



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

April 3, 2024

Securities and Exchange Commission
Secretariat Building, PICC Complex
Roxas Boulevard, Metro Manila Philippines

The management of **GMA Network, Inc. and Subsidiaries** is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 consolidated financial statements including the schedules attached therein and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders has audited the consolidated financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.


FELIPE L. GOZON
Chairman of the Board


GILBERTO R. DUAVIT, JR.
President
Chief Executive Officer


FELIPE S. YALONG
Executive Vice President
Chief Financial Officer

SUBSCRIBED AND SWORN to before me this APR 04 2024 day of QUEZON CITY at QUEZON CITY, affiants exhibited to me their (Felipe L. Gozon) [REDACTED] (Gilberto R. Duavit, Jr.) [REDACTED] and (Felipe S. Yalong) [REDACTED]

Doc. No. 201
Page No. 54
Book No. 03
Series of 2024

ATTY. MARIPER B. AGUIAR
Notary Public for Quezon City
Until December 31, 2025
IBP No. 390487-Jan. 3, 2024
MCLE Compliance No. VII-0001663
Appointment No. NP-093 (2024-2025)
PTR No. 5555049 Jan. 2, 2024 Quezon City
Quezon City Roll No. 73209
Laker Street, Front Subd. Brgy.
North Fairview, Quezon City

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

						5	2	1	3
--	--	--	--	--	--	---	---	---	---

COMPANY NAME

G	M	A		N	E	T	W	O	R	K	,		I	N	C	.		A	N	D		S	U	B	S	I	D	I	A	
R	I	E	S																											

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

G	M	A		N	e	t	w	o	r	k		C	e	n	t	e	r	,		T	i	m	o	g		A	v	e	n		
u	e		c	o	r	n	e	r		E	D	S	A	,		Q	u	e	z	o	n		C	i	t	y					

Form Type <table border="1" style="display: inline-table;"><tr><td style="width: 20px;">A</td><td style="width: 20px;">C</td><td style="width: 20px;">F</td><td style="width: 20px;">S</td></tr></table>	A	C	F	S	Department requiring the report <table border="1" style="display: inline-table;"><tr><td style="width: 50px; text-align: center;">CMD</td></tr></table>	CMD	Secondary License Type, If Applicable <table border="1" style="display: inline-table;"><tr><td style="width: 100px; text-align: center;">Not Applicable</td></tr></table>	Not Applicable
A	C	F	S					
CMD								
Not Applicable								

COMPANY INFORMATION

Company's Email Address <table border="1" style="width: 100%;"><tr><td style="text-align: center;">Not applicable</td></tr></table>	Not applicable	Company's Telephone Number <table border="1" style="width: 100%;"><tr><td style="text-align: center;">8982-7777</td></tr></table>	8982-7777	Mobile Number <table border="1" style="width: 100%;"><tr><td style="text-align: center;">Not applicable</td></tr></table>	Not applicable
Not applicable					
8982-7777					
Not applicable					
No. of Stockholders <table border="1" style="width: 100%;"><tr><td style="text-align: center;">1,632</td></tr></table>	1,632	Annual Meeting (Month / Day) <table border="1" style="width: 100%;"><tr><td style="text-align: center;">3rd Wednesday of May</td></tr></table>	3rd Wednesday of May	Fiscal Year (Month / Day) <table border="1" style="width: 100%;"><tr><td style="text-align: center;">12/31</td></tr></table>	12/31
1,632					
3rd Wednesday of May					
12/31					

CONTACT PERSON INFORMATION

The designated contact person MUST be an Officer of the Corporation

Name of Contact Person <table border="1" style="width: 100%;"><tr><td style="text-align: center;">Felipe S. Yalong</td></tr></table>	Felipe S. Yalong	Email Address <table border="1" style="width: 100%;"><tr><td style="text-align: center;">FSY@gmanetwork.com</td></tr></table>	FSY@gmanetwork.com	Telephone Number/s <table border="1" style="width: 100%;"><tr><td style="text-align: center;">8928-5133</td></tr></table>	8928-5133	Mobile Number <table border="1" style="width: 100%;"><tr><td style="text-align: center;">Not applicable</td></tr></table>	Not applicable
Felipe S. Yalong							
FSY@gmanetwork.com							
8928-5133							
Not applicable							

CONTACT PERSON'S ADDRESS

GMA Network Center, Timog Avenue corner EDSA, Quezon City

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.



INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
GMA Network, Inc. and Subsidiaries
GMA Network Center
Timog Avenue corner EDSA
Quezon City

Opinion

We have audited the consolidated financial statements of GMA Network, Inc. and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2023, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2023 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.



We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Revenue Recognition

The Group derives a significant portion of its revenue from advertising, which represents 92% of the consolidated revenues for the year ended December 31, 2023. Proper recognition of revenue from advertising is significant to our audit given the large volume of transactions processed daily and the highly automated airtime revenue process with multiple information technology (IT) interfaces from initiation to reporting. Further, there are different rates applicable depending on the time slot when the advertisements are aired which are adjusted by discounts granted by the Group on a case-by-case basis as indicated in the telecast orders. Lastly, there are variations in the timing of billings which are made depending on when the advertisements are aired.

Refer to Note 22 of the consolidated financial statements for the disclosure on details about the Group's revenues.

Audit Response

We obtained an understanding of the Group's advertising revenue process, tested the relevant internal controls and involved our internal specialist in testing the revenue-related IT controls. In addition, we selected samples of billing statements and performed re-computation. This was done by comparing the rates applied to the billing statements against the rates on the telecast orders and the billable airtime against the certificates of performance generated when the advertisements were aired. On a sampling basis, we also tested transactions taking place one month before and after year-end to check the timing of the recognition of the sample advertising revenues.

Adequacy of Allowance for Expected Credit Losses on Trade Receivables

The Group applies the simplified approach in calculating expected credit losses (ECL) on trade receivables. Under this approach, the Group establishes a provision matrix that is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment. Allowance for ECL as of December 31, 2023 amounted to ₱913.4 million. The use of ECL model is significant to our audit as it involves the exercise of significant management judgment. Key areas of judgment include: definition of default for trade receivables, grouping of instruments for losses measured on collective basis and incorporation of forward-looking information in calculating ECL.

Refer to Note 7 of the consolidated financial statements for the disclosure on the details of the allowance for credit losses using the ECL model.



Audit response

We obtained an understanding of the methodology used for the Group's trade receivables and assessed whether this considered the requirements of PFRS 9, *Financial Instruments*.

We (a) assessed the Group's segmentation of its credit risk exposure based on homogeneity of credit risk characteristics; (b) tested the definition of default against historical analysis of accounts and credit risk management policies and practices in place, (c) tested historical loss rates by inspecting historical recoveries and write-offs; (d) checked the classification of outstanding exposures to their corresponding aging buckets; and (e) reviewed management's consideration of forward-looking information.

Further, we checked the data used in the ECL model, such as the historical aging analysis and default and recovery data, by reconciling data from source system reports. We also reconciled sample invoices to the loss allowance analysis/models and financial reporting systems. To the extent that the loss allowance analysis is based on credit exposures that have been disaggregated into subsets with similar risk characteristics, we traced or re-performed the disaggregation from source systems to the loss allowance analysis. We also assessed the assumptions used where there are missing or insufficient data.

We recalculated impairment provisions on a sample basis.

Valuation of Land at Revalued Amounts

The Group accounts for its land at revalued amounts using the fair value model. Land at revalued amounts represent 34% of the consolidated assets as at December 31, 2023. The determination of the fair values of these properties involves significant management judgment and estimations. The valuation also requires the assistance of external appraisers whose calculations also depend on certain assumptions, such as asking price of the comparable land located within the vicinity and adjustments to asking price based on internal and external factors. Thus, we considered the valuation of land at revalued amounts as a key audit matter.

The disclosures relating to land at revalued amounts are included in Note 14 of the consolidated financial statements.

Audit response

We evaluated the competence, capabilities and qualifications of the external appraiser by considering their qualifications, experience and reporting responsibilities. We evaluated the methodology and assumptions used in the valuation of the land at revalued amounts. We assessed the methodology adopted by referencing common valuation models and inspected the relevant information supporting the sales and listings of comparable properties. We also inquired from the external appraiser the basis of adjustments made to the sales price. For the land that were not appraised during the year, we referred the fair values to published comparable prices.



Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023 but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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



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

- Identify and assess the risks of material misstatement of the consolidated 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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.

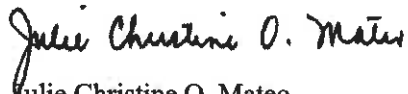
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Julie Christine O. Mateo.

SYCIP GORRES VELAYO & CO.



Julie Christine O. Mateo

Partner

CPA Certificate No. 93542

Tax Identification No. 198-819-116

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

BIR Accreditation No. 08-001998-068-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10079988, January 6, 2024, Makati City

April 3, 2024



GMA NETWORK, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 6, 31 and 32)	₱1,374,983,407	₱2,855,467,214
Trade and other receivables (Notes 7, 21, 31 and 32)	6,275,604,966	5,862,065,892
Program and other rights (Note 8)	1,789,577,336	1,246,572,181
Inventories (Note 9)	1,164,269,440	1,469,193,884
Prepaid expenses and other current assets (Note 10)	1,831,589,912	2,106,378,864
Total Current Assets	12,436,025,061	13,539,678,035
Noncurrent Assets		
Property and equipment:		
At cost (Note 13)	3,669,998,218	3,361,149,279
At revalued amounts (Notes 14 and 32)	8,813,281,439	6,619,895,148
Program and other rights - net of current portion (Note 8)	429,707,160	232,446,242
Financial assets at fair value through other comprehensive income (FVOCI) (Notes 11, 31 and 32)	349,899,892	282,614,107
Investments and advances (Notes 12 and 21)	166,128,767	175,705,006
Right-of-use assets (Note 28)	140,666,823	159,900,385
Investment properties (Notes 15 and 32)	30,722,673	32,105,060
Deferred tax assets - net (Note 29)	-	128,356,573
Other noncurrent assets (Notes 16, 31 and 32)	218,082,008	197,278,059
Total Noncurrent Assets	13,818,486,980	11,189,449,859
TOTAL ASSETS	₱26,254,512,041	₱24,729,127,894
LIABILITIES AND EQUITY		
Current Liabilities		
Trade payables and other current liabilities (Notes 17, 31 and 32)	₱3,202,679,780	₱3,084,848,543
Short-term loans (Notes 18, 31 and 32)	1,527,307,000	27,125,200
Income tax payable	257,034,723	556,448,496
Dividends payable (Notes 20, 31 and 32)	39,687,211	30,526,306
Current portion of lease liabilities (Notes 28, 31 and 32)	43,848,796	21,155,761
Current portion of obligations for program and other rights (Notes 19, 31 and 32)	325,503,020	209,171,643
Total Current Liabilities	5,396,060,530	3,929,275,949
Noncurrent Liabilities		
Pension liability (Note 27)	5,154,803,946	4,767,249,209
Other long-term employee benefits (Note 27)	240,752,386	371,615,932
Lease liabilities - net of current portion (Notes 28, 31 and 32)	112,790,005	145,955,243
Dismantling provision (Note 28)	50,872,484	49,009,014
Obligations for program and other rights - net of current portion (Notes 19, 31 and 32)	9,157,895	-
Deferred tax liabilities - net (Note 29)	352,227,764	-
Total Noncurrent Liabilities	5,920,604,480	5,333,829,398
Total Liabilities	11,316,665,010	9,263,105,347

(Forward)



	December 31	
	2023	2022
Equity		
Capital stock (Note 20)	₱4,864,692,000	₱4,864,692,000
Additional paid-in capital	1,686,556,623	1,686,556,623
Revaluation increment on land - net of tax (Note 14)	6,215,441,910	4,570,402,192
Remeasurement loss on retirement plans - net of tax (Note 27)	(2,209,547,944)	(2,223,725,260)
Net unrealized loss on financial assets at FVOCI - net of tax (Note 11)	(105,567,325)	(120,299,381)
Retained earnings (Note 20)	4,430,164,446	6,611,146,364
Total equity attributable to equity holders of the Parent Company	14,881,739,710	15,388,772,538
Non-controlling interests (Note 2)	56,107,321	77,250,009
Total Equity	14,937,847,031	15,466,022,547
TOTAL LIABILITIES AND EQUITY	₱26,254,512,041	₱24,729,127,894

See accompanying Notes to Consolidated Financial Statements.



GMA NETWORK, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2023	2022	2021
REVENUES (Note 22)	₱18,637,213,847	₱21,564,011,070	₱22,450,323,397
PRODUCTION COSTS (Note 23)	(8,173,434,050)	(7,482,897,793)	(5,992,645,035)
COST OF SALES (Note 9)	(297,863,633)	(302,137,704)	(418,141,643)
GROSS PROFIT	10,165,916,164	13,778,975,573	16,039,536,719
GENERAL AND ADMINISTRATIVE EXPENSES (Note 24)	(6,120,348,230)	(6,640,369,182)	(6,144,833,670)
OTHER INCOME (EXPENSE) - NET			
Foreign currency exchange gain (loss) (Note 18)	(1,203,300)	39,930,883	(51,861,281)
Interest expense (Notes 18 and 28)	(131,129,984)	(25,132,083)	(48,692,493)
Interest income (Note 6)	34,239,643	20,547,986	16,235,317
Equity in net losses of a joint venture (Note 12)	(10,343,259)	(9,031,836)	(1,045,954)
Others - net (Note 26)	239,464,833	154,996,747	137,857,160
	131,027,933	181,311,697	52,492,749
INCOME BEFORE INCOME TAX	4,176,595,867	7,319,918,088	9,947,195,798
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 29)			
Current	1,096,163,757	1,989,254,621	2,400,634,670
Deferred	(81,417,353)	(125,844,848)	(22,585,153)
	1,014,746,404	1,863,409,773	2,378,049,517
NET INCOME	3,161,849,463	5,456,508,315	7,569,146,281
OTHER COMPREHENSIVE INCOME (LOSS) - net of tax			
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>			
Revaluation increment on land (Note 29)	1,645,039,718	2,737,718,063	122,178,941
Remeasurement gain (loss) on retirement plans (Note 27)	19,214,447	(205,306,815)	575,619,706
Net changes in the fair market value of financial assets at FVOCI (Note 11)	14,732,056	(2,353,849)	(70,236,040)
	1,678,986,221	2,530,057,399	627,562,607
TOTAL COMPREHENSIVE INCOME	₱4,840,835,684	₱7,986,565,714	₱8,196,708,888
Net income attributable to:			
Equity holders of the Parent Company	₱3,170,179,282	₱5,442,339,314	₱7,530,114,246
Non-controlling interests (Note 2)	(8,329,819)	14,169,001	39,032,035
	₱3,161,849,463	₱5,456,508,315	₱7,569,146,281
Total comprehensive income attributable to:			
Equity holders of the Parent Company	₱4,844,128,372	₱7,972,657,010	₱8,160,335,453
Non-controlling interests (Note 2)	(3,292,688)	13,908,704	36,373,435
	₱4,840,835,684	₱7,986,565,714	₱8,196,708,888
Basic / Diluted Earnings Per Share (Note 30)	₱0.652	₱1.119	₱1.549

See accompanying Notes to Consolidated Financial Statements.



GMA NETWORK, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

	Equity Attributable to Equity Holders of the Parent Company							Non- controlling Interests (Note 2)	Total Equity
	Capital Stock (Note 20)	Additional Paid-in Capital	Revaluation Increment on Land - net of tax (Note 14)	Remeasurement Loss on Retirement Plans - net of tax (Note 27)	Net Unrealized Loss on Financial Assets at FVOCI - net of tax (Note 11)	Retained Earnings (Note 20)	Total		
Balances at January 1, 2023	₱4,864,692,000	₱1,686,556,623	₱4,570,402,192	(₱2,223,725,260)	(₱120,299,381)	₱6,611,146,364	₱15,388,772,538	₱77,250,009	₱15,466,022,547
Net income (loss)	-	-	-	-	-	3,170,179,282	3,170,179,282	(8,329,819)	3,161,849,463
Other comprehensive income	-	-	1,645,039,718	14,177,316	14,732,056	-	1,673,949,090	5,037,131	1,678,986,221
Total comprehensive income (loss) for the year	-	-	1,645,039,718	14,177,316	14,732,056	3,170,179,282	4,844,128,172	(3,292,688)	4,840,835,684
Cash dividends - ₱1.10 a share (Note 20)	-	-	-	-	-	(5,351,161,200)	(5,351,161,200)	-	(5,351,161,200)
Cash dividends to non-controlling interests (Note 2)	-	-	-	-	-	-	-	(17,850,000)	(17,850,000)
Balances at December 31, 2023	₱4,864,692,000	₱1,686,556,623	₱6,215,441,910	(₱2,209,547,944)	(₱105,567,125)	₱4,430,164,446	₱14,881,739,710	₱56,107,321	₱14,937,847,031



Equity Attributable to Equity Holders of the Parent Company

	Capital Stock (Note 20)	Additional Paid-in Capital (Note 14)	Revaluation Increment on Land - net of tax (Note 14)	Remeasurement Loss on Retirement Plans - net of tax (Note 27)	Net Unrealized Loss on Financial Assets at FVOCI - net of tax (Note 11)	Retained Earnings (Note 20)	Treasury Stocks (Note 20)	Underlying Shares of the Acquired Philippine Deposit Receipts (Note 20)	Total	Non- controlling Interests (Note 2)	Total Equity
Balances at January 1, 2022	₱4,864,692,000	₱1,686,556,623	₱1,832,684,129	₱2,018,678,742	₱117,945,532	₱8,222,610,450	₱-	₱-	₱14,469,918,928	₱101,081,305	₱14,571,000,233
Net income	-	-	-	-	-	5,442,339,314	-	-	5,442,339,314	14,169,001	5,456,508,315
Other comprehensive income (loss)	-	-	2,737,718,063	(205,046,518)	(2,353,849)	-	-	-	2,530,177,696	(260,977)	2,530,057,399
Total comprehensive income (loss) for the year	-	-	2,737,718,063	(205,046,518)	(2,353,849)	5,442,139,314	-	-	7,972,657,010	13,908,704	7,986,565,714
Cash dividends - ₱1.45 a share (Note 20)	-	-	-	-	-	(7,053,803,400)	-	-	(7,053,803,400)	-	(7,053,803,400)
Cash dividends to non-controlling interests (Note 2)	-	-	-	-	-	-	-	-	-	(37,740,000)	(37,740,000)
Balances at December 31, 2022	₱4,864,692,000	₱1,686,556,623	₱4,570,402,192	₱2,223,725,260	₱120,999,381	₱6,611,146,364	₱-	₱-	₱15,388,772,538	₱77,250,009	₱15,466,022,547
Balances at January 1, 2021	₱4,864,692,000	₱1,659,035,196	₱1,710,505,188	₱2,596,957,048	₱17,709,492	₱7,253,764,093	₱28,483,171	₱5,790,016	₱12,809,056,750	₱72,357,870	₱12,881,414,620
Net income	-	-	-	-	-	7,530,114,246	-	-	7,530,114,246	39,032,035	7,569,146,281
Other comprehensive income (loss)	-	-	-	758,694,632	(70,236,040)	-	-	-	688,458,592	(2,658,600)	685,799,992
Change in tax rate	-	-	122,178,941	(180,416,326)	-	-	-	-	(58,237,385)	-	(58,237,385)
Total comprehensive income (loss) for the year	-	-	122,178,941	578,278,306	(70,236,040)	7,530,114,246	-	-	8,160,335,453	36,373,435	8,196,708,888
Contribution to the retirement fund (Notes 20, 21 and 33)	-	27,521,427	-	-	-	-	28,483,171	5,790,016	61,794,614	-	61,794,614
Cash dividends - ₱1.35 a share (Note 20)	-	-	-	-	-	(6,561,267,889)	-	-	(6,561,267,889)	-	(6,561,267,889)
Cash dividends to non-controlling interests (Note 2)	-	-	-	-	-	-	-	-	-	(7,650,000)	(7,650,000)
Balances at December 31, 2021	₱4,864,692,000	₱1,686,556,623	₱1,832,684,129	₱2,018,678,742	₱117,945,532	₱8,222,610,450	₱-	₱-	₱14,469,918,928	₱101,081,305	₱14,571,000,233

See accompanying Notes to Consolidated Financial Statements.



GMA NETWORK, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱4,176,595,867	₱7,319,918,088	₱9,947,195,798
Adjustments to reconcile income before income tax to net cash flows:			
Program and other rights usage (Notes 8 and 23)	1,191,479,396	868,739,716	1,007,347,795
Depreciation (Notes 13, 15, 23, 24 and 28)	820,980,731	699,331,970	607,773,037
Pension expense (Note 27)	700,899,014	661,084,461	639,758,700
Interest expense (Notes 18 and 28)	131,129,984	25,132,083	48,692,493
Amortization of software costs (Notes 16 and 24)	40,500,154	58,263,898	49,706,646
Net gain on sale of property and equipment (Notes 13 and 26)	(40,463,669)	(31,756,356)	(50,519,791)
Interest income (Note 6)	(34,239,643)	(20,547,986)	(16,235,317)
Equity in net losses of a joint venture (Note 12)	10,343,259	9,031,836	1,045,954
Net unrealized foreign currency exchange loss (gain) - net	(10,204,127)	(39,930,883)	33,545,633
Operating income before working capital changes	6,987,020,966	9,549,266,827	12,268,310,948
Decreases (increases) in:			
Trade and other receivables	(403,988,367)	1,949,235,727	2,706,540,681
Program and other rights (Notes 8 and 33)	(1,798,982,336)	(1,356,825,197)	(1,022,419,790)
Inventories	304,924,444	(331,768,311)	(900,370,666)
Prepaid expenses and other current assets	274,788,952	(248,639,619)	(80,404,230)
Increases (decreases) in:			
Trade payables and other current liabilities	109,958,284	321,002,342	(252,572,724)
Other long-term employee benefits	(130,863,546)	(22,133,298)	44,046,776
Contributions to retirement plan assets (Notes 27 and 33)	(282,026,879)	(261,319,043)	(277,799,873)
Benefits paid out of Group's own funds (Note 27)	(397,227)	(46,856,585)	(36,744,104)
Cash flows provided by operations	5,060,434,291	9,551,962,843	12,448,587,018
Income taxes paid	(1,395,577,530)	(2,508,556,717)	(3,101,774,811)
Interest received	34,611,836	18,171,744	15,421,941
Net cash flows from operating activities	3,699,468,597	7,061,577,870	9,362,234,148
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Property and equipment (Note 13)	(1,105,135,419)	(1,049,599,727)	(999,316,838)
Financial assets at FVOCI (Note 11)	(49,781,014)	(168,672,065)	-
Land at revalued amount (Note 14)	-	(24,307,384)	(142,100,830)
Software costs (Note 16)	(12,172,728)	(17,316,702)	(51,190,237)
Proceeds from sale of property and equipment	46,770,440	38,145,145	58,438,591
Decreases (increases) in other noncurrent assets	(49,131,375)	35,980,575	(11,627,909)
Collection from an associate (Note 12)	54,064	140,644	497,048

(Forward)



	Years Ended December 31		
	2023	2022	2021
Advances to an associate and joint ventures (Notes 12 and 21)	(P821,084)	(P86,481)	(P1,809,712)
Net cash flows used in investing activities	(1,170,217,116)	(1,185,715,995)	(1,147,109,887)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from availments of short-term loans (Notes 18 and 33)	3,527,307,000	1,027,125,200	4,479,150,000
Payments of:			
Cash dividends (Notes 2, 20 and 33)	(5,359,850,295)	(7,100,606,298)	(6,549,223,122)
Short-term loans (Notes 18 and 33)	(2,027,125,200)	(1,685,850,000)	(4,542,575,000)
Principal portion of lease liabilities (Notes 28 and 33)	(29,827,243)	(28,506,823)	(27,633,367)
Interest expense (Note 33)	(118,284,047)	(12,418,277)	(38,330,656)
Net cash flows used in financing activities	(4,007,779,785)	(7,800,256,198)	(6,678,612,145)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(1,955,503)	(13,704,617)	42,236,774
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,480,483,807)	(1,938,098,940)	1,578,748,890
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,855,467,214	4,793,566,154	3,214,817,264
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)	P1,374,983,407	P2,855,467,214	P4,793,566,154

See accompanying Notes to Consolidated Financial Statements.



GMA NETWORK, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

GMA Network, Inc. (GNI or the Parent Company) and its subsidiaries (collectively referred to as “the Group”) are incorporated in the Philippines. The Group is primarily involved in the business of radio and television broadcasting. The Group is also involved in film production and other information and entertainment-related businesses. The Parent Company was registered with the Philippine Securities and Exchange Commission (SEC) on June 14, 1950. On July 20, 1995, the Board of Directors (BOD) approved the extension of the corporate term of the Parent Company for another 50 years from June 14, 2000. In 1997, the SEC approved the said extension.

The Parent Company’s shares of stock are publicly listed and traded in the Philippine Stock Exchange.

The registered office address of the Parent Company is GMA Network Center, Timog Avenue corner EDSA, Quezon City.

The accompanying consolidated financial statements of the Group were approved and authorized for issuance by the BOD on April 3, 2024.

2. Basis of Preparation and Consolidation, Statement of Compliance and Changes in Accounting Policies and Disclosures

Basis of Preparation

The consolidated financial statements of the Group have been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income (FVOCI) and land at revalued amounts, which are measured at fair value. The consolidated financial statements are presented in Philippine peso, which is the Parent Company’s functional and presentation currency. All values are rounded to the nearest peso, except when otherwise indicated.

Statement of Compliance

The Group’s consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023.



Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Right arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

NCI represents the equity interest in RGMA Network, Inc. (RGMA Network), a subsidiary incorporated in the Philippines with principal place of business at GMA Network Center, Timog Avenue corner EDSA Quezon City.

The consolidated financial statements include additional information about subsidiary that have NCI that are material to the Parent Company. Management determined material partly-owned subsidiary as those with greater than 5% of non-controlling interests and/or subsidiaries whose activities are important to the Group as at end of the year.

Financial information of RGMA Network, a subsidiary that has material NCI, are summarized below:

	2023	2022
Proportion of equity interest held by NCI	51%	51%
Accumulated balances of material NCI	₱56,107,321	₱77,250,009
Net income (loss) allocated to material NCI	(8,329,819)	14,169,001

The summarized financial information of RGMA Network are provided below.

Summarized Statements of Comprehensive Income

	2023	2022	2021
Revenues	₱-	₱249,729,986	₱340,609,783
Expenses	(16,332,978)	(207,229,922)	(242,989,698)
Provision for income tax	-	(14,717,710)	(21,086,683)
Net income	(16,332,978)	27,782,354	76,533,402
Other comprehensive gain (loss)	9,876,728	(510,386)	(5,212,941)
Total comprehensive income (loss)	(₱6,456,250)	₱27,271,968	₱71,320,461
Net income (loss) attributable to:			
NCI	(₱8,329,819)	₱14,169,001	₱39,032,035
Parent Company	(8,003,159)	13,613,353	37,501,367
Total comprehensive income (loss) attributable to:			
NCI	(₱3,292,688)	₱13,908,704	₱36,373,435
Parent Company	(3,163,562)	13,363,264	34,947,026



Summarized Statements of Financial Position

	2023	2022
Total current assets	₱99,661,767	₱175,458,504
Total noncurrent assets	6,546,138	32,024,165
Total current liabilities	(7,263,151)	(37,895,070)
Total noncurrent liabilities	(1,954,973)	(30,548,223)
Total equity	₱96,989,781	₱139,039,376
Equity attributable to:		
NCI	₱56,107,321	₱77,250,009
Equity holders of the Parent Company	40,882,460	61,789,367

Summarized Cash Flows Information

	2023	2022	2021
Operating	(₱33,479,186)	₱9,972,362	₱205,174,862
Investing	222,000	(226,354)	(7,575,777)
Financing	(35,000,000)	(75,006,950)	(15,000,000)
Net increase (decrease) in cash and cash equivalents	(₱68,257,186)	(₱65,260,942)	₱182,599,085

In 2023 and 2022, RGMA declared and paid dividends to NCI amounting to ₱17.85 million and ₱37.74 million, respectively.

The consolidated financial statements include the accounts of the Parent Company and the following subsidiaries as at December 31, 2023 and 2022:

	Principal Activities	Percentage of Ownership	
		Direct	Indirect
Entertainment Business:			
Alta Productions Group, Inc. (Alta)	Pre and post-production services	100	-
Citynet Network Marketing and Productions, Inc. (Citynet)	Television entertainment production	100	-
GMA Network Films, Inc.	Film production	100	-
GMA New Media, Inc. (GNMI)	Converging technology	100	-
GMA Worldwide (Philippines), Inc.*	International marketing, handling foreign program acquisitions and international syndication of the Parent Company's programs	100	-
Scenarios, Inc.*	Design, construction and maintenance of sets for TV, stage plays and concerts; transportation services	100	-
GMA Productions, Inc. (formerly RGMA Marketing and Productions, Inc.)	Music recording, publishing and video distribution	100	-
RGMA Network, Inc.***	Radio broadcasting and management	49	-
Script2010, Inc.**	Design, construction and maintenance of sets for TV, stage plays and concerts; transportation and manpower services	-	100
Holding Company:			
GMA Ventures, Inc. (GVI)	Identifying, investing in, and/or building strong and sustainable businesses	100	-
Advertising Business:			
GMA Marketing & Productions, Inc. (GMPI)*	Exclusive marketing and sales arm of Parent Company's airtime, events management, sales implementation, traffic services and monitoring	100	-
Digify, Inc.****	Crafting, planning and handling advertising and other forms of promotion including multi-media productions	-	100



	Principal Activities	Percentage of Ownership	
		Direct	Indirect
Others:			
Media Merge Corporation*****	Business development and operations for the Parent Company's online publishing and advertising initiatives		
Ninja Graphics, Inc.*****	Ceased commercial operations in 2004.	–	100
		–	51

*Under liquidation

**Indirectly owned through Citynet

***Ceased operations in 2023

****Indirectly owned through GNMI; ceased commercial operations in 2022

*****Indirectly owned through GNMI; ceased commercial operations in 2020

*****Indirectly owned through Alta; ceased commercial operations in 2004

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the financial statements of the Group.

Effective beginning on or after January 1, 2023

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:
 - Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies; and
 - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to the Practice Statement provide non-mandatory guidance. The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to Philippine Accounting Standards (PAS) 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to PAS 12, *International Tax Reform – Pillar Two Model Rules*



Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. The Group does not expect that the future adoption of the said pronouncements will have a significant impact on its financial statements.

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

The amendments clarify:

- That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. The amendments do not have impact on the Group's consolidated financial statements since the Group has no long-term borrowings but may have an impact in future long-term borrowings.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.



3. Summary of Material Accounting Policy Information

Current versus Noncurrent Classification

The Group presents assets and liabilities in consolidated statement of financial position based on current/noncurrent classification.

An asset is current when it is:

- expected to be realized or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

The Group also modifies classification of prior year amounts to conform to current year's presentation.

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from acquisition date and that are subject to an insignificant risk of change in value.

Fair Value Measurement

The Group measures financial instruments at fair value at each reporting date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarized in the following notes:

- Disclosures for significant estimates and assumptions, see Note 4
- Quantitative disclosures of fair value measurement hierarchy, see Note 32
- Land, see Note 14
- Investment properties, see Note 15
- Financial instruments (including those carried at amortized cost), see Note 32



Fair value is the estimated price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Financial Instruments

A financial instrument is any contract that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition and Measurement. Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, FVOCI, and fair value through profit or loss (FVPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in



the case of a financial asset not at FVPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under PFRS 15, *Revenue from Contracts with Customers*.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent Measurement. For purposes of subsequent measurement, financial assets are classified in four categories:

- financial assets at amortized cost (debt instruments)
- financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- financial assets at FVPL

The Group does not have debt instruments at FVOCI and financial assets at FVPL as at December 31, 2023 and 2022.

Financial Assets at Amortized Cost (Debt Instruments). The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in the consolidated statement of comprehensive income when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost includes cash and cash equivalents, trade and other receivables and refundable deposits (included under "Other noncurrent assets" account in the consolidated statement of financial position) as at December 31, 2023 and 2022 (see Notes 6, 7, 16 and 31).

Financial Assets Designated at FVOCI (Equity Instruments). Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation*, and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as "Dividend income" included under "Others - Net" account in the consolidated statement of comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which



case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Group elected to classify irrevocably under this category its listed and non-listed equity instruments and investment in quoted club shares as at December 31, 2023 and 2022 (see Notes 11 and 31).

Derecognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of Financial Assets

The Group recognizes an allowance for ECLs for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.



For other financial assets such as due from related parties and certain advances to joint venture, the Group applies a general approach which measures ECL on either a 12-month or lifetime basis depending on whether a significant increase in credit risks has occurred since initial recognition or whether an asset is considered to be credit-impaired, adjusted for the effects of collateral, forward-looking factors and time value of money.

For cash and cash equivalents, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the external credit rating of the debt instrument or comparable instruments.

The Group, in general, considers a financial asset in default when contractual payments are 360 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off, in whole or in part, when the asset is considered uncollectible, the Group has exhausted all practical recovery efforts and has concluded that it has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

Financial Liabilities

Initial Recognition and Measurement. Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group has not designated any financial liability as at FVPL as at December 31, 2023 and 2022.

Subsequent Measurement - The measurement of financial liabilities depends on their classification, as described below:

Loans and Borrowings. After initial recognition, interest-bearing loans and borrowings and other payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as "Interest expense" in the consolidated statement of comprehensive income.

This category generally applies to trade payables and other current liabilities (excluding payable to government agencies, customers' deposits and contract liabilities), short-term loans, obligations for program and other rights, dividends payable and lease liabilities (see Notes 17, 18, 19, 20, 28 and 31).

Derecognition of Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of comprehensive income.



Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

Program and Other Rights

Program and other rights are stated at cost less amortization and impairment in value. The estimated useful lives and the amortization method used depend on the manner and pattern of usage of the acquired rights. The cost of program and other rights with multiple number of runs within a specified term is amortized using straight line method up to the date of expiry or upon full airing of the acquired rights, whichever is earlier. The cost of program and other rights with indefinite lives are amortized using straight line method over 10 years.

For series of rights acquired, the cost is charged to profit or loss as each series is aired on a per episode basis.

For rights intended for airing over the international channels, the cost is amortized on a straight-line basis over the number of years indicated in the contract.

Amortization expense is shown as “Program and other rights usage” included under “Production costs” account in the consolidated statement of comprehensive income.

Prepaid Production Costs

Prepaid production costs, included under “Prepaid expenses and other current assets” account in the consolidated statement of financial position, represent costs paid in advance prior to the airing of the programs or episodes. These costs include talent fees of artists and production staff and other costs directly attributable to production of programs. These are charged to expense under “Production costs” account in the consolidated statement of comprehensive income upon airing of the related program or episodes. Costs related to previously taped episodes determined not to be aired are charged to expense.

Inventories

Merchandise inventory and materials and supplies inventory is stated at the lower of cost and net realizable value. Cost is determined using the weighted average method. Net realizable value of inventories that are for sale is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. Net realizable value of inventories not held for sale is the current replacement cost.

Tax Credits

Tax credits, measured at cost less any impairment in value, represent claims from the government arising from airing of government commercials and advertisements availed under Presidential Decree (PD) No. 1362. Pursuant to PD No. 1362, these will be collected in the form of tax credits which the Group can use in paying for import duties and taxes on imported broadcasting related equipment. The tax credits cannot be used to pay for any other tax obligation to the government.

As at December 31, 2023 and 2022, the Group’s tax credits are classified as current under “Prepaid expenses and other current assets” account in the consolidated statement of financial position.



Advances to Suppliers

Advances to suppliers, included under “Prepaid expenses and other current assets” account in the consolidated statement of financial position, are measured at cost and are noninterest-bearing and are generally applied to acquisition of inventories, programs and other rights, availments of services and others.

Property and Equipment

Property and equipment, except for land, are stated at cost, net of accumulated depreciation and amortization and impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are recognized in profit or loss as incurred.

Land is initially measured at cost. After initial recognition, land is carried at revalued amounts, being its fair value at the date of the revaluation, less any subsequent impairment losses. Valuations are generally performed every three to five years or more frequently as deemed necessary to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Any revaluation surplus is recorded in other comprehensive income and hence, credited to the “Revaluation increment on land - net of tax” account under equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss, in which case, the increase is recognized in profit or loss. A revaluation deficit is recognized in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognized in the “Revaluation increment on land - net of tax” account.

Depreciation and amortization are computed on a straight-line basis over the following estimated useful lives of the assets:

Buildings, towers and improvements	11-20 years
Antenna and transmitter systems and broadcast equipment	5-10 years
Communication and mechanical equipment	3-5 years
Transportation equipment	4-5 years
Furniture, fixtures and equipment	5 years

An item of property and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. 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 asset) is included in profit or loss when the asset is derecognized.

The assets’ residual values, useful lives and methods of depreciation and amortization are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation and amortization is credited or charged to current operations.

Construction in progress is stated at cost. This includes cost of construction, equipment under installation and other direct costs. Construction in progress is not depreciated until such time as the relevant assets are completed and put into operational use.



Investment Properties

Investment properties consist of real estate held for capital appreciation and rental.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties, except land, are measured at cost less accumulated depreciation and amortization and impairment in value. Land is stated at cost less any impairment in value.

Depreciation and amortization are computed using the straight-line method over 11-20 years.

The remaining useful lives and depreciation and amortization method are reviewed and adjusted, if appropriate, at each financial year-end.

Investment properties are derecognized when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in profit or loss in the period of derecognition.

Investment in Artworks

Investment in artworks, included under "Other noncurrent assets" account in the consolidated statement of financial position, is stated at cost less any impairment in value.

Software Costs

Costs incurred in the acquisition and customization of new software, included under "Other noncurrent assets" account in the consolidated statement of financial position, are capitalized and amortized on a straight-line basis over three to ten years.

Impairment of Nonfinancial Assets

The carrying values of land at revalued amounts, program and other rights, prepaid production costs, deferred production costs, tax credits, investments and advances, property and equipment, right-of-use assets, investment properties, software costs and investment in artworks are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists, and if the carrying value exceeds the estimated recoverable amount, the assets are considered impaired and are written down to their recoverable amount. The recoverable amount of these nonfinancial assets is the greater of an asset's or cash-generating unit's fair value less cost to sell or 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 group of assets. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction less cost to sell. 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. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. Impairment losses, if any, are recognized in profit or loss in the consolidated statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting period as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If any such indication exists, the recoverable amount is estimated. A previously recognized impairment loss, except for land at revalued amount where the revaluation is taken to OCI, 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 and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such a reversal, the depreciation and amortization charges are adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. For land at revalued amounts, the reversal of impairment is also recognized in OCI up to the amount of any previous revaluation.

In the case of investments in associate and interests in joint ventures, after application of the equity method, the Group determines whether it is necessary to recognize any additional impairment loss with respect to the Group's investments in associate and interests in joint ventures. The Group determines at each reporting period whether there is any objective evidence that the investments in associate and interests in joint ventures are impaired. If this is the case, the Group calculates the amount of impairment as being the difference between the recoverable amount of investments in associate and interests in joint ventures, and the acquisition cost and recognizes the amount in the consolidated statement of comprehensive income.

Investments in an Associate and Joint Ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate and joint ventures are accounted for using the equity method.

Equity

Capital stock is measured at par value for all shares issued. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax. Proceeds and/or fair value of considerations received in excess of par value are recognized as additional paid-in capital.

Retained earnings include all current and prior period results of operations as reported in the consolidated statement of comprehensive income, net of any dividend declaration, adjusted for the effects of changes in accounting policies as may be required by PFRS' transitional provisions.

Treasury Stocks and Underlying Shares of the Acquired Philippine Deposit Receipts (PDRs)

The Parent Company's own reacquired equity instruments, if any, are deducted from equity. No gain or loss is recognized in the consolidated statement of comprehensive income on the purchase, sale, issuance or cancellation of the Group's own equity instruments.

The Parent Company's ownership of the PDRs, if any, is presented similar to treasury shares in the consolidated statement of financial position. Each PDR entitles the holder to the economic interest of the underlying common share of the Parent Company.



Revenue Recognition

a. PFRS 15, *Revenue from Contracts with Customers*

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue is recognized when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognized is the amount allocated to the satisfied performance obligation.

The following specific recognition criteria must also be met before revenue is recognized:

Advertising Revenue. Revenue is recognized in the period the advertisements are aired.

Payments received for advertisements before broadcast (pay before broadcast) are recognized as income on the dates the advertisements are aired. Prior to liquidation, these are classified as unearned revenue under "Contract liabilities" under "Trade payables and other current liabilities" account, in the consolidated statement of financial position.

Goods received in exchange for airtime usage pursuant to exchange deal contracts executed between the Group and its customers are recorded at fair market values of assets received. Fair market value is the current market price.

Tax credits on aggregate airtime credits from government sales availed of under PD No. 1362 are recognized as revenue when there is reasonable certainty that these can be used to pay duties and taxes on imported broadcasting related equipment.

Subscription Revenue. Subscription fees are recognized over the subscription period in accordance with the terms of the subscription agreements.

Sale of goods. Sale of goods pertain to sale of set-top boxes, digital TV mobile receivers and other merchandises. Revenue is recognized at a point in time when delivery has taken place and transfer of control has been completed. These are stated net of sales discounts.

Revenue from Distribution and Content Provisioning. Revenue is recognized upon delivery of the licensed content to customers.

Production Revenue. Production revenue is recognized at a point in time when project-related services are rendered.

Commission from Artists. Revenue is recognized as revenue at a point in time on an accrual basis in accordance with the terms of the related marketing agreements.



b. Revenue Recognition Outside the Scope of PFRS 15

Rental Income. Revenue from lease of property and equipment and investment properties is accounted for on a straight-line basis over the lease term.

Interest Income. Revenue is recognized as the interest accrues, taking into account the effective yield on the asset.

Equity in Net Earnings (Losses) of Joint Ventures. The Group recognizes its share in the net income or loss of joint ventures proportionate to the equity in the economic shares of such joint ventures, in accordance with the equity method.

Other Income. Other income is recognized when there is an incidental economic benefit, other than the usual business operations, that will flow to the Group through an increase in asset or reduction in liability that can be measured reliably.

Contract Balances

Trade Receivables. A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to the accounting policies of Financial Instruments section.

Contract Assets. A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Contract Liabilities. A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due, whichever is earlier. Contract liabilities are recognized as revenue when the Group performs under the contract.

Incremental Costs to Obtain a Contract

The Group pays sales commissions to its account executives for each contract that they obtain for advertising agreements with customers. The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense sales commissions (presented as part of "Marketing expense" under "General and administrative expenses" account in the consolidated statement of comprehensive income) because the amortization period of the asset that the Group otherwise would have used is less than one year.

Pension and Other Long-Term Employee Benefits

The Parent Company has a funded, noncontributory defined benefit retirement plan covering permanent employees. Other entities are covered by Republic Act (R.A.) 7641, otherwise known as "The Philippine Retirement Law", which provides for qualified employees to receive an amount equivalent to a certain percentage of monthly salary at normal retirement age. In addition, the Group has agreed to pay the cash equivalent of the accumulated unused vacation leave of the employees upon separation from the Group.

The cost of providing benefits under the defined benefit plans is determined using the projected unit credit method.



Defined Benefit Plans. The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling.

The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation under “Production costs” and “General and administrative expenses” accounts in consolidated statements of comprehensive income (by function):

- Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements.
- Net interest expense or income

Plan assets are assets that are held by a long-term employee benefit fund. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group’s right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Leases

Leases. The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as Lessee. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.



- *Right-of-use Assets.* The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term as follow:

Land	2 to 25 years
Buildings, studio and office spaces	2 to 15 years

Right-of-use assets are subject to impairment.

- *Lease Liabilities.* At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

- *Short-term Leases.* The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date or initial application of PFRS 16 and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

Group as Lessor. Leases where the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Rental income from operating leases are recognized as income in the consolidated statement of comprehensive income on a straight-line basis over the lease term. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Foreign Currency-denominated Transactions

Transactions in foreign currencies are initially recorded in the functional currency exchange rate at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing exchange rate at financial reporting period. All



differences are taken to profit or loss in the consolidated statements of comprehensive income. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. For income tax purposes, foreign exchange gains and losses are treated as taxable income or deductible expenses when realized.

Taxes

Current Income Tax. Current income tax assets and liabilities for the current period 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 substantially enacted at reporting period.

Current income tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation, and establishes provisions where appropriate.

Deferred Tax. Deferred tax is provided using the liability method on temporary differences at reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting period.

Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carryforward benefits of excess MCIT over RCIT and unused NOLCO can be utilized, except:

- where the deferred tax asset relating to the deductible temporary difference arises 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 profit nor taxable profit; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting period 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. Unrecognized deferred tax assets are reassessed at each reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit; and



- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates and tax laws to be enacted or substantially enacted at the reporting period.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Creditable Withholding Taxes. Creditable withholding taxes represent amounts withheld by the Group's customers and is deducted from the Group's income tax payable.

Value-added Tax (VAT). Revenue, expenses and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the consolidated statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the consolidated statement of financial position to the extent of the recoverable amount.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of "Prepaid expenses and other current assets" or "Trade payables and other current liabilities" accounts in the consolidated statement of financial position.

Earnings Per Share (EPS)

Basic EPS is computed by dividing the net income for the year attributable to the equity holders of the Parent Company, net of income attributable to preferred shares, by the weighted average number of common shares outstanding during the year, after considering the retroactive adjustments for any stock dividends declared, if any.

Diluted EPS is calculated by dividing the net income for the year attributable to the equity holders of the Parent Company (inclusive of income attributable to preferred shares) by the weighted average number of common shares outstanding during the year, plus the weighted average number of common shares that would be issued upon conversion of all dilutive potential common shares.

Segment Reporting

For management purposes, the Group's operating businesses are organized and managed separately into television and radio airtime, international subscriptions and other business activities. Such business segments are the basis upon which the Group reports its primary segment information. The Group considers television and radio operations as the major business segment. The Group operates in two geographical areas where it derives its revenue. Financial information on business segments is presented in Note 5 to the consolidated financial statements.



Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of comprehensive income net of any reimbursement.

Contingencies

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

Events after Reporting Period

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

4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect amounts reported in the consolidated financial statements and related notes at the end of the reporting period. However, uncertainty about these judgments, estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements.

Consolidation of Entities in which the Group holds less than Majority of Voting Rights. The Group considers that it controls RGMA Network even though it owns less than 50% of the voting rights. This is because the Group is the single largest shareholder of RGMA Network with a 49% equity interest. The remaining 51% of the equity shares in RGMA Network are owned by several parties. Since September 27, 1995, which is the date of incorporation of RGMA Network, there is no history of the other shareholders collaborating to exercise their votes collectively or to outvote the Group. The carrying amount of NCI as at December 31, 2023 and 2022 are ₱56.11 million and ₱77.25 million, respectively.

Assessment of Significant Influence over the Investee. The Parent Company holds 25% ownership interest in Optima Digital, Inc. as at December 31, 2023 and 2022. Even with more than 20% voting rights, management assessed that the Parent Company does not have the power to participate in the policy-making processes, including decisions to affect its returns in the form of dividends. Further, the Parent Company does not have the ability to participate in the financial and operational policies decision-making of the investee to affect its relevant activities as the Group has only one (1) board



seat out of the total five (5) board seats. The investment is presented as a financial asset at FVOCI amounting to ₱0.56 million and ₱0.66 million as at December 31, 2023 and 2022, respectively.

Determination of Lease Term of Contracts with Renewal and Termination Options - Group as a Lessee. The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The Group did not include the renewal period as part of the lease term for its leases as these are subject to mutual agreement and are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term because they are reasonably certain not to be exercised.

Operating Leases - Group as Lessor. The Group has entered into various lease agreements as lessor. The Group had determined that the risks and rewards of ownership of the underlying property were retained by the Group. Accordingly, the leases are classified as an operating lease.

Total rental income amounted to ₱7.73 million, ₱5.65 million, and ₱6.19 million in 2023, 2022 and 2021, respectively (see Note 26).

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at 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, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Estimating the Incremental Borrowing Rate. The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the counterparty's stand-alone credit rating).

The Group's lease liabilities amounted to ₱156.64 million and ₱167.11 million as at December 31, 2023 and 2022, respectively (see Note 28).



Estimating Allowance for ECL. The following information explains the inputs, assumptions and techniques used by the Group in estimating ECL for trade receivables:

- Simplified approach for trade receivables

The Group uses a simplified approach for calculating ECL on trade receivables through the use of provision matrix to calculate ECLs. The provision rates are based on days past due for groupings of customer segments that have similar loss patterns (i.e., by customer type).

The provision matrix is initially based on the Group's historical observed default rates. The Group then calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (e.g., gross domestic product, inflation rate, unemployment rate) are expected to deteriorate over the next year which can lead to an increased number of defaults in the Group's operating segments, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking factors specific to the debtors and the economic environment are updated to consider the impact of the coronavirus pandemic.

- Definition of default for trade receivables

The Group defines a trade receivable as in default, when it meets one or more of the following criteria:

- The counterparty is experiencing financial difficulty or is insolvent
- The receivable is more than 360 days past due. The determination of the period is based on the Group's practice and agreement with their customers within the industry.

- Grouping of instruments for losses measured on collective basis

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a segmentation are homogeneous. The Group segmented its receivables based on the type of customer (e.g., corporate and individuals).

- Incorporation of forward-looking information

The Group considers a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments that support the calculation of ECLs. A broad range of forward-looking information are considered as economic inputs such as the gross domestic product, inflation rate, unemployment rates and other economic indicators.

The macroeconomic factors are aligned with information used by the Group for other purposes such as strategic planning and budgeting.

The Group identifies and documents key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Predicted relationship between the key macro-economic indicators and default and loss rates on various portfolios of financial assets have been developed based on analyzing historical data over the past 5 years. The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.



The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Provision for ECL amounted to ₱4.74 million, ₱1.46 million and ₱142.58 million in 2023, 2022 and 2021, respectively (see Notes 7 and 24). The allowance for ECL amounted to ₱913.40 million and ₱908.67 million as at December 31, 2023 and 2022, respectively. The carrying amounts of trade and other receivables amounted to ₱6,275.60 million and ₱5,862.07 million as at December 31, 2023 and 2022, respectively (see Note 7).

Classification and Amortization of Program and Other Rights. Portions of program and other rights are classified as current and noncurrent assets. Current portion represents those expected to be aired any time within its normal operating cycle, whereas the noncurrent portion represents those without definite expiration.

The Group estimates the amortization of program and other rights with finite lives using straight line method up to the date of expiry and those with no definite expiration date of up to ten years, which is the manner and pattern of usage of the acquired rights. In addition, estimation of the amortization of program and other rights is based on the Group's experience with such rights. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in the factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

Program and other rights usage amounted to ₱1,191.48 million, ₱868.74 million and ₱1,007.35 million in 2023, 2022 and 2021, respectively (see Notes 8 and 23). Program and other rights, net of accumulated impairment in value of ₱2.70 million, amounted to ₱2,219.28 million and ₱1,479.02 million as at December 31, 2023 and 2022, respectively (see Note 8).

Estimating Allowance for Inventory Losses. The Group provides allowance for inventory losses whenever the net realizable value becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes. The allowance account is reviewed periodically to reflect the accurate valuation of the inventories.

The carrying value of merchandise inventory and materials and supplies inventory in the consolidated statement of financial position amounted to ₱1,164.27 million and ₱1,469.19 million as at December 31, 2023 and 2022, respectively (see Note 9). There were no provisions for inventory losses in 2023, 2022 and 2021.

Estimating Useful Lives of Property and Equipment, Software Costs and Investment Properties. The Group estimates the useful lives of property and equipment, software costs and investment properties based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment, software costs and investment properties 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, software costs and investment properties are based on 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 the factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment, software costs



and investment properties would increase the recorded general and administrative expenses and decrease noncurrent assets.

There has been no change in the Group's estimate of useful lives of its property and equipment, software costs and investment properties in 2023 and 2022.

Total depreciation and amortization expense for the years ended December 31, 2023, 2022 and 2021, amounted to ₱861.48 million, ₱757.60 million and ₱657.48 million, respectively (see Notes 13, 15, 16, 23 and 24).

Revaluation of Land. The Group engages an accredited appraiser to determine the fair value of the land used in operations. Fair value is determined by reference to market-based evidence adjusted based on certain elements of comparison. The fair value amount would differ if the Group made different judgments and estimates or utilized a different basis for determining fair value.

Valuations from an accredited appraiser are generally performed every three to five years or more frequently as deemed necessary to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

In 2023 and 2022, the Group assessed those certain parcels of land at revalued amounts, comprising majority of the balance of the account, have significant movements in its current carrying values and obtained updated appraisals as at December 31, 2023 and 2022. For the land that were not appraised, the Group referred to the published comparable prices for the fair values. Total additional revaluation increment, net of tax, recognized in 2023 and 2022 amounted to ₱1,645.04 million and ₱2,737.72 million, respectively.

In 2021, there was no additional revaluation increment on land due to insignificant movements in the fair value of the land. The revalued amount of land, which is classified under "Property and equipment" account in the statements of financial position, amounted to ₱8,813.28 million and ₱6,619.90 million as at December 31, 2023 and 2022, respectively (see Notes 14 and 32).

Impairment of Nonfinancial Assets. For prepaid production costs, tax credits, investments and advances, property and equipment, right-of-use assets, investment properties, program and other rights, investment in artworks, deferred production costs and software costs, impairment testing is performed whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

The factors that the Group considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business;
- significant negative industry or economic trends; and
- obsolescence or physical damage of an asset.

The Group recognizes an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of fair value less costs to sell or asset's value in use. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs.



As at December 31, 2023 and 2022, the Group did not identify any indicator of impairment on its nonfinancial assets, hence, no impairment tests were carried out.

The carrying values of nonfinancial assets as at December 31 follow:

	2023	2022
Property and equipment - at cost (see Note 13)	₱3,669,998,218	₱3,361,149,279
Land at revalued amounts (Note 14)	8,813,281,439	6,619,895,148
Program and other rights (see Note 8)	2,219,284,496	1,479,018,423
Prepaid production costs (see Note 10)	653,974,022	783,499,847
Investments and advances (see Note 12)	166,128,767	175,705,006
Right-of-use assets (see Note 28)	140,666,823	159,900,385
Software costs (see Note 16)	45,464,443	73,791,869
Investment properties (see Note 15)	30,722,673	32,105,060
Investment in artworks (see Note 16)	10,186,136	10,186,136
Tax credits (see Note 10)	6,162,083	48,070,848
Deferred production costs (see Note 16)	1,502,800	1,321,925

Estimating Realizability of Deferred Tax Assets. The Group reviews its deferred tax assets at each reporting date and reduces the carrying amount 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 asset to be utilized. The Group's assessment on the recognition of deferred tax assets on deductible temporary difference and carryforward benefits of NOLCO and excess MCIT over RCIT is based on the projected taxable income in the following periods.

Recognized deferred tax assets amounted to ₱1,756.13 million and ₱1,709.36 million as at December 31, 2023 and 2022, respectively, while unrecognized deferred tax assets amounted to ₱12.28 million and ₱6.07 million as at December 31, 2023 and 2022, respectively (see Note 29).

Pension Benefits. The determination of the Group's obligation and cost of pension benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in Note 27 and include, among others, discount rate and salary increase rate. Due to the complexity of the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

Pension liability amounted to ₱5,154.80 million and ₱4,767.25 million as at December 31, 2023 and 2022, respectively (see Note 27).

Determination of Fair Value of Financial Assets at FVOCI. Financial assets at FVOCI are carried and disclosed at fair value, which requires extensive use of accounting estimates and judgments. When the fair values cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The fair value of financial assets at FVOCI are enumerated in Note 32.

Determination of Fair Value of Investment Properties. PFRS requires disclosure of fair value of investment properties when measured at cost.

The Group used the services of an independent professional appraiser in estimating the fair value of properties. The appraisers conducted an actual inspection of the property and considered the following in the study and analyses in arriving at the estimate of fair value: (a) extent, character and



utility of the property; (b) sales and holding prices of similar properties; and (c) highest and best use of the property. The description of valuation techniques used and key inputs to fair valuation of investment properties are enumerated in Note 15 of the consolidated financial statements.

Contingencies. The Group is currently involved in various claims and legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with legal counsel handling the defense in these matters and is based upon an analysis of potential results. The Group currently does not believe that these proceedings will have a material adverse effect on the Group's financial position.

5. Segment Information

Business Segments

For management purposes, the Group is organized into business units based on its products and services and has three reportable segments, as follows:

- The television and radio segment, which engages in television and radio broadcasting activities and which generates revenue from sale of national and regional advertising time.
- The international subscription segment which engages in subscription arrangements with international cable companies.
- Other businesses which include movie production, consumer products and other services.

The Executive Committee, the chief operating decision maker, and Management monitor the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on net income or loss and is measured consistently with the net income or loss in the consolidated financial statements. On a consolidated basis, the Group's performance is evaluated based on consolidated net income for the year.

Geographical Segments

The Group operates in two major geographical segments - local and international. Local refers to revenues earned in the Philippines, the home country. Significant portion of the revenues earned locally pertain to television and radio airtime. International refers to revenues earned in United States and in other locations (which include Middle East, Europe, Australia, Canada, Guam, Singapore, Hongkong and Japan). The Group ties up with cable providers to bring local television programming outside the Philippines.

The Group's revenues are mostly generated in the Philippines, which is the Group's country of domicile.

Noncurrent assets consist of property and equipment, land at revalued amounts, investment properties and intangible assets which are all located in the Philippines.

The Group does not have a single external customer whose revenue accounts for 10% or more of the Group's revenues.

Inter-segment Transactions

Segment revenues, segment expenses and segment results include transfers among business segments and among geographical segments. The transfers are accounted for at competitive market prices charged to unrelated customers for similar services. Such transfers are eliminated upon consolidation.



Measurement Basis

The amount of segment assets and liabilities and segment profit or loss are based on measurement principles that are similar to those used in measuring the assets and liabilities and profit or loss in the consolidated financial statements, which is in accordance with PFRS.



Geographical Business Segment	Television and radio airtime		Local		Other businesses		International		International distribution		Eilat/Infections		Consolidated		
	2023	2022	2023	2022	2022	2021	2023	2022	2021	2022	2021	2022	2021	2022	2021
REVENUES															
External sales	#15,803,495,602	#19,309,108,174	#20,002,410,780	#2,022,925,862	#1,392,840,024	#1,519,164,368	#810,792,383	#862,062,872	#928,748,249	#1,129,924,728	#82,457,448	#64,531,248	#18,657,213,847	#21,564,011,070	#22,450,323,197
Inter-company sales	#15,403,495,402	#19,409,108,174	#20,002,410,780	#2,480,047,300	582,457,448	604,531,248	#810,792,383	#862,062,872	#928,748,249	#427,121,728	#27,121,728	#64,531,248	#18,377,113,847	#21,564,011,070	#22,450,323,197
NET INCOME															
Segment results	#1,871,169,397	#5,638,525,447	#8,208,575,147	#1,482,700,882	#862,467,466	#941,203,693	#571,772,890	#622,613,478	#734,795,951	#149,924,765	#15,000,000	#10,128,238	#4,045,657,934	#7,138,606,591	#9,894,703,049
Interest expense	(130,286,910)	(24,054,826)	(47,858,629)	(743,074)	(1,077,257)	(833,864)	-	19,846,763	29,215,432	-	-	-	(131,129,904)	(25,132,083)	(48,692,493)
Foreign exchange gain (loss)	(11,999,511)	13,102,473	(84,068,774)	3,719,088	6,981,647	2,992,061	7,077,123	-	-	-	-	-	(1,203,300)	39,930,883	(51,861,281)
Interest income	32,144,283	19,832,994	16,029,136	2,096,360	714,992	206,181	-	-	-	-	-	-	34,239,648	20,547,986	16,253,117
Equity in net earnings of joint ventures	378,869,230	313,088,387	245,652,608	(0,343,259)	(9,031,836)	(1,045,954)	-	-	-	-	-	-	(0,343,259)	(9,031,836)	(1,045,954)
Other income (expenses)	(495,099,188)	(1,472,859,502)	(1,935,402,004)	5,847,043	(225,435,311)	14,004,552	-	(180,615,160)	(191,002,466)	(4,180,000)	(4,500,000)	(4,500,000)	239,464,833	154,986,747	137,857,160
Income tax	#1,644,697,301	#4,487,694,973	#6,407,927,484	#1,082,241,327	#640,838,162	#709,382,902	#434,137,510	#481,845,181	#573,208,537	#173,325	#153,810,000	#116,171,742	#31,161,249,443	#5,456,508,315	#7,269,146,381
ASSETS AND LIABILITIES															
Assets															
Segment assets	#24,574,713,338	#22,927,245,909	#22,422,877,737	#2,088,264,598	#2,566,414,364	#1,399,600,332	#300,571,804	#271,775,751	#586,178,847	(#744,590,244)	(#1,238,569,487)	(#1,230,451,838)	#26,190,590,516	#24,526,866,537	#23,149,205,078
Investment in associates - at equity	38,589,619	38,349,619	34,304,619	25,110,906	57,554,166	49,586,801	-	-	-	-	65,387,507	69,914,379	63,561,525	73,904,784	82,936,620
Deferred tax assets	#24,413,063,877	#22,971,357,735	#23,180,638,667	#2,083,873,444	#2,639,271,248	#1,489,445,118	#302,571,804	#271,775,751	#586,178,847	(#744,590,244)	(#1,173,181,880)	(#1,180,537,459)	#26,184,312,411	#24,729,127,894	#24,075,725,073
Liabilities															
Segment liabilities	#10,692,855,402	#8,889,880,540	#9,304,434,001	#498,342,047	#801,391,541	#645,395,763	#244,308,227	#226,584,317	#214,201,882	(#471,068,430)	(654,751,051)	(#659,806,806)	#10,964,437,246	#9,263,105,347	#9,504,724,840
Deferred tax liabilities	352,227,764	389,880,540	434,001	442,047	391,541	395,763	227	317	317	317	317	317	382,227,764	263,105,347	263,105,347
Other Segment Information															
Capital expenditures:															
Program and other rights and software cost	#1,943,494,842	#1,359,490,334	#1,120,980,554	#423,385	#6,967	#1,619,014	#-	#-	#-	#-	#-	#-	#1,943,494,842	#1,359,490,334	#1,121,149,568
Property and equipment	1,071,570,155	1,018,997,377	974,080,362	31,491,485	30,272,172	25,141,628	2,073,779	390,178	94,848	-	-	-	1,049,599,727	1,049,599,727	999,316,838
Land	2,043,156,774	1,609,520,230	1,650,984,303	-	271,94,721	22,317,006	772,111	4,620,634	6,523,769	(15,000,000)	(15,000,000)	(15,000,000)	1,626,353,584	1,604,827,478	1,604,827,478



6. Cash and Cash Equivalents

	2023	2022
Cash on hand and in banks	₱1,097,748,954	₱2,170,723,381
Short-term deposits	277,234,453	684,743,833
	₱1,374,983,407	₱2,855,467,214

Cash in banks earn interest at the respective bank deposit rates. Short-term deposits are made for varying periods of up to three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. Interest rates of peso placements ranged from 0.20% to 6.25% in 2023 and 0.08% to 5.75% in 2022, while interest rates of foreign placements, ranged from 2.90% to 4.70% in 2023 and nil in 2022.

Interest income earned from bank deposits and short-term deposits amounted to ₱34.24 million ₱20.55 million and ₱16.24 million in 2023, 2022 and 2021, respectively.

7. Trade and Other Receivables

	2023	2022
Trade:		
Television and radio airtime	₱6,769,343,955	₱6,287,590,963
Subscriptions	186,254,985	231,894,197
Others	175,154,046	192,396,251
Nontrade:		
Advances to officers and employees	7,367,183	3,696,291
Others (see Note 21)	50,887,375	55,154,475
	7,189,007,544	6,770,732,177
Less allowance for ECL	913,402,578	908,666,285
	₱6,275,604,966	₱5,862,065,892

Trade Receivables

Television and Radio Airtime. Television and radio airtime receivables are unsecured, noninterest-bearing and are generally on 60-90 day terms upon receipt of invoice by the customers. The receivables are normally collected within the next reporting period.

Television and radio airtime receivables include unbilled airtime receivables, arising when advertisements have been aired but billing or acceptance by the customer has been delayed due to time lag in completing all required documents. As of December 31, 2023 and 2022, the total unbilled airtime receivables, assessed as contract assets, amounted to ₱312.58 million and ₱20.83 million, respectively.

Subscriptions Receivable. Subscriptions receivable pertain to receivables from international channel subscriptions and advertisements. These are unsecured, noninterest-bearing and normally collected within the next reporting period

Other Trade Receivables. Other trade receivables mainly consist of receivables from customers relating to advertising placements on other platforms other than TV and radio, sale of merchandise and content provisioning services. These are unsecured, noninterest-bearing and are generally on 60-90 day terms upon receipt of invoice by the customers.



Nontrade Receivables

Advances to Officers and Employees and Other Nontrade Receivables. Other nontrade receivables pertain to loans of regular and project employees and advances given to talents and project employees. These are noninterest-bearing and are normally collected within the next financial year.

Allowance for ECL on Trade Receivables

The movements in the allowance for ECLs are as follows:

	2023		
	Corporate	Individual	Total
Balance at beginning of year	₱898,757,935	₱9,908,350	₱908,666,285
Provision for the year (see Note 24)	4,335,105	401,188	4,736,293
Balance at end of year	₱903,093,040	₱10,309,538	₱913,402,578

	2022		
	Corporate	Individual	Total
Balance at beginning of year	₱899,187,044	₱9,908,350	₱909,095,394
Provision for the year (see Note 24)	1,457,228	–	1,457,228
Reversal for the year	(1,886,337)	–	(1,886,337)
Balance at end of year	₱898,757,935	₱9,908,350	₱908,666,285

8. Program and Other Rights

Details and movement in this account are as follows:

	2023			
	Program Rights	Story/Format Rights	Program Rights - Incidentals	Total
Cost:				
Balance at beginning of year	₱1,425,742,313	₱41,070,810	₱14,907,560	₱1,481,720,683
Additions	1,534,438,788	270,543,708	126,762,973	1,931,745,469
Program and other rights usage (see Note 23)	(1,018,314,065)	(72,695,801)	(100,469,530)	(1,191,479,396)
Balance at end of year	1,941,867,036	238,918,717	41,201,003	2,221,986,756
Accumulated impairment in value	(2,702,260)	–	–	(2,702,260)
	1,939,164,776	238,918,717	41,201,003	2,219,284,496
Less noncurrent portion	429,707,160	–	–	429,707,160
Current portion	₱1,509,457,616	₱238,918,717	₱41,201,003	₱1,789,577,336

	2022			
	Program Rights	Story/Format Rights	Program Rights - Incidentals	Total
Cost:				
Balance at beginning of year	₱955,929,510	₱27,996,874	₱24,353,417	₱1,008,279,801
Additions	1,207,928,746	37,500,082	96,751,770	1,342,180,598
Program and other rights usage (see Note 23)	(738,115,943)	(24,426,146)	(106,197,627)	(868,739,716)
Balance at end of year	1,425,742,313	41,070,810	14,907,560	1,481,720,683
Accumulated impairment in value	(2,702,260)	–	–	(2,702,260)
	1,423,040,053	41,070,810	14,907,560	1,479,018,423
Less noncurrent portion	232,446,242	–	–	232,446,242
Current portion	₱1,190,593,811	₱41,070,810	₱14,907,560	₱1,246,572,181



9. Inventories

This account consists of the following:

	2023	2022
Merchandise inventory	₱1,144,275,233	₱1,443,352,533
Materials and supplies inventory	19,994,207	25,841,351
	₱1,164,269,440	₱1,469,193,884

The following are the details of merchandise inventory account:

	2023	2022
Set-top box model	₱935,765,522	₱1,233,966,042
ITE chipset dongle	208,509,711	209,386,491
	₱1,144,275,233	₱1,443,352,533

Merchandise inventory consists mainly of set-top boxes, digital TV mobile receiver and other merchandises for sale by the Group. In 2020, the Group launched the GMA Affordabox, a digital box which allows users to receive clear pictures and sounds in their television sets through digital transmission. Cost of sales related to digital boxes amounted to ₱297.86 million, ₱302.14 million and ₱418.14 million in 2023, 2022 and 2021, respectively.

Materials and supplies inventory includes the Group's office supplies, spare parts and production materials.

10. Prepaid Expenses and Other Current Assets

	2023	2022
Advances to suppliers	₱688,865,538	₱850,951,231
Prepaid production costs	653,974,022	783,499,847
Input VAT	278,970,842	245,732,638
Prepaid expenses	128,792,012	115,718,638
Creditable withholding taxes	73,156,929	60,886,401
Tax credits	6,162,083	48,070,848
Others	1,668,486	1,519,261
	₱1,831,589,912	₱2,106,378,864

Advances to suppliers are noninterest-bearing and are generally applied to acquisition of program and other rights, inventories, availment of services and others within the next financial year.

Prepaid production costs represent costs paid in advance prior to the airing of the programs or episodes. The Group expects to air the related programs or episodes within the next financial year.

Input VAT pertains to VAT on purchase or importation of goods and services which are to be claimed and credited in the succeeding period's filing of VAT return.

Prepaid expenses include prepayments for rentals, insurance and other expenses.



Creditable withholding taxes represent amounts withheld by the Group's customers and is deducted from the Group's income tax payable.

Tax credits represent claims of the Parent Company from the government arising from airing of government commercials and advertisements. The Parent Company expects to utilize these tax credits within the next financial year.

11. Financial Assets at Fair Value Through Other Comprehensive Income

This account consists of the following:

	2023	2022
Non-listed equity instruments	P331,273,951	P257,799,260
Listed equity instruments	18,625,941	24,814,847
	P349,899,892	P282,614,107

Investment in equity instruments pertains to shares of stock and club shares which are not held for trading. The Group assessed the equity instruments to be strategic in nature.

The movement of financial assets at FVOCI are as follows:

	2023	2022
Balance at beginning of year	P282,614,107	P116,711,276
Additions during the year	49,781,014	168,672,065
Unrealized gain (loss) on fair value changes during the year	17,504,771	(2,769,234)
Balance at end of year	P349,899,892	P282,614,107

In 2023, the Group purchased additional investments in TNB Aura Fund 2 Ltd, Wavemaker Three-Sixty Health II-A,LP., PX Ventures PTE Ltd and Plastic Credit Exchange (PCX) Singapore Pte Ltd totaling P49.78 million.

In 2022, the Group purchased additional investments in TNB Aura Fund 2 Ltd, Wavemaker Three-Sixty Health II-A,LP., PX Ventures PTE Ltd and Cloudeats PTE Ltd totaling P168.67 million.

Dividend income earned from financial assets at FVOCI amounted to nil in 2023, 2022 and 2021.

The movements in "Unrealized loss on financial assets at FVOCI - net of tax" account are as follows:

	2023	2022
Balance at beginning of year - net of tax	(P120,299,381)	(P117,945,532)
Net unrealized gain (loss) on fair value changes during the year	17,504,771	(2,769,234)
Tax effect of the changes in fair market values	(2,772,715)	415,385
Balance at end of year	(P105,567,325)	(P120,299,381)



IP E-Games Ventures, Inc.

In 2015, IP E-Games Ventures, Inc. (IPE) issued 13,000.00 million of its own common shares to the Group in exchange of the Group's investment in X-Play Online Games Incorporated (X-Play) and in settlement of P30.00 million advances and P50.00 million airtime credits granted by the Group to X-Play. At initial recognition, the Group recognized at fair value the IPE shares amounting to P130.00 million. The carrying values of investment in IPE amounted to P22.19 million and P24.81 million as at December 31, 2023 and 2022, respectively.

Of the P50.00 million airtime credits, P22.00 million has not been implemented at the date of exchange and therefore was recognized by the Group as unearned revenue presented as "Contract liabilities", included as part of "Trade payables and other current liabilities" in 2023 and 2022 (see Note 17).

12. Investments and Advances

The following are the details of this account:

	2023	2022
Investment in an associate and interests in joint ventures	P63,561,525	P73,904,784
Advances to an associate and joint ventures (see Note 21)	102,567,242	101,800,222
	P166,128,767	P175,705,006

The movements in investment in an associate and interests in joint ventures follow:

	2023	2022
Acquisition cost -		
Balance at beginning and end of year	P131,722,056	P131,722,056
Accumulated equity in net losses:		
Balance at beginning of year	(57,817,272)	(48,785,436)
Equity in net losses during the year	(10,343,259)	(9,031,836)
Balance at end of year	(68,160,531)	(57,817,272)
	P63,561,525	P73,904,784

The movements in advances to an associate and joint ventures follow:

	2023	2022
Advances to an associate:		
Balance at beginning of year	P99,618,209	P99,531,728
Advances during the year (see Note 21)	821,084	86,481
Balance at end of year	100,439,293	99,618,209
Advances to joint ventures:		
Balance at beginning of year	2,182,013	2,322,677
Payments during the year	(54,064)	(140,664)
Balance at end of year	2,127,949	2,182,013
	P102,567,242	P101,800,222



The ownership interests in joint ventures and an associate, which were all incorporated in the Philippines, and are accounted for under the equity method, as at December 31, 2023 and 2022 follows:

	Principal Activities	Percentage of Ownership	
		Direct	Indirect
Associate -			
Mont-Aire Realty and Development Corporation (Mont-Aire)	Real Estate	49	–
Joint Ventures:			
INQ7 Interactive, Inc. (INQ7)*	Internet Publishing	50	–
Philippine Entertainment Portal (PEP)**	Internet Publishing	–	50
Gamespan, Inc. (Gamespan)**	Betting Games	–	50

*Not operational.

**Indirect investment through GNMI.

The carrying values of investments and the related advances are as follows:

	2023		
	Investments	Advances (Note 21)	Total
Associate -			
Mont-Aire	₱38,350,619	₱100,439,293	₱138,789,912
Joint ventures:			
Gamespan	8,947,966	1,959,670	10,907,636
PEP	16,262,940	168,279	16,431,219
	25,210,906	2,127,949	27,338,855
	₱63,561,525	₱102,567,242	₱166,128,767
	2022		
	Investments	Advances (Note 21)	Total
Associate -			
Mont-Aire	₱38,350,619	₱99,618,209	₱137,968,828
Joint ventures:			
Gamespan	8,947,966	1,959,670	10,907,636
PEP	26,606,199	222,343	26,828,542
	35,554,165	2,182,013	37,736,178
	₱73,904,784	₱101,800,222	₱175,705,006

The associate and joint ventures are not listed in any public stock exchanges.



Mont-Aire

Mont-Aire ceased its commercial operations in 2009. Assets include real estate and parcels of land located at Tagaytay City, Cavite with an aggregate cost of ₱105.08 million and fair market value of ₱158.64 million, as determined by an accredited appraiser as at June 3, 2019. Management believes that there are no events or changes in circumstances indicating a significant unfavorable change in the fair value of the abovementioned properties from the last appraisal made.

PEP

On April 16, 2007, the Group and Summit Publishing, Co. entered into a shareholder's agreement for the establishment of PEP. The joint venture was organized to design, conceptualize, operate and maintain websites that make available all kinds of show business, entertainment and celebrity information, video or pictures in the internet worldwide web or other forms of seamless communication.

The Group recognized its share in net losses of PEP amounting to ₱10.34 million, ₱9.03 million and ₱1.05 million in 2023, 2022 and 2021, respectively.

Gamespan

On March 22, 2012, the Group, through GNMI, executed a Shareholder's Agreement with Manila Jockey Club (MJC) for the establishment of Gamespan, a joint venture corporation. The joint venture was organized to operate and manage the hardware and software owned by MJC, set-up new media infrastructure for offering and taking bets in horse racing and other sports.

Gamespan has not started its commercial operations since its establishment. In 2014, the Group and MJC agreed to terminate its shareholder's agreement and to close Gamespan. As at December 31, 2023 and 2022, the joint venture is not yet operating since they have a pending registration with the Bureau of Internal Revenue (BIR). However, Gamespan is taking actions to amend their GIS and reactivate their dormant bank accounts. Since Gamespan has yet to start its operations, the Group did not recognize any share in net earnings in 2023, 2022 and 2021.

INQ7

Losses of INQ7 recognized under the equity method in excess of the Group's carrying value of investment were applied against its advances to the Parent Company thereby reducing both advances and investments to zero as at December 31, 2023 and 2022. INQ7 ceased operations in 2007. In 2013, INQ7 submitted a request to liquidate its assets to SEC. The liquidation is still ongoing as at December 31, 2023.

The Group believes that its investments in an associate and interests in joint ventures are not individually material.



13. Property and Equipment

This account consists of the following:

	2023						Total
	Land, buildings, towers and improvements	Antenna and transmitter systems and broadcast equipment	Communication and mechanical equipment	Transportation equipment	Furniture, fixtures and equipment	Construction in progress and equipment for installation	
Cost							
At January 1, 2023	₱3,312,804,796	₱8,467,903,140	₱1,784,881,226	₱700,540,378	₱174,582,642	₱478,613,994	₱14,919,326,176
Additions	21,616,827	391,683,510	161,231,509	99,267,742	4,214,044	427,121,787	1,105,135,419
Disposals	-	(120,586,695)	(17,355,359)	(93,007,207)	(2,258,063)	-	(233,207,324)
Reclassifications	167,809,265	324,916,384	26,040,138	3,853,482	949,502	(523,568,771)	-
At December 31, 2023	3,502,230,888	9,063,916,339	1,954,797,514	710,654,395	177,488,125	382,167,010	15,791,354,171
Accumulated Depreciation							
At January 1, 2023	2,585,774,642	6,800,282,345	1,493,816,100	512,588,653	165,715,157	-	11,558,176,897
Depreciation (see Notes 23 and 24)	103,910,688	450,803,061	152,917,944	78,044,774	4,303,242	-	789,979,709
Disposals	-	(120,586,695)	(17,318,029)	(86,737,766)	(2,258,063)	-	(226,900,553)
At December 31, 2023	2,689,685,330	7,130,498,711	1,629,416,015	503,895,661	167,760,336	-	12,121,256,053
Net Book Value	₱812,545,558	₱1,933,417,628	₱325,381,499	₱206,758,734	₱9,727,789	₱382,167,010	₱3,669,998,218
	2022						
Cost							
At January 1, 2022	₱3,127,301,539	₱7,934,286,179	₱1,596,296,384	₱660,566,915	₱171,513,060	₱482,634,909	₱13,972,598,986
Additions	32,253,953	284,043,388	133,575,795	100,735,360	3,618,312	495,372,919	1,049,599,727
Disposals	(11,413,997)	(25,941,714)	(2,675,996)	(60,761,897)	(548,730)	-	(1,013,423,344)
Reclassifications (see Note 16)	164,663,301	275,515,287	57,685,043	-	-	(499,393,834)	(1,530,203)
At December 31, 2022	3,312,804,796	8,467,903,140	1,784,881,226	700,540,378	174,582,642	478,613,994	14,919,326,176
Accumulated Depreciation							
At January 1, 2022	2,501,423,300	6,452,783,289	1,371,279,188	499,899,395	161,710,262	-	10,987,095,434
Depreciation (see Notes 23 and 24)	95,431,592	372,655,918	125,212,908	68,319,739	4,414,851	-	666,035,008
Disposals	(11,080,250)	(25,156,862)	(2,675,996)	(55,630,481)	(409,956)	-	(94,953,545)
At December 31, 2022	2,585,774,642	6,800,282,345	1,493,816,100	512,588,653	165,715,157	-	11,558,176,897
Net Book Value	₱727,030,154	₱1,667,620,795	₱291,065,126	₱187,951,725	₱8,867,485	₱478,613,994	₱3,361,149,279



Construction in progress pertains to costs incurred for installation of equipment, signal strengthening of transmitters nationwide and construction/improvement of studios and stations in the regions.

The reclassification relates to the software that were transferred to other noncurrent assets amounting to nil and ₱1.53 million in 2023 and 2022, respectively.

The Group leases out a portion of its property and equipment at cost. Total rental income recognized for the leased portion amounted to ₱2.86 million, ₱3.62 million and ₱3.13 million in 2023, 2022 and 2021, respectively (see Note 26).

The Group disposed various property and equipment in 2023, 2022 and 2021 resulting to the recognition of gain on sale amounting to ₱40.46 million, ₱31.76 million and ₱50.52 million, respectively (see Note 26).

As at December 31, 2023 and 2022, no property and equipment have been pledged as collateral or security for any of the Group's liabilities.

14. Land at Revalued Amounts

The movement of the land at revalued amount is shown below:

	2023			2022		
	Cost	Revaluation Increment	Total	Cost	Revaluation Increment	Total
At beginning of year	₱526,025,559	₱6,093,869,589	₱6,619,895,148	₱501,718,175	₱2,443,578,839	₱2,945,297,014
Additions during the year	-	2,193,386,291	2,193,386,291	24,307,384	3,650,290,750	3,674,598,134
At end of year	₱526,025,559	₱8,187,255,880	₱8,813,281,439	₱526,025,559	₱6,093,869,589	₱6,619,895,148

In 2023 and 2022, the Group assessed that the fair value of certain parcels of land at revalued amounts have significant movements from its carrying values and obtained updated appraisals as at December 31, 2023 and 2022, respectively. Revaluation increment recognized in 2023 and 2022 based on appraisal reports and management estimates amounted to ₱2,193.39 million and ₱3,650.29 million, respectively.

The fair value from the 2023 and 2022 appraisals were determined using the "Market Data Approach" as determined by independent professionally qualified appraisers and based on its highest and best use. The fair value represents the amount that would be received to sell the property in an orderly transaction between market participants at the date of valuation in accordance with International Valuation Standards. The fair value is categorized under Level 3 of the fair value hierarchy.

As of December 31, 2023 and 2022, the fair value of land is directly proportional to the asking price of the comparable land and adjusted according to the following appraisal considerations:

Significant unobservable input	Range	
	2023	2022
Asking price per square meter	₱270 to ₱350,000	₱270 to ₱350,000
Sales price adjustment	5% to 10%	5% to 10%
Lot size adjustment	5% to 20%	5% to 10%

Significant increase (decrease) in asking price per square meter would result to significantly higher (lower) fair value of the properties. Significant increase (decrease) in the sales price adjustment and lot size adjustment would result in a significantly lower (higher) fair value.



Management believes that the fair value of certain land acquired in 2022 and 2021 approximates the fair values as at December 31, 2023 and 2022.

As at December 31, 2023 and 2022, no land has been pledged as collateral or security for any of the Group's liabilities and the Group has no restrictions on the realizability of its land and no contractual obligation to purchase, construct or develop land or for repairs, maintenance and enhancements.

15. Investment Properties

	2023		
	Land and Improvements	Buildings and Improvements	Total
Cost:			
Balance at beginning and end of year	₱23,761,823	₱72,276,684	₱96,038,507
Accumulated depreciation:			
Balance at beginning of year	–	60,080,806	60,080,806
Depreciation during the year (see Note 24)	–	1,382,387	1,382,387
Balance at end of year		61,463,193	61,463,193
Accumulated impairment:			
Balance at beginning and end of year	–	3,852,641	3,852,641
	₱23,761,823	₱6,960,850	₱30,722,673
	2022		
	Land and Improvements	Buildings and Improvements	Total
Cost:			
Balance at beginning and end of year	₱23,761,823	₱72,276,684	₱96,038,507
Accumulated depreciation:			
Balance at beginning of year	–	58,698,419	58,698,419
Depreciation during the year (see Note 24)	–	1,382,387	1,382,387
Balance at end of year	–	60,080,806	60,080,806
Accumulated impairment:			
Balance at beginning and end of year	–	3,852,641	3,852,641
	₱23,761,823	₱8,343,237	₱32,105,060

The fair value of investment properties amounted to ₱305.18 million and ₱203.90 million as at December 31, 2023 and 2022, respectively. As at December 31, 2023 and 2022, the land used in operations was last appraised on December 31, 2023 and November 19, 2018, respectively, by an accredited firm of appraisers and is valued in terms of its highest and best use.

The fair value was determined using the "Market Data Approach". The fair value represents the amount that would be received to sell the property in an orderly transaction between market participants at the date of valuation and is categorized under Level 3 of the fair value hierarchy.



The description of the valuation techniques used and key inputs to fair valuation as of December 31, 2023 and 2022 is as follows:

	Significant Unobservable Inputs	Range	
		2023	2022
Land	Price per square metre	₱1,400-₱11,700	₱1,400-₱3,500
Buildings for lease	Price per square metre	₱22,000-₱117,000	₱22,000-₱117,000

Rental income and the directly related expense arising from these investment properties follow:

	2023	2022	2021
Rental income (see Note 26)	₱4,870,327	₱2,033,713	₱3,061,017
Depreciation expense (see Note 24)	(1,382,387)	(1,382,387)	(1,382,387)
	₱3,487,940	₱651,326	₱1,678,630

As at December 31, 2023 and 2022, no investment properties have been pledged as collateral or security for any of the Group's liabilities and the Group has no restriction on the realizability of its investment properties and no contractual obligation to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

16. Other Noncurrent Assets

	2023	2022
Refundable deposits	₱89,657,828	₱26,501,499
Restricted cash	51,393,686	52,722,572
Software costs	45,464,443	73,791,869
Deferred input VAT	10,444,582	22,291,602
Investment in artworks	10,186,136	10,186,136
Guarantee deposits	2,162,420	2,162,420
Deferred production costs	1,502,800	1,321,925
Facilities	7,270,113	7,564,742
Others	-	735,294
	₱218,082,008	₱197,278,059

Refundable deposits pertain to the deposits made to various electric companies across the country.

Restricted cash pertains to time deposits under the custody of the courts as a collateral for pending litigation.

Software costs relate to software applications and website development costs which provide an edge on the Group's online presence and other software issues. The movements in software costs follows:

	2023	2022
Cost:		
Balance at beginning of year	₱553,398,992	₱534,552,087
Additions during the year	12,172,728	17,316,702
Reclassifications during the year (see Note 13)	-	1,530,203
Balance at end of year	565,571,720	553,398,992

(Forward)



	2023	2022
Accumulated amortization:		
Balance at beginning of year	₱479,607,123	₱421,343,225
Amortization during the year (see Note 24)	40,500,154	58,263,898
Balance at end of year	520,107,277	479,607,123
	₱45,464,443	₱73,791,869

Deferred input VAT pertains to the VAT on the Group's acquisitions of capital goods exceeding ₱1.00 million in any given month which are to be amortized over the 60 months or the life of the asset, whichever is shorter.

Investment in artworks are paintings and other works of art usually displayed in the Parent Company's hallways.

Guarantee deposits pertain to deposits to telephone companies as well as building/office rental deposits to be used for the Group's programs. Also included are deposits to the satellite providers.

Facilities relate to the deposit for facilities paid in advance and used for productions by the Group.

Deferred production costs pertain to the costs incurred in relation to the production of music compact discs and are measured at cost upon recognition. Deferred production costs are being amortized as the related compact discs are sold.

17. Trade Payables and Other Current Liabilities

	2023	2022
Trade payables	₱606,140,618	₱562,649,076
Payable to government agencies	1,169,139,598	1,242,808,934
Contract liabilities (see Note 11)	179,893,494	369,733,835
Accrued expenses:		
Utilities and other expenses	586,041,832	443,486,485
Production costs	224,144,048	180,710,548
Payroll and talent fees (see Note 27)	219,878,105	108,293,100
Commission	67,314,295	53,693,413
Customers' deposits	61,439,738	52,596,784
Others	88,688,052	70,876,368
	₱3,202,679,780	₱3,084,848,543

Trade payables to suppliers are noninterest-bearing and are normally settled on terms ranging from seven to 60 days.

Payable to government agencies is composed of the Group's statutory compensation-related contributions to government agencies and net VAT and withholding taxes payable to the Bureau of Internal Revenue (BIR). The difference between the accrual accounting under the accounting standards and cash-basis accounting as prescribed by the BIR for service-related companies caused the Group to normally incur deferred output VAT which forms a substantial part of the Group's payable to government agencies. These payables are remitted within 30 days after reporting period.

Contract liabilities pertain to payments received before broadcast and before delivery of goods and services amounting to ₱179.89 million and ₱369.73 million as at December 31, 2023 and 2022, respectively. These are recognized as revenue when the Group performs the obligation under the



contract. The total beginning balance of contract liabilities in 2023 amounting to P369.73 million was recognized as revenue for the year ended December 31, 2023. This account also includes contract liabilities of P22.00 million from airtime credits that have not been implemented resulting from the exchange of the Group's interests in X-Play in 2015 (see Note 11).

Accrued expenses and other payables are noninterest-bearing and are generally settled within the next financial year.

Customers' deposits include guaranty deposits from advertising agencies to secure payment of bills by advertisers. These deposits are noninterest-bearing and normally refunded once the related broadcasts are paid by the advertisers. It also includes deposits from the Group's lessees upon inception of the lease agreements.

Others include unpaid subscriptions and retention payables. These are noninterest-bearing and are normally settled within one year.

18. Short-term Loans

The Group obtained unsecured short-term peso and US dollar-denominated loans from local banks in 2023 and 2022. Details and movements of the short-term loans are as follows:

	2023	2022
Balance at beginning of year	P27,125,200	P739,485,500
Availments	3,527,307,000	1,027,125,200
Payments	(2,027,125,200)	(1,685,850,000)
Revaluation	-	(53,635,500)
Balance at end of year	P1,527,307,000	P27,125,200

The outstanding peso denominated loans as at December 31, 2023 consist of fixed rate notes with the following details:

Lender	Annual interest rate	Terms	December 31, 2023
Bank of the Philippine Islands (BPI)	6.30%	Availed in 2023, payable in 330 days	P500,000,000
	6.30%	Availed in 2023, payable in 300 days	500,000,000
Banco de Oro	6.30%	Availed in 2023, payable in 273 days	500,000,000
Security Bank	2.75%	Availed in 2023, payable in 270 to 360 days	27,307,000
			P1,527,307,000

The outstanding peso-denominated loan as at December 31, 2022 consist of fixed rate notes with the following details:

Lender	Annual interest rate	Terms	December 31, 2022
Security Bank	2.75%	Availed in 2022, payable up to December 2023	P27,125,000



Interest expense on peso denominated loans amounted to ₱120.30 million, ₱10.15 million and ₱23.06 million in 2023, 2022 and 2021, respectively. Interest expense on US dollar denominated loans amounted to nil, ₱2.78 million, and ₱15.03 million in 2023, 2022, and 2021, respectively.

19. Obligations for Program and Other Rights

Obligations for program and other rights represent liabilities to foreign and local film suppliers for program and other rights purchased by the Group. Outstanding unpaid balance as at December 31, 2023 and 2022 are as follows:

	2023	2022
Obligations for program and other rights	₱334,660,915	₱209,171,643
Less: Current portion	325,503,020	209,171,643
Noncurrent portion of obligations for program and other rights	₱9,157,895	₱-

Obligations for program and other rights are generally payable in equal monthly or quarterly installments.

20. Equity

a. Capital Stock

Details of capital stock as at December 31, 2023 and 2022:

	No. of Shares	Amount
Common - ₱1.00 par value		
Authorized	5,000,000,000	₱5,000,000,000
Subscribed and issued	3,364,692,000	₱3,364,692,000
Preferred - ₱0.20 par value		
Authorized	7,500,000,000	₱1,500,000,000
Subscribed and issued	7,500,000,000	₱1,500,000,000

The cumulative preferred shares are of equal rank, preference and priority and are identical in all respect regardless of series. Preferred shares are participating at the rate of one fifth (1/5) of the dividends paid to common shares, the rate of which is adjusted proportionately by the Parent Company's BOD consequent to any stock split or stock dividend declaration affecting the common shares and preferred shares. Preferred shares are convertible at the option of the shareholders at the ratio of five preferred shares to one common share, based on par value.

Preferred shares enjoy priority over common shares in the distribution of assets of the Parent Company in the event of dissolution and liquidation, at such rates, terms and conditions as the BOD may determine. Each preferred share is entitled to one vote and shall have the same voting rights as the common shares.



The Parent Company's BOD may specify other terms and conditions, qualifications, restrictions and privileges of the preferred shares or series/classes thereof, insofar as such terms, conditions, qualifications, restrictions and privileges are not inconsistent with the articles of incorporation and any applicable law or regulation.

The following summarizes the information on the Parent Company's registration of securities with the SEC which was approved on June 20, 2007, as required by Revised Securities Regulation Code (SRC) Rule 68:

Securities	Authorized and issued shares	Issue/Offer Price
Initial public offering	91,346,000	₱8.50
Underlying common shares of PDRs	945,432,000	8.50
Over-allotment common shares	13,701,000	8.50
Common shares covering employee stock option plan	57,000,000	8.50

In prior years, the Parent Company has acquired 750,000 PDRs issued by GMA Holdings, Inc. at acquisition cost of ₱5.79 million. In as much as each PDR share grants the holder, upon payment of the exercise price and subject to certain other conditions, the delivery of one (1) Parent Company share or the sale and delivery of the proceeds of such sale of Parent Company share, such PDRs held by the Parent Company was being treated similar to a treasury share.

On October 4, 2021, the Parent Company's BOD approved to contribute its treasury common and preferred shares and PDRs to the Group's retirement plan. The contribution of the 3,645,000 treasury common shares and 492,816 treasury preferred shares was executed on December 31, 2021 at a transaction price of ₱13.90 per share and ₱2.77 per share, respectively. As the preferred shares are unlisted, the transaction price was based on the market price of the Parent Company's listed common shares on the transaction date, with the value of the treasury preferred shares computed based on the ratio of 1:5 preferred shares to common shares. The contribution of the 750,000 PDRs was executed on December 20, 2021 at a transaction price of ₱13.02 per share, which resulted to additional paid-in capital amounted to ₱27.52 million.

The total number of shareholders is 1,632 and 1,643 as at December 31, 2023 and 2022, respectively.

b. Retained Earnings

The Parent Company's BOD approved the declaration of the following cash dividends:

Year	Declaration Date	Record Date	Cash Dividend Per Share	Total Cash Dividend Declared
2023	March 31, 2023	April 21, 2023	₱1.10	₱5,351,161,200
2022	March 25, 2022	April 25, 2022	₱1.45	₱7,053,803,400
2021	March 26, 2021	April 22, 2021	₱1.35	₱6,561,267,889

The Parent Company's outstanding dividends payable amounted to ₱34.69 million and ₱30.53 million as at December 31, 2023 and 2022, respectively.



The balance of retained earnings includes Parent Company's accumulated equity in net earnings of subsidiaries and associates which are not currently available for dividend declaration until declared by the respective subsidiaries and associates amounting to ₱219.17 million and ₱84.18 million as at December 31, 2023 and 2022, respectively.

On April 3, 2024, the Parent Company's BOD approved the declaration and distribution of cash dividends amounting to ₱0.60 per share totaling ₱2,918.82 million to all stockholders of record as at April 24, 2024 and will be paid starting May 14, 2024.

21. Related Party Disclosures

Parties are considered to be related if one party has the ability, directly and indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individual or corporate entities.

The Parent Company has an approval requirement such that material related party transactions (RPTs) shall be reviewed by the Audit and Risk Management Committee (the Committee) and submitted to the BOD for approval. Material RPTs are those transactions that meet the threshold value amounting to ten percent (10%) or higher of the Group's total consolidated assets based on its latest audited financial statements either individually, or in aggregate over a twelve (12)-month period with the same related party.

Outstanding balances at year-end are unsecured and settlement occurs in cash throughout the financial year. There have been no guarantees provided or received for any related party receivables or payables. For years ended December 31, 2023 and 2022, the Group has not recorded any impairment of receivables on amounts owed by the related parties. The assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

In the ordinary course of business, the Group transacts with associate, affiliates, joint venture and other related parties on advances, reimbursement of expenses, and future stock subscriptions.

The transactions and balances of accounts as at and for the years ended December 31, 2023 and 2022 with related parties are as follows:

Account Name and Category	Related Party	Year	Amount/ Volume of Transactions	Receivables (Payables)	Terms	Conditions
Advances (see Note 12)	Associate:					
	Mont-Aire	2023	₱821,084	₱100,439,293	Noninterest-bearing	Unsecured; not impaired
		2022	86,481	99,618,209		
	Joint ventures:					
	Gamespan	2023	—	1,959,670	Noninterest-bearing	Unsecured; not impaired
		2022	—	1,959,670		
	PEP	2023	—	168,279	Noninterest-bearing	Unsecured; not impaired
		2022	—	222,343		
	INQ7	2023	—	11,544,000	Noninterest-bearing	Unsecured; fully impaired
		2022	—	11,544,000		
	Total	2023	₱821,084	₱114,111,242		
		2022	₱86,481	₱113,344,222		



Account Name and Category	Related Party	Year	Amount/ Volume of Transactions	Receivables (Payables)	Terms	Conditions
Nontrade Receivables	Common stockholders:					
Reimbursable charges (see Note 7)	GMA Kapuso Foundation Inc.	2023	₱1,305,176	₱1,305,176	On demand, noninterest-bearing	Unsecured; not impaired
		2022	₱960,433	₱2,038,381		
Nontrade Payables						
Legal, consulting and retainers' fees	Belo, Gozon, Elma Law	2023	15,252,469	-	On demand, noninterest-bearing	Unsecured
		2022	15,416,907	-		

The advances made by the Parent Company to Mont-Aire and PEP are intended for future capital subscription. On the other hand, the advances to INQ7 was reduced to zero as a result of the application of the Group's share in the losses of INQ7 recognized under the equity method in excess of the Group's carrying value of investment.

Compensation of Key Management Personnel

The compensation of key management personnel of the Group, by benefit type, are as follows:

	2023	2022	2021
Salaries and other long-term benefits (see Notes 24 and 25)	₱946,135,340	₱1,050,276,512	₱1,008,057,516
Pension benefits (see Notes 24 and 25)	197,152,902	199,610,705	190,689,516
	₱1,143,288,242	₱1,249,887,217	₱1,198,747,032

Equity Investments of the Retirement Fund

The Group's retirement fund includes equity investments in GMA Network, Inc. and GMA PDRs amounting to ₱555.39 million and ₱6.23 in 2023, respectively, and ₱757.31 million and ₱7.95 million in 2022, respectively (see Note 27).

22. Revenues

Set out below is the disaggregation of the Group's revenues from contract with customers for the year ended December 31:

	2023	2022	2021
Revenue source			
Sale of service			
Advertising revenue	₱17,181,696,192	₱20,230,371,980	₱21,015,167,014
Subscription revenue (see Note 28)	728,396,019	774,865,805	786,471,873
Revenue from distribution and content provisioning	177,200,082	34,219,872	41,962,566
Production revenue	238,301,851	183,681,549	78,698,883
Sale of goods	311,619,703	340,871,864	528,023,061
Total revenue from contracts with customers	₱18,637,213,847	₱21,564,011,070	₱22,450,323,397
Geographical markets			
Local	₱17,826,421,464	₱20,701,948,198	₱21,521,575,148
International	810,792,383	862,062,872	928,748,249
Total revenue from contracts with customers	₱18,637,213,847	₱21,564,011,070	₱22,450,323,397
Timing of revenue recognition			
Goods/services transferred at a point in time	₱17,908,817,828	₱20,789,145,265	₱21,663,851,524
Services transferred over time	728,396,019	774,865,805	786,471,873
Total revenue from contracts with customers	₱18,637,213,847	₱21,564,011,070	₱22,450,323,397



23. Production Costs

	2023	2022	2021
Talent fees and production personnel costs (see Note 25)	₱4,196,390,868	₱3,921,185,771	₱3,253,105,638
Program and other rights usage (see Note 8)	1,191,479,396	868,739,716	1,007,347,795
Facilities and amortization of production services	822,671,115	995,623,800	567,428,491
Rental (see Note 28)	792,873,832	523,820,404	344,890,966
Depreciation (see Notes 13 and 24)	564,756,002	492,742,400	376,868,136
Tapes, sets and production supplies	439,903,608	355,710,226	233,146,587
Transportation and communication	165,359,229	325,075,476	209,857,422
	₱8,173,434,050	₱7,482,897,793	₱5,992,645,035

24. General and Administrative Expenses

	2023	2022	2021
Personnel costs (see Note 25)	₱3,743,148,825	₱4,010,852,711	₱3,856,762,318
Communication, light and water	391,477,195	392,858,757	273,962,056
Professional fees	281,659,305	346,641,093	353,199,611
Depreciation (see Notes 13, 15 and 28)	256,224,729	206,589,570	230,904,901
Taxes and licenses	235,743,768	395,259,589	235,505,518
Repairs and maintenance	193,344,362	214,307,761	221,155,954
Advertising	187,554,983	170,046,892	117,274,073
Software maintenance	149,121,985	123,440,211	99,307,025
Research and surveys	113,900,352	99,517,216	87,958,450
Security services	75,869,177	71,307,924	65,559,440
Facilities related expenses	58,600,492	65,892,695	58,691,533
Transportation and travel	52,301,342	50,808,779	34,717,950
Marketing expense	47,569,163	74,719,805	86,992,865
Amortization of software costs (see Note 16)	40,500,154	58,263,898	49,706,646
Insurance	36,905,577	30,550,826	30,673,665
Janitorial services	23,763,382	24,897,108	24,026,812
Rental (see Note 28)	20,324,032	23,378,607	20,915,132
Dues and subscriptions	17,126,279	19,323,732	10,881,727
Materials and supplies	13,887,863	12,800,794	15,706,090
Freight and handling	13,153,749	12,268,400	16,913,034
Entertainment, amusement and recreation	8,273,134	7,877,088	7,001,601
Provision for ECL (see Note 7)	4,736,293	1,457,228	142,577,080
Others	155,162,089	227,308,498	104,440,189
	₱6,120,348,230	₱6,640,369,182	₱6,144,833,670

Others include expenses incurred for other manpower, messengerial services, donations and other miscellaneous expenses.



Depreciation

	2023	2022	2021
Property and equipment (see Note 13)			
Production costs (see Note 23)	₱544,466,613	₱474,023,367	₱357,908,201
General and administrative expenses	245,513,096	192,011,641	221,371,641
	789,979,709	666,035,008	579,279,842
Right-of-use assets (see Note 28)			
Production costs (see Note 23)	20,289,389	18,719,033	18,959,935
General and administrative expenses	9,329,246	13,195,542	8,150,873
	29,618,635	31,914,575	27,110,808
Investment properties (see Note 15)			
General and administrative expenses	1,382,387	1,382,387	1,382,387
	₱820,980,731	₱699,331,970	₱607,773,037

25. Personnel Costs

	2023	2022	2021
Talent fees	₱3,966,406,028	₱2,569,748,693	₱2,162,673,093
Salaries and wages	2,187,495,014	3,040,086,317	2,710,384,916
Employee benefits and allowances	1,037,530,959	1,513,608,039	1,414,885,770
Pension expense (see Note 27)	700,899,014	661,084,461	639,758,700
Sick and vacation leaves expense	47,208,678	147,510,971	182,165,477
	₱7,939,539,693	₱7,932,038,481	₱7,109,867,956

The above amounts were distributed as follows:

	2023	2022	2021
Production costs (see Note 23)	₱4,196,390,868	₱3,921,185,771	₱3,253,105,638
General and administrative expenses (see Note 24)	3,743,148,825	4,010,852,711	3,856,762,318
	₱7,939,539,693	₱7,932,038,482	₱7,109,867,956

26. Others - Net

	2023	2022	2021
Commission from Artists	₱176,350,038	₱104,475,309	₱77,547,912
Net gain on sale of property and equipment (see Note 13)	40,463,669	31,756,356	50,519,791
Royalty income	7,948,128	6,499,544	24,289
Rental income (see Notes 13, 15 and 28)	7,734,695	5,650,270	6,189,114
Merchandising license fees and others	3,981,319	2,043,246	3,455,733
Bank charges	(1,751,862)	(1,793,419)	(1,480,403)
Others	4,738,846	6,365,441	1,600,724
	₱239,464,833	₱154,996,747	₱137,857,160

Merchandising license fees and others include income from mall shows, sale of DVDs and integrated receiver decoders.

Others includes reversal of provision for accounts written-off on Trade Receivables (see Note 7).



27. Pension and Other Employee Benefits

As at December 31, pension and other employee benefits consist of:

	2023	2022
Pension liability	P5,154,803,946	P4,767,249,209
Vacation and sick leave accrual	253,514,641	377,344,911
	5,408,318,587	5,144,594,120
Less current portion of vacation and sick leave accrual*	12,762,255	5,728,979
Pension and other long-term employee benefits	P5,395,556,332	P5,138,865,141

*Included in "Accrued expenses" under Trade payables and other current liabilities (see Note 17).

Pension Benefits

The Group operates non-contributory defined benefit retirement plans.

Under the existing regulatory framework, R.A. 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

Pension benefits recognized in the statements of comprehensive income are as follows (see Note 25):

	2023	2022	2021
Current service cost	P357,469,890	P455,919,306	P437,943,972
Net interest cost	343,429,124	205,165,155	186,984,422
Settlement loss	-	-	14,830,306
	P700,899,014	P661,084,461	P639,758,700

Net pension liability recognized in the consolidated statements of financial position is as follows:

	2023	2022	2021
Present value of defined benefit obligation	P6,422,704,401	P6,653,224,090	P6,348,352,226
Fair value of plan assets	1,267,900,455	1,885,974,881	2,178,665,475
Pension liability	P5,154,803,946	P4,767,249,209	P4,169,686,751

The changes in the present value of the defined benefit obligation are as follows:

	2023	2022	2021
Balance at beginning of year	P6,653,224,090	P6,348,352,226	P6,359,224,091
Current service cost	357,469,890	455,919,306	437,943,972
Interest cost	477,657,949	310,240,240	244,726,249
Settlement loss	-	-	14,830,306
Benefits paid:			
From plan assets	(315,409,730)	(455,534,216)	(197,265,904)
From Group's own funds	(397,227)	(46,856,585)	(36,744,104)
Remeasurement losses (gains):			
Changes in financial assumptions	481,284,738	41,103,119	(711,238,384)
Changes in demographic assumptions	(182,570,873)	-	3,217,607
Experience adjustment	(1,048,554,436)	-	233,658,393
Balance at end of year	P6,422,704,401	P6,653,224,090	P6,348,352,226



The changes in the fair value of plan assets are as follows:

	2023	2022	2021
Balance at beginning of year	₱1,885,974,881	₱2,178,665,475	₱1,444,098,402
Contribution during the year	282,026,879	261,319,043	339,594,487
Interest income	134,228,825	105,075,085	57,741,827
Benefits paid	(315,409,730)	(455,534,216)	(197,265,904)
Remeasurement gain (loss) - return on plan assets	(718,920,400)	(203,550,506)	534,496,663
Balance at end of year	₱1,267,900,455	₱1,885,974,881	₱2,178,665,475

Remeasurement gain (loss) on retirement plans amounting to ₱19.21 million, (₱205.31 million), and ₱575.62 million in 2023, 2022 and 2021, respectively, is reported under the consolidated statements of comprehensive income, net of deferred tax.

At each reporting period, the Group determines its contribution based on the performance of its retirement fund.

The Group expects to contribute ₱838.61 million to the fund in 2024.

The funds are managed and supervised by trustee banks for the benefits of the members. However, the general administration of the funds is vested in a Retirement Committee.

The following table presents the carrying amounts and estimated fair values of the plan assets:

	2023	2022
	Carrying Value/Fair Value	Carrying Value/Fair Value
Cash and cash equivalents	₱11,445,292	₱303,284,710
Equity instruments (see Note 21):		
GMA Network, Inc.	555,386,035	757,308,887
GMA PDRs	6,225,000	7,950,000
Debt instruments -		
Government securities	180,075,276	298,811,570
Unit Investment Trust Funds (UITFs)	342,062,985	343,507,508
Others	172,705,867	175,112,206
	₱1,267,900,455	₱1,885,974,881

The plan assets consist of the following:

- Cash and cash equivalents consist of regular savings and time deposits.
- Investments in equity instruments consist of listed shares of GMA Network, Inc. and GMA PDRs (see Note 21).
- Investments in debt instruments bear interest ranging from 3.02% to 6.80% and have maturities from May 2024 to April 2032. Equity and debt instruments held have quoted prices in active market.
- Investment in UITFs are measured at their net asset value per unit.
- Others consist of loans and receivables which are collectible within the next twelve months.

The person who exercises voting rights over shares is within the powers of the Trustee, who do not have any relationship with the directors or officers of the Group.

The plan assets are primarily exposed to financial risks such as liquidity risk and price risk.



Liquidity risk pertains to the plan's ability to meet its obligation to the employees upon retirement. To effectively manage liquidity risk, the Board of Trustees invests at least the equivalent amount of actuarially computed expected compulsory retirement benefit payments for the year to liquid/semi-liquid assets such as treasury notes, treasury bills, and savings and time deposits with commercial banks.

The Group performs an Asset-Liability Matching Study (ALM) annually. The principal technique of the Group's ALM in order to minimize the portfolio liquidation risk is to ensure that the expected return on assets will be sufficient to support the desired level of funding arising from the defined benefit plans.

Price risk pertains mainly to fluctuations in market prices of equity securities listed in the Philippine Stock Exchange. In order to effectively manage price risk, the Board of Trustees continuously assesses these risks by closely monitoring the market value of the securities and implementing prudent investment strategies.

However, in the event a benefit claim arises under the retirement plan and the retirement fund is not sufficient to pay the benefit, the unfunded portion of the claim shall immediately be due and payable to the retirement fund from the Group.

The principal assumptions used in determining pension liability for the Group's plans are shown below:

	2023	2022	2021
Discount rate	6.05-6.12%	2.80-7.22%	3.10-5.13%
Expected rate of salary increase	4.00-4.00%	3.00-5.00%	4.00-5.00%
Turn-over rates:			
19-24 years old	16.04%-53.75%	12.38-50.00%	7.50-11.67%
25-29 years old	3.00%-32.93%	10.94-40.00%	6.00-9.23%
30-34 years old	2.25%-33.33%	9.31-62.50%	3.86-12.99%
35-39 years old	1.50%-22.45%	4.23-120.00%	2.50-6.54%
40-44 years old	1.00-9.52%	2.55-25.00%	2.00-6.58%
≥45 years old	2.00-18.63%	0.00-2.24%	0.00-3.36%

The sensitivity analysis below has been determined by remeasuring the defined benefit obligation at the reporting period after first adjusting one of the current assumptions that were reasonably possible at the valuation date while all other assumptions remained unchanged. It should be noted that the changes assumed to be reasonably possible at the valuation date are open to subjectivity, and do not consider more complex scenarios in which changes other than those assumed may be deemed to be more reasonable.

	Increase (Decrease) in Basis Points	Increase (Decrease) in Defined Benefit Obligation		
		2023	2022	2021
Discount rate	50	(P241,706,870)	(P290,017,330)	(P290,833,103)
	(50)	225,871,746	315,566,169	314,400,163
Future salary increases	50	245,461,957	333,460,419	315,633,737
	(50)	(231,767,894)	(303,626,386)	(294,598,995)



Shown below is the maturity analysis of the undiscounted benefit payments as at December 31, 2023 and 2022:

	2023	2022
Less than one year	₱1,321,599,735	₱718,887,410
More than 1 but less than 5 years	1,852,913,199	14,145,502,437
More than 5 years but less than 10 years	4,067,586,456	7,843,916,762

Other Long-Term Employee Benefits

Other long-term employee benefits consist of accumulated and unexpired employee sick and vacation leave entitlements. Noncurrent portion of other employee benefits amounted to ₱240.75 million and ₱371.62 million as at December 31, 2023 and 2022, respectively, while current portion of other employee benefits recorded in “Accrued payroll and talent fees” included under “Trade and other current liabilities” account amounted to ₱12.76 million and ₱5.73 million as at December 31, 2023 and 2022, respectively (see Note 17).

28. Agreements

Lease Agreements

Group as a Lessee

The Group entered into various lease agreements for land, building, studio and office spaces that it presently occupies and uses for periods ranging from two to 25 years. The lease agreements can be renewed subject to mutual agreement. Most of the lease agreements can be terminated at the option of the Group.

The Group also has certain leases with lease terms of 12 months or less. The Group applies the “short-term lease” recognition exemptions for these leases.

The rollforward analysis of right-of-use assets follows:

	2023		
	Right-of-use: Land	Right-of-use: Buildings, studio and office spaces	Right-of-use: Total
Cost			
Balance at beginning of year	₱188,940,714	₱81,152,898	₱270,093,612
Additions	4,080,530	6,304,543	10,385,073
Balance at the end of year	193,021,244	87,457,441	280,478,685
Accumulated Depreciation			
Balance at beginning of year	60,688,849	49,504,378	110,193,227
Depreciation (see Note 24)	13,782,732	15,835,903	29,618,635
Balance at the end of year	74,471,581	65,340,281	139,811,862
Net Book Value	₱118,549,663	₱22,117,160	₱140,666,823



	2022		
	Right-of-use: Land	Right-of-use: Buildings, studio and office spaces	Right-of-use: Total
Cost			
Balance at beginning of year	P120,680,584	P83,347,302	P204,027,886
Additions	68,260,130	8,732,592	76,992,722
Termination	-	(10,926,996)	(10,926,996)
Balance at the end of year	188,940,714	81,152,898	270,093,612
Accumulated Depreciation			
Balance at beginning of year	41,652,745	38,451,355	80,104,100
Depreciation (see Note 24)	19,036,104	12,878,471	31,914,575
Termination	-	(1,825,448)	(1,825,448)
Balance at the end of year	60,688,849	49,504,378	110,193,227
Net Book Value	P128,251,865	P31,648,520	P159,900,385

The rollforward analysis of lease liabilities follows:

	2023	2022
Balance at beginning of year	P167,111,004	P119,385,902
Additions	10,385,073	76,992,722
Accretion of interest	8,969,967	9,290,445
Payments	(29,827,243)	(28,506,823)
Termination	-	(10,051,242)
Balance at end of year	P156,638,801	P167,111,004
	2023	2022
Current portion	P43,848,796	P21,155,761
Noncurrent portion	112,790,005	145,955,243
Balance at end of year	P156,638,801	P167,111,004

The rollforward analysis of dismantling provision follows:

	2023	2022
Balance at beginning of year	P49,009,014	P46,097,449
Accretion of interest	1,863,470	2,911,565
Balance at end of year	P50,872,484	P49,009,014

The following are the amounts recognized in the consolidated statement of comprehensive income:

	2023	2022
Expense relating to short-term leases (included in "Production costs") (see Note 23)	P792,873,832	P523,820,404
Depreciation expense of right-of-use assets (see Note 24)	29,618,635	31,914,575
Expense relating to short-term leases (included in "General and Administrative expenses") (see Note 24)	20,324,032	23,378,607
Interest expense on lease liabilities	8,969,967	9,290,445
Interest expense on dismantling provision	1,863,470	2,911,565



Shown below is the maturity analysis of the undiscounted lease payments:

	2023	2022
1 year	₱25,939,131	₱26,620,767
More than 1 year to 2 years	24,027,163	24,503,353
More than 2 years to 3 years	18,435,311	22,248,256
More than 3 years to 4 years	16,151,332	16,803,585
More than 5 years	122,403,595	131,368,309

Total rental expense on short-term leases amounted to ₱813.19 million, ₱547.20 million and ₱365.81 million in 2023, 2022 and 2021, respectively (see Notes 23 and 24).

Group as Lessor. The Group leases out certain properties for a period of one year, renewable annually. The leased-out properties include investment properties, and broadcasting equipment. Total rental income amounted to ₱7.73 million, ₱5.65 million and ₱6.19 million in 2023, 2022 and 2021, respectively (see Note 26).

Subscription Agreements

The Parent Company entered into various subscription agreements with international cable providers for the airing of its programs and shows abroad. The agreements generally have terms of three to five years and are based on certain agreed service package rates.

Total subscription revenue amounted to ₱728.40 million, ₱774.87 million and ₱786.47 million in 2023, 2022 and 2021, respectively (see Note 22).

Purchase Agreement for Set-top Boxes

In 2023, 2022 and 2021, the Parent Company entered into several contracts with Ablee Electronic Company Limited for the supply of set-top boxes with complete accessories. Total purchases amounted to nil, ₱644.34 million and ₱1,377.00 million in 2023, 2022 and 2021, respectively.

29. Income Taxes

Current Income Tax

The current income tax consists of the following:

	2023	2022	2021
RCIT	₱1,096,163,757	₱1,989,216,474	₱2,400,604,067
MCIT	-	38,147	30,603
	₱1,096,163,757	₱1,989,254,621	₱2,400,634,670



The reconciliation between the statutory income tax rates and effective income tax rates are shown below:

	2023	2022	2021
Statutory income tax	25.00%	25.00%	25.00%
Additions (deductions) in income tax resulting from:			
Interest income already subjected to final tax	(0.18)	(0.04)	(0.02)
Nondeductible interest expense	0.03	0.01	0.09
Nondeductible expenses	0.06	0.48	(0.03)
Changes in applicable income tax rates	–	–	(1.14)
Others – net	(0.61)	0.01	0.01
Effective income tax	24.30%	25.46%	23.91%

Deferred Taxes

The components of the Group's net deferred tax assets and liabilities are as follows:

	2023	2022
Deferred tax assets:		
Pension liability	₱1,311,595,685	₱1,191,577,514
Allowance for ECL	220,283,819	223,295,740
Other long-term employee benefits	56,134,564	92,727,269
Contract liabilities	44,961,769	92,433,459
Allowance for probable losses in advances	44,599,202	7,197,236
Lease liabilities	38,989,084	41,607,134
Unrealized loss on financial assets at FVOCI	12,327,098	13,473,704
Dismantling provision	12,718,121	12,252,253
Unamortized past service cost	4,681,418	14,009,300
Unrealized foreign exchange loss	3,735,345	–
NOLCO	1,508,785	2,183,643
Intercompany sale of intangible assets	–	7,500,000
Accrued expenses	–	4,225,480
Excess MCIT over RCIT	–	422,696
Others	4,597,437	6,453,053
	1,756,132,327	1,709,358,481
Deferred tax liabilities:		
Revaluation increment on land	(2,071,813,970)	(1,523,467,397)
Right-of-use assets	(35,028,064)	(39,836,454)
Unrealized gain on financial assets at FVOCI	(1,342,500)	–
Unrealized foreign exchange gain	(175,557)	(17,698,057)
	(2,108,360,091)	(1,581,001,908)
	(₱352,227,764)	₱128,356,573



Net movement in deferred tax assets (liabilities) charged to the consolidated statement of income and comprehensive income are as follows:

	2023	2022
Net movement recognized in:		
Profit or loss	₱81,417,353	₱125,844,848
Other comprehensive loss	(562,001,690)	(841,071,650)
	(₱480,584,337)	(₱715,226,802)

The components of the subsidiaries' deductible temporary differences and carryforward benefits of NOLCO and MCIT, for which no deferred tax assets have been recognized in the Group's consolidated statements of financial position, are as follows:

	2023	2022
NOLCO	₱26,630,414	₱9,661,047
Allowance for ECL	21,250,431	15,483,325
Pension liability	1,465,738	1,646,008
Unamortized past service cost	1,092,468	1,092,468
Allowance for inventory stock	951,224	951,224
Excess MCIT over RCIT	12,760	23,042
Others	-	127,900
	₱51,405,035	₱28,985,014

The unrecognized deferred tax assets from the above deductible temporary differences amounted to ₱12.28 million and ₱6.07 million as at December 31, 2023 and 2022, respectively.

The deferred tax assets were not recognized as management believes that future taxable income against which the deferred tax assets can be used for these entities may not be available.

As at December 31, 2023, the Group's MCIT is as follows:

Years Paid/Incurred	Carryforward Benefit Up To	MCIT
2022	2025	₱12,760

The movements of MCIT is as follows:

	2023	2022
Balance at beginning of year	₱445,738	₱82,122
Additions	-	392,491
Expirations	(50,577)	(28,875)
Applications	(382,401)	-
	₱12,760	₱445,738

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(b) of "Bayanihan to Recover As One Act" which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.



As at December 31, 2023, the Group has incurred NOLCO after taxable year 2021 and 2020, which can be claimed as deduction from the regular taxable income for the next three (3) consecutive taxable years, as follows:

Year incurred	Availment period	Amount	Applications in previous year/s	Expirations	Applications in the current year	Unapplied NOLCO
2022	2023 to 2025	₱10,126,026	₱-	₱-	(₱274,125)	₱9,851,901
2023	2024 to 2026	14,581,119	-	-	-	14,581,119
		₱24,707,145	₱-	₱-	(₱274,125)	₱24,433,020

As at December 31, 2023, the Group has incurred NOLCO in 2021 and 2020, which can be claimed as deduction from the regular taxable income for the next five (5) consecutive taxable years pursuant to the Bayanihan to Recover as One Act, as follows:

Year incurred	Availment period	Amount	Applications in previous year/s	Expirations	Applications in the current year	Unapplied NOLCO
2020	2021 to 2025	₱5,174,877	₱-	₱-	₱-	₱5,174,877
2021	2022 to 2026	3,094,716	-	-	-	3,094,716
		₱8,269,593	₱-	₱-	₱-	₱8,269,593

Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act

Former President Rodrigo Duterte signed into law on March 26, 2021 the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act to attract more investments and maintain fiscal prudence and stability in the Philippines. Republic Act (RA) 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It took effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation or April 11, 2021.

The following are the key changes to the Philippine tax law pursuant to the CREATE Act which have an impact on the Group:

- Reduction in the RCIT rate from 30% to 20% for entities with net taxable income not exceeding ₱5.0 million and with total assets not exceeding ₱100.0 million (excluding the value of land on which the business entity's office, plant and equipment are situated);
- Reduction in the RCIT from 30% to 25% for all other corporations;
- Reduction in the MCIT rate from 2% to 1% of gross income for 3 years or until June 30, 2023; and
- Repeal of the imposition of 10% improperly accumulated earnings tax (IAET).

Applying the provisions of the CREATE Act, the Group has been subjected to the lower RCIT rate of 25% of taxable income or the reduced MCIT rate of 1% of gross income, effective July 1, 2020.

The Group recognized in its consolidated financial statements as at and for the year ended December 31, 2021, a reduction in Provision for income tax (current and deferred), Deferred tax on comprehensive income directly charged to Equity and Deferred tax assets - net amounting to ₱223.2 million, ₱58.2 million, and ₱109.9 million, respectively, pertaining to the change in tax rate for the year ended December 31, 2020. This includes the effect on the revaluation increment on land amounting to ₱122.2 million recognized in the statement of comprehensive income in 2021.



On June 20, 2023, the Bureau of Internal Revenue issued Revenue Memorandum Circular (RMC) No. 69-2023 reverting the MCIT rate to 2% of gross income effective July 1, 2023 pursuant to Republic Act (RA) No. 11534, otherwise known as the CREATE Act. MCIT rate was previously reduced from 2% to 1% effective July 1, 2020 to June 30, 2023 upon the effectivity of CREATE Act in 2021.

30. EPS Computation

The computation of basic and diluted EPS follows:

	2023	2022	2021
Net income attributable to equity holders of the Parent Company (a)	₱3,170,179,282	₱5,442,339,314	₱7,530,114,246
Less attributable to preferred shareholders	977,506,679	1,678,114,251	2,322,917,048
Net income attributable to common equity holders of the Parent Company (b)	₱2,192,672,603	₱3,764,225,063	₱5,207,197,198
Weighted average number of common shares for basic EPS (c)	3,364,692,000	3,364,692,000	3,364,692,000
Weighted average number of common shares	3,364,692,000	3,364,692,000	3,364,692,000
Effect of dilution - assumed conversion of preferred shares	1,500,000,000	1,500,000,000	1,500,000,000
Weighted average number of common shares adjusted for the effect of dilution (d)	4,864,692,000	4,864,692,000	4,862,445,219
Basic EPS (b/c)	₱0.652	₱1.119	₱1.549
Diluted EPS (a/d)	₱0.652	₱1.119	₱1.549

31. Financial Risk Management Objectives and Policies

The Group's principal financial instruments include cash and cash equivalents. The main purpose of these financial instruments includes raising financing for the Group's operations and managing identified financial risks. The Group has other financial assets and liabilities such as trade and other receivables, refundable deposits, trade payables and other current liabilities (excluding payable to government agencies, customers' deposits and contract liabilities), short-term loans, obligations for program and other rights, dividends payable, other long-term employee benefits and lease liabilities, which arise directly from its operations, and financial assets at FVOCI. The main risks arising from the use of financial instruments are liquidity risk, foreign currency exchange risk and credit risk. The Group is not exposed to interest rate risk as most of its financial assets and financial liabilities have fixed rates.

The BOD reviews and approves the Group's objectives and policies.

Liquidity Risk. The Group is exposed to the possibility that adverse changes in the business environment and/or its operations would result in substantially higher working capital requirements and subsequently pose difficulty in financing the additional working capital.

The Group manages liquidity risk by using its cash and cash equivalents from operations to meet its short-term liquidity needs. The Group likewise regularly evaluates other financing instruments and arrangements to broaden the Group's range of financing sources.



The tables below summarize the maturity profile of the Group's financial assets and financial liabilities based on contractual undiscounted payments as at December 31:

	2023				Total
	On Demand	Less than 3 Months	3 to 12 Months	More than 1 year	
Financial assets at amortized cost:					
Cash and cash equivalents	₱1,097,748,954	₱277,234,453	₱-	₱-	₱1,374,983,407
Trade receivables:					
Television and radio					
airtime	2,008,873,144	3,949,444,897	-	-	5,958,318,041
Subscriptions	99,816,850	64,123,178	-	-	163,940,028
Others	20,832,683	74,259,656	-	-	95,092,339
Nontrade receivables:					
Advances to officers and employees	2,422,132	4,945,051	-	-	7,367,183
Others	49,646,637	1,240,738	-	-	50,887,375
Refundable deposits*	-	-	-	89,657,828	89,657,828
Financial assets at FVOCI					
	3,279,340,400	4,371,247,973	-	439,557,720	8,090,146,093
Loans and borrowings:					
Trade payables and other current liabilities**	609,583,647	879,934,754	302,688,549	-	1,792,206,950
Short-term loans***	-	1,003,260,000	524,047,000	-	1,527,307,000
Obligations for program and other rights	-	44,993,033	280,509,987	9,157,895	334,660,915
Lease liabilities***	-	6,439,411	37,409,385	112,790,005	156,638,801
Dividends payable	39,687,211	-	-	-	39,687,211
	649,270,858	1,934,627,198	1,144,654,921	121,947,900	3,850,500,877
Liquidity Portion (Gap)	₱2,630,069,542	₱2,436,620,775	(₱1,144,654,921)	₱317,609,820	₱4,239,645,216

*Included under "Other noncurrent assets" account in the consolidated statement of financial position (see Note 16).

**Excluding payable to government agencies, contract liabilities and customer deposits amounting to ₱1,169.14 million, ₱179.89 million and ₱61.44 million, respectively (see Note 17).

***Gross contractual payments.

	2022				Total
	On Demand	Less than 3 Months	3 to 12 Months	More than 1 year	
Financial assets at amortized cost:					
Cash and cash equivalents	₱2,170,723,381	₱684,743,833	₱-	₱-	₱2,855,467,214
Trade receivables:					
Television and radio					
airtime	2,794,702,040	2,688,876,934	-	-	5,483,578,974
Subscriptions	23,464,258	179,101,057	-	-	202,565,315
Others	26,261,063	90,809,774	-	-	117,070,837
Nontrade receivables:					
Advances to officers and employees	1,831,678	1,864,612	-	-	3,696,290
Others	29,292,643	16,828,845	-	-	46,121,488
Refundable deposits*	-	-	-	26,501,499	26,501,499
Financial assets at FVOCI					
	5,046,275,063	3,662,225,055	-	309,115,606	9,017,615,724
Loans and borrowings:					
Trade payables and other current liabilities**	133,560,646	1,247,487,387	38,660,959	-	1,419,708,992
Short-term loans***	-	3,260,000	23,865,200	-	27,125,200
Obligations for program and other rights	-	137,630,803	71,540,840	-	209,171,643
Lease liabilities***	-	6,074,285	20,546,481	194,923,503	221,544,269
Dividends payable	30,526,306	-	-	-	30,526,306
	164,086,952	1,394,452,475	154,613,480	194,923,503	1,908,076,410
Liquidity Portion (Gap)	₱4,882,188,111	₱2,267,772,580	(₱154,613,480)	₱114,192,103	₱7,109,539,314

*Included under "Other noncurrent assets" account in the consolidated statement of financial position (see Note 16).

**Excluding payable to government agencies, contract liabilities and customer deposits amounting to ₱1,242.81 million, ₱369.73 million and ₱52.60 million, respectively (see Note 17).

***Gross contractual payments.



Foreign Currency Exchange Risk. Foreign currency exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. The Group's exposure to foreign currency exchange risk results from certain business transactions denominated in foreign currencies. It is the Group's policy to ensure that capabilities exist for active but conservative management of its foreign currency exchange risk.

The Group's foreign currency-denominated monetary assets and liabilities are as follows:

	2023		2022	
Assets				
Cash and cash equivalents	\$4,742,936	₱262,616,370	\$7,863,029	₱438,442,485
	C\$102,357	4,298,986	C\$166,862	6,881,384
Trade receivables	\$2,517,087	139,371,098	\$3,628,902	202,347,566
	C\$791,162	33,228,820	C\$478,316	19,725,741
	S\$289,532	12,186,337	S\$198,925	8,271,298
	A\$20,727	786,533	A\$22,947	867,410
	DH45,083	682,162	DH44,644	682,162
Short-term investments	\$746,464	41,331,694	\$-	-
		₱494,502,000		₱677,218,046
Liabilities				
Trade payables	\$1,461,137	₱80,903,156	\$817,128	₱45,563,057
	€1,141,705	70,184,945	€78,902	4,698,614
	S\$-	-	S\$2,036	83,965
	C\$2,000	84,000	C\$-	-
	£2,470	174,775	£-	-
Obligations for program and other rights	\$5,686,614	314,867,817	\$2,557,785	142,622,092
		₱466,214,693		₱192,967,728
		₱28,287,307		₱484,250,318

In translating the foreign currency-denominated monetary assets and liabilities into Philippine peso amounts, the exchange rates used were ₱55.37 to US\$1.00 and ₱55.76 to US\$1.00, the Philippine peso to U.S. dollar exchange rate, as at December 31, 2023 and 2022, respectively. The exchange rate for Philippine peso to Canadian dollar were ₱42.00 to CAD\$1.00 and ₱41.24 to CAD\$1.00, as at December 31, 2023 and 2022. The peso equivalents for the Singaporean Dollar, Australian Dollar, Dirham, Euro and Pound were ₱42.09, ₱37.95, ₱15.13, ₱61.47, and ₱70.76 and ₱41.58, ₱37.80, ₱15.28, ₱59.55, and ₱67.44 at December 31, 2023 and 2022, respectively.

The following table demonstrates the sensitivity to a reasonably possible change in the exchange rates, with all other variables held constant, of the Group's income before income tax from reporting period up to next reporting period (due to changes in the fair value of monetary assets and liabilities). There is no impact on the Group's equity other than those already affecting profit or loss.

	Appreciation/ (Depreciation) of Peso	USD	CAD	SGD	AUD	AED	EUR	GBP	Total
2023	0.50 (0.50)	₱7,577,119 (7,577,119)	₱447,760 (447,760)	₱144,766 (144,766)	₱10,364 (10,364)	₱22,541 (22,541)	₱570,853 (570,853)	₱1,235 (1,235)	₱8,774,638 (₱8,774,638)
2022	0.50 (0.50)	₱6,154,529 (6,154,529)	₱322,589 (322,589)	₱100,480 (100,480)	₱11,474 (11,474)	₱22,322 (22,322)	₱39,451 (39,451)	₱-	₱6,650,845 (6,650,845)

Credit Risk. Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. It is the Group's policy to enter into transactions with a diversity of creditworthy parties to mitigate any significant concentration of credit risk.



The Group ensures that sales of products and services are made to customers with appropriate credit history. The Group has an internal mechanism to monitor the granting of credit and management of credit exposures. The Group has made provisions, where necessary, for potential losses on credits extended. The Group's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amount of the instruments. The Group does not require any collateral for its financial assets, thus, maximum exposure to credit risk is equal to the carrying value of the financial instruments.

The table below shows the maximum exposure to credit risk for the components of the consolidated financial position as at December 31:

	2023	2022
Financial assets at amortized cost:		
Cash and cash equivalents*	₱1,155,407,252	₱2,398,015,725
Trade receivables:		
Television and radio airtime	5,958,318,041	5,483,578,974
Subscriptions	163,940,028	202,565,315
Others	95,092,339	117,070,837
Nontrade receivables:		
Advances to officers and employees	7,367,183	3,696,290
Others	50,887,375	46,121,488
Refundable deposits**	89,657,828	26,501,499
	7,520,670,046	8,277,550,128
Financial assets at FVOCI	349,899,892	282,614,107
	₱7,870,569,938	₱8,560,164,235

*Excluding cash on hand amounting to ₱202.22 million and ₱437.10 million as at December 31, 2023 and 2022, respectively.

**Included under "Other noncurrent assets" account in the consolidated statements of financial position (see Note 16).

The maximum exposure for cash and cash equivalents (excluding cash on hand) is the carrying amount less insured amount by the Philippine Deposit Insurance Corporation equivalent to the actual cash balance to a maximum of ₱0.50 million per depositor per bank. The maximum exposure of trade and non-trade receivables and refundable deposits is equal to its carrying amount.

Credit quality of Financial Assets, Other than Trade Receivables

The financial assets of the Group are grouped according to stage whose description is explained as follows:

Stage 1 - Those that are considered current and up to 120 past due and based on change in rating delinquencies and payment history, do not demonstrate significant increase in credit risk.

Stage 2 - Those that, based on change in rating, delinquencies and payment history, demonstrate significant increase in credit risk, and/or are considered more than 120 to 360 days past due but does not demonstrate objective evidence of impairment as of reporting date.

Stage 3 - Those that are considered in default or demonstrate objective evidence of impairment as of reporting date.



The credit quality of the Group's financial assets are as follows:

	2023			Total
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	
Financial assets at amortized cost				
Cash and cash equivalents*	₱1,155,407,252	₱-	₱-	₱1,155,407,252
Nontrade receivables:				
Advances to officers and employees	2,422,132	-	-	2,422,132
Others	49,646,637	-	-	49,646,637
Refundable deposits**	89,657,828	-	-	89,657,828
	₱1,297,133,849	₱-	₱-	₱1,297,133,849

*Excluding cash on hand amounting to ₱202.22 million as at December 31, 2023.

** Included under "Other noncurrent assets" account in the consolidated company statement of financial position.

	2022			Total
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	
Financial assets at amortized cost				
Cash and cash equivalents*	₱2,398,015,725	₱-	₱-	₱2,398,015,725
Nontrade receivables:				
Advances to officers and employees	1,831,678	-	-	1,831,678
Others	29,292,643	-	-	29,292,643
Refundable deposits**	26,501,499	-	-	26,501,499
	₱2,455,641,545	₱-	₱-	₱2,455,641,545

*Excluding cash on hand amounting to ₱437.10 million as at December 31, 2022.

** Included under "Other noncurrent assets" account in the consolidated company statement of financial position.

Credit Quality of Trade Receivables

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segment with similar loss patterns (i.e., by customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure of the Group's trade receivables using provision matrix:

	2023						Total
	Current	Days past due					
		0-30 days	31-60 days	61-90 days	91-360 days	Over 360 days	
Expected credit loss rate	0.50%	2.89%	4.89%	7.91%	20.51%	50.72%	
Total gross carrying amount	₱4,092,816,385	₱421,100,491	₱441,146,467	₱198,449,231	₱625,675,551	₱1,409,819,419	₱7,189,007,544
Expected credit loss	20,552,979	12,161,707	21,584,158	15,692,947	128,356,534	715,054,253	913,402,578

	2022						Total
	Current	Days past due					
		0-30 days	31-60 days	61-90 days	91-360 days	Over 360 days	
Expected credit loss rate	1.43%	3.60%	5.01%	11.90%	38.51%	41.42%	
Total gross carrying amount	₱2,963,317,244	₱1,084,623,603	₱586,579,086	₱244,729,796	₱505,278,216	₱1,386,204,232	₱6,770,732,177
Expected credit loss	42,352,539	39,010,699	29,384,259	29,115,274	194,596,022	574,207,492	908,666,285



Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, pay off existing debts, return capital to shareholders or issue new shares.

The Parent Company is not subject to externally imposed capital requirements.

No changes were made in the objectives, policies or processes for each of the three years ended December 31, 2023, 2022 and 2021.

The Group monitors its capital gearing by measuring the ratio of interest-bearing loan to total equity. The Group's interest-bearing loans, which are the short-term loans, amounted to ₱1,527.31 million and ₱27.13 million as at December 31, 2023 and 2022, respectively. The Group's total equity attributable to equity holders of the Parent Company as at December 31, 2023 and 2022 amounted to ₱14,881.74 million and ₱15,388.77 million, respectively.

32. Fair Value Measurement

The table below presents the carrying values and fair values of the Group's assets, by category and by class, as at December 31:

	2023			
	Carrying Value	Fair Value		
		Quoted Prices in Active Markets (Level 1)	Significant Observable Input (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
<i>Assets Measured at Fair Value</i>				
Land at revalued amount	₱8,813,281,439	₱-	₱-	₱8,813,281,439
Financial assets at FVOCI	349,899,892	-	23,775,258	326,124,634
<i>Assets for which Fair Values are Disclosed</i>				
Investment properties	30,722,673	-	-	305,177,948
	₱9,193,904,004	₱-	₱23,775,258	₱9,444,584,021
Liabilities				
<i>Liabilities for which Fair Values are Disclosed</i>				
Obligations for program and other rights – net of current portion	₱9,157,895	₱-	₱-	₱9,157,895
2022				
	Fair Value			
	Carrying Value	Quoted Prices in Active Markets (Level 1)	Significant Observable Input (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
<i>Assets Measured at Fair Value</i>				
Land at revalued amount	₱6,619,895,148	₱-	₱-	₱6,619,895,148
Financial assets at FVOCI	282,614,107	-	12,186,842	270,427,265
<i>Assets for which Fair Values are Disclosed</i>				
Investment properties	32,105,060	-	-	203,902,548
	₱6,934,614,315	₱-	₱12,186,842	₱7,094,224,961



As at December 31, 2023 and 2022, the fair value of equity instruments in a listed entity is classified under Level 3 due to the investee Company's suspension of trading in the market.

The fair values of equity instruments in listed and non-listed companies classified under Level 3 were determined through net-asset value based approach. Net-asset based approach is based on the value of all the tangible and intangible assets and liabilities of the investee Company.

Presented below are the significant unobservable inputs used in the net asset valuations of the Group's financial assets in 2023 and 2022:

Description	Unobservable Inputs	Range	
		2023	2022
Listed equity instrument:			
Casinos and gaming industry	Discount for lack of marketability	10%-30%	10%-30%
	Discount for lack of control	10%-30%	10%-30%
Non-listed equity instruments:			
Media and entertainment industry	Discount for lack of marketability	10%-30%	10%-30%
	Discount for lack of control	10%-30%	10%-30%

An increase (decrease) in the significant unobservable inputs used in the valuation of the equity investments will decrease (increase) the fair value of the equity investments.

Fair Value Determination

The following methods and assumptions are used to estimate the fair value of each asset and liability for which it is practicable to estimate such value:

Cash and Cash Equivalents, Trade and Other Receivables, Refundable Deposits, Trade Payables and Other Current Liabilities (excluding Payable to Government Agencies, Contract Liabilities and Customer Deposits), Short-term Loans, Obligations for Program and Other Rights and Dividends Payable

The carrying values of cash and cash equivalents and trade and other receivables, trade payables and other current liabilities, short-term loans, current portion of obligations for program and other rights and dividends payable approximate their fair values primarily due to the relatively short-term maturity of these financial instruments.

The carrying value of refundable deposits (included under "Other noncurrent assets" account in the consolidated statements of financial position) approximates fair value due to unavailability of information as to the repayment date that would provide a reasonable basis for the fair value measurement.

Financial assets at FVOCI

The Group's investments in club shares were based on prices readily available from brokers and other regulatory agencies as at reporting date (Level 2). The fair values of equity investments in listed and non-listed companies have been estimated using the net asset value model. The valuation using adjusted net asset approach requires the management to measure the fair value of the individual assets and liabilities recognized in an investee's statement of financial position as well as the fair value of any unrecognized assets and liabilities at the measurement date.



Investment Properties and Land at Revalued Amount

The valuation for the disclosure of the fair value of investment properties and for the recognition of land at revalued amount was derived through market data approach based upon prices paid in actual market transactions. This approach relies on the comparison of recent sale transactions or offerings of similar properties which have occurred and/or offered with close proximity to the subject property adjusted based on certain elements of comparison (e.g. market conditions, location, physical condition and amenities). Significant unobservable valuation input in determining the fair value of investment properties includes adjusted price per square meter and lot size adjustments (see Notes 14 and 15).

33. Supplemental Cash Flow Information

Changes in liabilities arising from financing activities

The table below shows significant changes in arising from financing activities, including changes arising from cash flows and non-cash changes:

	January 1, 2023	Additions	Payments	Others*	December 31, 2023
Short-term loans	₱27,125,200	₱3,527,307,000	(₱2,027,125,200)	₱-	₱1,527,307,000
Lease liabilities	167,111,004	-	(29,827,243)	19,355,040	156,638,801
Dividends payable	30,526,306	-	(5,359,850,295)	5,369,011,200	39,687,211
Accrued interest expense**	-	-	(118,284,047)	120,296,547	2,012,500
Total liabilities from financing activities	₱224,762,510	₱3,527,307,000	(₱7,535,086,785)	₱5,508,662,787	₱1,725,645,512

*Others pertain to dividends declared, accrual of interest on loans and accretion of interest of lease liabilities.

**Included under "Accounts payable and other current liabilities" account in the consolidated statement of financial position (see Note 17).

	January 1, 2022	Additions	Payments	Others*	December 31, 2022
Short-term loans	₱739,485,500	₱1,027,125,200	(₱1,685,850,000)	(₱53,635,500)	₱27,125,200
Lease liabilities	119,385,902	-	(28,506,823)	86,283,167	177,162,246
Dividends payable	39,589,204	-	(7,100,606,298)	7,091,543,400	30,526,306
Accrued interest expense**	511,796	-	(12,418,277)	11,906,481	-
Total liabilities from financing activities	₱898,972,402	₱1,027,125,200	(₱8,827,381,398)	₱7,136,097,548	₱234,813,752

*Others pertain to dividends declared, accrual of interest on loans, revaluation of foreign currency denominated loans, dividends declared, accrual of interest on loans and accretion of interest of lease liabilities.

**Included under "Accounts payable and other current liabilities" account in the consolidated statement of financial position (see Note 17).

Non-cash activities

Significant non-cash activities in 2023 and 2022 pertain to the following:

- Additional revaluation increment of land at revalued amounts totaling ₱2,193.39 million and ₱3,650.29 million, respectively.
- Additions to program rights on account. The outstanding balance of additions to program rights on account that was considered in the cashflows from operating activities amounted to ₱334.66 million and ₱209.17 million as at December 31, 2023 and 2022, respectively.

Significant non-cash activity in 2021 pertain to treasury shares and PDRs totaling ₱61.79 million that was considered as non-cash contribution to the retirement plan asset.





SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Board of Directors and Stockholders
GMA Network, Inc. and Subsidiaries
GMA Network Center
Timog Avenue corner EDSA
Quezon City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of GMA Network, Inc. and Subsidiaries (the Group) as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated April 3, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Julie Christine O. Mateo
Partner

CPA Certificate No. 93542

Tax Identification No. 198-819-116

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

BIR Accreditation No. 08-001998-068-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10079988, January 6, 2024, Makati City

April 3, 2024



GMA NETWORK, INC. AND SUBSIDIARIES

**INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS AND
SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2023**

Annex 68 - J

A. Financial Assets	Attached
B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)	Not applicable
C. Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	Attached
D. Long-term Debt	Not applicable
E. Indebtedness to Related Parties (Long-term Loans from Related Companies)	Not applicable
F. Guarantees of Securities of Other Issuers	Not applicable
G. Capital Stock	Attached

Additional Components

i) Reconciliation of Retained Earnings Available for Dividend Declaration	Attached
ii) Map of Relationships of the Companies within the Group	Attached

GMA NETWORK, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-J
DECEMBER 31, 2023

Schedule A. Financial Assets

Name of Issuing Entity and Association of Each Issue	Number of Shares or Principal Amounts of Bonds and Notes	Amount Shown in the Statements of Financial Position	Value Based on Market Quotation at end of Reporting Period	Income Received and Accrued
Cash and cash equivalents				
Cash on hand	₱-	₱202,218,699	₱-	₱-
Cash in banks	-	895,530,255	-	2,456,982
Peso Placements:				
Abacus Capital & Investment Corporation	-	51,328,125	-	9,374,115
Amalgamated Investment Bancorporation	-	8,488,070	-	396,319
Banco De Oro	-	-	-	355,556
Bank of Commerce	-	6,685,726	-	-
Bank of the Philippine Islands	-	-	-	4,256,991
Charter Ping An	-	6,224,872	-	25,218
CTBC Bank	-	5,586,259	-	968,508
Land Bank of the Philippines	-	22,300,380	-	786,779
Malayan Bank	-	12,992,295	-	4,377,286
Metrobank	-	152,461,582	-	6,524,296
Philippine Business Bank	-	-	-	-
Philippine Bank of Communications	-	-	-	104,677
Philippine National Bank	-	-	-	-
Unicapital, Inc.	-	-	-	452,200
United Coconut Planters Bank	-	-	-	-
Union Bank of the Philippines	-	11,167,144	-	4,160,716
Total Placements	-	277,234,453	-	31,782,661
	₱-	₱1,374,983,407	₱-	₱34,239,643

Financial Assets at Fair Value Through Other Comprehensive Income

IP E Games Ventures, Inc.	13,000,000,000	₱18,625,941	₱-	₱-
TNB Aura	400,000	65,632,963	-	-
PX Ventures Pte. Ltd.	1,443,468	120,605,500	-	-
Wavemaker Three-Sixty Health II-A, L.P.	-	24,552,788	-	-
Cloudeats	12,550,000	12,550,000	-	-
Unicapital, Inc.	778,504	65,052,239	-	-
Mabuhay Philippine Satellite	405,666	235,338	-	-
PCX Singapore Pte Ltd.	13,711,750	13,711,750	-	-
Optima Digital, Inc.	-	558,606	-	-
Ayala Alabang Country Club - A	1	12,000,000	12,000,000	-
Baguio Country Club	1	6,000,000	6,000,000	-
Metropolitan Club (Metroclub) A	7	2,050,000	2,050,000	-
Manila Southwoods A	1	7,000,000	7,000,000	-
Camp John Hay Golf Club	1	300,000	300,000	-
Reefpoint Picture	-	216,925	-	-
Royale Tagaytay	3	720,000	720,000	-
Fortune Island Resort	1	86,842	86,842	-
Others	-	1,000	-	-
		₱349,899,892	₱28,156,842	₱-

**Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
December 31, 2023**

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions		Current	Noncurrent	Balance at End of Period
			Amount Collected	Amount Written Off			

Not Applicable: The Group has no amounts receivable from directors, officers, employees, related parties and principal stockholders as at December 31, 2023 other than those for purchases subject to usual terms, for ordinary travel and expense advances, and for other such items arising in the ordinary course of business.

**Schedule C. Amounts of Receivable from and Payable to Related Parties which are Eliminated during the Consolidation of Financial Statements
December 31, 2023**

Alta Productions Company, Inc. (Alta)

Account	January 1, 2023	Additions	Deductions		Current	Noncurrent	December 31, 2023
			Amount Collected	Amount written off/Reclassified			
Receivables - Non-Trade	P186,874	P-	(P186,874)	P-	P-	P-	(P3,319,487)
Payables - Trade	(12,582,027)	(P105,410,352)	114,672,892	-	(P3,319,487)	-	(P3,319,487)
Payables - Non-Trade	-	(21,536)	-	-	(21,536)	-	(21,536)
Total	(P12,395,153)	(P105,431,888)	P114,486,018	P-	P3,341,023	P-	P3,341,023

Citynet Network Marketing and Productions, Inc. (Citynet)

Account	January 1, 2023	Additions	Deductions		Current	Noncurrent	December 31, 2023
			Amount Collected	Amount written off/Reclassified			
Advances to Citynet	P118,934,402	P-	P-	P-	P-	P118,934,402	P118,934,402

**Schedule C. Amounts of Receivable from and Payable to Related Parties which are Eliminated during the Consolidation of Financial Statements (cont.)
December 31, 2023**

GMA Marketing and Productions, Inc. (GMP)

Account	January 1, 2023	Additions	Deductions		Current	Noncurrent	December 31, 2023
			Amount Collected	Amount written off/ Reclassified			
Receivables - Non-Trade	P34,361	P-	P-	P-	P-	P34,361	P34,361
Payables - Trade	(106,549,948)	-	96,836,866	-	-	(9,713,082)	(9,713,082)
Payables - Nontrade	(33,200)	-	-	-	-	(33,200)	(33,200)
Total	(P106,548,787)	P-	P96,836,866	P-	P-	(P9,711,921)	(P9,711,921)

GMA New Media, Inc. (GNM)

Account	January 1, 2023	Additions	Deductions		Current	Noncurrent	December 31, 2023
			Amount Collected	Amount written off/ Reclassified			
Receivables - NonTrade	P65,152	P2,442,148	P-	P-	P2,442,148	P65,152	P2,507,300
Receivables - Trade	139,382,923	413,949,877	(458,250,343)	17,867,043	(26,433,423)	139,382,923	112,949,500
Payables - Trade	(136,547,967)	(157,105,410)	224,305,217	-	67,199,807	(136,547,967)	(69,348,160)
Total	P2,900,108	P259,286,615	P233,945,126	P17,867,043	P43,208,532	P2,900,108	P46,108,640

**Schedule C. Amounts of Receivable from and Payable to Related Parties which are Eliminated during the Consolidation of Financial Statements (cont.)
December 31, 2023**

GMA Worldwide (Philippines), Inc. (GWI)

Account	January 1, 2023	Deductions				December 31, 2023
		Additions	Amount Collected	Amount written off/ Reclassified	Current	
Receivables - Non-Trade	P-	P-	P-	P-	P-	P-
Payables - Trade	(3,925,824)	-	-	-	-	(3,925,824)
Total	(P3,925,824)	P-	P-	P-	P-	(P3,925,824)

RGMA Marketing & Productions, Inc. (GMA Records)

Account	January 1, 2023	Deductions				December 31, 2023
		Additions	Amount Collected	Amount written off/ Reclassified	Current	
Advances to GMA Records	P1,268,033	P-	P-	(P1,268,033)	P-	P-
Receivables - Trade	16,582,914	14,820,400	(29,454,000)	1,987,200	(12,646,400)	16,582,914
Receivables - Nontrade	6,090,258	312,523	(8,451,109)	2,191,737	(5,946,849)	6,090,258
Payables - Trade	(1,335,306)	(1,899,296)	3,219,296	(998,487)	321,513	(1,335,306)
Total	P22,605,899	P13,233,627	(P34,685,813)	P1,912,417	(P18,271,736)	(P21,337,866)

**Schedule C. Amounts of Receivable from and Payable to Related Parties which are Eliminated during the Consolidation of Financial Statements (cont.)
December 31, 2023**

Scenarios, Inc. (Scenarios)

Account	January 1, 2023	Deductions				December 31, 2023
		Additions	Amount Collected off/ Reclassified	Amount written	Current	
Advances to Scenarios	P1,014,090	P-	P-	P-	P-	P1,014,090
Receivables - Trade	5,508,645	-	-	(1,500)	-	5,507,145
Payables - Nontrade	(435,000)	-	-	-	-	(435,000)
Total	P6,087,735	P-	P-	(P1,500)	P-	P6,086,235

Script2010, Inc. (Script2010)

Account	January 1, 2023	Deductions				December 31, 2023
		Additions	Amount Collected off/ Reclassified	Amount written	Current	
Receivables - Nontrade	P26,190,705	P1,435,421	P-	P-	P1,435,421	P27,626,126
Payables - Trade	(31,943,752)	(132,153,651)	122,596,133	-	(9,557,518)	(41,501,270)
Payables - Nontrade	(1,878,486)	-	-	-	-	(1,878,486)
Total	(P7,631,533)	(P130,718,230)	P122,596,133	P-	(P8,122,097)	(P15,753,630)

**Schedule C. Amounts of Receivable from and Payable to Related Parties which are Eliminated during the Consolidation of Financial Statements (cont.)
December 31, 2023**

Media Merge Corporation (MM)

Account	January 1, 2023	Additions	Deductions		Current	Noncurrent	December 31, 2023
			Amount Collected off/ Reclassified	Amount written off/ Reclassified			
Receivables - Trade	P1,296,876	P-	(P1,296,876)	P-	P-	P-	P-
Payables - Trade	(3,198,847)	-	3,198,847	-	-	-	-
Total	(P1,901,971)	P-	P1,901,971	P-	P-	P-	P-

RGMA Network, Inc. (RGMA Network)

Account	January 1, 2023	Additions	Deductions		Current	Noncurrent	December 31, 2023
			Amount Collected off/ Reclassified	Amount written off/ Reclassified			
Receivables - Nontrade	P300,485	P167,602	P-	P-	P167,602	P300,485	P468,087
Payables - Trade	(35,919,562)	-	35,919,562	-	35,919,562	(35,919,562)	-
Total	(P35,619,077)	P167,602	P35,919,562	P-	P36,087,164	(P35,619,077)	P468,087

Schedule D. Long-Term Debt
December 31, 2023

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-term debt" in related balance sheet
---------------------------------------	--------------------------------	---	--

Not Applicable: The Group has no long-term debt as at December 31, 2023.

Schedule E. Indebtedness to Related Parties (Long-Terms from Related Companies)
December 31, 2023

Name	Balance, January 1, 2023	Balance, December 31, 2023
------	--------------------------	----------------------------

Not Applicable: The Group has no noncurrent indebtedness to a related party as at December 31, 2023.

Schedule F. Guarantees of Securities of Other Issuers
December 31, 2023

Name of Issuing Entity of Securities Guaranteed by the Company for which this statement is filed	Title of Issue of Each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by Person for which the Statement is Filed	Nature of Guarantee
--	---	---	---	---------------------

Not Applicable: The Group has no guarantees of securities of other issuers as at December 31, 2023.

Schedule G. Capital Stock
December 31, 2023

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related statements of financial position caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers, and employees	Others
Common	5,000,000,000	3,364,692,000	N/A	2,843,293,582	9,957,156	511,441,262
Preferred	7,500,000,000	7,500,000,000	N/A	7,489,630,392	27,294	10,342,314

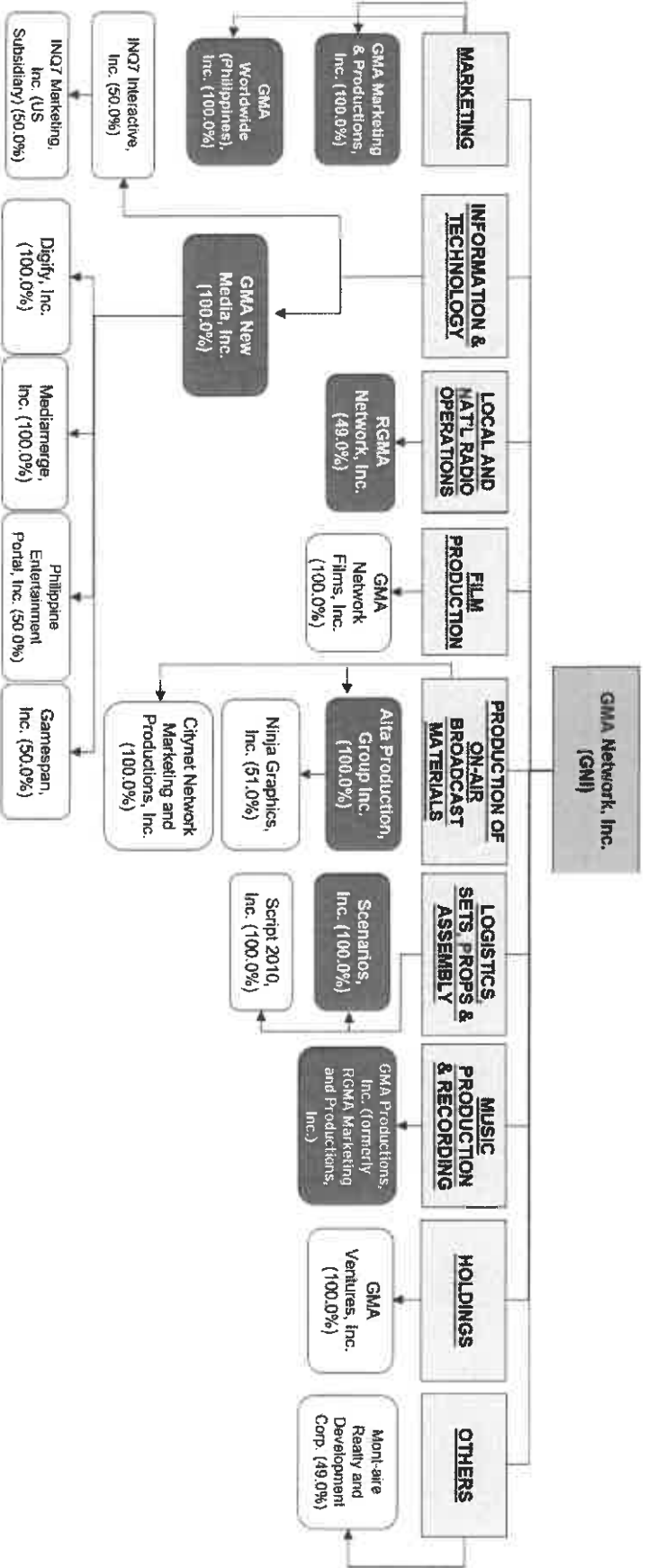
GMA NETWORK, INC.**RECONCILIATION OF RETAINED EARNINGS AVAILABLE
FOR DIVIDEND DECLARATION
FOR THE YEAR ENDED DECEMBER 31, 2023**

The table below presents the retained earnings available for dividend declaration as at December 31, 2023:

Unappropriated retained earnings as at December 31, 2022		₱6,526,961,716
Deferred tax assets, charged to profit or loss (net of deferred tax liabilities on right-of-use assets)		(811,856,769)
Unappropriated retained earnings, as at December 31, 2022, as adjusted		5,715,104,947
Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period		(5,351,161,200)
Add: adjusted net income		
Net income during the year closed to retained earnings	₱3,042,378,741	
Unrealized forex gain, net of tax	(12,897,570)	3,029,481,171
Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, i.e., set up of right of use of asset and lease liability		(67,694,955)
Unappropriated retained earnings as at December 31, 2023 available for dividend declaration		₱3,325,729,963

GMA NETWORK, INC. AND SUBSIDIARIES

MAP OF THE RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP





SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors and Stockholders
GMA Network, Inc. and Subsidiaries
GMA Network Center
Timog Avenue corner EDSA
Quezon City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of GMA Network, Inc. and Subsidiaries (the Group) as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated April 3, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Julie Christine O. Mateo
Partner

CPA Certificate No. 93542

Tax Identification No. 198-819-116

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

BIR Accreditation No. 08-001998-068-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10079988, January 6, 2024, Makati City

April 3, 2024



GMA NETWORK, INC. AND SUBSIDIARIES
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Financial Ratios	Formula	2023	2022
Current/liquidity ratio	Current assets over current liabilities	2.30:1	3.45:1
	Total current assets	12,436,025,061	
	Divided by:		
	Total current liabilities	5,396,060,530	
	Current ratio	2.30	
Acid Test Ratio	Quick assets over current liabilities	2.09:1	3.07:1
	Total current assets	12,436,025,061	
	Less:		
	Inventory	1,164,269,440	
	Other current assets	1,668,486	
		11,270,087,135	
	Divided by:		
	Total current liabilities	5,396,060,530	
	Acid test ratio	2.09	
Solvency ratio	Net income plus non-cash expenses over total liabilities	0.46:1	0.76:1
	Net income	3,161,849,463	
	Add:		
	Non-cash expenses	2,057,696,574	
	Total	5,219,546,037	
	Divided by:		
	Total liabilities	11,316,665,010	
	Solvency ratio	0.46	
Asset-to-equity ratio	Total asset over total equity	1.76:1	1.60:1
	Total assets	26,254,512,041	
	Divided by:		
	Total equity	14,937,847,031	
	Asset-to-equity ratio	1.76	
Debt-to-equity ratio	Short-term loans over total equity	0.10:1	0.002:1
	Total short-term loans	1,527,307,000	
	Divided by:		
	Total equity	14,937,847,031	
	Asset-to-equity ratio	0.10	

Financial Ratios	Formula	2023	2022
Net debt to equity ratio	Interest-bearing loans and borrowings less cash and cash equivalents over total equity	0.01:1	(0.18):1
	Total short-term loans	1,527,307,000	
	Less:		
	Cash and cash equivalents	1,374,983,407	
		152,323,593	
	Divided by:		
	Total equity	14,937,847,031	
	Net debt-to-equity ratio	0.01	
Interest rate coverage ratio	Earnings before interest, tax over interest expense	32.59:1	291.44:1
	Net income	3,161,849,463	
	Add:		
	Interest	131,129,984	
	Tax	1,014,746,404	
	Less:		
	Interest income	34,239,643	
		4,273,486,208	
	Divided by:		
	Interest	131,129,984	
	Interest rate coverage ratio	32.59	
Gross profit margin	Gross profit over net revenues	54.55%	63.90%
	Gross profit	10,165,916,164	
	Divided by:		
	Net revenue	18,637,213,847	
	Gross profit margin	54.55%	
Net income margin	Net income over net revenues	16.97%	25.30%
	Net income	3,161,849,463	
	Divided by:		
	Net revenue	18,637,213,847	
	Net income margin	16.97%	
Return on equity	Net income over average total stockholder's equity	20.80%	36.33%
	Net income	3,161,849,463	
	Divided by:		
	Average equity	15,201,934,789	
	Return on equity	20.80%	

Financial Ratios	Formula	2023	2022
Return on assets	Net income over average total assets	12.40%	22.36%
	Net income	3,161,849,463	
	Divided by:		
	Average asset	25,491,819,968	
	Return on asset	12.40%	



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

April 3, 2024

Securities and Exchange Commission
Secretariat Building, PICC Complex
Roxas Boulevard, Metro Manila Philippines

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

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


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

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

SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.


FELIPE L. GOZON
Chairman of the Board


GILBERTO R. DUAVIT, JR.
President
Chief Executive Officer


FELIPE S. YALONG
Executive Vice President
Chief Financial Officer

SUBSCRIBED AND SWORN to before me this APR 04 2024 day of _____ at **QUEZON CITY** affiants exhibited to me their (Felipe L. Gozon) _____ (Felipe S. Yalong) _____ (Gilberto R. Duavit, Jr.) _____ and _____

Doc. No. 257
Page No. 53
Book No. 03
Series of 2024

ATTY. MARIPER B. AGUILAR
Notary Public for Quezon City
Until December 31, 2025
IBF No. 39487-Jan. 3, 2024
MCLE Compliance No. VII-0001663
Appointment No. NP-093 (2024-2025)
PTR No. 5555049 Jan. 2, 2024 Quezon City
Quezon City Roll No. 73209
28 Baker St., Fairmont Subd. Brgy.
North Fairview, Quezon City

GMA NETWORK, INC.
GMA Network Center, EDSA cor. Timog Ave., Diliman, Quezon City, 1103, Philippines
Telephone No.: (632) 8982-7777



SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
GMA Network, Inc.
GMA Network Center
Timog Avenue corner EDSA
Quezon City

Report on the Audit of the Parent Company Financial Statements

Opinion

We have audited the parent company financial statements of GMA Network, Inc. (the Company), which comprise the parent company statements of financial position as at December 31, 2023 and 2022, parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for the years then ended, and notes to the parent company financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Parent Company Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the parent company 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.

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

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

In preparing the parent company 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 Responsibilities for the Audit of the Parent Company Financial Statements

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

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

- Identify and assess the risks of material misstatement of the parent company 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 auditor's report to the related disclosures in the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the parent company financial statements, including the disclosures, and whether the parent company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Company to express an opinion on the parent company financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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.

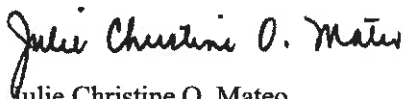


We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010

Our audits were conducted for the purpose of forming an opinion on the parent company financial statements taken as a whole. The supplementary information required under Revenue Regulations No. 15-2010 in Note 34 to the parent company financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of GMA Network, Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Julie Christine O. Mateo.



Julie Christine O. Mateo

Partner

CPA Certificate No. 93542

Tax Identification No. 198-819-116

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

BIR Accreditation No. 08-001998-068-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10079988, January 6, 2024, Makati City

April 3, 2024



GMA NETWORK, INC.**PARENT COMPANY STATEMENTS OF FINANCIAL POSITION**

	December 31	
	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 6, 30 and 31)	₱1,119,752,053	₱2,506,292,527
Trade and other receivables (Notes 7, 21, 30 and 31)	6,343,678,625	6,018,896,726
Program and other rights (Note 8)	1,789,577,336	1,246,572,181
Inventories (Note 9)	1,154,327,193	1,459,297,539
Prepaid expenses and other current assets (Note 10)	1,632,165,571	1,941,433,140
Total Current Assets	12,039,500,778	13,172,492,113
Noncurrent Assets		
Property and equipment:		
At cost (Note 13)	3,599,333,426	3,299,421,592
At revalued amounts (Notes 14 and 31)	8,813,283,135	6,619,895,148
Investments and advances (Notes 12 and 21)	640,634,864	831,757,394
Program and other rights - net of current portion (Note 8)	429,707,160	232,446,242
Financial assets at fair value through other comprehensive income (FVOCI) (Notes 11, 30 and 31)	156,509,189	129,758,984
Right-of-use assets (Note 28)	140,112,255	159,345,818
Investment properties (Notes 15 and 31)	19,570,276	20,952,663
Deferred tax assets - net (Note 29)	-	5,659,347
Other noncurrent assets (Notes 16, 30 and 31)	221,259,931	214,654,859
Total Noncurrent Assets	14,020,410,236	11,513,892,047
TOTAL ASSETS	₱26,059,911,014	₱24,686,384,160
LIABILITIES AND EQUITY		
Current Liabilities		
Trade payables and other current liabilities (Notes 17, 21, 30 and 31)	₱3,130,436,517	₱3,222,478,958
Short-term loans (Notes 18, 30 and 31)	1,500,000,000	-
Income tax payable	229,415,888	525,915,896
Dividends payable (Notes 20, 30 and 31)	34,686,856	30,525,952
Current portion of lease liabilities (Note 28)	43,580,639	21,146,569
Current portion of obligations for program and other rights (Notes 19, 30 and 31)	347,903,020	209,171,643
Total Current Liabilities	5,286,022,920	4,009,239,018
Noncurrent Liabilities		
Pension liability (Note 26)	5,130,296,483	4,730,284,079
Other long-term employee benefits (Note 26)	235,460,684	347,489,172
Lease liabilities - net of current portion (Notes 28, 30 and 31)	112,375,697	145,281,971
Dismantling provision (Note 28)	50,872,484	49,009,014
Obligations for program rights - net of current portion (Notes 19, 30, and 31)	9,157,895	-
Deferred tax liabilities - net (Note 29)	466,054,000	-
Total Noncurrent Liabilities	6,004,217,243	5,272,064,236
Total Liabilities	11,290,240,163	9,281,303,254

(Forward)

	December 31	
	2023	2022
Equity		
Capital stock (Note 20)	₱4,864,692,000	₱4,864,692,000
Additional paid-in capital	1,686,556,624	1,686,556,624
Revaluation increment on land - net of tax (Note 14)	6,215,441,910	4,570,402,192
Remeasurement loss on retirement plan - net of tax (Note 26)	(2,141,643,446)	(2,156,878,184)
Net unrealized loss on financial assets at FVOCI - net of tax (Note 11)	(73,555,494)	(86,653,442)
Retained earnings (Note 20)	4,218,179,257	6,526,961,716
Total Equity	14,769,670,851	15,405,080,906
TOTAL LIABILITIES AND EQUITY	₱26,059,911,014	₱24,686,384,160

See accompanying Notes to Parent Company Financial Statements.



GMA NETWORK, INC.**PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME**

	Years Ended December 31	
	2023	2022
REVENUES (Note 22)	₱18,299,115,788	₱21,249,764,183
PRODUCTION COSTS (Note 23)	8,048,949,631	7,620,434,932
COST OF SALES (Note 9)	297,239,767	293,953,632
GROSS PROFIT	9,952,926,390	13,335,375,619
GENERAL AND ADMINISTRATIVE EXPENSES (Note 24)	6,225,258,864	6,414,883,105
OTHER INCOME (EXPENSE) - NET		
Dividend income (Note 21)	136,650,000	164,309,999
Net foreign currency exchange gain (loss) (Note 18)	(4,922,388)	32,949,236
Interest expense (Notes 18 and 28)	(130,380,675)	(24,111,406)
Interest income (Note 6)	32,143,283	19,832,994
Others - net (Note 27)	242,212,996	148,834,968
	275,703,216	341,815,791
INCOME BEFORE INCOME TAX	4,003,370,742	7,262,308,305
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 29)		
Current	1,045,014,876	1,927,570,165
Deferred	(84,022,875)	(129,257,206)
	960,992,001	1,798,312,959
NET INCOME	3,042,378,741	5,463,995,346
OTHER COMPREHENSIVE INCOME (LOSS) - net of tax <i>Items not to be reclassified to profit or loss in subsequent periods:</i>		
Revaluation increment on land (Note 29)	1,645,039,718	2,737,718,063
Remeasurement gain (loss) on retirement plan (Note 26)	15,234,738	(205,211,461)
Net changes in the fair market value of financial assets at FVOCI (Note 11)	13,097,948	(6,578,422)
	1,673,372,404	2,525,928,180
TOTAL COMPREHENSIVE INCOME	₱4,715,751,145	₱7,989,923,526
Basic / Diluted Earnings Per Share (Note 32)	₱0.625	₱1.123

See accompanying Notes to Parent Company Financial Statements.



GMA NETWORK, INC.

**PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	Capital Stock (Note 20)	Additional Paid-in Capital	Revaluation Increment on Land - net of tax (Note 14)	Remeasurement Loss on Retirement Plan - net of tax (Note 26)	Net Unrealized Loss on Financial Assets at FVOCI - net of tax (Note 11)	Retained Earnings (Note 20)	Total Equity
Balances at January 1, 2023	₱4,864,692,000	₱1,686,556,624	₱4,570,402,192	(₱2,156,878,184)	(₱86,653,442)	₱6,526,961,716	₱15,405,080,906
Net income	-	-	-	-	-	3,042,378,741	3,042,378,741
Other comprehensive income	-	-	1,645,039,718	15,234,738	13,097,448	-	1,673,372,404
Total comprehensive income for the year	4,864,692,000	1,686,556,624	6,215,441,910	(2,141,643,446)	(73,555,494)	9,569,340,457	20,120,832,051
Cash dividends - ₱1.10 a share (Note 20)	-	-	-	-	-	(5,351,161,200)	(5,351,161,200)
Balances at December 31, 2023	₱4,864,692,000	₱1,686,556,624	₱6,215,441,910	(₱2,141,643,446)	(₱73,555,494)	₱4,218,179,257	₱14,769,670,851
Balances at January 1, 2022	₱4,864,692,000	₱1,686,556,624	₱1,832,684,129	(₱1,951,666,723)	(₱80,075,020)	₱8,116,769,771	₱14,468,960,781
Net income	-	-	-	-	-	5,463,995,346	5,463,995,346
Other comprehensive income (loss)	-	-	2,737,718,063	(205,211,461)	(6,578,422)	-	2,525,928,180
Total comprehensive income for the year	4,864,692,000	1,686,556,624	4,570,402,192	(2,156,878,184)	(86,653,442)	13,580,765,117	22,458,884,307
Cash dividends - ₱1.45 a share (Note 20)	-	-	-	-	-	(7,053,803,401)	(7,053,803,401)
Balances at December 31, 2022	₱4,864,692,000	₱1,686,556,624	₱4,570,402,192	(₱2,156,878,184)	(₱86,653,442)	₱6,526,961,716	₱15,405,080,906

See accompanying Notes to Parent Company Financial Statements.



GMA NETWORK, INC.**PARENT COMPANY STATEMENTS OF CASH FLOWS**

	Years Ended December 31	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱4,003,370,742	₱7,262,308,305
Adjustments to reconcile income before income tax to net cash flows		
Program and other rights usage (Notes 8 and 23)	1,191,479,396	868,739,716
Depreciation (Notes 13, 15, 23, 24 and 28)	797,101,534	672,324,407
Pension expense (Notes 25 and 26)	679,722,616	646,917,398
Contributions to retirement plan assets (Note 26)	(259,000,000)	(259,000,000)
Dividend income (Note 21)	(136,650,000)	(164,309,999)
Interest expense (Notes 18 and 28)	130,380,675	24,111,406
Provision for impairment of investment subsidiary (Note 24)	126,323,324	-
Amortization of software costs (Notes 16 and 24)	55,299,467	73,027,822
Net gain on sale of property and equipment (Notes 13 and 27)	(38,766,322)	(29,713,807)
Interest income (Note 6)	(32,143,283)	(19,832,993)
Net unrealized foreign currency exchange gain - net	(10,204,126)	(65,311,683)
Operating income before working capital changes	6,506,914,023	9,009,260,572
Working capital changes:		
Decreases (increases) in:		
Program and other rights	(1,776,582,336)	(1,359,236,512)
Trade and other receivables	(372,259,108)	1,884,494,528
Prepaid expenses and other current assets	309,267,569	(227,769,460)
Inventories	304,970,346	(329,661,781)
Increases (decreases) in:		
Other long-term employee benefits	(112,028,488)	-
Trade payables and other current liabilities	(94,054,941)	330,037,562
Net cash generated from operations	4,766,227,065	9,307,124,909
Income taxes paid	(1,341,514,884)	(2,443,067,293)
Interest received	32,543,391	20,509,196
Benefit paid out of Company's own funds (Note 26)	(397,227)	(25,000,000)
Net cash flows from operating activities	3,456,858,345	6,859,566,812
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property and equipment (Note 13)	(1,071,570,155)	(1,017,407,174)
Land at revalued amounts (Note 14)	(1,696)	(24,307,384)
Software costs (Note 16)	(10,811,872)	(19,777,437)
Cash dividends received (Note 21)	193,650,000	126,309,999
Proceeds from sale of property and equipment (Note 13)	44,324,133	32,627,551
Investments in:		
Financial assets at FVOCI (Note 11)	(11,340,854)	(15,458,400)
Subsidiary (Notes 12 and 21)	(35,647,742)	(136,750,000)

(Forward)

	Years Ended December 31	
	2023	2022
Return of investment (Note 12)	₱100,000,000	P-
Collection of advances from subsidiaries (Notes 12 and 21)	1,268,033	-
Advances to associate and joint venture (Notes 12 and 21)	(821,086)	(86,482)
Decrease (increase) in other noncurrent assets	(51,092,667)	12,883,300
Net cash flows used in investing activities	(842,043,906)	(1,041,966,027)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Cash dividends (Notes 20 and 33)	(5,347,000,296)	(7,048,866,299)
Short-term loans (Notes 18 and 33)	(2,000,000,000)	(1,685,850,000)
Interest expense (Note 33)	(117,534,738)	(12,907,341)
Principal portion of lease liabilities (Notes 28 and 33)	(29,827,245)	(27,184,532)
Proceeds from availments of short-term loans (Notes 18 and 33)	3,500,000,000	1,000,000,000
Net cash flows used in financing activities	(3,994,362,279)	(7,774,808,172)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,379,547,840)	(1,957,207,387)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(6,992,634)	7,885,057
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,506,292,527	4,455,614,857
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)	₱1,119,752,053	₱2,506,292,527

See accompanying Notes to Parent Company Financial Statements.



GMA NETWORK, INC.

NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

1. Corporate Information

GMA Network, Inc. (the Company) is incorporated in the Philippines. The Company is primarily involved in the business of radio and television broadcasting. The registered office address of the Company is GMA Network Center, Timog Avenue corner EDSA, Quezon City. The Company was registered with the Philippine Securities and Exchange Commission (SEC) on June 14, 1950.

On July 20, 1995, the Board of Directors (BOD) approved the extension of the corporate term of the Company for another 50 years from June 14, 2000. In 1997, the SEC approved the said extension.

The Company's shares of stock are publicly listed and traded in the Philippine Stock Exchange.

The Company is a holder of a legislative franchise to construct, install, operate and maintain, for commercial purposes and in the public interest, radio and television broadcasting stations in the Philippines. The Company is required to make closed captioning available for its programs to assist in the functions of public information and education.

On December 7, 2016, House Bill No. 4631, which seeks to renew GMA's franchise, was filed. The key provisions of the franchise renewal under House Bill No. 4631 are as follows:

1. Allows continued broadcast operations of GMA, maintenance of its radio and TV stations in the Philippines and its expansion, including digital television system;
2. Provides another franchise term of twenty-five (25) years;
3. Requires the grantee to provide government adequate public service time to enable it to reach the population on important public issues and assist in the functions of public information and education;
4. Prohibits the grantee from leasing, transferring, selling nor assigning the franchise or controlling interest thereof without the prior approval of the Congress of the Philippines; and
5. Requires the grantee to submit an annual report to the Congress of the Philippines on its compliance with the terms and conditions of the franchise and its operation on or before April 30 of every year during the term of the franchise.

On March 23, 2017, House Bill 4631 became an Enrolled Bill (the "Enrolled Bill") and was endorsed to the Office of the President for his approval. On April 21, 2017, President Rodrigo Duterte signed Republic Act No. 10925 which grants the renewal of the legislative franchise of GMA for another 25 years.

The accompanying parent company financial statements were approved and authorized for issuance by the BOD on April 3, 2024.

2. Basis of Preparation, Statement of Compliance and Changes in Accounting Policies and Disclosures

Basis of Preparation

The parent company financial statements have been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income (FVOCI), and land at revalued amounts, which are measured at fair value. The parent company financial statements are presented in Philippine peso, which is the Company's functional and presentation currency. All values are rounded to the nearest peso, except when otherwise indicated.



Statement of Compliance

The parent company financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2023. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the financial statements of the Company.

Effective beginning on or after January 1, 2023

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:
 - Replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies; and
 - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to the Practice Statement provide non-mandatory guidance. The amendments have had an impact on the Company’s disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company’s financial statements.

- Amendments to PAS 8, *Definition of Accounting Estimates* introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

The amendments had no impact on the Company’s financial statements.

- Amendments to Philippine Accounting Standards (PAS) 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*, narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

The amendments had no impact on the Company’s parent company financial statements.



- Amendments to PAS 12, *International Tax Reform - Pillar Two Model Rules*

The amendments introduce a mandatory exception in PAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

The amendments also clarify that PAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development, including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively.

The amendments had no impact on the Company's financial statements as the Company has no subsidiaries incorporated in other jurisdictions.

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Company intends to adopt the following pronouncements when they become effective. The Company does not expect that the future adoption of the said pronouncements will have a significant impact on its financial statements.

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

The amendments clarify:

- That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. The amendments do not have impact on the Company's financial statements since the Company has no long-term borrowings but may have an impact in future long-term borrowings.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*



Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

3. Summary of Material Accounting Policy Information

Current versus Noncurrent Classification

The Company presents assets and liabilities in parent company statement of financial position based on current/noncurrent classification.

An asset is current when it is:

- expected to be realized or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

The Company also modifies classification of prior year amounts to conform to current year's presentation.



Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from acquisition date and that are subject to an insignificant risk of change in value.

Fair Value Measurement

The Company measures financial instruments at fair value at each reporting date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarized in the following notes:

- Disclosures for significant estimates and assumptions, see Note 4
- Quantitative disclosures of fair value measurement hierarchy, see Note 31
- Land, see Note 14
- Investment properties, see Note 15
- Financial instruments (including those carried at amortized cost), see Note 31

Fair value is the estimated price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the parent company financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable



For assets and liabilities that are recognized in the parent company financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Financial Instruments

A financial instrument is any contract that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition and Measurement. Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, FVOCI, and fair value through profit or loss (FVPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under PFRS 15, *Revenue from Contracts with Customers*.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement. For purposes of subsequent measurement, financial assets are classified in four categories:

- financial assets at amortized cost (debt instruments)
- financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- financial assets at FVPL

The Company does not have debt instruments at FVOCI and financial assets at FVPL as at December 31, 2023 and 2022.



Financial Assets at Amortized Cost (Debt Instruments). The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in the parent company statement of comprehensive income when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost includes cash and cash equivalents, trade and other receivables and refundable deposits (included under "Other noncurrent assets" account in the parent company statement of financial position) as at December 31, 2023 and 2022 (see Notes 6, 7, 16 and 30).

Financial Assets Designated at FVOCI (Equity Instruments). Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation*, and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as "Dividend income" included under "Others - Net" account in the parent company statement of comprehensive income when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Company elected to classify irrevocably under this category its listed and non-listed equity instruments and investment in quoted club shares as at December 31, 2023 and 2022 (see Notes 11 and 30).

Derecognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the parent company statement of financial position) when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.



Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of Financial Assets

The Company recognizes an allowance for ECLs for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other financial assets such as due from related parties and certain advances to joint venture, the Company applies a general approach which measures ECL on either a 12-month or lifetime basis depending on whether a significant increase in credit risks has occurred since initial recognition or whether an asset is considered to be credit-impaired, adjusted for the effects of collateral, forward-looking factors and time value of money.

For cash and cash equivalents, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the external credit rating of the debt instrument or comparable instruments.

The Company, in general, considers a financial asset in default when contractual payments are 360 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off, in whole or in part, when the asset is considered uncollectible, the Company has exhausted all practical recovery efforts and has concluded that it has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

Financial Liabilities

Initial Recognition and Measurement. Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.



The Company has not designated any financial liability as at FVPL as at December 31, 2023 and 2022.

Subsequent Measurement - Loans and Borrowings. After initial recognition, interest-bearing loans and borrowings and other payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as “Interest expense” in the parent company statement of comprehensive income.

This category generally applies to trade payables and other current liabilities (excluding payable to government agencies, customers’ deposits and contract liabilities), short-term loans, obligations for program and other rights, dividends payable and lease liabilities (see Notes 17, 18, 19, 20, 28 and 30).

Derecognition of Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the parent company statement of comprehensive income.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously. The Company assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Company and all of the counterparties.

Program and Other Rights

Program and other rights are stated at cost less amortization and impairment in value. The estimated useful lives and the amortization method used depend on the manner and pattern of usage of the acquired rights. The cost of program and other rights with multiple number of runs within a specified term is amortized using straight line method up to the date of expiry or upon full airing of the acquired rights, whichever is earlier. The cost of program and other rights with indefinite lives are amortized using straight line method over 10 years.

For series of rights acquired, the cost is charged to profit or loss as each series is aired on a per episode basis.

For rights intended for airing over the international channels, the cost is amortized on a straight-line basis over the number of years indicated in the contract.

Amortization expense is shown as “Program and other rights usage” included under “Production costs” account in the parent company statement of comprehensive income.



Prepaid Production Costs

Prepaid production costs, included under “Prepaid expenses and other current assets” account in the parent company statement of financial position, represent costs paid in advance prior to the airing of the programs or episodes. These costs include talent fees of artists and production staff and other costs directly attributable to production of programs. These are charged to expense under “Production costs” account in the parent company statement of comprehensive income upon airing of the related program or episodes. Costs related to previously taped episodes determined not to be aired are charged to expense.

Inventories

Merchandise inventory and materials and supplies inventory is stated at the lower of cost and net realizable value. Cost is determined using the weighted average method. Net realizable value of inventories that are for sale is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. Net realizable value of inventories not held for sale is the current replacement cost.

Tax Credits

Tax credits, measured at cost less any impairment in value, represent claims from the government arising from airing of government commercials and advertisements availed under Presidential Decree (PD) No. 1362. Pursuant to PD No. 1362, these will be collected in the form of tax credits which the Company can use in paying for import duties and taxes on imported broadcasting related equipment. The tax credits cannot be used to pay for any other tax obligation to the government.

As at December 31, 2023 and 2022, the Company’s tax credits are classified as current under “Prepaid expenses and other current assets” account in the parent company statement of financial position.

Advances to Suppliers

Advances to suppliers, included under “Prepaid expenses and other current assets” account in the parent company statement of financial position, are measured at cost and are noninterest-bearing and are generally applied to acquisition of inventories, programs and other rights, availments of services and others.

Investments and Advances

This account consists of investments in and advances to subsidiaries, joint venture and an associate. The Company’s investments in and advances to subsidiaries, joint venture and associate are carried in the parent company statement of financial position at cost less any impairment value.

A subsidiary is an entity in which the Company has control. Control is achieved when the Company is composed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. An associate is an entity in which the Company has significant influence and which is neither a subsidiary nor a joint venture of the Company. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.



The ownership interests in subsidiaries, associate and joint venture, which are all incorporated in the Philippines, consist of the following in 2023 and 2022:

	Principal Activities	Percentage of Ownership	
		Direct	Indirect
Entertainment Business:			
Alta Productions Group, Inc. (Alta)	Pre- and post-production services	100	–
Citynet Network Marketing and Productions, Inc. (Citynet)	Television entertainment production	100	–
GMA Network Films, Inc. (GNFI)	Film production	100	–
GMA New Media, Inc. (GNMI)	Converging technology	100	–
GMA Worldwide (Philippines), Inc. (GWI)*	International marketing, handling foreign program acquisitions and international syndication of the Parent Company's programs	100	–
Scenarios, Inc.*	Design, construction and maintenance of sets for TV, stage plays and concerts; transportation services	100	–
GMA Productions, Inc. (formerly RGMA Marketing and Productions, Inc.)	Music recording, publishing and video distribution	100	–
RGMA Network, Inc.***	Radio broadcasting and management	49	–
Script2010, Inc.**	Design, construction and maintenance of sets for TV, stage plays and concerts; transportation and manpower services	–	100
Holding Company:			
GMA Ventures, Inc. (GVI)	Identifying, investing in, and/or building strong and sustainable businesses	100	–
Advertising Business:			
GMA Marketing & Productions, Inc. (GMPI)*	Exclusive marketing and sales arm of Parent Company's airtime, events management, sales implementation, traffic services and monitoring	100	–
Digify, Inc.****	Crafting, planning and handling advertising and other forms of promotion including multi-media productions	–	100
Others:			
Media Merge Corporation*****	Business development and operations for the Parent Company's online publishing and advertising initiatives	–	100
Ninja Graphics, Inc.*****	Ceased commercial operations in 2004.	–	51

*Under liquidation

**Indirectly owned through Citynet

***Ceased operations in 2023

****Indirectly owned through GNMI

*****Indirectly owned through GNMI; ceased commercial operations in 2020

*****Indirectly owned through Alta; ceased commercial operations in 2004

Property and Equipment

Property and equipment, except for land, are stated at cost, net of accumulated depreciation and amortization and impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property and equipment are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are recognized in profit or loss as incurred.

Land is initially measured at cost. After initial recognition, land is carried at revalued amounts, being its fair value at the date of the revaluation, less any subsequent impairment losses. Valuations are generally performed every three to five years or more frequently as deemed necessary to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.



Any revaluation surplus is recorded in other comprehensive income and hence, credited to the "Revaluation increment on land - net of tax" account under equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss, in which case, the increase is recognized in profit or loss. A revaluation deficit is recognized in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognized in the "Revaluation increment on land - net of tax" account.

Depreciation and amortization are computed on a straight-line basis over the following estimated useful lives of the assets:

Buildings, towers and improvements	11-20 years
Antenna and transmitter systems and broadcast equipment	5-10 years
Communication and mechanical equipment	3-5 years
Transportation equipment	4-5 years
Furniture, fixtures and equipment	5 years

An item of property and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. 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 asset) is included in profit or loss when the asset is derecognized.

The assets' residual values, useful lives and methods of depreciation and amortization are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation and amortization is credited or charged to current operations.

Construction in progress is stated at cost. This includes cost of construction, equipment under installation and other direct costs. Construction in progress is not depreciated until such time as the relevant assets are completed and put into operational use.

Investment Properties

Investment properties consist of real estate held for capital appreciation and rental.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties, except land, are measured at cost less accumulated depreciation and amortization and impairment in value. Land is stated at cost less any impairment in value.

Depreciation and amortization are computed using the straight-line method over 11-20 years.

The remaining useful lives and depreciation and amortization method are reviewed and adjusted, if appropriate, at each financial year-end.

Investment properties are derecognized when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in profit or loss in the period of derecognition.

Investment in Artworks

Investment in artworks, included under "Other noncurrent assets" account in the parent company statement of financial position, is stated at cost less any impairment in value.



Software Costs

Costs incurred in the acquisition and customization of new software, included under "Other noncurrent assets" account in the parent company statement of financial position, are capitalized and amortized on a straight-line basis over three to ten years.

Impairment of Nonfinancial Assets

The carrying values of land at revalued amounts, program and other rights, prepaid production costs, tax credits, investments and advances, property and equipment, right-of-use assets, investment properties, software costs and investment in artworks are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists, and if the carrying value exceeds the estimated recoverable amount, the assets are considered impaired and are written down to their recoverable amount. The recoverable amount of these nonfinancial assets is the greater of an asset's or cash-generating unit's fair value less cost to sell or 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 group of assets. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction less cost to sell. 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. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. Impairment losses, if any, are recognized in profit or loss in the parent company statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting period as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If any such indication exists, the recoverable amount is estimated. A previously recognized impairment loss, except for land at revalued amount where the revaluation is taken to OCI, 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 and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such a reversal, the depreciation and amortization charges are adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. For land at revalued amounts, the reversal of impairment is also recognized in OCI up to the amount of any previous revaluation.

In the case of investments in associate and interests in joint ventures, after application of the equity method, the Company determines whether it is necessary to recognize any additional impairment loss with respect to the Company's investments in associate and interests in joint ventures. The Company determines at each reporting period whether there is any objective evidence that the investments in associate and interests in joint ventures are impaired. If this is the case, the Company calculates the amount of impairment as being the difference between the recoverable amount of investments in associate and interests in joint ventures and the acquisition cost, and recognizes the amount in the parent company statement of comprehensive income.

Equity

Capital stock is measured at par value for all shares issued. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax. Proceeds and/or fair value of considerations received in excess of par value are recognized as additional paid-in capital.



Retained earnings include all current and prior period results of operations as reported in the parent company statement of comprehensive income, net of any dividend declaration, adjusted for the effects of changes in accounting policies as may be required by PFRS' transitional provisions.

Treasury Stocks and Underlying Shares of the Acquired Philippine Deposit Receipts (PDRs)

The Company's own reacquired equity instruments, if any, are deducted from equity. No gain or loss is recognized in the parent company statement of comprehensive income on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

The Company's ownership of the PDRs, if any, is presented similar to treasury shares in the parent company statement of financial position. Each PDR entitles the holder to the economic interest of the underlying common share of the Company.

Revenue Recognition

a. *PFRS 15, Revenue from Contracts with Customers*

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue is recognized when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognized is the amount allocated to the satisfied performance obligation.

The following specific recognition criteria must also be met before revenue is recognized:

Advertising Revenue. Revenue is recognized in the period the advertisements are aired.

Payments received for advertisements before broadcast (pay before broadcast) are recognized as income on the dates the advertisements are aired. Prior to liquidation, these are classified as unearned revenue under "Contract liabilities" under "Trade payables and other current liabilities" account in the parent company statement of financial position.

Goods received in exchange for airtime usage pursuant to exchange deal contracts executed between the Company and its customers are recorded at fair market values of assets received. Fair market value is the current market price.

Tax credits on aggregate airtime credits from government sales availed of under PD No. 1362 are recognized as revenue when there is reasonable certainty that these can be used to pay duties and taxes on imported broadcasting related equipment.

Subscription Revenue. Subscription fees are recognized over the subscription period in accordance with the terms of the subscription agreements.

Sale of goods. Sale of goods pertain to sale of set-top boxes, digital TV mobile receivers and other merchandises. Revenue is recognized at a point in time when delivery has taken place and transfer of control has been completed. These are stated net of sales discounts.



Revenue from Distribution and Content Provisioning. Revenue is recognized upon delivery of the licensed content to customers.

Production Revenue. Production revenue is recognized at a point in time when project-related services are rendered.

Commission from Artists. Revenue is recognized as revenue at a point in time on an accrual basis in accordance with the terms of the related marketing agreements.

b. Revenue Recognition Outside the Scope of PFRS 15

Rental Income. Revenue from lease of property and equipment and investment properties is accounted for on a straight-line basis over the lease term.

Dividend Income. Revenue is recognized when the Company's right to receive payment is established.

Interest Income. Revenue is recognized as the interest accrues, taking into account the effective yield on the asset.

Other Income. Other income is recognized when there is an incidental economic benefit, other than the usual business operations, that will flow to the Company through an increase in asset or reduction in liability that can be measured reliably.

Contract Balances

Trade Receivables. A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to the accounting policies of Financial Instruments section.

Contract Assets. A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Contract Liabilities. A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due, whichever is earlier. Contract liabilities are recognized as revenue when the Company performs under the contract.

Incremental Costs to Obtain a Contract

The Company pays sales commissions to its account executives for each contract that they obtain for advertising agreements with customers. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense sales commissions (presented as part of "Marketing expense" under "General and administrative expenses" account in the parent company statement of comprehensive income) because the amortization period of the asset that the Company otherwise would have used is less than one year.



Pension and Other Long-Term Employee Benefits

The Company has a funded, noncontributory defined benefit retirement plan covering permanent employees. The cost of providing benefits under the defined benefit plans is determined using the projected unit credit method.

Defined Benefit Plans. The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling.

The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the parent company statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation under "Production costs" and "General and administrative expenses" accounts in the parent company statements of comprehensive income (by function):

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

Plan assets are assets that are held by a long-term employee benefit fund. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Company's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Leases

Leases. The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.



Company as Lessee. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

- *Right-of-use Assets.* The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term as follow:

Land	2 to 25 years
Buildings, studio and office spaces	2 to 15 years

Right-of-use assets are subject to impairment.

- *Lease Liabilities.* At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

- *Short-term Leases.* The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date or initial application of PFRS 16 and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

Company as Lessor. Leases where the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Rental income from operating leases are recognized as income in the parent company statement of comprehensive income on a straight-line basis over the lease term. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same



basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Foreign Currency-denominated Transactions

Transactions in foreign currencies are initially recorded in the functional currency exchange rate at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing exchange rate at financial reporting period. All differences are taken to profit or loss in the parent company statements of comprehensive income. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. For income tax purposes, foreign exchange gains and losses are treated as taxable income or deductible expenses when realized.

Taxes

Current Income Tax. Current income tax assets and liabilities for the current period 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 substantially enacted at reporting period.

Current income tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation, and establishes provisions where appropriate.

Deferred Tax. Deferred tax is provided using the liability method on temporary differences at reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting period.

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized, except:

- where the deferred tax asset relating to the deductible temporary difference arises 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 profit nor taxable profit; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting period 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. Unrecognized deferred tax assets are reassessed at each reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.



Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates and tax laws to be enacted or substantially enacted at the reporting period.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Creditable Withholding Taxes. Creditable withholding taxes represent amounts withheld by the Company's customers and is deducted from the Company's income tax payable.

Value-added Tax (VAT). Revenue, expenses and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the parent company statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the parent company statement of financial position to the extent of the recoverable amount.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of "Prepaid expenses and other current assets" or "Trade payables and other current liabilities" accounts in the parent company statement of financial position.

Earnings Per Share (EPS)

Basic EPS is computed by dividing the net income for the year attributable to the equity holders of the parent company, net of income attributable to preferred shares, by the weighted average number of common shares outstanding during the year, after considering the retroactive adjustments for any stock dividends declared, if any.

Diluted EPS is calculated by dividing the net income for the year of the Company (inclusive of income attributable to preferred shares) by the weighted average number of common shares outstanding during the year, plus the weighted average number of common shares that would be issued upon conversion of all dilutive potential common shares.



Segment Reporting

For management purposes, the Company's operating businesses are organized and managed separately into television and radio airtime, international subscriptions and other business activities. Such business segments are the basis upon which the Company reports its primary segment information. The Company considers television and radio operations as the major business segment. The Company operates in two geographical areas where it derives its revenue. Financial information on business segments is presented in Note 5 to the parent company financial statements.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the parent company statement of comprehensive income net of any reimbursement.

Contingencies

Contingent liabilities are not recognized in the parent company financial statements. These are disclosed in the notes to parent company financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the parent company financial statements but are disclosed in the notes to parent company financial statements when an inflow of economic benefits is probable.

4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the parent company financial statements requires management to make judgments, estimates and assumptions that affect amounts reported in the parent company financial statements and related notes at the end of the reporting period. However, uncertainty about these judgments, estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the parent company financial statements.

Investment in RGMA. The Company considers that it controls RGMA Network even though it owns less than 50% of the voting rights. This is because the Company is the single largest shareholder of RGMA Network with a 49% equity interest. The remaining 51% of the equity shares in RGMA Network are owned by several parties. Since September 27, 1995, which is the date of incorporation of RGMA Network, there is no history of the other shareholders collaborating to exercise their votes collectively or to outvote the Company.

Investment in RGMA amounted to ₱41.68 million and ₱168.00 million as at December 31, 2023 and 2022, respectively (see Note 12).

Assessment of Significant Influence over the Investee. The Company holds 25% ownership interest in Optima Digital, Inc. as at December 31, 2023 and 2022. Even with more than 20% voting rights, management assessed that the Company does not have the power to participate in the policy-making processes, including decisions to affect its returns in the form of dividends. Further, the Company



does not have the ability to participate in the financial and operational policies decision-making of the investee to affect its relevant activities as the Company has only one (1) board seat out of the total five (5) board seats. The investment is presented as a financial asset at FVOCI amounting to ₱0.56 million and ₱0.66 million as at December 31, 2023 and 2022, respectively.

Determination of Lease Term of Contracts with Renewal and Termination Options - Company as a Lessee. The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The Company did not include the renewal period as part of the lease term for its leases as these are subject to mutual agreement and are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term because they are reasonably certain not to be exercised.

Operating Leases - Company as Lessor. The Company has entered into various lease agreements as lessor. The Company had determined that the risks and rewards of ownership of the underlying property were retained by the Company. Accordingly, the leases are classified as an operating lease.

Total rental income amounted to ₱7.07 million and ₱5.68 million in 2023 and 2022, respectively (see Note 27).

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at 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, are described below. The Company based its assumptions and estimates on parameters available when the parent company financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Estimating the Incremental Borrowing Rate. The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the counterparty's stand-alone credit rating).



The Company's lease liabilities amounted to ₱155.96 million and ₱166.43 million as at December 31, 2023 and 2022, respectively (see Note 28).

Estimating Allowance for ECL. The following information explains the inputs, assumptions and techniques used by the Company in estimating ECL for trade receivables:

- Simplified approach for trade receivables

The Company uses a simplified approach for calculating ECL on trade receivables through the use of provision matrix to calculate ECLs. The provision rates are based on days past due for groupings of customer segments that have similar loss patterns (i.e., by customer type).

The provision matrix is initially based on the Company's historical observed default rates. The Company then calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (e.g., gross domestic product, inflation rate, unemployment rate) are expected to deteriorate over the next year which can lead to an increased number of defaults in the Company's operating segments, the historical default rates are adjusted. At every reporting date, the historical observed default rates are and changes in the forward-looking factors specific to the debtors and the economic environment are updated.

- Definition of default for trade receivables

The Company defines a trade receivable as in default, when it meets one or more of the following criteria:

- The counterparty is experiencing financial difficulty or is insolvent
- The receivable is more than 360 days past due. The determination of the period is based on the Company's practice and agreement with their customers within the industry.

- Grouping of instruments for losses measured on collective basis

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a segmentation are homogeneous. The Company segmented its receivables based on the type of customer (e.g., corporate and individuals).

- Incorporation of forward-looking information

The Company considers a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments that support the calculation of ECLs. A broad range of forward-looking information are considered as economic inputs such as the gross domestic product, inflation rate, unemployment rates and other economic indicators.

The macroeconomic factors are aligned with information used by the Company for other purposes such as strategic planning and budgeting.

The Company identifies and documents key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.



Predicted relationship between the key macro-economic indicators and default and loss rates on various portfolios of financial assets have been developed based on analyzing historical data over the past 5 years. The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions, the Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Provision for ECL amounted to nil in 2023 and 2022. The allowance for ECL amounted to ₱833.34 million as at December 31, 2023 and 2022. The carrying amounts of trade and other receivables amounted to ₱6,343.68 million and ₱6,018.90 million as at December 31, 2023 and 2022, respectively (see Note 7).

Classification and Amortization of Program and Other Rights. Portions of program and other rights are classified as current and noncurrent assets. Current portion represents those expected to be aired any time within its normal operating cycle, whereas the noncurrent portion represents those without definite expiration.

The Company estimates the amortization of program and other rights with finite lives using straight line method up to the date of expiry and those with no definite expiration of up to ten years, which is the manner and pattern of usage of the acquired rights.

In addition, estimation of the amortization of program and other rights is based on the Company's experience with such rights. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in the factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

Program and other rights usage amounted to ₱1,191.48 million and ₱868.74 million in 2023 and 2022, respectively (see Notes 8 and 23). Program and other rights, net of accumulated impairment in value of ₱2.70 million, amounted to ₱2,219.28 million and ₱1,479.02 million as at December 31, 2023 and 2022, respectively (see Note 8).

Estimating Allowance for Inventory Losses. The Company provides allowance for inventory losses whenever the net realizable value becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes. The allowance account is reviewed periodically to reflect the accurate valuation of the inventories.

The carrying value of merchandise inventory and materials and supplies inventory in the parent company statement of financial position amounted to ₱1,154.33 million and ₱1,459.30 million as at December 31, 2023 and 2022, respectively (see Note 9). There were no provisions for inventory losses in 2023 and 2022.

Estimating Useful Lives of Property and Equipment, Software Costs and Investment Properties. The Company estimates the useful lives of property and equipment, software costs and investment properties based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment, software costs and investment properties 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, software costs and investment properties are based on 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 the factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment, software costs and investment properties would increase the recorded general and administrative expenses and decrease noncurrent assets.

There has been no change in the Company's estimate of useful lives of its property and equipment, software costs and investment properties in 2023 and 2022.

Revaluation of Land. The Company engages an accredited appraiser to determine the fair value of the land used in operations. Fair value is determined by reference to market-based evidence adjusted based on certain elements of comparison. The fair value amount would differ if the Company made different judgments and estimates or utilized a different basis for determining fair value.

Valuations from an accredited appraiser are generally performed every three to five years or more frequently as deemed necessary to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

In 2023 and 2022, the Company assessed those certain parcels of land at revalued amounts, comprising majority of the balance of the account, have significant movements in its current carrying values and obtained updated appraisals as at December 31, 2023 and 2022. For the land that were not appraised, the Company referred to the published comparable prices for the fair values. Total additional revaluation increment, net of tax recognized in 2023 and 2022 amounted to ₱1,645.04 million and ₱2,737.72 million, respectively.

The revalued amount of land, which is classified under "Property and equipment" account in the parent company statements of financial position, amounted to ₱8,813.28 million and ₱6,619.90 million as at December 31, 2023 and 2022, respectively (see Notes 14 and 31).

Impairment of Nonfinancial Assets. For prepaid production costs, tax credits, investments and advances, property and equipment, land at revalued amounts, right-of-use assets, investment properties, program and other rights, software costs, and investment in artworks and software costs, impairment testing is performed whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

The factors that the Company considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business;
- significant negative industry or economic trends; and
- obsolescence or physical damage of an asset.

The Company recognizes an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of fair value less costs to sell or asset's value in use. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs.

As at December 31, 2023 and 2022, the Company did not identify any indicator of impairment on its nonfinancial assets, hence, no impairment tests were carried out.



The carrying values of nonfinancial assets as at December 31 follows:

	2023	2022
Land at revalued amounts (see Note 14)	₱8,813,283,135	₱6,619,895,148
Property and equipment - at cost (see Note 13)	3,599,333,426	3,299,421,592
Program and other rights (see Note 8)	2,219,284,496	1,479,018,423
Investments and advances (see Note 12)	640,634,864	831,757,394
Prepaid production costs (see Note 10)	650,402,531	778,903,854
Right-of-use assets (see Note 28)	140,112,255	159,345,818
Software costs (see Note 16)	59,373,091	103,860,686
Investment properties (see Note 15)	19,570,276	20,952,663
Investments in artworks (see Note 16)	9,454,000	9,454,000
Tax credits (see Note 10)	6,162,083	48,070,848

Estimating Realizability of Deferred Tax Assets. The Company reviews its deferred tax assets at each reporting date and reduces the carrying amount 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 asset to be utilized.

Recognized deferred tax assets amounted to ₱1,640.79 million and ₱1,585.29 million as at December 31, 2023 and 2022, respectively (see Note 29).

Pension and Other Employee Benefits. The determination of the Company's obligation and cost of pension benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in Note 26 and include, among others, discount rate and salary increase rate. Due to the complexity of the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

Pension liability amounted to ₱5,130.30 million and ₱4,730.28 million as at December 31, 2023 and 2022, respectively (see Note 26).

Determination of Fair Value of Financial Assets at FVOCI. Financial assets at FVOCI are carried and disclosed at fair value, which requires extensive use of accounting estimates and judgments. When the fair values cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The fair value of financial assets at FVOCI are enumerated in Note 31.

Determination of Fair Value of Investment Properties. PFRS requires disclosure of fair value of investment properties when measured at cost.

The Company used the services of an independent professional appraiser in estimating the fair value of properties. The appraisers conducted an actual inspection of the property and considered the following in the study and analyses in arriving at the estimate of fair value: (a) extent, character and utility of the property; (b) sales and holding prices of similar properties; and (c) highest and best use of the property.

The description of valuation techniques used and key inputs to fair valuation of investment properties are enumerated in Note 15 of the parent company financial statements.

Contingencies. The Company is currently involved in various claims and legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with legal counsel handling the defense in these matters and is based upon an analysis of potential results. The Company currently does not believe that these proceedings will have a material adverse effect on the Company's financial position.



5. Segment Information

Business Segments

For management purposes, the Company is organized into business units based on its products and services and has three reportable segments, as follows:

- The television and radio segment, which engages in television and radio broadcasting activities and which generates revenue from sale of national and regional advertising time.
- The international subscription segment, which engages in subscription arrangements with international cable companies.
- The Company's other businesses which include movie production, consumer products and other services.

The Executive Committee, the chief operating decision maker, and Management monitor the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on net income or loss and is measured consistently with the net income or loss in the parent company financial statements. The Company's performance is evaluated based on net income for the year.

Geographical Segments

The Company operates in two major geographical segments - local and international. Local refers to revenues earned in the Philippines, the home country. Significant portion of the revenues earned locally pertain to television and radio airtime. International refers to revenues earned in United States and in other locations (which include Middle East, Europe, Australia, Canada, Guam, Singapore, Hongkong and Japan). The Company ties up with cable providers to bring local television programming outside the Philippines.

The Company's revenues are mostly generated in the Philippines, which is the Company's country of domicile. Revenues from external customers attributed to foreign countries from which the Company derives revenue are individually and in aggregate immaterial to the parent company financial statements.

Noncurrent assets consisting of property and equipment, land at revalued amounts and investment properties are all located in the Philippines.

The Company does not have a single external customer whose revenue accounts for 10% or more of the Company's revenues.

Inter-segment Transactions

Segment revenues, segment expenses and segment results include transfers among business segments and among geographical segments. The transfers are accounted for at competitive market prices charged to unrelated customers for similar services.

Measurement Basis

The amount of segment assets and liabilities and segment profit or loss are based on measurement principles that are similar to those used in measuring the assets and liabilities and profit or loss in the parent company financial statements, which is in accordance with PFRS.



Geographical Segment	Local				Total
	Advertising and Others		International		
	2023	2022	2023	2022	
Business Segment					
Revenues	₱17,488,323,405	₱20,387,701,312	₱810,792,383	₱662,062,871	₱18,299,115,788
Results					
Segment results	3,155,894,636	6,297,879,036	571,772,890	622,613,478	3,727,667,526
Dividend income from investments	136,650,000	164,309,999	-	-	136,650,000
Interest expense	(130,380,675)	(24,111,406)	-	-	(130,380,675)
Net foreign currency exchange gain (loss)	(11,999,511)	13,102,473	7,077,123	19,846,763	(4,922,388)
Interest income	32,143,283	19,832,994	-	-	32,143,283
Others - net	242,212,996	148,834,968	-	-	242,212,996
Provision for income tax	(816,279,498)	(1,637,697,899)	(144,712,503)	(160,615,060)	(960,992,001)
Net income	₱2,608,241,231	₱4,982,150,165	₱434,137,510	₱481,845,181	₱3,042,378,741
Assets and Liability					
Segment assets	₱25,217,143,640	₱23,678,077,910	₱302,571,804	₱271,775,751	₱25,519,715,444
Investments in subsidiaries	501,907,227	692,582,809	-	-	501,907,227
Investments in associates and interest in joint venture - at cost	38,288,343	38,288,343	-	-	38,288,343
Deferred tax assets - net	-	5,659,347	-	-	5,659,347
Total assets	₱25,757,339,210	₱24,414,608,409	₱302,571,804	₱271,775,751	₱26,059,911,014
Segment Liabilities	10,579,877,934	9,054,718,937	244,308,229	226,584,317	10,824,186,163
Deferred tax liabilities - net	466,054,000	-	-	-	466,054,000
Total liabilities	₱11,045,931,934	₱9,054,718,937	₱244,308,229	₱226,584,317	₱11,290,240,163
Other Segment Information					
Capital expenditures:					
Property and equipment	₱1,069,496,376	₱1,018,547,199	₱2,073,779	₱390,178	₱1,071,570,155
Land	1,696	24,307,384	-	-	1,696
Program and other rights and software costs	1,942,557,341	1,360,427,833	-	-	1,942,557,341
Depreciation and amortization	2,043,107,859	1,609,471,311	772,538	4,620,634	2,043,880,397



6. Cash and Cash Equivalents

	2023	2022
Cash on hand and in banks	₱868,420,493	₱1,851,265,273
Short-term deposits	251,331,560	655,027,254
	₱1,119,752,053	₱2,506,292,527

Cash in banks earn interest at the respective bank deposit rates. Short-term deposits are made for varying periods of up to three months depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. Interest rates of peso placements ranged from 0.20% to 6.25% in 2023 and 0.08% to 5.75% in 2022, while interest rates of foreign placements, ranged from 2.90% to 4.70% in 2023 and nil in 2022.

Interest income earned from bank deposits and short-term deposits amounted to ₱32.14 million and ₱19.83 million in 2023 and 2022, respectively.

7. Trade and Other Receivables

	2023	2022
Trade:		
Television and radio airtime	₱6,768,425,725	₱6,287,232,600
Subscriptions	186,254,984	231,894,197
Others (see Note 21)	111,983,332	155,965,837
Nontrade:		
Related parties (see Note 21)	79,796,980	71,192,786
Others (see Note 21)	30,558,474	105,952,176
	7,177,019,495	6,852,237,596
Less allowance for ECL	833,340,870	833,340,870
	₱6,343,678,625	₱6,018,896,726

Trade Receivables

Television and Radio Airtime. Television and radio airtime receivables are unsecured, noninterest-bearing and are generally on 60-90 day terms upon receipt of invoice by the customers. The receivables are normally collected within the next reporting period.

Television and radio airtime receivables include unbilled airtime receivables, arising when advertisements have been aired but billing or acceptance by the customer has been delayed due to time lag in completing all required documents. As of December 31, 2023 and 2022, the total unbilled airtime receivables, assessed as contract assets, amounted to ₱300.51 million and ₱20.70 million, respectively.

Subscriptions Receivable. Subscriptions receivable pertain to receivables from international channel subscriptions and advertisements. These are unsecured, noninterest-bearing and normally collected within the next reporting period.

Other Trade Receivables. These are unsecured, noninterest-bearing and are generally on 60-90 day terms upon receipt of invoice by the customers.



Nontrade Receivables

Related Parties. Terms and conditions of receivables from related parties are discussed in Note 21.

Other Nontrade Receivables. Other nontrade receivables include dividends receivable and receivables from insurance. These are noninterest-bearing and are normally collected within the next financial year (see Note 21).

Allowance for ECL on Trade Receivables

The allowance for ECL as at December 31, 2023 and 2022 are as follows:

	Corporate	Individual	Total
Balance at beginning and end of year	₱823,031,332	₱10,309,538	₱833,340,870

8. Program and Other Rights

Details and movement in this account are as follows:

	2023			Total
	Program Rights	Story/Format Rights	Program Rights - Incidentals	
Cost:				
Balance at beginning of year	₱1,425,742,313	₱41,070,810	₱14,907,560	₱1,481,720,683
Additions	1,534,438,788	270,543,708	126,762,973	1,931,745,469
Program and other rights usage (see Note 23)	(1,018,314,065)	(72,695,801)	(100,469,530)	(1,191,479,396)
Balance at end of year	1,941,867,036	238,918,717	41,201,003	2,221,986,756
Accumulated impairment in value	(2,702,260)	-	-	(2,702,260)
	1,939,164,776	238,918,717	41,201,003	2,219,284,496
Less noncurrent portion	429,707,160	-	-	429,707,160
Current portion	₱1,509,457,616	₱238,918,717	₱41,201,003	₱1,789,577,336
	2022			
	Program Rights	Story/Format Rights	Program Rights - Incidentals	Total
Cost:				
Balance at beginning of year	₱955,929,510	₱27,996,874	₱24,353,417	₱1,008,279,801
Additions	1,207,928,746	37,500,082	96,751,770	1,342,180,598
Program and other rights usage (see Note 23)	(738,115,943)	(24,426,146)	(106,197,627)	(868,739,716)
Balance at end of year	1,425,742,313	41,070,810	14,907,560	1,481,720,683
Accumulated impairment in value	(2,702,260)	-	-	(2,702,260)
	1,423,040,053	41,070,810	14,907,560	1,479,018,423
Less noncurrent portion	232,446,242	-	-	232,446,242
Current portion	₱1,190,593,811	₱41,070,810	₱14,907,560	₱1,246,572,181



9. Inventories

This account consists of the following:

	2023	2022
Merchandise inventory	₱1,144,275,233	₱1,443,352,533
Materials and supplies inventory	10,051,960	15,945,006
	₱1,154,327,193	₱1,459,297,539

The following are the details of merchandise inventory account:

	2023	2022
Set-top box model	₱935,765,522	₱1,233,966,042
ITE chipset dongle	208,509,711	209,386,491
	₱1,144,275,233	₱1,443,352,533

Merchandise inventory consists mainly of set-top boxes and digital TV mobile receiver for sale by the Company. In 2020, the Company launched the GMA Affordabox, a digital box, which allows users to receive clear pictures and sounds in their television sets through digital transmission. Cost of sales related to digital boxes amounted to ₱297.24 million and ₱293.95 million in 2023 and 2022, respectively.

Materials and supplies inventory includes the Company's office supplies, spare parts and production materials.

10. Prepaid Expenses and Other Current Assets

	2023	2022
Advances to suppliers	₱688,450,592	₱850,756,615
Prepaid production costs	650,402,531	778,903,854
Input VAT	157,631,519	152,527,879
Prepaid expenses	129,518,846	111,173,944
Tax credits	6,162,083	48,070,848
	₱1,632,165,571	₱1,941,433,140

Advances to suppliers are noninterest-bearing and are generally applied to acquisition of program and other rights, inventories, availment of services and others within the next financial year.

Prepaid production costs represent costs paid in advance prior to the airing of the programs or episodes. The Company expects to air the related programs or episodes within the next financial year.

Input VAT pertains to VAT on purchase or importation of goods and services which are to be claimed and credited in the succeeding month's filing of VAT return.

Prepaid expenses include prepayments for rental, interest, insurance and subscriptions.

Tax credits represent claims of the Company from the government arising from airing of government commercials and advertisements. The Company expects to utilize these tax credits within the next financial year.



11. Financial Assets at Fair Value Through Other Comprehensive Income

This account consists of the following:

	2023	2022
Non-listed equity instruments	₱145,047,071	₱114,032,540
Listed equity instruments	11,462,118	15,726,444
	₱156,509,189	₱129,758,984

Investment in equity instruments pertains to shares of stock and club shares which are not held for trading. The Company assessed the equity instruments to be strategic in nature.

The movement of financial assets at FVOCI are as follows:

	2023	2022
Balance at beginning of year	₱129,758,984	₱122,039,903
Additions during the year	11,340,854	15,458,400
Net unrealized gain (loss) on fair value changes during the year	15,409,351	(7,739,319)
Balance at end of year	₱156,509,189	₱129,758,984

In 2023 and 2022, the Company purchased additional investments in TNB Aura fund 2 Ltd., totaling ₱11.34 million and ₱15.46 million, respectively. Dividend income from financial assets at FVOCI amounted to nil in 2023 and 2022.

The movements in net unrealized loss on financial assets at FVOCI are as follows:

	2023	2022
Balance at beginning of year - net of tax	(₱86,653,442)	(₱80,075,020)
Net unrealized gain (loss) on fair value changes during the year	15,409,351	(7,739,319)
Tax effect of the changes in fair market values	(2,311,403)	1,160,897
Balance at end of year	(₱73,555,494)	(₱86,653,442)

IP E-Games Ventures, Inc.

In 2015, IP E-Games Ventures, Inc. (IPE) issued 13,000.00 million of its own common shares to the Company and GNMI, 8,000.00 million to the Company and 5,000.00 million to GNMI, in exchange of GNMI's investment in X-Play Online Games Incorporated (X-Play), ₱50.00 million airtime credits granted by the Company and in settlement of ₱30.00 million advances to X-Play. At initial recognition, the Company recognized at fair value the IPE shares amounting to ₱80.00 million. The carrying values of investment in IPE amounted to ₱11.46 million and ₱15.73 million as at December 31, 2023 and 2022, respectively.

Of the ₱50.00 million airtime credits, ₱22.00 million has not been implemented at the date of exchange and therefore was recognized by the Company as unearned revenue presented as "Contract liabilities" included as part of "Trade payables and other current liabilities" in 2023 and 2022 (see Note 17).



The movements in the account are as follows:

	2023	2022
Investments in subsidiaries:		
Acquisition costs		
Balance at beginning of year	₱697,059,022	₱560,309,022
Return of investment	(100,000,000)	-
Additional investments during the year	35,647,742	136,750,000
Balance at end of year	632,706,764	697,059,022
Allowance for impairment in value		
Balance at beginning of year	(4,476,213)	(4,476,213)
Impairment loss on investment in subsidiary (see Note 24)	(126,323,324)	-
Balance at end of the year	(130,799,537)	(4,476,213)
	501,907,227	692,582,809
Investments in associate and joint venture:		
Acquisition costs		
Balance at beginning and end of year	88,288,343	88,288,343
Allowance for impairment in value		
Balance at beginning and end of year	(50,000,000)	(50,000,000)
	38,288,343	38,288,343
Advances to subsidiaries:		
Balance at beginning of year	165,727,839	165,727,839
Collection of advances	(1,268,033)	-
Balance at end of year	164,459,806	165,727,839
Allowance for ECL		
Balance at beginning and end of year	(164,459,806)	(164,459,806)
	-	1,268,033
Advances to associate and joint venture:		
Balance at beginning of year	111,162,208	111,075,726
Additional advances during the year (see Note 21)	821,086	86,482
Balance at end of year	111,983,294	111,162,208
Allowance for impairment loss		
Balance at beginning and end of year	(11,544,000)	(11,544,000)
	100,439,294	99,618,208
Total investments and advances	₱640,634,864	₱831,757,393

On January 1, 2016, GMPI's operations was integrated into the Company's operations. The Company absorbed all of GMPI's employees and assumed the obligation to settle the post-employment benefits of these employees upon their retirement. The post-employment benefit obligation assumed by the Company amounting to ₱259.14 million was recognized as an addition to the investment in GMPI.

In 2023, GMPI returned investment amounting to ₱100.00 million to the Company after partial payment of post-employment obligation on March 27, 2023. As at December 31, 2023, the Company's remaining investment in GMPI amounted to ₱165.14 million.

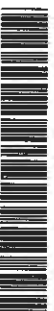
On January 1, 2023, RGMA ceased operations. As a result, the Company recognized impairment loss for its investment in RGMA amounting to ₱126.32 million. As at December 31, 2023 and 2022, investment in RGMA amounted to ₱41.68 million and ₱168.00 million, respectively.



13. Property and Equipment at Cost

Cost	2023							Total
	Buildings, towers and improvements	Antenna and transmitter systems and broadcast equipment	Communication and mechanical equipment	Transportation equipment	Furniture, fixtures and equipment	Construction in progress and equipment for installation		
At January 1, 2023	₱3,295,105,394	₱8,441,865,161	₱1,733,711,058	₱597,358,222	₱148,331,805	₱478,603,692	₱14,694,975,332	
Additions	15,290,756	387,956,782	158,453,410	78,796,001	3,965,719	427,107,487	1,071,570,155	
Disposals	-	(120,586,694)	(17,355,361)	(82,412,621)	(2,255,572)	-	(222,610,248)	
Reclassifications	167,809,265	324,902,084	26,040,138	3,853,482	949,502	(523,554,471)	-	
At December 31, 2023	3,478,205,415	9,034,137,333	1,900,849,245	597,595,084	150,991,454	382,156,708	15,543,935,239	
Accumulated Depreciation								
At January 1, 2023	2,575,671,624	6,778,949,996	1,448,333,608	451,400,502	141,198,010	-	11,395,553,740	
Depreciation (see Notes 23 and 24)	102,631,032	448,379,777	150,195,536	61,418,109	3,476,056	-	766,100,510	
Disposals	-	(120,586,697)	(17,318,030)	(76,892,139)	(2,255,571)	-	(217,052,437)	
At December 31, 2023	2,678,302,656	7,106,743,076	1,581,211,114	435,926,472	142,418,495	-	11,944,601,813	
Net Book Value	₱799,902,759	₱1,927,394,257	₱319,638,131	₱161,668,612	₱8,572,959	₱382,156,708	₱3,599,333,426	

Cost	2022							Total
	Buildings, towers and improvements	Antenna and transmitter systems and broadcast equipment	Communication and mechanical equipment	Transportation equipment	Furniture, fixtures and equipment	Construction in progress and equipment for installation		
At January 1, 2022	₱3,109,722,644	₱7,909,745,591	₱1,547,898,258	₱572,157,533	₱145,844,776	₱478,220,877	₱13,763,589,679	
Additions	27,101,000	279,557,560	130,734,557	79,274,218	2,493,393	499,776,649	1,018,937,377	
Disposals	(6,381,551)	(22,953,277)	(2,606,800)	(54,073,529)	(6,364)	-	(86,021,521)	
Reclassifications (see Note 16)	164,663,301	275,515,287	57,685,043	-	-	(499,393,834)	(1,530,203)	
At December 31, 2022	3,295,105,394	8,441,865,161	1,733,711,058	597,358,222	148,331,805	478,603,692	14,694,975,332	
Accumulated Depreciation								
At January 1, 2022	2,491,597,047	6,433,447,781	1,328,343,928	446,744,089	138,152,572	-	10,838,285,417	
Depreciation (see Notes 23 and 24)	90,456,128	368,190,118	122,596,480	56,081,572	3,051,802	-	640,376,100	
Disposals	(6,381,551)	(22,687,903)	(2,606,800)	(51,425,159)	(6,364)	-	(83,107,777)	
At December 31, 2022	2,575,671,624	6,778,949,996	1,448,333,608	451,400,502	141,198,010	-	11,395,553,740	
Net Book Value	₱719,433,770	₱1,662,915,165	₱285,377,450	₱145,957,720	₱7,133,795	₱478,603,692	₱3,299,421,592	



Construction in progress pertains to costs incurred for installation of equipment, signal strengthening of transmitters nationwide and construction/improvement of studios and stations in the regions.

The reclassification relates to the software costs that were transferred to other noncurrent assets amounting to nil and ₱1.53 million in 2023 and 2022, respectively (see Note 16).

The Company leases out a portion of its property and equipment at cost. Total rental income recognized for the leased portion amounted to ₱2.20 million and ₱2.56 million in 2023 and 2022, respectively (see Note 27).

The Company disposed various property and equipment in 2023 and 2022 resulting to the recognition of gain on sale amounting to ₱38.77 million and ₱29.71 million, respectively (see Note 27).

As at December 31, 2023 and 2022, no property and equipment have been pledged as collateral or security for any of the Company's liabilities.

14. Land at Revalued Amounts

The movement of the land at revalued amount is shown below:

	2023			2022		
	Cost	Revaluation Increment	Total	Cost	Revaluation Increment	Total
At beginning of year	₱526,025,559	₱6,093,869,589	₱6,619,895,148	₱501,718,175	₱2,443,578,839	₱2,945,297,014
Additions during the year	1,696	2,193,386,291	2,193,387,987	24,307,384	3,650,190,750	3,674,598,134
At end of year	₱526,027,155	₱8,287,155,880	₱8,813,183,135	₱526,025,559	₱6,093,869,589	₱6,619,895,148

In 2023 and 2022, the Company assessed that the fair value of certain parcels of land at revalued amounts have significant movements from its carrying values and obtained updated appraisals as at December 31, 2023 and 2022, respectively. Revaluation increment recognized in 2023 and 2022 based on appraisal reports and management estimates amounted to ₱2,193.39 million and ₱3,650.29 million, respectively.

The fair value from the 2023 and 2022 appraisals were determined using the "Market Data Approach" as determined by independent professionally qualified appraisers and based on its highest and best use. The fair value represents the amount that would be received to sell the property in an orderly transaction between market participants at the date of valuation in accordance with International Valuation Standards. The fair value is categorized under Level 3 of the fair value hierarchy.

As of December 31, 2023 and 2022, the fair value of land is directly proportional to the asking price of the comparable land and adjusted according to the following appraisal considerations:

Significant unobservable input	Range	
	2023	2022
Asking price per square meter	₱270 to ₱350,000	₱270 to ₱350,000
Sales price adjustment	5% to 10%	5% to 10%
Lot size adjustment	5% to 20%	5% to 10%



Significant increases (decreases) in asking price per square meter would result to significantly higher (lower) fair value of the properties. Significant increases (decreases) in the sales price adjustment and lot size adjustment would result in a significantly lower (higher) fair value.

Management believes that the fair value of certain land acquired in 2022 and 2021 approximates the fair values as at December 31, 2023 and 2022.

As at December 31, 2023 and 2022, no land has been pledged as collateral or security for any of the Company's liabilities and the Company has no restrictions on the realizability of its land and no contractual obligation to purchase, construct or develop land or for repairs, maintenance and enhancements.

15. Investment Properties

	2023		
	Land and Improvements	Buildings and Improvements	Total
Cost			
Balance at beginning and end of year	₱12,388,088	₱52,357,238	₱64,745,326
Accumulated depreciation			
Balance at beginning of year	–	42,409,287	42,409,287
Depreciation during the year (see Note 24)	–	1,382,387	1,382,387
Balance at end of year	–	43,791,674	43,791,674
Accumulated impairment			
Balance at beginning and end of year	–	1,383,376	1,383,376
	₱12,388,088	₱7,182,188	₱19,570,276
	2022		
	Land and Improvements	Buildings and Improvements	Total
Cost			
Balance at beginning and end of year	₱12,388,088	₱52,357,238	₱64,745,326
Accumulated depreciation			
Balance at beginning of year	–	41,026,900	41,026,900
Depreciation during the year (see Note 24)	–	1,382,387	1,382,387
Balance at end of year	–	42,409,287	42,409,287
Accumulated impairment			
Balance at beginning and end of year	–	1,383,376	1,383,376
	₱12,388,088	₱8,564,575	₱20,952,663

The fair value of investment properties amounted to ₱205.31 million and ₱141.24 million as at December 31, 2023 and 2022, respectively. As at December 31, 2023 and 2022, the land used in operations was last appraised on December 31, 2023 and November 19, 2018, respectively, by an accredited firm of appraisers and is valued in terms of its highest and best use.

The fair value was determined using the "Market Data Approach". The fair value represents the amount that would be received to sell the property in an orderly transaction between market participants at the date of valuation and is categorized under Level 3 of the fair value hierarchy.



The description of the valuation techniques used and key inputs to fair valuation as of December 31, 2023 and 2022 is as follows:

	Significant Unobservable Inputs	Range	
		2023	2022
Land	Price per square meter	₱1,400-₱11,700	₱1,400-₱3,500
Buildings for lease	Price per square meter	₱22,000-₱117,000	₱22,000-₱117,000

Rental income and the directly related expense arising from these investment properties follow:

	2023	2022
Rental income (see Note 27)	₱4,870,327	₱2,555,236
Depreciation expense (see Note 24)	(1,382,387)	(1,382,387)
	₱3,487,940	₱1,172,849

As at December 31, 2023 and 2022, no investment properties have been pledged as collateral or security for any of the Company's liabilities and the Company has no restriction on the realizability of its investment properties and no contractual obligation to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

16. Other Noncurrent Assets

	2023	2022
Refundable deposits	₱89,476,868	₱26,149,295
Software costs	59,373,091	103,860,686
Restricted cash	51,393,686	52,722,572
Investments in artworks	9,454,000	9,454,000
Deferred input VAT	9,323,351	20,229,371
Guarantee deposits	2,162,420	2,162,420
Others	76,515	76,515
	₱221,259,931	₱214,654,859

Refundable deposits pertain to the deposits made to various electric companies across the country.

Software costs relate to software applications and website development costs, which provide an edge on the Company's online presence and other software issues.

The movements in software costs follows:

	2023	2022
Cost:		
Balance at beginning of year	₱678,384,108	₱658,606,671
Additions during the year	10,811,872	18,247,234
Reclassifications during the year (see Note 13)	–	1,530,203
Balance at end of year	689,195,980	678,384,108
Accumulated amortization:		
Balance at beginning of year	₱574,523,422	₱501,495,600
Amortization during the year (see Note 24)	55,299,467	73,027,822
Balance at end of year	629,822,889	574,523,422
	₱59,373,091	₱103,860,686



Restricted cash pertains to time deposits under the custody of the courts as collateral for pending litigation.

Investment in artworks are paintings and other works of art usually displayed in the Company's hallways.

Deferred input VAT pertains to the VAT on the Company's acquisitions of capital goods exceeding ₱1.00 million in any given month which are to be amortized over the 60 months or the life of the asset whichever is shorter.

Guarantee deposits pertain to deposits to telephone companies as well as building/office rental deposits to be used for the Company's programs. Also included are deposits to the satellite providers.

17. Trade Payables and Other Current Liabilities

	2023	2022
Payable to government agencies	₱1,127,098,307	₱1,198,076,152
Accrued expenses:		
Utilities and other accrued expenses	397,712,231	230,920,238
Production costs	222,531,535	178,901,372
Payroll and talent fees	219,160,229	107,605,655
Ploughback	155,292,745	154,257,660
Commissions	66,103,288	52,482,407
Trade:		
Suppliers	544,576,573	516,509,613
Related parties (see Note 21)	121,431,832	332,003,232
Contract liabilities	179,847,077	369,438,827
Customers' deposits	61,439,738	52,596,783
Others	32,682,360	27,340,333
Due to related parties (see Note 21)	2,560,602	2,346,686
	₱3,130,436,517	₱3,222,478,958

Payable to government agencies is composed of the Company's statutory compensation-related contributions to government agencies and net VAT and withholding taxes payable to the Bureau of Internal Revenue (BIR). The difference between the accrual accounting under the accounting standards and cash-basis accounting as prescribed by the BIR for service-related companies caused the Company to normally incur deferred output VAT which forms a substantial part of the Company's payable to government agencies. These payables are remitted within 30 days after reporting period.

Accrued expenses and other payables are noninterest-bearing and are generally settled within the next financial year.

Trade payables to suppliers are noninterest-bearing and are normally settled on terms ranging from seven to 60 days. The terms and conditions of trade payables to related parties are discussed in Note 21.



Contract liabilities pertain to payments received before broadcast and before delivery of goods and services. These are recognized as revenue when the Company performs the obligation under the contract. The total beginning balance of contract liabilities amounting to ₱369.44 million was recognized as revenue for the year ended December 31, 2023. This account also includes contract liabilities of ₱22.00 million resulting from airtime credits that have not been implemented resulting from the exchange of the Company's interests in X-Play in 2015.

Customers' deposits include guaranty deposits from advertising agencies to secure payment of bills by advertisers. These deposits are noninterest-bearing and normally refunded once the related broadcasts are paid by the advertisers. It also includes deposits from the Company's lessees upon inception of the lease agreements.

Others include unpaid subscriptions and retention payables. These are noninterest-bearing and are normally settled within one year.

18. Short-term Loans

The Company obtained unsecured short-term peso and United States Dollar (USD) denominated loans from local banks in 2023 and 2022. Details and movements of the short-term loans are as follows:

	2023	2022
Balance at beginning of year	₱-	₱739,485,500
Availments	3,500,000,000	1,000,000,000
Payments	(2,000,000,000)	(1,685,850,000)
Revaluation	-	(53,635,500)
Balance at end of year	₱1,500,000,000	₱-

The outstanding loans as at December 31, 2023 consist of fixed rate notes with the following details:

Lender	Currency	Interest Rate (per annum)	Terms	2023	2022
BPI	Php	6.30%	Availed in 2023; payable in 330 days	₱500,000,000	₱-
BPI	Php	6.30%	Availed in 2023; payable in 300 days	₱500,000,000	₱-
BDO	Php	6.30%	Availed in 2023; payable in 273 days	₱500,000,000	₱-

There is no outstanding loan as at December 31, 2022.

Interest expense amounted to ₱119.55 million and ₱9.56 million for peso denominated loans in 2023 and 2022, respectively, and nil and ₱2.78 million for USD denominated loans in 2023 and 2022, respectively.



19. Obligations for Program and Other Rights

Obligations for program and other rights represent liabilities to foreign and local film suppliers for program and other rights purchased by the Company. Outstanding unpaid balance as at December 31, 2023 and 2022 are as follows:

	2023	2022
Obligations for program and other rights	₱357,060,915	₱209,171,643
Less: Current portion	347,903,020	209,171,643
Noncurrent portion of obligations for program and other rights	₱9,157,895	₱-

Obligations for program and other rights are generally payable in equal monthly or quarterly installments.

20. Equity

a. Capital Stock

Details of capital stock as at December 31, 2023 and 2022:

	No. of Shares	Amount
Common - ₱1.00 par value		
Authorized	5,000,000,000	₱5,000,000,000
Subscribed and issued	3,364,692,000	₱3,364,692,000
Preferred - ₱0.20 par value		
Authorized	7,500,000,000	₱1,500,000,000
Subscribed and issued	7,500,000,000	₱1,500,000,000

The cumulative preferred shares are of equal rank, preference and priority and are identical in all respect regardless of series. Preferred shares are participating at the rate of one fifth (1/5) of the dividends paid to common shares, the rate of which is adjusted proportionately by the Company's BOD consequent to any stock split or stock dividend declaration affecting the common shares and preferred shares. Preferred shares are convertible at the option of the shareholders at the ratio of five preferred shares to one common share, based on par value.

Preferred shares enjoy priority over common shares in the distribution of assets of the Company in the event of dissolution and liquidation, at such rates, terms and conditions as the BOD may determine. Each preferred share is entitled to one vote and shall have the same voting rights as the common shares.

The Company's BOD may specify other terms and conditions, qualifications, restrictions and privileges of the preferred shares or series/classes thereof, insofar as such terms, conditions, qualifications, restrictions and privileges are not inconsistent with the articles of incorporation and any applicable law or regulation.



The following summarizes the information on the Company's registration of securities with the SEC, which was approved on June 20, 2007, as required by Revised Securities Regulation Code (SRC) Rule 68:

Securities	Authorized and issued shares	Issue/Offer Price
Initial public offering	91,346,000	₱8.50
Underlying common shares of PDRs	945,432,000	8.50
Over-allotment common shares	13,701,000	8.50
Common shares covering employee stock option plan	57,000,000	8.50

In prior years, the Company has acquired 750,000 PDRs issued by GMA Holdings, Inc. at acquisition cost of ₱5.79 million. In as much as each PDR share grants the holder, upon payment of the exercise price and subject to certain other conditions, the delivery of one (1) Company share or the sale and delivery of the proceeds of such sale of Company share, such PDRs held by the Company is being treated similar to a treasury shares.

On October 4, 2021, the Company's BOD approved to contribute its treasury common and preferred shares and PDRs to the Company's retirement plan. The contribution of the 3,645,000 treasury common shares and 492,816 treasury preferred shares was executed on December 31, 2021 at a transaction price of ₱13.90 per share and ₱2.77 per share, respectively. As the preferred shares are unlisted, the transaction price was based on the market price of the Company's listed common shares on the transaction date, with the value of the treasury preferred shares computed based on the ratio of 1:5 preferred shares to common shares. The contribution of the 750,000 PDRs was executed on December 20, 2021 at a transaction price of ₱13.02 per share, which resulted to additional paid-in capital amounted to ₱27.52 million.

The total number of shareholders is 1,632 and 1,643 as at December 31, 2023 and 2022, respectively.

b. Retained Earnings

The BOD of the Company approved the declaration of the following cash dividends:

Year	Declaration Date	Record Date	Cash Dividend Per Share	Total Cash Dividend Declared
2023	March 31, 2023	April 21, 2023	₱1.10	₱5,351,161,200
2022	March 25, 2022	April 25, 2022	₱1.45	₱7,053,803,401

The Company's outstanding dividends payable amounts to ₱34.69 million and ₱30.53 million as at December 31, 2023 and 2022, respectively.

On April 3, 2024, the Parent Company's BOD approved the declaration and distribution of cash dividends amounting to ₱0.60 per share totaling ₱2,918.82 million to all stockholders of record as at April 24, 2024 and will be paid starting May 14, 2024.



21. Related Party Disclosures

Parties are considered to be related if one party has the ability, directly and indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individual or corporate entities.

Outstanding balances at year-end are unsecured and settlement occurs in cash throughout the financial year. There have been no guarantees provided or received for any related party receivables or payables.

For years ended December 31, 2023 and 2022, the Company has not recorded any impairment of receivables on amounts owed by the related parties. The assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

In the ordinary course of business, the Company transacts with subsidiaries, affiliate, joint venture and other related parties on advances, reimbursement of expenses, and future stock subscriptions.

The transactions and balances of accounts as at and for the years ended December 31, 2023 and 2022 with related parties are as follows:

Related Party	Category	Year	Amount/Volume of Transaction	Outstanding Receivable (Payable)	Terms and Conditions
Trade payables and other current liabilities (see Note 17)					
Subsidiaries					
RGMA	Production cost/service fees	2023	₱-	₱-	30-60 day noninterest-bearing;
		2022	249,729,986	(35,919,562)	unsecured
GMPI	Marketing fees and commissions	2023	-	-	60-day noninterest-bearing;
		2022	-	(106,549,948)	unsecured
GNMI	Technical support and website administration	2023	157,105,410	(63,799,364)	30-60 day noninterest-bearing;
		2022	121,065,697	(136,547,967)	unsecured
Media Merge	Share in digital income	2023	-	-	30-60 day noninterest-bearing;
		2022	-	(3,198,846)	unsecured
Script2010	Production cost/service fees	2023	132,153,651	(33,692,858)	On demand, noninterest-bearing;
		2022	121,365,011	(31,943,752)	unsecured
Alta	Production cost/service fees	2023	105,410,352	(18,999,993)	Noninterest-bearing;
		2022	78,021,478	(12,582,027)	unsecured
GWI	Management fee and distribution expenses	2023	-	(3,925,824)	30-day noninterest-bearing;
		2022	-	(3,925,824)	unsecured
GMA Music	Production cost/service fees	2023	1,899,296	(1,013,793)	30-60 day noninterest-bearing
		2022	1,335,306	(1,335,306)	unsecured
		2023	₱396,568,709	(₱121,431,832)	
		2022	₱571,517,478	(₱332,003,232)	
Nontrade payables (see Note 17)					
Subsidiaries					
Script2010	Reimbursable charges	2023	₱-	(₱1,878,486)	Noninterest-bearing;
		2022	-	(1,878,486)	unsecured
RGMA	Reimbursable charges	2023	-	(247,116)	Noninterest-bearing;
		2022	-	-	unsecured
Scenarios	Reimbursable charges	2023	-	(435,000)	Noninterest-bearing;
		2022	-	(435,000)	unsecured
GMPI	Reimbursable charges	2023	33,200	-	Noninterest-bearing;
		2022	-	(33,200)	unsecured
		2023	₱33,200	(₱1,560,602)	
		2022	₱-	(₱2,346,686)	

(Forward)



Related Party	Category	Year	Amount/Volume of Transaction	Outstanding Receivable (Payable)	Terms and Conditions
Other related parties					
Belo, Gozon, Elma Legal, Consulting fee and others		2023	₱15,252,469	(₱414,000)	On demand, noninterest-bearing; unsecured
Law		2022	15,416,907	–	–
GMA Kapuso Foundation	Donations	2023	2,984,581	–	On demand, noninterest-bearing; unsecured
		2022	672,065	–	–
		2023	₱18,237,050	(₱414,000)	
		2022	₱16,088,972	₱–	
Other trade receivables (see Note 7)					
Subsidiaries					
GNMI	Online advertising	2023	₱413,949,877	₱109,292,886	30-60 day; noninterest-bearing; unsecured; not impaired
		2022	351,684,824	139,382,923	–
GMA Music	Sale of Affordabox and Now	2023	14,820,400	2,690,446	30-60 day; noninterest-bearing; unsecured; not impaired
		2022	10,102,400	16,582,914	–
		2023	₱428,770,277	₱111,983,332	
		2022	₱361,787,224	₱155,965,837	
Nontrade receivables (see Note 7)					
Subsidiaries					
Script2010	Reimbursable charges	2023	₱2,681,488	₱28,872,192	On-demand, noninterest-bearing; unsecured; not impaired
		2022	1,674,610	26,190,705	–
GNFI	Reimbursable charges	2023	12,182,205	41,351,983	On-demand, noninterest-bearing; unsecured; not impaired
		2022	619,121	29,169,778	–
GMA Music	Reimbursable charges	2023	312,523	143,409	On-demand, noninterest-bearing; unsecured; not impaired
		2022	175,154	6,090,258	–
Scenarios	Reimbursable charges	2023	–	5,507,145	On-demand, noninterest-bearing; unsecured; not impaired
		2022	–	5,508,645	–
Media Merge	Reimbursable charges	2023	–	–	On-demand, noninterest-bearing; unsecured; not impaired
		2022	–	1,296,875	–
Alta	Reimbursable charges	2023	–	–	On-demand, noninterest-bearing; unsecured; not impaired
		2022	–	186,874	–
RGMA	Reimbursable charges	2023	–	81,513	On-demand, noninterest-bearing; unsecured; not impaired
		2022	–	300,485	–
GMPI	Reimbursable charges	2023	–	34,362	On-demand, noninterest-bearing; unsecured; not impaired
		2022	–	34,362	–
GVI	Reimbursable charges	2023	–	–	On-demand, noninterest-bearing; unsecured; not impaired
		2022	359,227	311,271	–
GNMI	Reimbursable charges	2023	2,436,048	2,501,200	On-demand, noninterest-bearing; unsecured; not impaired
		2022	65,152	65,152	–
Other related parties					
GMA Kapuso Foundation	Reimbursable charges	2023	1,305,176	1,305,176	On demand, noninterest-bearing; unsecured; not impaired
		2022	960,433	2,038,381	–
		2023	₱18,917,440	₱79,796,980	
		2022	₱3,853,697	₱71,192,786	
Other nontrade receivables (see Note 7)					
Subsidiaries					
GNMI	Dividend income	2023	₱110,000,000	₱1,700,000	On-demand, noninterest-bearing; unsecured; not impaired
		2022	110,000,000	56,700,000	–
Alta	Dividend income	2023	6,500,000	–	On-demand, noninterest-bearing; unsecured; not impaired
		2022	3,500,000	–	–

(Forward)



Related Party	Category	Year	Amount/Volume of Transaction	Outstanding Receivable (Payable)	Terms and Conditions
RGMA	Dividend income	2023	₱17,150,000	₱-	On-demand, noninterest-bearing; unsecured; not impaired
		2022	36,260,000	-	
GMA Music	Dividend income	2023	3,000,000	-	On-demand, noninterest-bearing; unsecured; not impaired
		2022	550,000	-	
Citynet	Dividend income	2023	-	6,000,000	On-demand, noninterest-bearing; unsecured; not impaired
		2022	14,000,000	8,000,000	
			₱136,650,000	₱7,700,000	
			₱164,310,000	₱64,700,000	

Advances to investees (see Note 12)

Subsidiaries					
Citynet	Advances	2023	₱-	₱118,934,402	60-day noninterest-bearing; fully impaired
		2022	-	118,934,402	
GNFI	Advances	2023	-	44,511,314	On-demand, noninterest-bearing; unsecured; not impaired
		2022	-	44,511,314	
GMA Music	Advances	2023	-	-	On-demand, noninterest-bearing; unsecured; not impaired
		2022	-	1,268,033	
Scenarios	Advances	2023	-	1,014,090	On-demand, noninterest-bearing; unsecured; not impaired
		2022	-	1,014,090	
Associate					
Mont-aire	Advances	2023	821,086	100,439,294	On-demand, noninterest-bearing; unsecured; not impaired
		2022	86,482	99,618,208	
Joint venture					
INQ7	Advances	2023	-	11,544,000	On-demand, noninterest-bearing; unsecured; fully impaired
		2022	-	11,544,000	
			₱821,086	₱276,443,100	
Allowance for impairment			2023	(176,003,806)	
			₱821,086	₱100,439,294	
			₱86,482	₱276,890,047	
Allowance for impairment			2022	(176,003,805)	
			₱86,482	₱100,886,242	

The following table provides the summary of outstanding balances, before any allowance for impairment, for the years ended December 31, 2023 and 2022 in relation with the table above for the transactions that have been entered into with related parties:

	2023	2022
Advances to investees (see Note 12)	₱276,443,100	₱276,890,047
Trade payables and other current liabilities (see Note 17)	121,431,832	332,003,232
Other trade receivables (see Note 7)	111,983,332	155,965,837
Nontrade receivables (see Note 7)	79,796,980	71,192,786
Other nontrade receivables (see Note 7)	7,700,000	64,700,000
Nontrade payables (see Note 17)	2,560,602	2,346,686

The advances made by the Company to Mont-Aire in previous years are intended for future capital subscription.



Accumulated impairment loss on advances amounted to ₱176.00 million as at December 31, 2023 and 2022.

Compensation of Key Management Personnel

The compensation of key management personnel of the Company, by benefit type, are as follows:

	2023	2022
Salaries and other long-term benefits (see Note 24)	₱859,577,375	₱960,150,503
Pension benefits (see Notes 23 and 24)	188,852,247	185,678,420
	₱1,048,429,622	₱1,145,828,923

Pension costs under OCI amounted to ₱5.77 million and ₱323.82 million as at December 31, 2023 and 2022, respectively.

Equity Investments of the Retirement Fund

The Company's retirement fund includes equity investments in GMA Network, Inc. and GMA PDRs amounting to ₱551.63 million and ₱6.23 million in 2023, respectively, and ₱757.31 million and ₱7.95 million in 2022, respectively (see Note 26).

22. Revenues

Set out below is the disaggregation of the Company's revenues from contract with customers for the year ended December 31:

	2023	2022
Revenue source:		
Sale of service		
Advertising revenue	₱15,690,735,602	₱19,366,722,294
Digital Income	1,276,227,292	624,352,804
Subscription revenue (see Note 28)	728,396,019	774,865,805
Production revenue	120,896,337	122,693,060
Revenue from distribution and content provisioning	177,122,824	34,131,054
Sale of goods	305,737,714	326,999,166
Total revenue from contracts with customers	₱18,299,115,788	₱21,249,764,183
Geographical markets		
Local	₱17,488,323,405	₱20,387,701,312
International	810,792,383	862,062,871
Total revenue from contracts with customers	₱18,299,115,788	₱21,249,764,183
Timing of revenue recognition		
Goods/services transferred at a point in time	₱17,427,300,003	₱20,474,898,378
Services transferred over time	871,815,785	774,865,805
Total revenue from contracts with customers	₱18,299,115,788	₱21,249,764,183



23. Production Costs

	2023	2022
Talent fees and production personnel costs (see Note 25)	₱4,013,489,058	₱3,751,864,553
Program and other rights usage (see Note 8)	1,191,479,396	868,739,716
Facilities and production services	923,866,640	1,340,112,509
Rental (see Note 28)	788,464,890	520,268,872
Depreciation (see Notes 13 and 24)	564,756,003	492,742,402
Tapes, sets and production supplies	417,349,242	338,185,858
Transportation and communication	149,544,402	308,521,022
	₱8,048,949,631	₱7,620,434,932

24. General and Administrative Expenses

	2023	2022
Personnel costs (see Note 25)	₱3,625,417,913	₱3,739,934,007
Communication, light and water	387,600,551	388,575,788
Professional fees	278,591,020	332,373,337
Repairs and maintenance	272,103,703	273,385,291
Depreciation (see Notes 13, 15 and 28)	232,345,531	179,582,005
Taxes and licenses	218,861,583	376,758,783
Advertising	185,497,062	168,896,071
Software maintenance	149,121,985	123,428,128
Provision for impairment of investment (see Note 12)	126,323,324	-
Research and surveys	113,900,352	99,517,215
Security services	75,869,177	71,201,924
Facilities related expenses	58,600,492	65,892,695
Amortization of software costs (see Note 16)	55,299,467	73,027,822
Transportation and travel	51,513,103	49,069,975
Marketing expense	45,097,087	72,645,411
Insurance	36,422,124	30,026,844
Dues and subscription	33,528,660	31,486,231
Rental (see Note 28)	19,699,158	22,195,653
Materials and supplies	11,901,799	11,510,420
Entertainment, amusement and recreation	8,137,955	7,807,389
Others	239,426,818	297,568,116
	₱6,225,258,864	₱6,414,883,105

Others include expenses incurred for other manpower, janitorial and messengerial services, freight charges, donations and other miscellaneous expenses.



Depreciation

	2023	2022
Property and equipment (see Notes 13 and 23)		
Production costs	₱544,466,614	₱474,023,369
General and administrative expenses	221,633,896	166,352,731
	766,100,510	640,376,100
Right-of-use assets (see Notes 23 and 28)		
Production costs	20,289,389	18,719,033
General and administrative expenses	9,329,248	11,846,886
Investment properties (see Note 15)		
General and administrative expenses	1,382,387	1,382,387
	₱797,101,534	₱672,324,406

25. Personnel Costs

	2023	2022
Talent fees and production personnel costs (see Note 23)	₱4,013,489,058	₱3,751,864,553
Salaries and wages	2,116,885,918	1,920,542,757
Employee benefits and allowances	821,057,370	1,057,048,964
Pension expense (see Note 26)	679,722,616	646,917,398
Sick and vacation leaves expense (see Note 26)	7,752,009	115,424,888
	₱7,638,906,971	₱7,491,798,560

The above amounts were distributed as follows:

	2023	2022
Production costs (see Note 23)	₱4,013,489,058	₱3,751,864,553
General and administrative expenses (see Note 24)	3,625,417,913	3,739,934,007
	₱7,638,906,971	₱7,491,798,560

26. Pension and Other Long-term Employee Benefits

As at December 31, pension and other employee benefits consist of:

	2023	2022
Pension liability	₱5,130,296,483	₱4,730,284,079
Vacation and sick leave accrual	235,460,684	347,489,172
	₱5,365,757,167	₱5,077,773,251

Pension Benefits

The Company has non-contributory defined benefit retirement plan. The Company's latest actuarial valuation report is as at December 31, 2023.



Pension benefits recognized in the parent company statements of comprehensive income are as follows (see Note 25):

	2023	2022
Current service cost	₱337,111,657	₱445,095,454
Net interest cost	342,610,959	201,821,944
	₱679,722,616	₱646,917,398

Net pension liability recognized in the parent company statements of financial position is as follows:

	2023	2022
Present value of defined benefit obligation	₱6,338,044,815	₱6,568,114,469
Fair value of plan assets	1,207,748,332	1,837,830,390
	₱5,130,296,483	₱4,730,284,079

The changes in the present value of the defined benefit obligation are as follows:

	2023	2022
Balance at beginning of year	₱6,568,114,469	₱6,212,877,770
Current service cost	337,111,657	445,095,454
Interest cost	474,217,865	306,294,874
Benefits paid:		
from plan assets	(289,193,513)	(437,066,820)
from Company's own funds	(397,227)	(25,000,000)
Remeasurement loss (gain):		
Changes in financial assumptions	493,857,635	65,913,191
Changes in demographic assumptions	(184,682,078)	-
Experience adjustment	(1,060,983,993)	-
Balance at end of year	₱6,338,044,815	₱6,568,114,469

The changes in the fair value of plan assets are as follows:

	2023	2022
Balance at beginning of year	₱1,837,830,390	₱2,119,126,369
Contribution during the year	259,000,000	259,000,000
Interest income	131,606,906	104,472,930
Benefits paid	(289,193,513)	(437,066,820)
Remeasurement loss - return on plan assets	(731,495,451)	(207,702,089)
Balance at end of year	₱1,207,748,332	₱1,837,830,390

Remeasurement gain (loss) on retirement plans amounting to ₱15.23 million and (₱205.21 million) in 2023 and 2022 respectively, is reported under the statement of comprehensive income, net of deferred tax.

At each reporting period, the Company determines its contribution based on the performance of its retirement fund. The Company expects to contribute ₱259.00 million to the fund in 2024.

The funds are managed and supervised by Trustee banks for the benefits of the plan members. However, the general administration of the funds is vested in a Retirement Committee.



The following table presents the carrying amounts and estimated fair values of the plan assets:

	2023	2022
	Carrying Value/ Fair Value	Carrying Value/ Fair Value
Cash and cash equivalents	₱10,507,410	₱287,528,641
Equity instruments (see Note 21):		
GMA Network, Inc.	551,633,955	757,308,887
GMA PDRs	6,225,000	7,950,000
Debt instruments:		
Government securities	180,075,276	298,811,570
Investment in Unit Investment Trust Funds (UITFs)	286,598,679	310,985,475
Others	172,708,012	175,245,817
	₱1,207,748,332	₱1,837,830,390

The plan assets consist of the following:

- Cash and cash equivalents consist of regular savings and time deposits.
- Investments in equity instruments consist of listed shares of GMA Network, Inc. and GMA PDRs (see Note 21). Changes in the fair market value of these investments resulted to a ₱327.65 million loss and ₱140.72 million loss in 2023 and 2022, respectively.
- Investments in debt instruments bear interest ranging from 3.0% to 6.8% and have maturities from May 2024 to April 2032. Equity and debt instruments held have quoted prices in active market.
- Investment in UITFs are measured at their net asset value per unit.
- Others consist of loans and receivables which are collectible within the next twelve months.

The person who exercises voting rights over shares is within the powers of the Trustee, who do not have any relationship with the directors or officers of the Company.

The plan assets are primarily exposed to financial risks such as liquidity risk and price risk.

Liquidity risk pertains to the plan's ability to meet its obligation to the employees upon retirement. To effectively manage liquidity risk, the Board of Trustees invests at least the equivalent amount of actuarially computed expected compulsory retirement benefit payments for the year to liquid/semi-liquid assets such as treasury notes, treasury bills, and savings and time deposits with commercial banks.

The Company performs an Asset-Liability Matching Study (ALM) annually. The principal technique of the Company's ALM in order to minimize the portfolio liquidation risk is to ensure the expected return on assets will be sufficient to support the desired level of funding arising from the defined benefit plans.

Price risk pertains mainly to fluctuations in market prices of equity securities listed in the Philippine Stock Exchange. In order to effectively manage price risk, the Board of Trustees continuously assesses these risks by closely monitoring the market value of the securities and implementing prudent investment strategies.

However, in the event a benefit claim arises under the retirement plan and the retirement fund is not sufficient to pay the benefit, the unfunded portion of the claim shall immediately be due and payable to the retirement fund from the Company.



The principal assumptions used in determining pension liability for the Company's plans are shown below:

	2023	2022
Discount rate	6.07%	7.22%
Expected rate of salary increase	4.00%	4.00%
Turn-over rates		
19-24 years old	16.20%	12.38%
25-29 years old	13.78%	10.94%
30-34 years old	8.82%	9.31%
35-39 years old	5.84%	4.23%
40-44 years old	3.57%	2.55%
≥45 years old	4.24%	2.24%

The sensitivity analysis below has been determined by remeasuring the defined benefit obligation at the reporting period after first adjusting one of the current assumption that were reasonably possible at the valuation date while all other assumptions remained unchanged. It should be noted that the changes assumed to be reasonably possible at the valuation date are open to subjectivity, and do not consider more complex scenarios in which changes other than those assumed may be deemed to be more reasonable.

	Increase (Decrease) in Basis Points	Increase (Decrease) in Defined Benefit Obligation	
		2023	2022
Discount rate	50	(₱223,760,509)	(₱283,725,573)
	(50)	238,975,534	308,662,593
Expected rate of salary increase	50	242,688,422	326,240,688
	(50)	(229,133,546)	(306,266,768)

Shown below is the maturity analysis of the undiscounted benefit payments as at December 31, 2023:

Less than one year	₱1,309,810,611
More than 1 year to 3 years	887,958,699
More than 3 years to 5 years	924,157,092
More than 5 years to 10 years	4,010,178,525

Other Long-Term Employee Benefits

Other long-term employee benefits consist of accumulated and unexpired employee sick and vacation leave entitlements amounting to ₱235.46 million and ₱347.49 million as at December 31, 2023 and 2022. Expense related to cash conversion of leaves, included under personnel cost in the statements of comprehensive income, amounted to ₱7.75 million and ₱115.42 million in 2023 and 2022, respectively (see Note 25).



27. Others - Net

	2023	2022
Commission from Artists	₱176,350,038	₱104,475,309
Net gain on sale of property and equipment (see Note 13)	38,766,322	29,713,807
Music royalty	7,948,128	6,499,544
Rental income (see Notes 13, 15 and 28)	7,073,647	5,681,335
Merchandising license fees and others	13,564,234	3,846,755
Bank charges	(1,489,373)	(1,381,782)
	₱242,212,996	₱148,834,968

Merchandising license fees and others include income from mall shows, sale of DVDs and integrated receiver-decoders and income from events. Music royalty increased in 2023 due to remittance received from Filipino Society of Composers, Authors and Publishers (FILSCAP) for the use of the Company's music rights.

28. Agreements

Lease Agreements

Company as a Lessee. The Company entered into various lease agreements for land, building and studio spaces that it presently occupies and uses for periods ranging from two to 25 years. The lease agreements can be renewed subject to mutual agreement. Most of the lease agreements can be terminated at the option of the Company.

The Company also has certain leases with lease terms of 12 months or less. The Company applies the "short-term lease" recognition exemptions for these leases.

The rollforward analysis of right-of-use assets follows:

	2023		
	Right-of-use: Land	Right-of-use: Office Space	Right-of-use: Total
Cost			
Balance at beginning of year	₱188,940,713	₱79,263,564	₱268,204,277
Additions	4,080,531	6,304,543	10,385,074
Balance at end of year	193,021,244	85,568,107	278,589,351
Accumulated Depreciation			
Balance at beginning of year	60,688,848	48,169,611	108,858,459
Depreciation (see Notes 23 and 24)	13,782,735	15,835,902	29,618,637
Balance at end of year	74,471,583	64,005,513	138,477,096
Net Book Value	₱118,549,661	₱21,562,594	₱140,112,255



	2022		
	Right-of-use: Land	Right-of-use: Office Space	Right-of-use: Total
Cost			
Balance at beginning of year	₱120,680,583	₱70,530,973	₱191,211,556
Additions	68,260,130	8,732,591	76,992,721
Balance at end of year	188,940,713	79,263,564	268,204,277
Accumulated Depreciation			
Balance at beginning of year	41,652,744	36,639,796	78,292,540
Depreciation (see Notes 23 and 24)	19,036,104	11,529,815	30,565,919
Balance at end of year	60,688,848	48,169,611	108,858,459
Net Book Value	₱128,251,865	₱31,093,953	₱159,345,818

The rollforward analysis of lease liabilities follows:

	2023	2022
Balance at beginning of year	₱166,428,540	₱107,816,054
Additions	10,385,074	76,992,722
Accretion of interest	8,969,967	8,804,296
Payments	(29,827,245)	(27,184,532)
Balance at end of year	₱155,956,336	₱166,428,540

The rollforward analysis of dismantling provision follows:

	2023	2022
Balance at beginning of year	₱49,009,014	₱46,097,449
Accretion of interest	1,863,470	2,911,565
Balance at end of year	₱50,872,484	₱49,009,014

The following are the amounts recognized in the parent company statement of comprehensive income:

	2023	2022
Depreciation expense of right-of-use assets (see Notes 23 and 24)	₱29,618,637	₱30,565,919
Interest expense on lease liabilities	8,969,967	8,804,296
Interest expense on dismantling provision	1,863,470	2,911,565
Expense relating to short-term leases (included in "Production costs") (see Note 23)	788,464,890	520,268,872
Expense relating to short-term leases (included in "General and administrative expenses") (see Note 24)	19,699,158	22,195,653

Shown below is the maturity analysis of the undiscounted lease payments:

	2023	2022
1 year	₱25,608,023	₱26,289,659
more than 1 year to 2 years	23,679,499	24,155,689
more than 2 years to 3 years	18,377,136	22,190,081
more than 3 years to 4 years	16,151,332	16,803,585
More than 5 years	122,403,595	131,368,309



Total rental expense on short-term leases amounted ₱808.16 million and ₱542.46 million in 2023 and 2022, respectively (see Notes 23 and 24).

Company as Lessor. The Company leases out certain properties for a period of one year, renewable annually. The leased-out properties include investment properties and broadcasting equipment.

Total rental income amounted to ₱7.07 million and ₱5.68 million in 2023 and 2022, respectively (see Note 27).

Subscription Agreements

The Company entered into various subscription agreements with international cable providers for the airing of its programs and shows abroad. The agreements generally have terms of three to five years and are based on certain agreed service package rates.

Total subscription income amounted to ₱728.40 million and ₱774.87 million in 2023 and 2022, respectively (see Note 22).

Purchase Agreement for Set-top Boxes

In 2022, the Company entered into several contracts with Ablee Electronic Company Limited for the supply of set-top boxes with complete accessories. Total purchases amounted to ₱644.34 million in 2022.

29. Income Taxes

Current Income Tax

The current income tax consists of the following:

	2023	2022
Current - RCIT	₱1,045,014,876	₱1,927,570,165
Deferred	(84,022,875)	(129,257,206)
	₱960,992,001	₱1,798,312,959

The reconciliation between the statutory income tax rate and effective income tax rates on income before income tax is shown below:

	2023	2022
Statutory income tax	25.00%	25.00%
Additions (deductions) in income tax resulting from:		
Dividend income from investments	(0.85)	(0.57)
Nondeductible tax deficiency payments	-	0.35
Interest income already subjected to final tax	(0.14)	(0.03)
Nondeductible interest expense	0.04	0.01
Others - net	(0.04)	-
Effective income tax	24.01%	24.76%



Deferred Taxes

The components of the Company's net deferred tax assets are as follows:

	2023	2022
Deferred tax assets:		
Pension liability	₱1,224,441,738	₱1,124,438,637
Allowance for ECL	208,335,218	208,335,218
Other long-term employee benefits	52,212,217	80,219,339
Contract liabilities	44,961,769	92,359,707
Allowance for impairment of investments and advances	43,021,160	11,440,329
Lease liabilities	38,989,084	41,607,135
Unrealized loss on financial assets at FVOCI	12,327,098	14,638,501
Dismantling provision	12,718,121	12,252,253
Unrealized foreign exchange loss	3,781,629	-
	1,640,788,034	1,585,291,119
Deferred tax liabilities:		
Revaluation increment in land	(2,071,813,970)	(1,523,467,397)
Right-of-use assets	(35,028,064)	(39,836,454)
Unrealized foreign exchange gain	-	(16,327,921)
	(2,106,842,034)	(1,579,631,772)
Deferred tax assets (liabilities) - net	(₱466,054,000)	₱5,659,347

The components of net deferred tax liabilities pertaining to accounts presented under equity in the parent company statements of financial position are as follows:

	2023	2022
Deferred tax assets:		
Remeasurement loss on retirement plan	₱713,881,149	₱718,959,395
Unrealized loss on financial assets at FVOCI	12,327,098	14,638,501
	726,208,247	733,597,896
Deferred tax liability -		
Revaluation increment in land	(2,071,813,970)	(1,523,467,397)
	(₱1,345,605,723)	(₱789,869,501)

30. Financial Risk Management Objectives and Policies

The Company's principal financial instruments include cash and cash equivalents. The main purpose of these financial instruments includes raising financing for the Company's operations and managing identified financial risks. The Company has other financial assets and liabilities such as trade and other receivables, refundable deposits, trade payables and other current liabilities (excluding payable to government agencies, customers' deposits, contract liabilities, and advances from customers), short-term loans, obligations for program and other rights, dividends payable, other long-term employee benefits and lease liabilities which arise directly from its operations, and financial assets at FVOCI. The main risks arising from the use of financial instruments are liquidity risk, foreign currency exchange risk and credit risk. The Company is not exposed to interest rate risk as most of its financial assets and financial liabilities have fixed rates.



The BOD reviews and approves the Company's objectives and policies.

Liquidity Risk. The Company is exposed to the possibility that adverse changes in the business environment and/or its operations would result in substantially higher working capital requirements and subsequently pose difficulty in financing the additional working capital.

The Company manages liquidity risk by using its cash and cash equivalents from operations to meet its short-term liquidity needs. The Company likewise regularly evaluates other financing instruments and arrangements to broaden the Company's range of financing sources.

The tables below summarize the maturity profile of the Company's financial assets and financial liabilities based on contractual undiscounted payments as at December 31:

	2023				Total
	On Demand	Less than 3 Months	3 to 12 Months	More than 1 year	
Financial assets at amortized cost:					
Cash and cash equivalents	₱868,420,493	₱251,331,560	₱-	₱-	₱1,119,752,053
Trade receivables:					
Television and radio airtime	1,807,187,980	4,150,214,778	-	-	5,957,402,758
Subscriptions	-	163,937,081	-	-	163,937,081
Others	-	111,983,332	-	-	111,983,332
Nontrade receivables:					
Due from related parties	-	79,796,980	-	-	79,796,980
Others	-	30,558,474	-	-	30,558,474
Refundable deposits*	-	-	-	89,476,868	89,476,868
	2,675,608,473	4,787,822,205	-	89,476,868	7,522,907,546
Financial assets at FVOCI	-	-	-	156,509,189	156,509,189
	₱2,675,608,473	₱4,787,822,205	₱-	₱245,986,057	₱7,709,416,735
Loans and borrowings:					
Trade payables and other current liabilities**	₱529,045,725	₱1,190,937,557	₱42,068,113	₱-	₱1,762,051,395
Short-term loans	-	1,500,000,000	-	-	1,500,000,000
Obligations for program and other rights	-	347,903,020	-	-	347,903,020
Lease liabilities***	-	19,624,120	5,983,903	180,611,563	206,219,586
Dividends payable	34,686,856	-	-	-	34,686,856
	563,732,581	3,058,464,697	48,052,016	180,611,563	3,850,860,857
Liquidity portion (Gap)	₱2,111,875,892	₱1,729,357,508	(₱48,052,016)	₱65,374,494	₱3,858,555,878

	2022				Total
	On Demand	Less than 3 Months	3 to 12 Months	More than 1 year	
Financial assets at amortized cost:					
Cash and cash equivalents	₱1,851,265,273	₱655,027,254	₱-	₱-	₱2,506,292,527
Trade receivables:					
Television and radio airtime	2,794,657,864	2,688,876,933	-	-	5,483,534,797
Subscriptions	23,508,436	178,742,694	-	-	202,251,130
Others	-	155,965,837	-	-	155,965,837
Nontrade receivables:					
Due from related parties	-	71,192,786	-	-	71,192,786
Others	-	105,952,176	-	-	105,952,176
Refundable deposits*	-	-	-	26,149,296	26,149,296
	4,669,431,573	3,855,757,680	-	26,149,296	8,551,338,549
Financial assets at FVOCI	-	-	-	129,758,984	129,758,984
	₱4,669,431,573	₱3,855,757,680	₱-	₱155,908,280	₱8,681,097,533

(Forward)



	2022				Total
	On Demand	Less than 3 Months	3 to 12 Months	More than 1 year	
Loans and borrowings:					
Trade payables and other current liabilities**	₱512,273,823	₱1,055,775,984	₱34,317,390	₱-	₱1,602,367,197
Obligations for program and other rights	-	209,171,642	-	-	209,171,642
Lease liabilities***	-	8,052,461	18,237,198	194,517,664	220,807,323
Dividends payable	30,525,952	-	-	-	30,525,952
	542,799,775	1,273,000,087	52,554,588	194,517,664	2,062,872,114
Liquidity portion (Gap)	₱4,126,631,798	₱2,582,757,593	(₱52,554,588)	(₱38,609,384)	₱6,618,225,419

*Included under "Other noncurrent assets" account in the parent company statements of financial position (see Note 16).

**Excluding payable to government agencies, contract liabilities and customer deposits amounting to ₱1,620.11 million which are not considered as financial liabilities. (See Note 17)

***Gross contractual payments.

Foreign Currency Exchange Risk. Foreign currency exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. The Company's exposure to foreign currency exchange risk results from certain business transactions denominated in foreign currencies. It is the Company's policy to ensure that capabilities exist for active but conservative management of its foreign currency exchange risk.

The Company's foreign currency-denominated monetary assets and liabilities are as follows:

	2023		2022	
	Foreign Currency	Local Currency	Foreign Currency	Local Currency
Assets				
Cash and cash equivalents	\$4,298,720	₱238,020,153	\$6,514,072	₱363,224,637
	C\$102,347	4,298,986	C\$166,862	6,881,384
Trade receivables	\$2,517,087	139,368,048	\$3,628,902	202,347,585
	C\$791,162	33,231,905	C\$478,316	19,725,742
	S\$289,532	12,186,337	S\$198,925	8,271,299
	A\$20,727	786,533	A\$22,947	867,410
	DH45,083	682,162	DH44,644	682,162
Short-term investments	\$746,464	41,331,694	\$-	-
		469,905,818		602,000,219
Liabilities				
Trade payables	\$1,461,137	80,903,156	\$817,852	45,603,440
	€1,141,705	70,184,945	€81,586	4,858,455
	S\$-	-	S\$2,055	85,447
	C\$2,000	84,008	C\$-	-
	G£2,470	174,775	G£-	-
Obligations for program and other rights	\$5,686,614	314,867,836	\$2,557,785	142,622,092
		₱466,214,720		₱193,169,434
		₱3,691,098		₱408,830,785

In translating the foreign currency-denominated monetary assets and liabilities into Philippine peso amounts, the exchange rates used were ₱55.37 to \$1.00 and ₱55.76 to \$1.00, the Philippine peso to U.S. dollar exchange rate as at December 31, 2023 and 2022, respectively. The exchange rates for Philippine peso to Canadian dollar were ₱42.00 to CAD\$1.00 and ₱41.24 to CAD\$1.00 as at December 31, 2023 and 2022. The peso equivalents for the Singaporean Dollar, Japan Yen, Australian Dollar, Dirham and Euro were ₱42.09, ₱0.39, ₱37.95, ₱15.13, and ₱61.47 and ₱41.58, ₱0.42, ₱37.80, ₱15.28, and ₱59.55, at December 31, 2023 and 2022, respectively.



The following table demonstrates the sensitivity to a reasonably possible change in the exchange rates, with all other variables held constant, of the Company's income before income tax from reporting period up to next reporting period (due to changes in the fair value of monetary assets and liabilities). There is no impact on the Company's equity other than those already affecting profit or loss.

	Appreciation/ Depreciation of Peso	Effect on Income before Income Tax							Total
		EUR	USD	CAD	SGD	AUD	AED	GBP	
2023	0.50 (0.50)	₱570,853 (570,853)	₱1,668,397 (1,668,397)	₱447,755 (447,755)	₱144,766 (144,766)	₱10,364 (10,364)	₱22,541 (22,541)	₱1,235 (1,235)	₱2,865,911 (2,865,911)
2022	0.50 (0.50)	₱40,793 (40,793)	₱3,383,668 (3,383,668)	(₱322,589) 322,589	(₱98,435) 98,435	(₱11,474) 11,474	(₱22,322) 22,322	– –	₱2,969,642 (2,969,642)

Credit Risk. Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. It is the Company's policy to enter into transactions with a diversity of creditworthy parties to mitigate any significant concentration of credit risk.

The Company ensures that sales of products and services are made to customers with appropriate credit history. The Company has an internal mechanism to monitor the granting of credit and management of credit exposures. The Company has made provisions, where necessary, for potential losses on credits extended. The Company's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amount of the instruments. The Company does not require any collateral for its financial assets, thus, maximum exposure to credit risk is equal to the carrying value of the financial instruments.

The table below shows the maximum exposure to credit risk for the components of the parent company financial position as at December 31:

	2023	2022
Financial assets at amortized cost:		
Cash and cash equivalents*	₱910,226,765	₱2,062,037,698
Trade receivables:		
Television and radio airtime	5,957,402,756	5,483,534,797
Subscriptions	163,937,082	202,251,130
Others	111,983,332	155,965,837
Nontrade receivables:		
Due from related parties	79,796,980	71,192,786
Others	30,558,474	105,952,176
Refundable deposits**	89,476,868	26,149,296
	7,343,382,257	8,107,083,720
Financial assets at FVOCI	156,509,189	129,758,984
	₱7,499,891,446	₱8,236,842,704

*Excluding cash on hand amounting to ₱202.03 million and ₱436.75 million as at December 31, 2023 and 2022, respectively.

** Included under "Other noncurrent assets" account in the parent company statements of financial position (see Note 16).

The maximum exposure for cash and cash equivalents (excluding cash on hand) is the carrying amount less insured amount by the Philippine Deposit Insurance Corporation equivalent to the actual cash balance to a maximum of ₱0.50 million per depositor per bank. The maximum exposure of trade and non-trade receivables and refundable deposits is equal to its carrying amount.



Credit quality of Financial Assets, Other than Trade Receivables

The financial assets of the Company are grouped according to stage whose description is explained as follows:

Stage 1 - Those that are considered current and up to 120 past due and based on change in rating delinquencies and payment history, do not demonstrate significant increase in credit risk.

Stage 2 - Those that, based on change in rating, delinquencies and payment history, demonstrate significant increase in credit risk, and/or are considered more than 120 to 360 days past due but does not demonstrate objective evidence of impairment as of reporting date.

Stage 3 - Those that are considered in default or demonstrate objective evidence of impairment as of reporting date.

The credit quality of the Company's financial assets are as follows:

	2023			Total
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	
Financial assets at amortized cost				
Cash and cash equivalents*	₱910,226,765	₱-	₱-	₱910,226,765
Nontrade receivables:				
Due from related parties	79,796,980	-	-	79,796,980
Others	30,558,474	-	-	30,558,474
Refundable deposits**	89,476,868	-	-	89,476,868
	1,110,059,087	-	-	1,110,059,087
Financial assets at FVOCI	156,509,189	-	-	156,509,189
	₱1,266,568,276	₱-	₱-	₱1,266,568,276

*Excluding cash on hand amounting to ₱202.03 million as at December 31, 2023.

** Included under "Other noncurrent assets" account in the parent company statements of financial position

	2022			Total
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	
Financial assets at amortized cost				
Cash and cash equivalents*	₱2,062,037,698	₱-	₱-	₱2,062,037,698
Nontrade receivables:				
Due from related parties	71,192,786	-	-	71,192,786
Others	105,952,176	-	-	105,952,176
Refundable deposits**	26,149,295	-	-	26,149,295
	2,265,331,955	-	-	2,265,331,955
Financial assets at FVOCI	129,758,984	-	-	129,758,984
	₱2,395,090,939	₱-	₱-	₱2,395,090,939

*Excluding cash on hand amounting to ₱436.75 million as at December 31, 2022.

** Included under "Other noncurrent assets" account in the parent company statements of financial position

Credit Quality of Trade Receivables

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segment with similar loss patterns (i.e., by customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.



Set out below is the information about the credit risk exposure of the Company's trade receivables using provision matrix:

	2023						
	Current	Days past due					Total
		0-30 days	31-60 days	61-90 days	91-360 days	Over 360 days	
Expected credit loss rate	0.46%	1.41%	5.72%	8.04%	19.61%	96.89%	
Total gross carrying amount	₱4,430,235,797	₱864,232,758	₱377,615,285	₱195,069,715	₱654,479,365	₱655,386,575	₱7,177,019,495
Expected credit loss	20,552,979	12,161,707	21,584,158	15,692,947	128,356,534	634,992,544	833,340,870

	2022						
	Current	Days past due					Total
		0-30 days	31-60 days	61-90 days	91-360 days	Over 360 days	
Expected credit loss rate	1.32%	3.62%	5.08%	12.73%	39.67%	39.10%	
Total gross carrying amount	₱3,200,730,427	₱1,077,331,783	₱578,820,457	₱228,742,372	₱490,581,770	₱1,276,030,789	₱6,852,237,598
Expected credit loss	42,352,539	39,010,699	29,384,259	29,115,274	194,596,022	498,882,078	833,340,870

Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, pay off existing debts, return capital to shareholders or issue new shares.

The Company is not subject to externally imposed capital requirements.

No changes were made in the objectives, policies or processes for the years ended December 31, 2023 and 2022.

The Company monitors its capital gearing by measuring the ratio of interest-bearing loan to total equity. The Company's interest-bearing loans, which are the short-term loans, amounted to ₱1,500.00 million and nil as at December 31, 2023 and 2022, respectively. The Company's total equity as at December 31, 2023 and 2022 amounted to ₱14,769.67 million and ₱15,405.08 million, respectively.

31. Fair Value Measurement

The table below presents the carrying values and fair values of the Company's assets and liabilities, by category and by class, as at December 31:

	2023			
	Carrying Value	Fair Value		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets				
<i>Assets Measured at Fair Value</i>				
Land at revalued amount	₱8,813,283,135	₱-	₱-	₱8,813,283,135
Financial assets at FVOCI	156,509,189	-	13,350,000	143,159,189
<i>Assets for which Fair Values are Disclosed</i>				
Investment properties	19,570,276	-	-	205,305,748
Financial asset at amortized cost - Refundable deposits*	89,476,868	-	-	89,476,868
	₱9,078,839,468	₱-	₱13,350,000	₱9,251,224,940

*Included under "Other noncurrent assets" account in the parent company statement of financial position (see Note 16).



	2022			
	Carrying Value	Quoted prices in active markets (Level 1)	Fair Value Significant observable inputs (Level 2)	Fair Value Significant unobservable inputs (Level 3)
Assets				
<i>Assets Measured at Fair Value</i>				
Land at revalued amount	P6,619,895,148	P-	P-	P6,619,895,148
Financial assets at FVOCI	129,758,984	-	7,000,000	122,758,984
<i>Assets for which Fair Values are Disclosed</i>				
Investment properties	20,952,663	-	-	141,239,748
Financial asset at amortized cost - Refundable deposits*	26,149,296	-	-	20,396,451
	P6,796,756,091	P-	P7,000,000	P6,904,290,331

*Included under "Other noncurrent assets" account in the parent company statement of financial position (see Note 16).

As at December 31, 2023 and 2022, the fair value of equity instruments in a listed entity is classified under Level 3 due to the investee Company's suspension of trading in the market.

The fair values of equity instruments in listed and non-listed companies classified under Level 3 were determined through asset-based approach. Asset-based approach is based on the value of all the tangible and intangible assets and liabilities of the company. Presented below are the significant unobservable inputs used in the net asset valuation of the Company's financial assets in 2023 and 2022:

Description	Unobservable Inputs	Range	
		2023	2022
Listed equity instrument:			
Casinos and gaming industry	Discount for lack of marketability	10%-30%	10%-30%
	Discount for lack of control	10%-30%	10%-30%
Non-listed equity instruments:			
Media and entertainment industry	Discount for lack of marketability	10%-30%	10%-30%
	Discount for lack of control	10%-30%	10%-30%

An increase (decrease) in the significant unobservable inputs used in the valuation of the equity investments will decrease (increase) the fair value of the equity investments.

Movements in the fair value of equity investments classified under Level 3 are as follows:

	2023	2022
Balance at beginning of year	P122,758,984	P113,854,903
Additions during the year	11,340,854	15,458,400
Fair value adjustment recognized under "Net unrealized gain (loss) on financial assets at FVOCI"	9,059,351	(6,554,319)
Balance at end of year	P143,159,189	P122,758,984

Fair Value Determination

The following methods and assumptions are used to estimate the fair value of each asset and liability for which it is practicable to estimate such value:



Cash and Cash Equivalents and Trade and Other Receivables

The carrying values of cash and cash equivalents and trade and nontrade receivables approximate their fair values primarily due to the relatively short-term maturity of these financial instruments.

Refundable Deposits

The fair value of refundable deposits is based on the present value of the future discounted cash flows. Discount rates used range from 3.26% to 4.44% in 2023 and 2022.

Financial assets at FVOCI

The Company's investments in club shares were based on prices readily available from brokers and other regulatory agencies as at reporting date (Level 2). The fair values of equity investments in listed and non-listed companies have been estimated using the net asset value model. The valuation using adjusted net asset approach requires the management to measure the fair value of the individual assets and liabilities recognized in an investee's statement of financial position as well as the fair value of any unrecognized assets and liabilities at the measurement date.

Investment Properties and Land at Revalued Amounts

The valuation for the disclosure of the fair value of investment properties and for the recognition land at revalued amounts were derived through market data approach based upon prices paid in actual market transactions. This approach relies on the comparison of recent sale transactions or offerings of similar properties which have occurred and/or offered with close proximity to the subject property adjusted based on certain elements of comparison (e.g. market conditions, location, physical condition and amenities). Significant unobservable valuation input in determining the fair value of investment properties includes adjusted price per square meter that ranges from ₱1,400 to ₱117,000. On the other hand, significant unobservable valuation input in determining the fair value of land at revalued amount includes adjusted price per square meter that ranges from ₱270 to ₱350,000.

Significant increases (decreases) in estimated price per square meter would result in a significantly higher (lower) fair value of the properties.

Trade Payables and Other Current Liabilities (excluding Payable to Government Agencies and Advances from Customers), Short-term Loans, Obligations for Program and Other Rights and Dividends Payable

The carrying values of trade payables and other current liabilities, short-term loans, current portion of obligations for program and other rights and dividends payable approximate their fair values due to the relatively short-term maturity of these financial instruments.

Lease liabilities

The fair value is based on the discounted value of future cash flows using the applicable rates for similar types of loans plus the applicable credit spread. Discount rates used ranged from 4.26% to 8.87% in 2023 and 3.39% to 6.78% in 2022.

Obligations for program and other rights

Estimated fair value is based on the discounted value of future cash flows using the applicable risk-free rates for similar types of loans adjusted for credit risk.



32. EPS

The computation of basic and diluted EPS follows:

	2023	2022
Net income of the Company (a)	₱3,042,378,741	₱5,463,995,346
Less attributable to preferred shareholders	938,100,112	1,684,791,765
Net income attributable to common equity holders of the Company (b)	₱2,104,278,629	₱3,779,203,581
Common shares issued at the beginning of year (Note 20)	3,364,692,000	3,364,692,000
Weighted average number of common shares for basic EPS (c)	3,364,692,000	3,364,692,000
Weighted average number of common shares	3,364,692,000	3,364,692,000
Effect of dilution - assumed conversion of preferred shares	1,500,000,000	1,500,000,000
Weighted average number of common shares adjusted for the effect of dilution (d)	4,864,692,000	4,864,692,000
Basic EPS (b/c)	₱0.625	₱1.123
Diluted EPS (a/d)	₱0.625	₱1.123

33. Supplemental Cash Flow Information

	January 1, 2023	Additions	Cash flows	Others	December 31, 2023
Short-term loans	₱-	₱3,500,000,000	(₱2,000,000,000)	₱-	₱1,500,000,000
Dividends payable	30,525,952	5,351,161,200	(5,347,000,296)	-	34,686,856
Lease liabilities	166,428,540	19,355,041	(29,827,245)	-	155,956,336
Accrued interest expense*	-	119,547,238	(117,534,738)	-	2,012,500
Total liabilities from financing activities	₱196,954,492	₱8,990,063,479	(₱7,494,362,279)	₱-	₱1,692,655,692

*Included under "Trade payables and other current liabilities" account in the statement of financial position (see Note 17).

	January 1, 2022	Additions	Cash flows	Others*	December 31, 2022
Short-term loans	₱739,485,500	₱1,000,000,000	(₱1,685,850,000)	(₱53,635,500)	₱-
Dividends payable	25,588,850	7,053,803,401	(7,048,866,299)	-	30,525,952
Lease liabilities	107,816,054	85,797,018	(27,184,532)	-	166,428,540
Accrued interest expense**	511,796	12,395,545	(12,907,341)	-	-
Total liabilities from financing activities	₱873,402,200	₱8,151,995,964	(₱8,774,808,172)	(₱53,635,500)	₱196,954,492

*Others pertain to revaluation of foreign currency denominated loans, accretion of interest and pre-termination of lease liabilities

**Included under "Trade payables and other current liabilities" account in the statement of financial position (see Note 17).



Non-cash activities

Significant non-cash investing activity in 2023 and 2022 pertains to the following:

- Additional revaluation increment of land at revalued amounts totaling to ₱2,193.39 million and ₱3,650.29 million, respectively.
- Additions to program rights on account. The outstanding balance of additions to program rights on account that was considered in the cashflows from operating activities amounted to ₱357.06 million and ₱209.17 million as at December 31, 2023 and 2022, respectively.

34. Supplementary Information Required by Revenue Regulations No. 15-2010

The Company reported and/or paid the following types of taxes in 2023:

a. Value-added Tax (VAT)

The Company's sales are subject to output VAT while its purchases from VAT-registered individuals or corporations are subject to input VAT. The VAT rate is 12%.

Output VAT

Net receipts and Output VAT declared in the Company's VAT returns for 2023:

	Gross Amount of Revenues	Output VAT
Subject to 12% VAT -		
Sale of Goods and Services	₱16,471,551,740	₱1,976,586,209
Zero-rated -		
Sale of Services	2,046,071,700	-
Sale to Government - Sale of Services	179,988,732	21,598,648
	<u>₱18,697,612,172</u>	<u>₱1,998,184,857</u>

The Company's sale of services as reported in the VAT returns is based on actual collections received. Hence, these may not be the same with the amount accrued in the parent company statements of comprehensive income.

Zero-rated sales are sales made to enterprises accredited by the Philippine Economic Zone Authority and non-resident foreign companies in accordance with Section 108 B (2) and (3) of the National Internal Revenue Code.

Input VAT

Beginning balance	₱20,229,371
Add current year's domestic purchases/payments for:	
Services	628,714,150
Goods other than capital goods	34,287,895
Capital goods subject to amortization	29,849,158
Services rendered by non-residents	133,283,918
Importation of goods other than capital goods	42,148,231
Total input VAT	888,512,723
Application against output VAT	879,189,371
Balance at end of year	<u>₱9,323,352</u>



b. Importations

The Company has incurred a total of ₱393.38 million import duties and taxes in which ₱61.48 million were paid in cash and applied ₱41.91 million as tax credit for the year ended December 31, 2023.

c. Documentary stamp tax

The Company has paid ₱14.30 million of documentary stamp tax on short-term rentals, intercompany advances and loans for the year ended December 31, 2023.

d. Other Taxes and Licenses

All other local and national taxes paid for the year ended December 31, 2023 consist of:

Business tax	₱138,176,803
Licenses and permits	36,431,153
Real property tax	18,141,710
Others	25,825,232
	<u>₱218,574,898</u>

e. Withholding Taxes

Withholding taxes paid and accrued and/or withheld for the year ended December 31, 2023 consist of:

	Paid	Accrued	Total
Withholding tax on compensation	₱673,208,426	₱80,648,186	₱753,856,612
Expanded withholding tax	314,613,488	30,564,739	345,178,227
Final withholding tax	213,214,918	15,558,141	228,773,059
Withholding VAT/Percentage tax	124,057,411	13,104,000	137,161,411
Fringe benefit tax	2,115,743	705,248	2,820,991
	<u>₱1,327,209,986</u>	<u>₱140,580,314</u>	<u>₱1,467,790,300</u>

f. Tax Assessments and Cases

As at December 31, 2023, the Company has open assessments for taxable years 2020, 2021, and 2022.





STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

April 3, 2024

Bureau of Internal Revenue
Large Taxpayers Service (RDO 126)
Quezon City

The Management of GMA Network, Inc., is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2023. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value-added tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, Management affirms that the attached audited financial statements for the year ended December 31, 2023 and the accompanying Annual Income Tax Return are in accordance with the books and records of GMA Network, Inc., complete and correct in all material respects. Management likewise affirms that:

- a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National International 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 the 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) GMA Network, Inc., has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

FELIPE L. GOZON
Chairman of the Board

GILBERTO R. DUAVIT, JR.
President
Chief Executive Officer

FELIPE S. YALONG
Executive Vice President
Chief Financial Officer

APR 04 2024


QUEZON CITY

SUBSCRIBED AND SWORN to before me this ___ day of _____ at _____, affiants exhibited to me their (Felipe L. Gozon) _____, (Gilberto R. Duavit, Jr.) _____ and (Felipe S. Yalong) _____

Doc. No. 203
Page No. 13
Book No. 03
Series of 2024

ATTY. MARIPER B. AGUILAR
Notary Public for Quezon City
Until December 31, 2025
IB No. 390487-Jan. 3, 2024
MCLE Compliance No. VII-0001663
Appointment No. NP-093 (2024-2025)
PTR No. 5555049 Jan. 2, 2024 Quezon City
Quezon City Roll No. 73209
28 Baker St., Fairmont Subd. Brgy.
North Fairview, Quezon City

GMA NETWORK, INC.
GMA Network Center, EDSA cor. Timog Ave., Diliman, Quezon City, 1108, Philippines
Telephone No.: (632) 8982-7777



Republic of the Philippines
Department of Finance
Bureau of Internal Revenue


For BIR Use Only Item: **BCS/**

BIR Form No. **1702-RT**
January 2018(ENC5)
Page 1

Annual Income Tax Return

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 returns MUST be filed with the BIR and one held by the taxpayers.*



1702-RT 01118ENC5 P

1 For Calendar Fiscal 3 Amended Return? Yes No 4 Short Period Return Yes No 5 Alphanumeric Tax Code (ATC)

2 Year Ended (MM/20YY) **12-December 20 23** IC 055-Minimum Corporate Income Tax (MCIT) 6000-CORPORATION IN GENERAL - JAN. T. 0000

Part I - Background Information

6 Tax Identification Number (TIN) **000 - 917 - 916 - 00000** 7 RDO Code **135**

8 Registered Name (Enter only 1 letter per box using CAPITAL LETTERS)
GMA NETWORK, INC.

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. 1605)
GMA COMPLEX EDSA CORNER TIMOG AVE SOUTH TRIANGLE QUEZON CITY

9A ZIP Code **1103**

10 Date of Incorporation/Organization (MM/DD/YYYY) **06/14/1950** 11 Contact Number **99827777**

12 Email Address **irisgmatmiller@gmanetwork.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	1,045,014.876
15 Less: Total Tax Credits/Payments	789,854.725
16 Net Tax Payable (Overpayment) (Sum 14 Less Item 15)	255,160.151
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)	255,160.151

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 me, and in the best of my 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)

GILBERTO R. DUAVIT, JR **PELIPÉ S. YALONG** 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 - CEO** TIN Title of Signatory **EVP - CFO** TIN

Part III - Details of Payment

Particulars	Draws 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 filed with an Authorized Agent Bank(AAB)) Stamp of Receiving Office/AAB and Date of Receipt (RO's Signature/Bank Teller's Initial)

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 P	
Taxpayer Identification Number(TIN)			Registered Name		
000	917	916	00000	GMA NETWORK, INC.	
Part IV - Computation of Tax <small>(DO NOT enter Credits; 49 Credits or Less drop down; 50 or more round up)</small>					
27	Sales/Revenues/Receipts/Fees				18,109,524,038
28	Less: Sales Returns, Allowances and Discounts				0
29	Net Sales/Revenues/Receipts/Fees (Item 27 Less Item 28)				18,109,524,038
30	Less: Cost of Sales/Services				8,346,189,399
31	Gross Income from Operation (Item 29 less Item 30)				9,763,334,639
32	Add: Other Taxable Income Not Subjected to Final tax				247,447,060
33	Total Taxable Income (Sum of Items 31 and 32)				10,010,781,699
Less: Deductions Allowable under Existing Law					
34	Ordinary Allowable Itemized Deductions				5,830,722,195
35	Special Allowable Itemized Deductions				0
36	NOLCO (Only for those taxable under Sec. 27(A) to C); Sec. 28(A)(1)(A)(B)(i) of Tax code, as amended)				0
37	Total Deductions (Sum of Items 34 to 36)				5,830,722,195
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>[Finalized: Item 33 Less Item 37; [OSD]; Item 33 Less Item 38]</small>				4,180,059,504
40	Applicable Income Tax Rate				25 %
41	Income Tax Due other than Minimum Corporate Income Tax (MCIT) (Item 39 x Item 40)				1,045,014,876
42	MCIT Due (2% of Item 39)				100,107,817
43	Tax Due (Normal Income Tax Due in Item 41 OR the MCIT Due in Item 42, whichever is higher)				1,045,014,876
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				344,672,559
47	Excess MCIT Applied this Current Taxable Year				0
48	Creditable Tax Withheld from Previous Quarter/s per BIR Form No. 2307				169,779,217
49	Creditable Tax Withheld per BIR Form No. 2307 for the 4th Quarter				275,402,949
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)				789,654,725
56	Net Tax Payable (Overpayment) (Item 43 Less Item 55)				255,160,151
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 01H/ENCS P	
Taxpayer Identification Number(TIN) 000 917 918 00000		Registered Name GMA NETWORK, INC.	
Part VI - Schedules <small>(DO NOT enter Centavo; 49 Centavos or Less drop down; 50 or more round up)</small>			
Schedule I - Ordinary Allowable Itemized Deductions <small>(Attach additional sheets if necessary)</small>			
1 Amortization		55,299,465	
2 Bad Debts		0	
3 Charitable and Other Contributions		2,583,872	
4 Depletion		0	
5 Depreciation		202,726,896	
6 Entertainment, Amusement and Recreation		8,137,954	
7 Fringe Benefits		0	
8 Interest		39,874,947	
9 Losses		0	
10 Pension Trusts		0	
11 Rental		49,526,402	
12 Research and Development		119,900,352	
13 Salaries, Wages and Allowances		3,232,916,835	
14 SSS, GSIS, Philhealth, HDMF and Other Contributions		84,204,177	
15 Taxes and Licenses		218,861,583	
16 Transportation and Travel		51,513,103	
17 Others(Deductions Subject to Withholding Tax and Other Expenses) <small>(Specify below; Add additional sheet(s), if necessary)</small>			
a Janitorial and Messengerial Services		26,238,184	
b Professional Fees		278,581,020	
c Security Services		75,889,177	
d ADVERTISING AND PROMOTIONS		185,497,062	
e COMMISSIONS		45,097,087	
f COMMUNICATION, LIGHT AND WATER		387,600,551	
g INSURANCE		36,422,124	
h MISCELLANEOUS		198,458,748	
i OTHERS		538,404,856	
18 Total Ordinary Allowable Itemized Deductions <small>(Sum of Items 1 to 17)</small>		5,830,722,195	
Schedule II - Special Allowable Itemized Deductions <small>(Attach additional sheets, if necessary)</small>			
	Description	Legal Basis	Amount
1			0
2			0
3			0
4			0
5 Total Special Allowable Itemized Deductions <small>(Sum of Items 1 to 4)</small>			0

Schedule 1 - Ordinary Allowable Itemized Deductions (Continued from Previous Page)

	Description	Amount
1.1	OFFICE SUPPLIES	11,901.799
1.2	FACILITIES RELATED EXPENSE	58,600.492
1.3	REPAIRS AND MAINTENANCE	272,103.703
1.4	FEES AND SUBSCRIPTION	33,528.850
1.5	SOFTWARE LICENSES	149,121.985
1.6	FREIGHT AND HANDLING	13,148.017
	Subtotal:	538,404.856

Save

Save and Close

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 01/19/ENCS P		
Taxpayer Identification Number(TIN)		Registered Name		
000 917 916 00000		GMA NETWORK, INC.		
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) (DO NOT enter Carries; 49 Carries or Less drop down; 50 or more round up)				
Net Operating Loss		B) NOLCO Applied Previous Year/s		
Year Incurred	A) Amount			
4	0	0		
5	0	0		
6	0	0		
7	0	0		
Continuation of Schedule IIIA (Item numbers continue from table above)				
C) NOLCO Expired		E) Net Operating Loss (Unapplied) [E = A Less (B + C + D)]		
Year	D) NOLCO Applied Current Year			
4	0	0		
5	0	0		
6	0	0		
7	0	0		
8	Total NOLCO (Sum of Items 4D to 7D)			
	0	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 (Item numbers continue from table above)				
Year	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 Successing Year/s [G = C Less (D + E + F)]
1	0	0	0	0
2	0	0	0	0
3	0	0	0	0
4	Total Excess MCIT Applied (Sum of Items 1F to 3F)			
			0	
Schedule V - Reconciliation of Net Income per Books Against Taxable Income (Attach additional sheets, if necessary)				
1	Net Income(Loss) per Books	3,042,378,738		
Add: Non-deductible Expenses/Taxable Other Income				
2	NON-DEDUCTIBLE INTEREST EXPENSE	16,479,291		
3	OTHERS	1,191,725,640		
4	Total (Sum of Items 1 to 3)	4,250,583,669		
Less: A) Non-Taxable Income and Income Subjected to Final Tax				
5	INCOME ALREADY SUBJECTED TO FINAL TAX	22,549,769		
6	OTHERS	47,974,388		
B) Special Deductions				
7		0		
8		0		
9	Total (Sum of Items 5 to 8)	70,524,185		
10	Net taxable income (Loss) (Item 4 Less Item 9)	4,180,059,504		



PLEASE WRITE HEAVILY TO MAKE CARBON COPY CLEAR

1. This Deposit Slip be used exclusively for payment of Internal Revenue Taxes.
2. This Deposit Slip is NOT valid without machine validation and initial of Bank Teller.
3. Taxpayers can confirm their tax payment with their Home UBO/ITDO or UDO/RODO where they are required to file tax return/payment form and pay internal revenue taxes.

DATE 04/12/24	ACCOUNT NAME GTR-BIR	ACCOUNT NUMBER CA 00-001-008633-0
-------------------------	--------------------------------	---

TELEPHONE VALIDATION
 1255 4750 041224 174310
 OVER THE COUNTER PAYMENT DE TO
 255 160 161 00
 001850000417
 ELLA
 UNIONBANK USA LIMOD BRANCH

TAXPAYER NAME **GMA NETWORK INC**

CONTACT NO. TIN **010 091 791 61000**

TAX PERIOD **R/2023** TAX TYPE **IT** TAX FORM **1702 RT** RDO **039**

Denomination	No of Pieces	Amount
TOTAL		

Check should be PAY TO THE ORDER OF UnionBank Branch Name FAD Bureau of Internal Revenue IFO ~~XXXXXXXXXX~~ with TIN ~~XXXXXXXXXX~~
 Example: Paying thru UnionBank Plaza Branch, check should be PAY TO THE ORDER OF UnionBank Plaza FAD Bureau of Internal Revenue IFO Juan dela Cruz with TIN 012-045-678-900

DRAWEE BANK / BRANCH	CHECK NO	AMOUNT

In case of payment party thru Tax Debit Memo (TDM) fill out the appropriate sections (TDM and Cash or Check). Please submit a photocopy of the Tax Credit (TCC) front and back page which was the source of the TDM, together with a copy of the TDO. These must be attached to the BIR Tax Return Payment Form.

TDM NO	TDM DATE	AMOUNT

ACCOUNT NAME **GMA NETWORK INC**

ACCOUNT NUMBER **001850000417** AMOUNT **255,160,157**

By signing this form, I confirm authorizing the Bank to debit my account the amount stated above for tax payment. I/we also hereby declare under the penalties of perjury that I/we/our co-decedors or are still living.

✓ _____ (Taxpayer's Signature over Printed Name) _____ (Date)

Gatmaitan, Maria Cristina S.

From: eafs@bir.gov.ph
Sent: Monday, April 15, 2024 1:18 pm
To: Gatmaitan, Maria Cristina S.
Cc: Gatmaitan, Maria Cristina S.
Subject: Your BIR AFS eSubmission uploads were received

You don't often get email from eafs@bir.gov.ph. [Learn why this is important](#)

Hi GMA NETWORK, INC.,

Valid files

- EAFS000917916AFSTY122023.pdf
- EAFS000917916ITRTY122023.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-4R2MW24M09EAF9CLGP2QN3M1PONYMSQQ2Q**
Submission Date/Time: **Apr 15, 2024 01:18 PM**
Company TIN: **000-917-916**

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

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

This is a system-generated e-mail. Please do not reply.