A financial asset (or, where applicable a part of financial asset or part of a group of similar financial assets) is derecognized when: (a) the rights to receive cash flows from the asset have expired; (b) 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 (c) the Company has transferred its rights to receive cash flows from the asset and either the entity has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or 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 the statement of income.

Impairment of financial instruments

At the end of each reporting period, a financial asset or financial liability is assessed whether there is an objective evidence of impairment. If there is an objective evidence of impairment, an impairment loss is recognized in profit or loss immediately.

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

- (a) significant financial difficulty of the issuer or obligor.
- (b) a breach of contract, such as a default or delinquency in interest or principal payments.
- (c) the creditor, for economic or legal reasons relating to the debtor's financial difficulty, granting to the debtor a concession that the creditor would not otherwise consider.
- (d) it has become probable that the debtor will enter bankruptcy or other financial reorganization.
- (e) observable data indicating that there has been a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, even though the decrease cannot yet be identified with the individual financial assets in the group, such as adverse national or local economic conditions or adverse changes in industry conditions.

Other factors may also be evidence of impairment, including significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates.

Provisions and contingencies

Initial recognition

The Company recognized a provision when the Company has an obligation at the reporting date as a result of a past event and it is probable that the Company will be required to transfer economic benefits in settlement and lastly the amount of the obligation can be estimated reliably.

The Company measured provision at the best estimate of the amount required to settle the obligation at the reporting date. The best estimate is the amount an entity would rationally pay to settle the obligation at the end of the reporting period or to transfer it to a third party at that time.

Subsequent measurement

The Company shall charge against a provision only those expenditures for which the provision was originally recognized and review provisions at each reporting date and adjust them to reflect the current best estimate of the amount that would be required to settle the obligation at that reporting date. Any adjustments to the amounts previously recognized shall be recognized in profit or loss unless the provision was originally recognized as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount shall be recognized as finance cost in profit or loss in the period it arises.

Related Party Disclosures

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between, and/or among the reporting enterprise and its key management personnel, directors, or its stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Transactions between related parties are accounted for at arms' length prices or on terms similar to those offered to non-related entities in an economically comparable market.

Transactions between related parties are based on terms similar to those offered to non-related parties. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the party in making financial and operating decisions and the parties are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

5. MANAGEMENT'S SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**Judgment**

The preparation of the financial statements in accordance with Philippine Financial Reporting Standards for SMEs requires the Company to make estimates and assumptions that affect the amounts reported in the Company's financial statements and accompanying notes. Future events may occur which will cause the assumption used in arriving at the estimates to change. The effects of changes in estimates will be reflected in the financial statements as they become reasonably determinable.

Estimates

In the application of the Company's accounting policies, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Management Judgments in Applying Accounting Policies

In the process of applying the Company's accounting policies, the 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:

Provisions and Contingencies

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

Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a. Allowance for Doubtful Accounts

The Company maintains allowance for doubtful accounts at a level considered adequate to provide for potential uncollectible receivables. The level of this allowance for doubtful accounts is evaluated by the management on the basis of factors that affect the collectability of the accounts. These factors include, but not limited to, the age and status of receivable, the length of relationship with the lessees, the lessees payment behavior and known market factors. The company reviews the allowance on a continuous basis. Accounts that are specifically identified as potentially uncollectible are provided with adequate allowance through charges to statement of comprehensive income in the form of provision for doubtful accounts.

A provision is also established as a certain percentage of receivables not provided with specific reserves. This percentage is based on a collective assessment of historical collection, current economic trends, and changes in lessee's payment terms and other factors that may affect the Company's ability to collect payment.

As of December 31, 2019, there were no provisions for doubtful accounts recognized in the financial statements.

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b. Impairment of Assets

PFRS for SMEs requires that an impairment review be performed when certain impairment indicators are present. Determining the value of property and equipment requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of assets, requires the Company to make estimates and assumptions that can materially affect the financial statements. Future events could cause the company to conclude that the property and equipment are impaired. Any resulting impairment loss could have a material adverse impact on the Company's financial condition and financial performance.

As of December 31, 2019, the Company did not recognize impairment for its property and equipment.

c. Allowance for Probable Losses

The Company provides an allowance for probable losses on input value-added-tax (VAT) based on amount recoverable from taxation authority. The allowance account is reviewed on an annual basis. An increase in the allowance for probable losses would increase the recorded expenses and decrease current assets.

As of December 31, 2019, there was no allowance for probable losses recognized in the financial statements.

d. Estimated Useful Lives of Property and Equipment

The useful life of each of the Company's property and equipment is estimated based on the period over which asset is expected to be available for use. Such estimation is based on a collective assessment of industry practice, internal technical evaluation and experience with similar assets.

The estimated useful life of each asset is reviewed periodically and 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 asset. It is possible; however that future financial performance could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above. A reduction in the estimated useful life of any property and equipment would increase the recorded operating expenses and decrease non-current assets.

e. Deferred Tax Assets

The carrying amount of deferred tax assets is reviewed at each balance sheet 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 tax assets to be utilized. Management expects future operations will generate sufficient taxable income that will allow all or part of the deferred tax assets to be utilized.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial Instruments

The Company's financial assets and liabilities are recognized initially at cost which is the fair value of the consideration given (in the case of assets) or received (in the case of liability).

Fair values are determined by reference to market-based evidence, which is the amount for which the financial assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

Financial instruments whose carrying amounts approximate fair value. Management has determined that the carrying amounts of cash and cash equivalents, trade payables reasonably approximate their fair values because of their short maturities.

The credit risk for cash is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

The fair values of trade payables have not been individually disclosed as, due to their short duration, management considers the carrying amounts recognized in the balance sheet to be reasonable approximation of their fair values.

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Financial Risk Management Objectives and Policies

Management of Financial Risk

The Company has established a risk management function with clear terms of reference and with the responsibility for developing policies on market, credit, liquidity and operational risk. It also supports the effective implementation of policies.

The policies define the Company's identification of risk and its interpretation, limit structure to ensure the appropriate quality and diversification of assets to the corporate goals and specify reporting requirements.

Regulatory Framework

The operations of the Company are also subject to the regulatory requirements of SEC. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions.

Financial Risk

The Company is also exposed to financial risk through its financial assets and financial liabilities. The most important components of the financial risk are credit risk, liquidity risk and market risk.

Credit Risk

Credit risk is the risk that one partake to a financial instrument will fail to discharge and cause the other party to incur a financial loss.

The Company manages the level of credit risk it accepts through comprehensive credit risk policy setting out assessment and determination of what constitutes credit risk for the Company, setting up exposure limits by each counterparty or group of counterparties, geographical and industry segments; guidelines on obtaining collateral and guarantees; reporting of credit risk exposures and reaches to the monitoring authority; monitor in compliance with credit risk policy and review of credit risk for pertinence and changing environment.

Liquidity Risk

Liquidity or funding risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from either the inability to sell financial assets quickly at their fair values; or counterparty failing on repayment of contractual obligation; or inability to generate cash inflows as anticipated.

The Company maintains cash to meet its liquidity requirements for up to 30-day period and the Company maintains adequate highly liquid assets in the form of cash.

The Company monitor its cash flow position and overall liquidity position in assessing its exposure to liquidity risk. The Company maintains a level of cash deemed sufficient to finance operations and to mitigate the effects of fluctuation in cash flows and a balance between continuity of funding and flexibility through advances from shareholders, if there's any.

7. Cash

This account consists of the following:

	2019	2018
Cash on Hand	40,000	40,000
Cash in Bank	1,855,335	2,048,987
	1,895,335	2,088,987

Cash in bank represents Peso savings/current account in a reputable local bank. Savings account deposits earn interest at the respective bank deposit rates and current account deposits do not earn interest. The Company reconciles the books and bank balances regularly as part of its cash monitoring and internal control measures.

8. Accounts and other receivables	2019	2018
Other Receivables - BIR	159,751	517,497
Other Receivables - SSS	71,460	23,340
	231,211	540,837

Other Receivables - BIR represents tax refund credits due to excess withholding tax.

9. Deposits	2019	2018
Security Deposit	936	-
	936	-

10. Fixed Assets	2019	2018
Gross Carrying Value		
Office Equipment	Beginning 696,497 Additions 159,470	855,967 696,497
Leasehold Improvements	1,871,170 -	1,871,170 1,871,170
Office Furniture & Fixture	6,328 412,121	418,449 6,328
		3,145,586 2,573,995
Less: Accumulated Depreciation	(883,143) (991,307)	(1,874,450) (883,143)
Net Carrying Value		1,271,136 1,690,852

11. Accounts and Other Payables	2019	2018
Accounts Payable	1,990,497	875,067
Other Payables	156,741	-
SSS, Philhealth and Pag-ibig Premium Payable	385,838	262,110
HMO Payable	6,150	6,750
W/Tax Payable - Compensation	183,262	269,567
W/Tax Payable - Expanded	974	-
SSS Loan Payable	44,978	27,694
HDMF Loan Payable	22,544	3,994
	2,790,984	1,445,182

Accounts payables are liabilities to pay for goods or services that have been received or supplied and have been invoiced or formally agreed with the supplier. Trade payables are not interest bearing and are stated at their nominal value. These payables generally have 30 days term. Payable to director represents expense paid in behalf of the company by the owner and are non-interest bearing.

The carrying values of accounts and other payables approximate their fair value due to their short-term nature.

12. Share Capital

The authorized share capital is P6,000,000.00 divided into 6,000 shares at P1,000.00 par value of which P1,500,000.00 have been subscribed and P375,000.00 have been paid up. As of December 31, 2018 and 2017, the number of shares subscribed and paid were as follows:

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	2019		2018	
	Shares	Amount	Shares	Amount
Authorized - P1,000 par value per share	6,000	6,000,000	6,000	6,000,000
Less: Unissued Capital Stock	(5,625)	(5,625,000)	(5,625)	(5,625,000)
Issued Capital Stock	375	375,000	375	375,000
Subscribed capital stock	-	-	-	-
Less: Subscription receivable	-	-	-	-
Total	375	375,000	375	375,000

13. Retained Earnings

At December 31, 2019, the Company's retained earnings exceeded its paid up capital of P375,000.00. However, due to the Company's registration with Clark Development Corporation enjoying tax exemptions, it is not liable to Improperly Accumulated Earnings Tax (IAET) of 10% as per BIR Revenue Regulations No. 2-2001.

14. Revenue	2019	2018
Service Income	63,491,095	44,540,049
	63,491,095	44,540,049

15. Other Income	2019	2018
Interest Income	873	523
	873	523

16. Cost of Services	2019	2018
Direct Salaries, Wages & Other Benefits	38,629,376	28,007,182
Training and Allowances	-	-
Depreciation - Office equipment	-	200,963
Power, Light, Water & Internet	963,675	1,016,940
Rent Expense	5,174,107	4,088,466
	44,767,157	33,313,550

17. Administrative Expenses	2019	2018
Bank Charges	882	2,670
Commission	749,937	-
Corporate Events/Seminars	216,258	287,920
Depreciation - Office equipment	293,447	22,329
Depreciation - Leasehold Improvement	627,064	361,277
Depreciation - Office Furniture and Fixtures	70,796	1,230
Donation	389,183	164,595
Insurance	17,779	17,779
Gas & Oil	15,190	6,501
SSS/Philhealth/Pagbig Premium Contribution	2,696,083	1,388,690
HMO Expense	141,700	157,154
Medical Expense	53,267	17,014
Notary Fees	-	8,325
Office Supplies, Printing and Stationery	466,858	544,194
Others/Miscellaneous	33,660	25,647
Pantry Supplies	1,086,113	611,623
Permits, Taxes and Licenses	14,032	239,732
Penalties & fines	-	3,000
Power Light and Water	64,963	45,656
Repairs & Maintenance	51,474	61,064
Salaries, Wages & Other Benefits	6,267,664	1,972,545
Security Services	1,259,818	-
Trainings & Development	66,500	5,500
Transportation & Travel	203,129	142,094
Tax Refund	-	-
Professional Fees	660,061	-
Rent Expense	574,901	454,274
	16,020,757	6,540,813

18. Related Party Disclosure

The key management personnel of the Company and post-employment benefit plans for the benefit of Company's employees, if any, are also considered to be related parties.

The Company's related parties include the Company's Key Management. The compensation of the key management personnel of the Company pertains to the usual monthly management fees.

19. Bureau of Internal Revenue Disclosure Requirements

In compliance with the requirements set forth by Revenue Regulation No. 15-2010 hereunder are the information on taxes, duties, and license fees paid or accrued during the taxable year 2018.

GWU Mktg. Corp. is a non-vat registered entity. As set forth in Title IV of the National Internal Revenue Code (NIRC), the aggregate of the declarations are as follows:

Withholding Taxes

Withholding taxes consist of:	2019	2018
Expanded Withholding Taxes	30,165	-
Withholding on Wages	2,337,119	1,381,387
	2,367,284	1,381,387

Permits, Taxes and Licenses

Taxes and Licenses consist of:	2019	2018
Licences and Permits	13,532	3,250
Others	-	235,982
BIR Annual Registration Fee	500	500
	14,032	239,732

20. Income Tax

a. The reconciliation of income tax expense computed at the statutory corporate income tax rate provision for incomes tax as shown in the statements of income follows:

	2019	2018
Gross Sales	63,491,095	44,540,049
Less: Cost of Sales	(44,767,157)	(33,313,550)
Gross Taxable Income	18,723,938	11,226,499
5% Gross Income Tax	936,197	561,325
Provision for Income Tax	936,197	561,325
Less: Tax paid 1st-3rd Quarter	(699,805)	(476,295)
Income tax payable (overpayment)	236,392	85,030

Registration with Clark Freeport Zone

The Company is registered as a CSEZ enterprise with Republic Act 7227 known as the Bases Conversion and Development Act of 1992. Under RA 7227, registered enterprises with the Clark Development Corporation, being one of the corporate entities created as operating and implementing arm of RA 7227, are entitled to certain tax and non-tax incentives. The significant incentive include a final tax of five percent (5%) on gross income earned by the Company in lieu of all national and local taxes and tax and duty-free importation of all articles by the registered enterprise. A separate law under RA 9400 was signed on March 21, 2007 declaring the Clark Economic Zone a freeport zone to be managed as a separate customs territory ensuring free flow of movement of goods and capital equipment.

21. Supplemental Information Required by the Revenue Regulations 19-2011

On December 9, 2011, RR No. 19-2011 became effective where it prescribes the new income tax forms to be used effective December 31, 2011. The Company is now required to include as part of the notes to the financial statements the schedules and information on taxable income and deductions.

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