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Company Information

SEC Registration No.: CS201506626
Company Name: ALLIED CARE EXPERTS (ACE) DUMAGUETE DOCTORS INC.
Industry Classification: N85100
Company Type: Stock Corporation

Document Information

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COVER SHEET

SEC Registration Number

CS201506626

COMPANY NAME

ALLIED CARE EXPERTS (ACE) DUMAGUETE DOCTORS INC.

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

F. CIMAFRANCA ST., DARO, DUMAGUETE CITY

Form Type	Department requiring the report	Secondary License Type, If Applicable
17-A	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
acedumaguetedoctors@yahoo.com.ph	421-2119	0932-242-0610

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
1,818	July 3	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Dr. Aejeleth B. Eyas	acedumaguetedoctors@yahoo.com.ph	421-2119	-

CONTACT PERSON'S ADDRESS

F. Cimafranca St., Daro, Dumaguete 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 shall not excuse the corporation from liability for its deficiencies.*

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, *AS AMENDED*

**ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES**

1. For the fiscal year ended **December 31, 2024**

2. SEC Identification Number **CS201506626** 3. BIR Tax Identification No. **008-997-532-000**

4. **Allied Care Experts (ACE) Dumaguete Doctors Inc.**
   Exact name of issuer as specified in its charter...

5. **Negros Oriental, Philippines**
   Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
   Industry Classification Code:

7. **F. Cimafranca St, Daro, Dumaguete, Philippines** **6200**
   Address of principal office Postal Code

8. **(035) 421-2119**
   Issuer's telephone number, including area code

9. **N/A**
   Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	168,000 shares; Php 168,000,000
Founder Shares	600 shares; Php 600,000

11. Are any or all of these securities listed on a Stock Exchange.

    Yes [ ] No [x]

    If yes, state the name of such stock exchange and the classes of securities listed therein:

    ______________________ ______________________

12. Check whether the issuer:

    (a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

    Yes [x] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [x] No [ ]

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form. (See definition of "affiliate" in "Annex B").

APPLICABLE ONLY TO ISSUERS INVOLVED IN INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes [ ] No [ ]

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

Background

Allied Care Experts (ACE) Dumaguete Doctors, Inc. (the "Company") was incorporated as a domestic corporation under Philippine laws and was duly registered with the Securities and Exchange Commission (SEC) under registration no. CS201506626 on April 1, 2015.

The Company's primary purpose is to establish, maintain, operate, own and manage hospitals, medical and related healthcare facilities and businesses such as but without restriction to clinical laboratories, diagnostic centers, ambulatory clinic, condo-hospital, scientific research institutions and other allied undertakings and services which shall provide medical, surgical, nursing, therapeutic, paramedic or similar care, provided that purely professional medical or surgical services shall be performed by duly qualified and licenses physicians or surgeons who may or may not be connected with the hospitals and whose services shall be freely and individually contracted by the patients.

The registered office of the Company is located at DML Building, North Road, Dumaguete City. The hospital is located at F. Cimafranca St., Daro, Dumaguete City, Negros Oriental.

The Company was issued its Board of Investments (BOI) Certificate of Registration no. 2019-034 on February 9, 2019. As a BOI-Registered Non-Pioneer Status Hospital, the Company enjoyed certain grants, particularly, but not limited to – Income Tax Holiday – for a period of 4 years starting from the start of its commercial operations.

On June 28, 2019, the SEC En Banc under SEC MSRD Order No. 37 approved effective the registrant statement of the Company for 186,000 shares broken down as follows: the primary offering to be sold by way of public offering for 36,000 shares equivalent to 3,600 blocks or 10 shares per block at an offer price ranging from P250,000 up to P400,000 per block. Issued and outstanding Founder shares (600) and common shares (149,400) are not included in the offer. These shares have been registered and may now be offered for sale or sold to the public subject to full compliance with the provisions of the Securities Regulation Code and its Amended Implementing Rules and Regulations, Revised Code of Corporate Governance, and other applicable laws and orders as may be issued by the Commission.

There are no recognized trends within such industry.

Products / Business Lines

Products / Business Lines with 10% or more contribution to 2024 revenues are as follows:

Pharmacy	26%
Laboratory	16%
Central Supplies	12%
Room Accomodation	10%

Competition

The Company's principal competitors are the following:

HOSPITAL	LOCATION	BED CAPACITY	CATEGORY	LEVEL CLASSIFICATION
Silliman Medical Center Foundation Inc.	Hibbard Ave, Dumaguete City	300	Private	Level II

Holy Child Hospital	Bishop Epifanio Surban Street, Dumaguete City	200	Private	Level I
Negros Polymedic Hospital	Tubtubon, National Highway, Sibulan	100	Private	Level II
Negros Oriental Provincial Hospital	National Highway, Dumaguete City	200	Public	Leve I

The patients will opt to be serviced by ACE Dumaguete Doctors considering its accessibility especially in emergency cases. The Company's good location, quality of the facilities and its competent medical staff will be the hospital's edge over its competitors.

Suppliers

The Company has no existing supply contracts with the principal suppliers. The Company has a broad base of suppliers and does not dependent on one or two suppliers. The Company is not dependent on one or a limited number of suppliers.

Customers

The Company is not dependent upon a single customer or a few customers due to the nature of the industry.

Transactions with Related Parties

The Company, in the normal course of business, transacts business with individuals which are considered related parties. The following were carried out with related parties as at December 31, 2024 and 2023:

Category	Advances from shareholders 2023	Amount of Transactions **2024**	Advances from shareholders **2024**	Terms	Conditions
Advances from shareholders					
Non-interest-Bearing	**2,384,654**	**25,560,700**	**27,945,354**	Non-interest-bearing, to be paid in cash (a)	Unsecured, unguaranteed, not impaired
Interest Bearing	–	–	–	Interest-bearing, to be paid in cash (b)	Unsecured, unguaranteed, not impaired
	2,384,654	**25,560,700**	**27,945,354**		

Category	Advances from shareholders 2022	Amount of Transactions **2023**	Advances from shareholders **2023**	Terms	Conditions
Advances from shareholders					
Non-interest-Bearing	6,629,654	(4,245,000)	2,384,654	Non-interest-bearing, to be paid in cash (a)	Unsecured, unguaranteed, not impaired
Interest Bearing	6,000,000	(6,000,000)	–	Interest-bearing, to be paid in cash (b)	Unsecured, unguaranteed, not impaired
	12,629,654	(10,245,000)	2,384,654		

(a) Non-interest-bearing Advances from shareholders

In the special meeting of the Board held last May 7, 2017, the directors and shareholders were mandated and empowered to contribute resources and make cash advances to the Company for the development of its medical structures and appurtenances. In view of this, the shareholders advanced the monies in support of the Company's building construction requirements. These advances are non-interest bearing and to be paid subject to availability of funds and/or the Board may decide to convert said advances to equity in the distant future. The Company, however, also reserves the right to defer settlement and prioritize completion of the hospital building.

(b) Interest-bearing Advances from shareholders

On June 3, 2019, the Company acquired an unsecured interest-bearing advance from the shareholders at 12% per annum which was primarily used by the Company to support the working capital requirement during the start of its operation. The Company, however, reserves the right to defer settlement in favor of prioritizing payments relative to hospital construction. Total finance costs on these loans amounted to nil, ₱896,230 and ₱1,402,619 in 2024, 2023 and 2022, respectively.

Key Management Personnel

Key management compensation amounted to ₱36,000,000 and ₱36,000,000 for the year ended December 31, 2024 and 2023, respectively. These amounts are incorporated in the salaries and allowances under direct costs account in the financial statements.

Government Regulations

Required permits were secured by the Company from the Department of Health (DOH), Food and Drug Administration (FDA) and Philippine Drug Enforcement Agency (PDEA) as part of the normal course of the hospital operations.

The Company has secured the required permits and clearances from the Department of Environment and Natural Resources (DENR) to be able to operate its hospital facility. Implementation of the environmental laws cost the Company around ₱100,000 annually.

Employees

Total number of full-time employees as of December 31, 2024 is 425. The breakdown is as follows:

	CBA	Non-CBA	Total
Rank and File	289	101	390
Supervisors	–	24	24
Managers and Top Management	–	11	11
Total	289	136	425

Apart from their regular compensation, the employees are entitled to hospital management discounts as follows:

Services	Regular Employee Discounts
Pharmacy	10%
OR Set	10% (OR Materials)
Laboratory	25%
EEG/ECG/2D Echo/Treadmill	25%
Professional fees	25%
Radiology	25% (Contrast not included)
Physical Therapy	25% (For 10 sessions)
ER Fee	50%

OR Fee	50%
DR Fee	50%
Room Accommodation	50% (45 days only)

Discounts for hospital staff employees and rank and file employees should not exceed ₱75,000 per year while discounts for head nurses, supervisors and department chiefs should not exceed ₱ 75,000 per year. The Company does not expect to hire additional employees in the next 12 months.

Risks

The major risks involved in the Company's business as well as the measures being undertaken by the Company to manage such risks are as follows:

1. Credit Risk – The Company manages the level of credit risk through comprehensive credit risk policy such as initial assessment of clients and accreditation of various Health Maintenance Organizations (HMOs). With HMO covered patients, special rates are given. The Issuer will mitigate delays in payment from HMOs by investing in software programs that will efficiently monitor the Hospital's finances and receivables to ensure that its exposure to unpaid promissory notes is maintained at manageable levels. In addition, the Company has engaged with a third-party debt-recovery specialist (SPES Credit Recovery Services) to collect long outstanding receivables.

2. Liquidity Risk - The Company mitigates such risk through the availability of the credit line facility with the Land Bank of the Philippines amounting to ₱500,000,000 (₱400 million for construction and ₱100 million for equipment with initial interest at 5% variable with one-time fixing at 6% per annum for 10 years. Maturity date is on February 27, 2026. As of report date, the Company has fully utilized the available credit facility for equipment and construction. Moreover, the Company has a ₱50 million short term loan credit facility used as working capital. As of December 31, 2024, the outstanding balance of the short-term loan is ₱41,000,000.

   To strengthen its liquidity further, the Company actively manages and monitors its capital levels, asset levels, matching position, cash forecasts against established targets.

3. Key Personnel – The Company intends to mitigate such risk by maintaining a competitive compensation package and full benefits for its Management and Key Officers. The Human Resources Department will likewise maintain a program that will enhance and develop the career path of key officers and employees to ensure continued stay and loyalty to the Company.

Item 2. Properties

The Company owns a land property - covered by TCT No 109-2015000619 and 109-2015000621, valued at ₱52,438,860 and with a total area of 7,833 sq It is located at F. Cimafranca St., Daro, Dumaguete City, where the Company's multidisciplinary specialty medical facility is currently constructed. The property is covered by a real estate mortgage in connection with the Company's loan agreement with the Land Bank of the Philippines. Under the terms and conditions of the loan agreement, the Company is required to maintain a 75:25 debt to equity ratio.

Management has reviewed the carrying values of the property as at December 31, 2024 and 2023 for any impairment. Based on their evaluation, there are no indications that this asset is impaired

Item 3. Legal Proceedings

The Company is not a party to any legal proceedings, neither are any of its properties the subject of any pending legal proceedings.

PART II – SECURITIES OF THE REGISTRANT

Market Price of and Dividends on Registrant's Common Equity and Related Stockholder Matters

Market Information

The Company's common equity is sold through its organic salaried staff. The shares are sold in tranches for easier administration and on a first-come, first-served basis, subject to pre-qualification procedures. The high and low sales prices by quarter for the last two (2) years are as follows:

	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter		1st Quarter
Market Price	*2023*	*2024*	*2023*	*2024*	*2023*	*2024*	*2023*	*2024*	2025
High	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Low	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000

The price as of March 31, 2025 is ₱250,000.00.

Holders

There are approximately 1,818 holders of common and founders' shares of the Company as of December 31, 2024.

Top 20 Stockholders (As of 31 December 2024)

NAME		NATIONALITY	TYPE	NUMBER OF SHARES	% OF OWNERSHIP
1.	Amado Manuel C. Enriquez Jr.	Filipino	Common	12,450	7.41%
			Founder	50	
			TOTAL	12,500	
2.	Marietta T. Samoy	Filipino	Common	7,470	4.45%
			Founder	30	
			TOTAL	7,500	
3.	Geanie A. Cerna-Lopez	Filipino	Common	4,980	2.57%
			Founder	20	
			TOTAL	5,000	
4.	Daphne R. Rana	Filipino	Common	3,120	1.86%
			Founder	10	
			TOTAL	3,130	
5.	Felicisimo D. De Castro	Filipino	Common	2,490	1.48%
			Founder	10	
			TOTAL	2,500	
6.	Brenda V. Diputado	Filipino	Common	2,490	1.48%
			Founder	10	
			TOTAL	2,500	

7.	Junabeth C. Credo	Filipino	Common	2,490	1.48%
			Founder	10	
			TOTAL	2,500	
8.	Aejeleth B. Eyas	Filipino	Common	2,490	1.48%
			Founder	10	
			TOTAL	2,500	
9.	Felix P. Nolasco	Filipino	Common	2,490	1.48%
			Founder	10	
			TOTAL	2,500	
10.	Generoso M. Orillaza	Filipino	Common	2,490	1.48%
			Founder	10	
			TOTAL	2,500	
11.	Ronald L. Ramiro	Filipino	Common	2,490	1.48%
			Founder	10	
			TOTAL	2,500	
12.	Roy Diamond M. Arco	Filipino	Common	2,490	1.48%
			Founder	10	
			TOTAL	2,500	
13.	Rolando E. Regalado	Filipino	Common	2,490	1.48%
			Founder	10	
			TOTAL	2,500	
14.	Angelo Alcala	Filipino	Common	2,490	1.48%
			Founder	10	
			TOTAL	2,500	
15.	Idelle Marie A. Yurong	Filipino	Common	2,490	1.48%
			Founder	10	
			TOTAL	2,500	
16.	Angelo Michael A. Singco	Filipino	Common	2,490	1.48%
			Founder	10	
			TOTAL	2,500	
17.	Aideline E. Sison	Filipino	Common	2,490	1.48%
			Founder	10	
			TOTAL	2,500	
18.	Brian Joseph M. Calinawagan	Filipino	Common	2,490	1.48%
			Founder	10	
			TOTAL	2,500	
19.	Maria Rhodora G. De Leon	Filipino	Common	2,490	1.48%
			Founder	10	
			TOTAL	2,500	
20.	Michael Edward R. Enriquez	Filipino	Common	2,490	1.48%
			Founder	10	
			TOTAL	2,500	

Dividends

The payment of dividends depends upon the Company's financial performance and condition and cash flow. The Company has not yet declared dividends since its incorporation considering that it has just started its operations last March 2019 and that it has an accumulated deficit position as at December 31, 2024. There are no restrictions that limit the payment of dividends on Common Shares.

Recent Sale of Securities

There is no recent sale of unregistered or exempt securities.

PART III. FINANCIAL INFORMATION

Management's Discussion and Analysis or Plan of Operation

Results of Operation

In 2024, 2023 and 2022, revenues of ₱613.1 million, ₱605.5 million and ₱515.8 million, respectively were generated from its operations. The statement of comprehensive income reported a net income of ₱27.9 million, ₱21.9 million and ₱24.9 million in 2024, 2023 and 2022, respectively. The following table shows the financial highlights of the Company for the years then ended December 31, 2024, 2023 and 2022:

	As at December 31				
	2024	2023	2022	% Change *2024 v 2023*	% Change *2023 v 2022*
Total Revenue, net	**₱613,058,922**	₱605,497,294	₱515,812,320	1%	17%
Total Cost of Sales	**417,694,316**	446,741,620	384,860,553	-7%	16%
Gross Income	**195,364,606**	158,755,674	130,951,767	23%	21%
Total Gen & Ad Expense	**153,663,061**	112,759,792	77,343,951	36%	46%
Operating income (loss)	**41,701,545**	45,995,882	53,607,816	-9%	-14%
Other charges (income)	**(13,850,719)**	(24,131,611)	(28,676,647)	-43%	-16%
Net Income (Loss)	**₱27,850,826**	₱21,864,271	₱24,931,169	27%	-12%

The Company started its hospital out-patient department operations last March 2019. Out-patient operations include laboratory and radiology procedures, ECG, EEG, 2D Echo, Bone Densitometry and Doctor's clinic consultations. On July 2019, the Company started operating in-patient services. The Company has a 100-bed capacity.

Revenue in 2024 has increased by 1% or ₱7.6 million due to increase in inpatient occupancy rate and OPD census. Cost of sales has decreased to ₱417.69 million in 2024 from ₱446.7 million in 2023 or a 7% decrease. Cost of sales includes depreciation; cost of medicines, medical supplies and laboratory reagents; professional fees, salaries and wages and utilities expense.

The Company's operating expenses pertain mainly to salaries and wages of administrative employees, repairs and maintenance, allocated depreciation expense, supplies and consumable, and bad debt expense which represent 68% of the Company's total operating expenses. The total operating expenses increased by 36% or ₱40.9 million in 2024.

In 2024, the Company has generated net income of ₱27.9 million.

Financial Position

	December 31, 2024	December 31, 2023	% Change
Current assets	**₱178,383,714**	₱193,914,894	-8%
Noncurrent assets	**684,559,217**	704,192,114	-3%
Total assets	**862,942,931**	898,107,008	-4%
Current liabilities	**246,390,899**	251,779,826	-2%
Noncurrent liabilities	**53,197,877**	141,134,654	-62%
Total Liabilities	**299,588,776**	392,914,480	-24%
Total Equity	**563,354,155**	505,192,528	12%
Total liabilities and equity	**862,942,931**	898,107,008	-4%

Balance Sheet Items - 2024 compared to 2023

Total current assets decreased by 8% or ₱15.5 million in 2024 as compared to 2023. The decrease in current assets is due to decrease in other current assets amounting to ₱42.2 million. The Company has total assets of ₱862.9 million as of December 31, 2024 of which ₱636.1 million or 74% is comprised of the Company's land, building, medical equipment and other properties and equipment.

The liabilities of the Company is mainly consist of accounts payable to suppliers, medical practitioners and related parties, and loans payable to the Land bank of the Philippines totaling ₱179.8 million as of December 31, 2024. Total current liabilities have decreased by 24% or ₱93.3 million in 2024 as compared in 2023 due to the principal payment of the bank loans.

Balance Sheet Items - 2023 compared to 2022

Total current assets decreased by 15% or ₱34.9 million in 2023 as compared to 2022. The increase in current assets is due to decrease in cash amounting to ₱32.7 million. The Company has total assets of ₱898.1 million as of December 31, 2023 of which ₱685.7 million or 76% is comprised of the Company's land, building, medical equipment and other properties and equipment.

The liabilities of the Company is mainly consist of accounts payable to suppliers, medical practitioners and related parties, and loans payable to the Land bank of the Philippines totaling ₱301.8 million as of December 31, 2023. Total current liabilities have increased by 3% or ₱6.8 million in 2023 as compared in 2022.

Material Variances Affecting the Statements of Financial Position

Statement of financial position accounts as of December 31, 2024 with variances of plus or minus 5 percent against December 31, 2023 balance are discussed, as follows:

Current assets

1. Cash - The increase in cash is due to increase in cash generated from operating activities. The Company has an increase of ₱31.6 million. This was offset by the increase in loan payments. Total payments amounted to ₱122.0 million in 2024 and ₱114.8 million in 2023.
2. Accounts Receivable – The increase in accounts receivable of 8% is due to the increase in receivable from HMO, Corporate and GLs. In 2024, receivable from HMO, Corporate and GLs increased from ₱20.3 million to ₱37.6 million. This is due to the increased number of patients availing of financial assistance from government agencies.
3. Prepayments and other current assets – The decrease is due to the reclassification of Input VAT to other accounts.

Noncurrent assets

1. Advances to suppliers – The decrease on the account can be attributed to the delivery of goods and/or services.
2. Property and equipment – The decrease is mainly due to the depreciation of the Company's property and equipment totaling to ₱72.4 million.
3. Intangible assets – Increase in intangible asset is due to additions made during the year totaling to ₱3.7 million.

Current and Noncurrent Liabilities

1. Notes payable – In 2024, the Company has paid a total of ₱122.0 million to its long-term notes payable which caused the decrease in total current and noncurrent notes payable.
2. Advances from shareholders – The increase is due to receipts made throughout the year. Total payments for the year was ₱25.6 million.

Material Variances Affecting the Statements of Financial Position

Statement of financial position accounts as of December 31, 2023 with variances of plus or minus 5 percent against December 31, 2022 balance are discussed, as follows:

Current assets

1. Cash - The decrease in cash is due to principal payments of the Company's long term loans. Principal payments totals to ₱114,750,000 for the year. This was slightly offset by the increase in revenue and collection throughout the year.
2. Accounts Receivable – The decrease in accounts receivable of 19% is due to the receivable written off during the year. The Company has also provided an allowance for doubtful accounts amounting to ₱9.0 million.
3. Prepayments and other current assets – The increase is due to the increase in Input VAT from purchases of supplies and consumable. Most of the Company's services are VAT-exempt, thus, Input VAT has not been applied.

Noncurrent assets

1. Advances to suppliers – The decrease on the account can be attributed to the delivery of goods and/or services.
2. Property and equipment – The decrease is mainly due to the depreciation of the Company's property and equipment totaling to ₱78.4 million.
3. Intangible assets – Increase in intangible asset is due to additions made during the year totaling to ₱0.3 million.

Current and Noncurrent Liabilities

1. Notes payable – In 2023, the Company has paid a total of ₱114.8 million to its long-term notes payable which caused the decrease in total current and noncurrent notes payable.
2. Advances from shareholders – The decrease is due to payments made throughout the year. Total payments for the year was ₱19.3 million.

Key Performance Indicators

	Dec. 31, *2024*	Dec. 31, *2023*	Dec. 31, *2022*
a. **CURRENT RATIO** = Current assets / Current liabilities	0.72	0.77	0.93
Remarks: The current ratio measures a company's ability to pay short-term obligations or those due within one year. It tells investors and analysts how a company can maximize the current assets on its balance sheet to satisfy its current debt and other payables. Current ratio in 2024 decreased as net result of the decrease of other current assets. Current ratio in 2023 decreased compared to prior years due to the decrease in cash and receivables.			
b. **DEBT TO EQUITY RATIO** = Debt / Equity	0.53	0.78	1.11
Remarks: Debt to equity ratio shows the proportions of equity and debt a company is using to finance its assets and it signals the extent to which shareholder's equity can fulfill obligations to creditors. Debt to equity in 2024 and 2023 decreased as a net effect of the loan payments during the year and decrease in the deficit of the Company.			
c. **DEBT TO TOTAL ASSET RATIO** = Debt / Asset	0.35	0.44	0.52
Remarks: Debt to total asset ratio is an indicator of a company's financial leverage. It is the percentage of a company's total assets that were financed by creditors. Debt to total asset ratio in 2024 decreased as result of principal payments during the year totaling to P122 million.			
d. **ASSET TO EQUITY RATIO** = Assets / Equity	1.53	1.78	2.11
Remarks: Asset to equity ratio shows the relationship of the total assets of the Company to the portion owned by shareholders. This ratio is an indicator of the company's leverage (debt) used to finance the firm. Asset to equity ratio in 2024 and 2023 decreased due to the significant decrease in deficit, and increase in share capital and share premium.			
e. **PROFIT MARGIN** = Net Income (Loss) / Net Revenue	0.05	0.04	0.05
Remarks: Profit margin is a measure of the Company's income (loss) relative to its revenue. It represents what percentage of revenue has turned into income or loss. Profit margin in 2023 slightly higher due to the Company's decrease in direct costs.			

Information on Independent Accountant

The Company's external auditor is the auditing firm of Ong, Noceja & Associates. The same auditing firm is being recommended by the Board, and subject to stockholders' approval, for re-appointment as the Company's external auditor for the year-ending December 31, 2025.

The Audit Committee has the function of assessing the independence and professional qualifications of the external auditor, in compliance with the requirements under applicable law, rules and regulations; reviewing the performance of the external auditors. Prior to the commencement of the audit, the Audit Committee shall discuss, review and recommend with the external auditors the nature, scope and fees of the audit.

Ong, Noceja & Associates. represented by its engagement partner, Lagrimas N. Ong is the external auditor of the Company for the most recently completed year 2024. Pursuant to SRC Rule 68 (3) (b) (iv) of the Amended Implementing Rules and Regulations of the Securities Regulation Code (SRC) (re: rotation of external auditors), the Company has not engaged Lagrimas N. Ong for more than five years.

Representatives of Lagrimas N. Ong are expected to be present during the stockholders' meeting. The representatives will have the opportunity to make statements if they desire to do so and will be available to respond to appropriate questions from the security holders.

During the two (2) most recent fiscal years or any subsequent interim period, the independent auditor has not resigned nor was dismissed or has declined to stand for reappointment after the completion of the current audit.

The aggregate annual external audit fees billed for each of the last two (2) fiscal years for the audit of the registrant's annual financial statements or services that are normally provided by the external auditor are as follows:

For the year 2024	-	₱201,600 (billed and paid in 2025)
For the year 2023	-	₱308,000 (billed and paid in 2024)

The above audit fees are inclusive of the following: (a) audit, other assurance and related services by the External Auditor that are reasonably related to the performance of the audit or review of the Company's financial statements (₱180,000); and (b) All Other (₱21,600).

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The Company has engaged the services of Dimaculangan, Dimaculangan and Co. CPAs for years 2022 and 2023. However, for the year 2024, the Company engaged the services of Ong, Noceja & Associates. There were no disagreements with Dimaculangan, Dimaculangan and Co. CPAs nor with Ong, Noceja & Associated on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

PART IV – MANAGEMENT AND CERTAIN SECURITY HOLDERS

Directors, Executive Officers

Directors

There are fifteen (15) members of the Board, three (3) of whom are independent directors. The term of office of each member is one (1) year, or until the next succeeding annual stockholders' meeting and until his/her successor is elected and qualified. The following are the current members of the Board of Directors:

1. Amado Manuel C. Enriquez Jr.
2. Geanie Cerna-Lopez
3. Marietta T. Samoy
4. Robert H. Tan
5. Roy Diamond M. Arco
6. Aejeleth B. Eyas
7. Ronald Ramiro
8. Roberto De Leon
9. Jonathan C. Amante
10. Corazon D. Uy
11. Carlos De La Rosa
12. Glenda N. Nuico
13. Rolando Regalado - Independent Director
14. Generoso Orillaza – Independent Director
15. Evangeline Zozobrado – Independent Director

Name	Business and Professional Work Experience
Enriquez, Amado Manuel Jr. C.	Chairman of the Board – Manila East Medical Center (2007-2008, 2017); Paranaque Doctors Hospital (2012-2017); ACE Medical Center Baypointe, Subic (2007-2011); Unihealth Paranaque Hospital (2014-2017) Alaminos Medical Center Foundation (2001-present) Founding Chairman – ACE Medical Center Valenzuela, ACE Medical Center Baliwag, ACE Medical Center Pateros, ACE Medical Center Malolos, ACE Medical Center Mandaluyong, ACE Medical Center Palawan, ACE Medical Center Iloilo, ACE Medical Center Tacloban, ACE Dumaguete Doctors, Inc., ACE Dumaguete Doctors, Inc., ACE Medical Center Bacolod, ACE Medical Center General Santos, ACE Medical Center CDO, ACE Medical Center Dipolog, ACE Medical Center Zamboanga, ACE Medical Center Butuan Active consultant in Cardiovascular-Thoracic Surgery – St. Luke's Medical Center, Manila East Medical Center, ACE Medical Center Hospitals.
Amante, Jonathan C.	Chairman - University Of The Philippines – PGH Review for Philippine College of Physicians Examination (1987) Diplomate And Fellow - Philippine College Of Physician , Philippine Society of Nephrology Holy Child Hospital - Head, Dialysis Unit (1988); Chairman, Dept. Of Medicine Silliman Medical Centre -

Name	Business and Professional Work Experience
	Head, Dialysis Unit (1988); NOPH - Head, Provincial Dialysis Unit Association Of Philippine Medical Colleges Member, Board Of Trustees ; Ace Medical Centre-Bayawan, Inc. - Member, Board Of Directors And Management Consultant (Feb 2016 – up to present) Consultant, ACE Dumaguete Doctors and Silliman Medical Center Department of Internal Medicine
Tan, Robert H.	Consultant, General Surgeon, Holy Child Hospital (1993-present); Consultant, General Surgeon, ACE Dumaguete Doctors Visiting Consultant, General Surgery Silliman University Medical Centre (1993 - present)
Cerna-Lopez, Geanie	President - Las Pinas City Medical Center, Medical Director- Unihealth Paranaque, Management Consultant - Medical Center Muntinlupa, Past President - Medical Center Muntinlupa (2016), Past Hospital Admin - UniHealth Paranaque Hospital (2016) and Las Pinas City Medical Center(2016); Past president Paranaque Doctors Hospital (2015)
Samoy, Marietta T.	Medical Center Muntinlupa Medical Services Head, Las Pinas City Medical Center- Administrator, Uni-Health Paranaque Hospital and Medical center- management consultant. Paranaque Doctors Hospital, Head Ob-Gyne Dept. Past President Las Pinas Med Center (2014) , Past president UniHealth Paranaque (2016) , Treasurer-medical center Muntinlupa (2015) , Past Corp Sec Paranaque Doctors Hospital (2013), Medical Director - Paranaque Doctors Hospital (2010-2012).
Arco, Roy Diamond M.	Consultant, ACE Dumaguete Doctors and Silliman Medical Center Department Chairperson – ACEDDI Hemodialysis Unit Director of Hospital Information Management System Corporate Treasurer - ACEDDI PGI – SUMCFI Residency Training – Perpetual Succuor Hospital Cebu City, Internal Medicine Fellowship Training – National Kidney & Transplant Institute, Adult Nephrology Diplomate – Philippine College of Physicians (2009) Diplomate – Philippine Society of Nephrology (2012) Member of Professional Organization: Negros Oriental Medical Society, PCP Negros Oriental & Philippine Society of Nephrology
Ramiro, Ronald	Graduated from CIM in 1981 and finished residency in General surgery as Chief Resident at Cebu Doctors Hospital in 1989 Passed only part 1 of the Philippine Board of Surgery in 1993

Name	Business and Professional Work Experience
De Leon, Roberto M.	Chairman, Unihealth-Baypointe Hospital & Medical Center, Inc. (Subic Bay Freeport Zone) 2017 President, Unihealth-Valenzuela Hospital & Medical Center (2017) Medical Director, YGEIA Medical Center Chairman, Dept. of Surgery, ACE Medical Center Valenzuela; Uni-Health Paranaque Hospital and Medical Center (2017)
De la Rosa, Carlos	Retired Banker
Nuico, Glenda	Consultant of ACE Dumaguete Doctors Inc and Silliman University Medical Center Silliman University – BS General Science Cebu Doctors College of Medicine / Silliman University - Doctor of Medicine Cebu Doctors Hospital – Residency Training – Pediatrics Philippine Pediatric Society – Diplomate Philippine Pediatric Society – Fellowship Member of Societies: Philippine Pediatric Society , Negros Oriental Medical Society – Philippine Medical Association
Eyas, Aejeleth B.	Consultant of ACE Dumaguete Doctors Inc and Silliman University Medical Center Silliman University – BS Medical Technology Cebu Institute of Medicine - Doctor of Medicine Siliman University Medical Center – Residency Training – Pediatrics Philippine Pediatric Society – Diplomate Member of Societies: Philippine Pediatric Society , Negros Oriental Medical Society – Philippine Medical Association
Uy, Corazon	Consultant of ACE Dumaguete Doctors Inc and Silliman University Medical Center Silliman University – BS Medical Technology Cebu Institute of Medicine - Doctor of Medicine Siliman University Medical Center – Residency Training – Pediatrics Philippine Pediatric Society – Diplomate Member of Societies: Philippine Pediatric Society , Negros Oriental Medical Society – Philippine Medical Association
Regalado, Rolando	Consultant of ACE Dumaguete Doctors Inc, and Silliman University Medical Center. Doctor of Medicine – UERMMMC College of Medicine PGI – Silliman University Medical Center Residency Training – UERM Memorial Hospital Fellowship – Philippine College of Surgery Diplomate – Philippine Board of Ophtalmology MAHAD – Cebu Doctors Hospital Founding Doctor of ACEDDI Member of Societies: Philippine Medical Association, Philippine College of Surgery, Philippine Society of Ophtalmology, Rotary Club Dgte Ctiy, Negros Oriental Medical Society.

Name	Business and Professional Work Experience
Orillaza, Generoso	Director – Paranaque Doctors Hospital (2007 – present); ACE Baypointe Hospital & Medical Center (2010-present); ACE Baliwag (2012-2014) Head, Engineering and Maintenance Service- ACE Valenzuela (2011-2014); ACE Baypointe Hospital &Medical Center (2010- present); ACE Baliwag (2012-2014); Unihealth Paranaque Hospital and Medica Center 2014-2014); ACE Pateros (2013-2015); ACE QC (2013-present); Chairman of Construction Committee (2008 – present) – ACE Iloilo; ACE Gensan; ACE Cebu; ACE Tacloban; ACE Butuan
Zozobrado, Evangeline	Doctor of Medicine – Cebu Institute of Medicine (1978) PGI – Cebu Velez General Hospital Residency Training – Pediatrics at Rizal Medical Center (1981-1986) Member of Societies: Philippine Medical Association, Philippine Pediatric Society and Las Pinas Medical Society

Executive Officers

The Company's key executive officers as of December 31, 2024, are as follows:

Robert H. Tan	- President
Roy Diamond M. Arco	- Corporate Treasurer
Aejeleth B. Eyas	- Corporate Secretary
Michael Edward Enriquez	- Assistant Treasurer
Ronald Ramiro	- Assistant Corporate Secretary

The Officers (per the Company's By-Laws) are elected/appointed annually by the Board of Directors during its organizational meeting, to hold office for one (1) year until the next organizational meeting of the Board in the following year and until a successor shall have been elected/appointed and shall have qualified.

The Company's incumbent officers are as follows:

1. Geanie Cerna-Lopez	Chairman, see foregoing Director's Profile
2. Robert H. Tan	President, see foregoing Director's Profile
3. Roy Diamond M. Arco	Corporate Treasurer, see foregoing Director's Profile
4. Aejeleth B. Eyas	Corporate Secretary, see foregoing Director's Profile
5. Michael Edward Enriquez	Assistant Treasurer
6. Ronald Ramiro	Assistant Corporate Secretary

Significant Employees

The Company relies significantly on the continued collective efforts of its senior executive officers and expects each employee to do his share in achieving the Company's goals.

Family Relationships

Among the directors and officers of Allied Care Experts (ACE) Dumaguete Doctors, Inc., the assistant corporate treasurer, Michael Edward Enriquez, is the son of Dr. Amado Manuel Enriquez, Jr. a member of the Board of Directors.

Certain Relationships and Related Transactions

During the last two (2) years, no director of the Company has received or become entitled to receive any benefit by reason of any contract with the Company, a related corporation, a firm of which the director is a member or a company of which a director has a substantial financial interest except stated below.

There are no transactions in the last two (2) years or proposed transactions to which the Company was or is to be a party, in which any of the following persons had or is to have a direct or indirect material interest:

i. Any director or executive officer of the Corporation;
ii. Any nominee for election as a director;
iii. Any security holders;
iv. Any member of the immediate family of the preceding persons.

Involvement in Certain Legal Proceedings

As of December 31, 2024, the following directors are parties to the following legal proceedings in their capacity as officers of Allied Care Experts (ACE) Medical Center-Cebu Inc.:

1. Amado Manuel Enriquez, Jr.
2. Geanie Cerna-Lopez
3. De Leon, Roberto

1. Civil Case No. R-CEB-18-01248-CV, Branch XI, Cebu City (Complaint for Declaration of Sale in Installment as Subscription Contract, Declaration of Rights or Pre-Emption, and for Attorney's Fees) - Dax Matthew M. Quijano, Rosemarie P. Quijano, Eric Y. Cheung, Girlie Cheung, Candice Joy A. Sia vs. ACE Medical Center-Cebu, Inc., Geanie Cerna-Lopez, Velma T. Chan, Luisito R. Co, Maita Cruz, Roberto M. De Leon, Amado Manuel C. Enriquez Jr., Floram C. Limotlimot, Roland Mark M. Gigataras, Joy C. Luna, Nicolas S. Molon, Felix P. Nolasco, Generoso M. Orillaza, Ronald L. Ramiro, Marietta T. Samoy and Evangeline Y. Zozobrado

   On March 7, 2018, complainants Dax Matthew M. Quijano, Rosemarie P. Quijano, Eric Y. Cheung, Girlie Cheung, Candice Joy A. Sia, through counsel filed a civil complaint against the Hospital and its Directors (as stated above) praying the Court to direct the defendants ACE Medical Center Cebu and its President and Corporate Secretary to issue the plaintiff's Certificate of Stock and declare the sale in installment as subscription contract, to allow him to exercise pre-emptive rights to the increase in capital approved by the Board on November 12, 2016.

   The Defendants have already filed their Answer to the Complaint.

   Complainant filed a Motion to Dismiss the Complaint for lack of interest of the plaintiffs to prosecute the case last August 5, 2020. A Judicial Dispute Resolution was scheduled but failed. Case is up for pre-trial conference.

   The judicial dispute resolution (JDR) failed. The case was up for pre-trial conference on 20 October 2023 at 10:00 in the morning, after several postponements. During the 20 October 2023, the plaintiffs' counsel asked the Court to render a partial judgment recognizing the sale in installment as a subscription contract. We objected and requested that their request for partial judgment be put into writing so that we can make an informed comment on the matter. Plaintiffs were given 15 days to file and the same number of days was granted to us to comment on their filing. The next pre-trial is scheduled on 22 December 2023 at 10:00 in the morning. The 22 December 2023 hearing was reset to 15 March 2024 at 10:30 am. The 15 March 2024 hearing was moved to 22 April 2024 at 9:15 am since the Court needs time to evaluate the motion for partial summary judgment.

2. Civil Case No. R-CEB-18-00601-CV, Branch XI, Cebu City (Complaint for Issuance of Certificate of Stock, Declaration of Sale in Installment as Subscription Contract, Declaration of Rights or Pre-Emption, and for Attorney's Fees) – Ferdinand P. Kionisala vs. Allied Care Experts (ACE) Medical Center-Cebu, Inc., Geanie Cerna-Lopez, Velma T. Chan, Luisito R. Co, Maita Cruz, Roberto M. De Leon, Amado Manuel C. Enriquez, Jr., Floram C. Limotlimot, Roland Mark M. Gigataras, Joy C. Luna, Nicolas S. Molon, Felix P. Nolasco, Generoso M. Orillaza, Ronald S. Ramiro, Maretta T. Samoy, and Evangeline Y. Zozobrado

   On February 5, 2018, complainant Ferdinand P. Kionisala filed a civil complaint against the Hospital and its Directors (as stated above) praying the Court to direct the defendants ACE Medical Center Cebu and its President and Corporate Secretary to issue the plaintiff's Certificate of Stock and declare the sale in installment as subscription contract, to allow him to exercise pre-emptive rights to the increase in capital approved by the Board on November 12, 2016.
   The Defendants (based in Cebu) have already filed their Answer to the Complaint and Dr. Kionisala has filed a Motion for Partial Summary Judgment, but the same was opposed by the defendants on May 15, 2018. The Court has not yet ruled on the plaintiff's Motion for Partial Summary Judgment of May 2, 2018. Unless the Court resolves the Motion for Summary Judgment by the plaintiff, the case will not move on.

   The Defendants filed a Motion to Dismiss the case for failure of the plaintiff to prosecute for lack of interest. The case was scheduled for Pre-Trial on April 30, 2021. Pre-trial was terminated. Case is set for presentation of plaintiff's evidence.

   The Court rendered on August 9, 2022 a partial summary judgement on plaintiff's prayer for issuance of certificate of stock leaving the other issues sought for trial on the merits.

   Plaintiff has submitted his motion to submit case for decision based on legal issues, which was submitted to the Court on October 24, 2022. We filed our comment on November 7, 2022. We received an order dated 30 June 2023 where the Court has granted the motion to submit case for decision based on legal issues dated 18 October 2022. The Presiding Judge has granted both parties to file their respective memorandum, which shall be limited to the issue of the extent of plaintiff's preemptive right to purchase/subscribe to shares of stock in view of the defendant Corporation's increase in its capital stock, within 30 days from receipt of said order. Our Counsel filed a Motion for Reconsideration to set aside and deny Plaintiff's motion to submit case for decision based on the sole issue of whether the plaintiff is entitled to the preemptive right to subscribe to one block of share equivalent to 10 shares or only for 3 shares for utter lack of merit. The Plaintiff's Counsel opposed the Motion for Reconsideration filed by our Counsel. Awaiting decision of the Court on both Motions.

3. Special Civil Action Case No. R-CEB-18-08795-SC, Branch XI, Cebu City (For Mandamus to Issue 100% Pre-Emptive Rights, Damages and for Attorney's Fees) - Leo T. Sumatra, Sps. Stephen Paul M. Bergado and Conchita B. Bergado, Marie Davielene Beatriz Ong-Dy and Leonard Matthew Dy, et. Al vs. Allied Care Experts (ACE) Medical Center-Cebu, Inc., GeanieCerna-Lopez and Velma T. Chan

   The Petitioners have filed a Special Civil Action case for Mandamus, to compel the Respondents to immediately issue their 100% pre-emptive rights. The Petitioners claim they are entitled to 10 shares based on their computation of 0.000083333 ownership multiplied by 120,000 (increase in Capital).

   Respondents received the Court Order on 11 December 2018. On November 25, 2020 at 8:30AM, a Judicial Dispute Resolution was conducted by RTC Branch 12, Cebu City via video conference hearing. Both parties did not come into an agreement. The Petitioners demanded PHP 600,000.00 from the Respondents. The case was scheduled for Pre-Trial on June 11, 2021. Pre-trial was terminated. Case is set for presentation of petitioners' evidence.

   Presentation of petitioners' evidence. Petitioners have so far presented two (2) witnesses.

Petitioners have submitted their motion to submit case for decision based on legal issues, which was submitted on November 7, 2022. Case has been submitted for resolution. Last February 3, 2023, the scheduled hearing pushed through, and Counsel appeared for and on behalf of ACEMCCEBU, despite the pending motion. On February 15, 2023, the Court denied the request of the Petitioners' motion to submit the case for decision based on the remaining sole legal issue. As stated in the Order, the presentation of evidence for the petitioners will push through as scheduled on 03 March 2023 at 10:45 in the morning. The hearing was cancelled upon receipt of a Constancia dated 27 February 2023 and reset to 28 April 2023 at 10:45 in the morning. During the 28 April 2023 hearing, the Court still needs to resolve the pending Motion for Reconsideration filed by the Petitioners. Without prejudice to the resolution of the pending incident, the next hearing is set at on 30 June 2023 at 10:45am for presentation of Petitioners' evidence. Considering petitioners' motion for reconsideration has yet to be resolved, the 30 June 2023 hearing was reset to 28 July 2023 at 10:45 am. Due to the pending motion for reconsideration, the 28 July 2023 hearing was reset to 25 August 2023 at 10:45am. The 25 August 2023 was rescheduled to 29 September 2023 at 10:45am. The 29 September 2023 hearing was reset to 14 December 2023 at 10:45am. The 14 December 2023 hearing was reset to 15 March 2024 at 8:30am. The 15 March 2024 was moved to 19 April 2024 at 8:30AM since the witness of the petitioner's did not show up.

Compensation of Directors and Executive Officers

SUMMARY COMPENSATION TABLE

(a) Name & Principal Position	(b) Year	(c) Salary	(d) Bonus	(e) Other Compensation
A. Amado Manuel C. Enriquez Jr. Chairman	2024	-0-	- 0 -	- 0 -
B. Robert H. Tan President	2024	-0-	- 0 -	- 0 -
C. Roy Diamond M. Arco Corporate Treasurer	2024	-0-	- 0 -	- 0 -
D. Aejeleth B. Eyas Corporate Secretary	2024	-0-	- 0 -	- 0 -
E. Michael Edward Enriquez Assistant Corporate Tresurer	2024	-0-	- 0 -	- 0 -
F. Aggregate For The Above Named CEO & Officers	**2025-estimate**	-0-	- 0 -	- 0 -
	2024	-0-	- 0 -	- 0 -
	2023	-0-	- 0 -	- 0 -
G. Aggregate For The Officers And Directors As A Group	**2025-estimate**	-0-	- 0 -	- 0 -
	2024	-0-	- 0 -	- 0 -
	2023	- 0 -	- 0 -	- 0 -

Except for per diem (₱10,000.00/board meeting) during board meetings for each director and monthly salary, there are no bonus, profit sharing or other compensation plan, contract or arrangement in which any director, nominee for election as director, or executive officers of the registrant will participate.

The Company has no existing options, warrants or rights to purchase any securities.

Security Ownership of Certain Record and Beneficial Owners

(1) The persons known to the registrant to be directly or indirectly the record or beneficial owner of more than 5% of the registrant's voting securities as of December 31, 2024 are as follows:

Title of Class	Name, Address of record owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common Founder	Enriquez, Michael Edward R.	Enriquez, Amado Manuel Jr. C./Father	Filipino	19,920 (common shares) 80 (founder shares)	11.86%
Common Founder	Enriquez, Marilyn R.	Enriquez, Amado Manuel Jr. C./Husband			
Common Founder	Enriquez, Miguel R.	Enriquez, Amado Manuel Jr. C./Father			

(2) Security Ownership of Directors and Management as of December 31, 2024:

Name	Amount and Nature of Beneficial Ownership		Citizenship	No. of Shares	% Ownership
	Direct	Indirect			
BOARD OF DIRECTORS					
Enriquez, Amado Manuel Jr. C.	12,500,000	7,500,000	Filipino	19,920 (common shares) 80 (founder shares)	11.86%
Amante, Jonathan C.	2,490,000	2,510,000	Filipino	4,980 (common shares) 20 (founder shares)	2.97%
Tan, Robert H.	2,490,000	2,510,000	Filipino	4,980 (common shares) 20 (founder shares)	2.97%
Cerna-Lopez, Geanie	4,340,000	3,160,000	Filipino	7,470 (common shares) 30 (founder shares)	4.45%
Samoy, Marietta T.	7,500,000	-	Filipino	7,470 (common shares) 30 (founder shares)	4.45%
Arco, Roy Diamond M.	2,500,000	10	Filipino	2,500 (common shares) 10 (founder shares)	1.49%
Eyas, Aejeleth B.	2,500,000	-	Filipino	2,490 (common shares) 10 (founder shares)	1.48%
Ramiro, Ronald	2,500,000	2,500,000	Filipino	4,980 (common shares) 20 (founder shares)	2.97%
De Leon, Roberto	2,500,000	2,500,000	Filipino	4,980 (common shares) 20 (founder shares)	2.97%
Uy, Corazon D.	2,500,000	-	Filipino	2,490 (common shares) 10 (founder shares)	1.48%
Nuico, Glenda N.	2,490,000	2,510,000	Filipino	4,980 (common shares) 20 (founder shares)	2.97%
De La Rosa, Carlos	2,500,000	2,500,000	Filipino	4,980 (common shares) 20 (founder shares)	2.97%
Regalado, Rolando	2,500,000	-	Filipino	2,490 (common shares) 10 (founder shares)	1.48%
Orillaza, Generoso	2,500,000	2,500,000	Filipino	4,980 (common shares) 20 (founder shares)	2.97%
Zozobrado, Evangeline	2,500,000	-	Filipino	2,490 (common shares) 10 (founder shares)	1.48%

Name	Amount and Nature of Beneficial Ownership		Citizenship	No. of Shares	% Ownership
	Direct	Indirect			
EXECUTIVE OFFICERS					
Enriquez, Amado Manuel Jr. C. /Chairman	12,500,000	7,500,000	Filipino	19,920 (common shares) 80 (founder shares)	11.93%
Tan, Robert H. /President	2,490,000	2,510,000	Filipino	4,980 (common shares) 20 (founder shares)	2 97%
Eyas, Aejeleth /Corporate Secretary	2,500,000	-	Filipino	2,490 (common shares) 10 (founder shares)	1.48%
Arco, Roy Diamond M. /Treasurer	2,500,000	10	Filipino	2,500 (common shares) 10 (founder shares)	1.49%
Ramiro, Roland / Asst. Corporate Secretary	2,500,000	2,500,000	Filipino	4,980 (common shares) 20 (founder shares)	2.97%
Enriquez, Michael Edward /Asst. Treasurer	2,500,000		Filipino	2,490 (common shares) 10 (founder shares)	1.48%

(3) The following owns directly or indirectly 2.0% or more of the outstanding capital stock of the Company:

Name	% of Ownership
Enriquez, Amado Manuel Jr. C.	11.86%
Cerna-Lopez, Geanie	4.45%
Samoy, Marietta T.	4.45%
Amante, Jonathan C.	2.97%
Arco, Roy Diamond M.	2.97%
Orillaza, Generoso M.	2.97%
De Leon, Roberto M.	2.97%
Tan, Robert H.	2.97%
Nolasco, Felix P.	2.97%
Nuico, Revey S.	2.97%
Rana, Daphne Lynn R.	2.97%

(4) There are no voting trust holders of 5% or more.

(5) The Company is not aware of any voting trust agreement/s or similar agreement/s which may result in a change in control of the Company.

(6) No change in control of the registrant has occurred since the beginning of its last fiscal year.

Certain Relationships and Related Transactions

The Company's related parties include its affiliates and shareholders, the Company's key management personnel and others as described below.

A summary of the transactions and account balances with related parties follows:

The Company, in the normal course of business, transacts business with individuals which are considered related parties. The following were carried out with related parties as at December 31, 2024 and 2023:

Category	Advances from shareholders 2023	Amount of Transactions **2024**	Advances from shareholders **2024**	Terms	Conditions
Advances from shareholders					
Non-interest-Bearing	**2,384,654**	**25,560,700**	**27,945,354**	Non-interest-bearing, to be paid in cash (a)	Unsecured, unguaranteed, not impaired
Interest Bearing	–	–	–	Interest-bearing, to be paid in cash (b)	Unsecured, unguaranteed, not impaired
	2,384,654	**25,560,700**	**27,945,354**		

Category	Advances from shareholders 2022	Amount of Transactions **2023**	Advances from shareholders **2023**	Terms	Conditions
Advances from shareholders					
Non-interest-Bearing	6,629,654	(4,245,000)	2,384,654	Non-interest-bearing, to be paid in cash (a)	Unsecured, unguaranteed, not impaired
Interest Bearing	6,000,000	(6,000,000)	–	Interest-bearing, to be paid in cash (b)	Unsecured, unguaranteed, not impaired
	12,629,654	(10,245,000)	2,384,654		

In the special meeting of the Board held last May 7, 2017, the directors and shareholders were mandated and empowered to contribute resources and make cash advances to the Company for the development of its medical structures and appurtenances. In view of this, the shareholders advanced the monies in support of the Company's building construction requirements. These advances are non-interest bearing and to be paid subject to availability of funds and/or the Board may decide to convert said advances to equity in the distant future. The Company, however, also reserves the right to defer settlement and prioritize completion of the hospital building.

(c) Interest-bearing Advances from shareholders

On June 3, 2019, the Company acquired an unsecured interest-bearing advance from the shareholders at 12% per annum which was primarily used by the Company to support the working capital requirement during the start of its operation. The Company, however, reserves the right to defer settlement in favor of prioritizing payments relative to hospital construction. Total finance costs on these loans amounted to nil, ₱896,230 and ₱1,402,619 in 2024, 2023 and 2022, respectively.

Key Management Personnel

Key management compensation amounted to ₱36,000,000 and ₱36,000,000 for the year ended December 31, 2024 and 2023, respectively. These amounts are incorporated in the salaries and allowances under direct costs account in the financial statements.

There is no transaction with promoters for the past 5 years.

PART V – CORPORATE GOVERNANCE

The Company adheres to the principles of good governance as provided in its Manual on Corporate Governance (MCG). In the performance of their respective responsibilities, the directors, officers and employees are guided by the mission and vision of the Company and the good corporate practices provided under the Company's Manual on Corporate Governance.

The Board has created different committees: Nomination and Election Committee, Audit Committee, Compensation and Remuneration Committee, Corporate Governance Committee, and Committee on Inspection and Validity of Proxies, all composed of qualified members and who undertake their functions as mandated. There were no major deviations from the adopted Manual on Corporate Governance.

The Independent directors have submitted their Certificates of Qualification as required by the SEC vis-à-vis Section 38 of the Securities Regulation Code.

PART VI - EXHIBITS AND SCHEDULES

(a) Exhibit
    2024 Audited Financial Statements

(b) Reports on SEC Form 17-C

The following reports on SEC Form 17-C were filed by the Company:

Date	Corporate Action
March 19, 2024	Postponement of the Y2024 Annual Stockholder's Meeting
July 9, 2024 [ASM]	Election of Directors Appointment of External Auditor for Y2023
July 9, 2024 [Organizational Meeting]	Election of Officers Appointment of Member of Various Committees

SIGNATURES

Pursuant to the requirements of Section 17 of the Securities Regulation Code and Section 141 of the Corporate Code of the Philippines, this amended annual report has been signed on behalf of the issuer, by the following persons in the capacities and on the dates indicated.

ROBERT H. TAN
President

AEJELETH B. EYAS
Corporate Secretary

ROY DIAMOND M. ARCO
Corporate Treasurer

NOTE: There is no "Comptroller" position in the existing organizational structure of ACE Dumaguete Doctors.

Scanned with CamScanner

SUBSCRIBED AND SWORN to before me this 25 APR 2025 day of April 2025, affiants exhibiting to me their Tax Identification Number (TIN)/Social Security System (SSS) ID Nos., as follows:

AFFIANTS	TIN/SSS Nos.
Robert H. Tan	
Aejeleth B. Eyas	
Roy Diamond M. Arco	

ATTY. JULIUS ANTHONY R. CUENCO, CPA
Notary Public for Dumaguete City, Siaton,
Valencia, Zamboanguita, Dauin, Bacong, and
Sibulan, Province of Negros Oriental
NOTARY PUBLIC
Serial No. 2025-016, Until Dec. 31, 2026
om 405, Silliman Portal West Bldg., Dumaguete City
Roll of Attorneys No. 75804
No. 4319858A / Jan. 2, 2025 Negros Oriental
470909 / Oct. 9, 2024 Pasig
MCLE Compliance No. VIII-0008051

Doc. No. 07
Page No. 07
Book No. 11
Series of 2025.

Upon the written request of the stockholder, the Company undertakes to furnish said stockholder a copy of SEC Form 17-A free of charge, except for exhibits attached thereto which shall be charged at cost. Any written request for a copy of SEC Form 17-A shall be addressed as follows:

Allied Care Experts (ACE) Dumaguete Doctors Inc.
F. Cimafranca St., Daro, Dumaguete City, Negros Oriental
Attention: The Assistant Corporate Secretary

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Gmail

ACEDDI ACCOUNTING <aceddiacctdept@gmail.com>

Fw: Your BIR AFS eSubmission uploads were received

1 message

Yahoo Mail <acedumaguetedoctors@yahoo.com.ph> Thu, Apr 24, 2025 at 2:45 PM
To: ACEDDI ACCOUNTING <aceddiacctdept@gmail.com>

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From: "eafs@bir.gov.ph" <eafs@bir.gov.ph>
To: "acedumaguetedoctors@yahoo.com.ph" <acedumaguetedoctors@yahoo.com.ph>
Cc: "jonathancamante@su.edu.ph" <jonathancamante@su.edu.ph>
Sent: Thursday, April 24, 2025 at 02:32:56 PM GMT+8
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Hi ALLIED CARE EXPERTS (ACE) DUMAGUETE DOCTORS INC.,

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- EAFS008997532AFSTY122024.pdf
- EAFS008997532ITRTY122024.pdf

Invalid file

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Transaction Code: **AFS-0-RR3TYYQ0CB569JG6QRYV2ZNM0P2VZQMN2**
Submission Date/Time: **Apr 24, 2025 02:32 PM**
Company TIN: **008-997-532**

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

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ALLIED CARE EXPERTS (ACE)

DUMAGUETE DOCTORS INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2024

AND

REPORT OF INDEPENDENT AUDITORS

Philippine Pesos

ONG, NOCEJA & ASSOCIATES
Certified Public Accountants

Allied Care Experts (ACE) Dumaguete Doctors, Inc.
F. Cimafranca Street, Daro , Dumaguete City
Email: acedumaguetedoctors@yahoo.com.ph Cell # 09322420610

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **ALLIED CARE EXPERTS (ACE) DUMAGUETE DOCTORS INC.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

ONG, NOCEJA & ASSOCIATES, C.P.A. and **DIMACULANGAN, DIMACULANGAN AND COMPANY, CPA'S** the independent auditors appointed by the Stockholders, for the period December 31, 2024 and 2023, respectively, have audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in their reports to the Stockholders, has expressed their opinion on the fairness of presentation upon completion of such audit.

Dr. Amado Manuel C. Enriquez Jr.
Chairman of the Board

Dr. Robert H. Tan
President

Dr. Roy Diamond M. Arco
Treasurer

10 APR 2025

Signed this __th day of _________, 2025

SUBSCRIBED AND SWORN TO BEFORE this 10 APR 2025 day of _______ 202__ in Dumaguete City, Philippines, Negros Oriental

DOC. NO: 402
PAGE NO: 82
BOOK NO: I
SERIES OF: 2025

ATTY. JULIUS ANTHONY R. CUENCO, CPA
Notary Public for Dumaguete City, Siaton, Valencia, Zamboanguita, Dauin, Bacong, and Sibulan, Province of Negros Oriental
Serial No. 2025-016, Until Dec. 31, 2026
Room 405, Silliman Portal West Bldg., Dumaguete City
Roll of Attorneys No. 76804
PTR No. 4319858A / Jan. 2, 2025 Negros Oriental
IBP No. 355389, 470909 / Oct. 9, 2024 Pasig City

REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders
ALLIED CARE EXPERTS (ACE) DUMAGUETE DOCTORS INC.
F. Cimafranca St. Daro, Dumaguete City, Negros Oriental

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ALLIED CARE EXPERTS (ACE) DUMAGUETE DOCTORS INC. (the Company), which comprise the statements of financial position as at December 31, 2024, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of 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 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 financial statements of the current period.

As at December 31, 2024, we have determined that there are no key audit matters to communicate in our report.

Other Matter

The financial statements of ALLIED CARE EXPERTS (ACE) DUMAGUETE DOCTORS INC. as at and for the year ended December 31, 2023 were audited by another auditor whose report thereon dated April 8, 2024 expressed an unqualified opinion on those financial statements.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- 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 the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on the Supplementary Information Required Under Revenue Regulation Nos. 15-2010 and 34-2020

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under said Revenue Regulations in Note 32 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of the management of ALLIED CARE EXPERTS (ACE) DUMAGUETE DOCTORS INC.. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Report on Additional Components of the Financial Statements

We have audited in accordance with Philippine Standards on Auditing, the financial statements of ALLIED CARE EXPERTS (ACE) DUMAGUETE DOCTORS INC. (the Company) as at and for the year ended December 31, 2024 and have issued our report thereon dated April 10, 2025. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary schedules required by paragraph 7, Part II of the Revised Securities Regulation Code (SRC) Rule 68 (Annex 68-J), Reconciliation of Retained Earnings Available for Dividend Declaration, and Schedule of Financial Soundness Indicators are the responsibility of the Company's management. These schedules are presented for purposes of complying with Revised SRC Rule 68, and are not part of the basic financial statements. These schedules have been subjected to the auditing procedure applied in the audit of the basic 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 financial statements taken as a whole.

ONG, NOCEJA & ASSOCIATES

BY: **LACRIMAS N. ONG**
PARTNER
CPA Cert. No. 38847
PTR 3740237, January 2, 2025 @ Parañaque City
FIRM's PRC/BOA
Firm - Accreditation No. 9308, Valid until August 6, 2027
Partner - Accreditation No. 9308/P-001 Valid until August 6, 2027
IC Group C Accreditation
Firm - Accreditation No. 9308-IC Valid for Audit Period 2020 - 2024
Partner - Accreditation No. 38847-IC Valid for Audit 2020 - 2024
CDA CEA Accreditation
Partner - Accreditation No. 39, Valid until October 14, 2029

Parañaque City, Metro Manila, Philippines
April 10, 2025

ALLIED CARE EXPERTS (ACE) DUMAGUETE DOCTORS INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024
(With comparative figures for 2023)

	Notes	2024	2023
A S S E T S			
CURRENT ASSETS			
Cash	6,30	**₱ 57,918,947**	₱ 39,751,601
Trade and other receivables	7,30	**84,882,564**	78,908,425
Inventories and hospital supplies	8	**30,532,645**	28,004,216
Other current assets	9	**5,049,558**	47,250,652
		178,383,714	193,914,894
NONCURRENT ASSETS			
Advances to suppliers	10	**7,976,814**	13,415,999
Property and equipment	11	**636,148,809**	685,679,761
Intangible assets	12	**3,020,100**	241,536
Deferred tax assets	27	**3,662,544**	4,838,818
Other noncurrent asstes	13	**33,750,950**	16,000
		684,559,217	704,192,114
TOTAL ASSETS		**₱ 862,942,931**	₱ 898,107,008
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade and other payables	14	**₱ 90,640,899**	₱ 88,779,825
Current portion of bank loans	15,30	**155,750,000**	163,000,000
		246,390,899	251,779,825
NONCURRENT LIABILITIES			
Noncurrent portion of bank loans	15,30	**24,000,000**	138,750,000
Advances from shareholders	16,26,30	**27,945,354**	2,384,654
Retirement benefit obligation	17	**1,252,523**	-
		53,197,877	141,134,654
TOTAL LIABILITIES		**299,588,776**	392,914,479
EQUITY			
Share capital	18	**168,600,000**	167,710,000
Share premium	18	**397,660,800**	368,240,000
Deficit		**(2,906,645)**	(30,757,471)
		563,354,155	505,192,529
TOTAL LIABILITIES AND EQUITY		**₱862,942,931**	₱898,107,008

See accompanying Notes to Financial Statements.

ALLIED CARE EXPERTS (ACE) DUMAGUETE DOCTORS INC.
STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended December 31, 2024
(With comparative figures for 2023 and 2022)

	Notes	2024	2023	2022
REVENUE	19	**₱ 613,058,922**	₱ 605,497,293	₱ 515,812,320
DIRECT COSTS	20	**(417,694,316)**	(446,741,619)	(384,860,553)
GROSS PROFIT		**195,364,606**	158,755,674	130,951,767
OTHER INCOME	21	**5,567,102**	23,058	31,205
OPERATING EXPENSES	22	**(153,663,061)**	(112,759,792)	(77,343,951)
FINANCE COST	23	**(15,100,484)**	(23,578,593)	(28,707,852)
PROFIT BEFORE TAX		**32,168,163**	22,440,347	24,931,169
INCOME TAX EXPENSE	27			
Current		**(7,979,881)**	(576,076)	-
Deferred		**3,662,544**	-	-
		(4,317,337)	(576,076)	-
PROFIT FOR THE YEAR		**₱ 27,850,826**	₱ 21,864,271	₱ 24,931,169
COMPREHENSIVE INCOME		**-**	-	-
TOTAL COMPREHENSIVE INCOME		**₱ 27,850,826**	₱ 21,864,271	₱ 24,931,169
BASIC EARNINGS PER SHARE	28	**₱ 165.19**	₱ 130.37	₱ 149.13

See accompanying Notes to Financial Statements.

ALLIED CARE EXPERTS (ACE) DUMAGUETE DOCTORS INC.
STATEMENT OF CHANGES IN EQUITY
For the Year Ended December 31, 2024
(With comparative figures for 2023 and 2022)

	Share Capital (Note 18)	Share Premium (Note 18)	Deficit	Total Equity
Balance at December 31, 2023	**167,710,000**	**368,240,000**	**(30,757,471)**	**₱ 505,192,529**
Additional share capital	**890,000**			**890,000**
Additional share premium		**29,420,800**		**29,420,800**
Profit for the period			**27,850,826**	**27,850,826**
Balance at December 31, 2024	**168,600,000**	**397,660,800**	**(2,906,645)**	**₱563,354,155**

Balance at December 31, 2022	167,180,000	355,520,000	(52,621,742)	₱ 470,078,258
Additional share capital	530,000			530,000
Additional share premium		12,720,000		12,720,000
Profit for the period			21,864,271	21,864,271
Balance at December 31, 2023	167,710,000	368,240,000	(30,757,471)	₱505,192,529

Balance at December 31, 2021	165,420,000	313,280,000	(77,552,912)	₱ 401,147,088
Additional share capital	1,760,000		-	1,760,000
Additional share premium		42,240,000		42,240,000
Profit for the period			24,931,169	24,931,169
Balance at December 31, 2022	167,180,000	355,520,000	(52,621,743)	₱470,078,257

See accompanying Notes to Financial Statements.

ALLIED CARE EXPERTS (ACE) DUMAGUETE DOCTORS INC.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2024
(With comparative figures for 2023 and 2022)

	Notes	2024	2023	2022
CASH INFLOWS FROM OPERATING ACTIVITIES				
Profit before tax		**₱ 32,168,163**	₱ 22,440,347	₱ 24,931,169
Adjustments for:				
Interest expense	23	**15,100,484**	23,578,593	28,707,852
Amortization of intangible assets		**934,423**	87,179	87,179
Depreciation		**72,439,673**	78,370,695	78,544,498
Interest income	21	**(48,686)**	(23,058)	(29,505)
Operating income before working capital changes		**120,594,057**	124,453,756	132,241,193
Provision for ECL		**4,421,352**	8,976,338	-
Decrease (increase) in:				
Trade and other receivables		**5,974,139**	9,681,500	17,943,250
Inventories and hospital supplies		**(2,528,429)**	(90,791)	8,615,344
Other current assets		**30,670,282**	(16,393,564)	(13,211,248)
(Decrease) increase in:				
Trade and other payables		**1,861,074**	(1,563,093)	(4,772,661)
Retirement benefit obligation		**1,252,523**	-	
Cash generated from operation		**162,244,998**	125,064,146	140,815,878
Income tax paid		**(7,979,881)**	(2,381,335)	(2,194,694)
Net cash provided by operating activities		**154,265,117**	122,682,811	138,621,184
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of property and equ	11	**(22,908,721)**	(21,224,709)	(46,492,866)
Advances to suppliers		**5,439,185**	1,118,362	206,713
Interest received	21	**48,686**	23,058	29,505
Additions to other noncurrent assets		**(33,734,950)**	-	
Additions to intangible assets	13	**(3,712,987)**	-	(335,893)
Net cash provided by investing activities		**(54,868,787)**	(20,083,289)	(46,592,541)
CASH FLOWS FROM FINANCING ACTIVITIES				
Additional share capital	18	**890,000**	530,000	1,760,000
Additional share premium		**29,420,800**	12,720,000	42,240,000
Payment of bank loans		**(122,000,000)**	(114,750,000)	(64,666,666)
Payment of interest expense	23	**(15,100,484)**	(23,578,593)	(28,715,385)
Payment of advances from shareholders		**-**	(10,245,000)	(19,133,800)
Increase in advances from share	16,26	**25,560,700**	-	12,664,000
Net cash used in financing activities		**(81,228,984)**	(135,323,593)	(55,851,851)
INCREASE (DECREASE) IN CASH		**18,167,346**	(32,724,071)	36,176,792
CASH, BEG. OF YEAR		**39,751,601**	72,475,672	36,298,880
CASH, END OF YEAR	6	**₱ 57,918,947**	₱ 39,751,601	₱ 72,475,672

See accompanying Notes to Financial Statements.

ALLIED CARE EXPERTS (ACE) DUMAGUETE DOCTORS INC.

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2024

(With comparative figures for 2023 and 2022)

1. CORPORATE INFORMATION, STATUS OF OPERATION AND AUTHORIZATION FOR THE ISSUANCE OF THE FINANCIAL STATEMENTS

Corporate Information

The ALLIED CARE EXPERTS (ACE) DUMAGUETE DOCTORS INC. (the Company) was incorporated on April 1, 2015 with the Securities and Exchange Commission under SEC Registration No. CS201506626.

The Company's primary purpose is to establish, maintain, operate, own and manage hospitals, medical and related healthcare facilities and businesses such as but without restriction to clinical laboratories, diagnostic centers, ambulatory clinic, condo-hospital, scientific research and other allied undertakings and services which shall provide medical, surgical, nursing, therapeutic, paramedic or similar care, provided that purely professional, medical or surgical services shall be performed by duly qualified and licenses physicians or surgeons who may or may not be connected with the hospitals and whose services shall be freely and individually contracted by the patients.

On June 28, 2019, the SEC En Banc under SEC MSRD Order No. 37 approved effective the registration statement of the Company for 186,000 shares broken down as follows: the primary offering to be sold by way public offering for 36,000 shares equivalent to 3,600 blocks or 10 shares per block at an offer price ranging from P250,000 up to P400,000 per block. Issued and outstanding Founder shares (600) and common shares (149,400) are not included in the offer. These shares have been registered and may now be offered for sale or sold to the public subject to full compliance with the provisions of the Securities Regulation Code and its Amended Implementing Rules and Regulations, Revised Code of Corporate Governance, and other applicable laws and orders as may be issued by the Commission.

The Company was issued its Board of Investments (BOI) Certificate of Registration no. 2019-034 on February 9, 2019. As a BOI-Registered Non-Pioneer Status Hospital, the Company enjoyed certain grants, particularly, but not limited to – Income Tax Holiday – for a period of 4 years starting from the start of its commercial operations.

The registered office of the Company is at F. Cimafranca St. Daro, Dumaguete City, Negros Oriental.

Status of Operation

The accompanying financial statements have been prepared on a going concern basis, which contemplate the realization of assets and settlement of liabilities in the normal course of business. (See Note 5.1)

Authorization for the Issuance of the Company Financial Statements

The accompanying Company financial statements as at and for the year ended December 31, 2024 was approved and authorized for issue in accordance with a resolution by the Board of Directors (BOD) on April 10, 2025.

2. FINANCIAL REPORTING FRAMEWORK AND BASIS OF PREPARATION AND PRESENTATION

Basis of Preparation

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

Statement of Compliance

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards issued by the Philippine Financial Reporting Standards Council and adopted by the Philippine Securities and Exchange Commission (SEC), including the SEC provisions.

The financial reporting framework includes the PFRS Accounting Standards, Philippine Accounting Standards (PAS) and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC), including the SEC pronouncements.

3. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The accounting policies adopted are consistent with those of the previous financial year, except that the Company has adopted the following new accounting pronouncements and amendments starting January 1, 2024. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Except as otherwise indicated, the following standards and framework did not have significant impact on the Company's financial statements:

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

  The amendments clarify paragraphs 69 to 76 of PAS 1, Presentation of Financial Statements, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

  - What is meant by a right to defer settlement.
  - That a right to defer must exist at the end of the reporting period
  - 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, 2023 and must be applied retrospectively. However, in November 2021, the International Accounting Standards Board (IASB) tentatively decided to defer the effective date to no earlier than January 1, 2024.

- Amendments to PAS 12, *International Tax Reform - Pillar Two Model Rules* – The amendments provide a mandatory temporary exemption for the accounting of the deferred taxes arising from the implementation of the Organization for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting Pillar Two model rules (Pillar Two income taxes). The amendments also introduce the disclosure requirements for the affected entities to enable users of the financial statements understand the extent to which an entity will be affected by the Pillar Two income taxes, particularly before its effectivity date.

- Amendments to PFRS 16, *Leases - Lease Liability in a Sale and Leaseback* – The amendments clarify that the liability that arises from a sale and leaseback transaction, that satisfies the requirements in PFRS 15, Revenue from Contracts with Customers, to be accounted for as a sale, is a lease liability to which PFRS 16 applies and give rise to a right-of-use asset. For the subsequent measurement, the seller-lessee shall determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying this subsequent measurement does not prevent the seller-lessee from recognizing any gain or loss relating to the partial or full termination of a lease. Any gain or loss relating to the partial or full termination of the lease does not relate to the right of use retained but to the right of use terminated.

- Amendments to PAS 1, *Noncurrent Liabilities with Covenants* – The amendments clarified that covenants to be complied with after the reporting date do not affect the classification of debt as current or noncurrent at the reporting date. Instead, the amendments require the entity to disclose information about these covenants in the notes to the financial statements. The amendments must be applied retrospectively. If applied, the Company shall also apply Amendments to PAS 1 - Classification of Liabilities as Current or Noncurrent for that period.

- Amendments to PAS 7, *Statement of Cash Flows* and PFRS 7, *Financial Instrument: Disclosures - Supplier Finance Arrangements* – The amendments introduced new disclosure requirements to enable users of the financial statements assess the effects of supplier finance arrangements on the liabilities, cash flows and exposure to liquidity risk. The amendments also provide transitional relief on certain aspects, particularly on the disclosures of comparative information. Earlier application is permitted.

New and Amendments to PFRS and PIC Issuances in Issue but Not yet Effective or Adopted

Relevant new and amendments to PFRS and PIC issuances, which are not yet effective as at January 1, 2024 and have not been applied in preparing the Company's financial statements, are summarized below.

Effective beginning on or after January 1, 2025

- Amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability* – The amendments clarify when a currency is considered exchangeable into another currency and how an entity determines the exchange rate for currencies that lack exchangeability. The amendments also introduce new disclosure requirements to help users of financial statements assess the impact when a currency is not exchangeable. An entity does not apply the amendments retrospectively. Instead, an entity recognizes any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings when the entity reports foreign currency transactions. When an entity uses a presentation currency other than its functional currency, it recognizes the cumulative amount of translation differences in equity. Earlier application is permitted.

- PFRS 17, *Insurance Contracts*

  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, Insurance Contracts. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

On December 15, 2021, the FRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted.

4. SUMMARY OF SIGNIFICANT ACCOUNTING AND FINANCIAL REPORTING POLICIES

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

Current versus Noncurrent Classification
The Company presents assets and liabilities in the Company statement of financial position based on current or noncurrent classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting date: or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve (12) months after the reporting date.

All other assets are classified as noncurrent.

A liability is current when it is:

- Expected to be settled in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be settled within twelve 12) months after the reporting date; or
- There is no unconditional right to defer settlement of the liability for at least twelve (12) months after the reporting period.

The Company classifies all other liabilities as noncurrent.

Deferred income tax assets and liabilities are classified as noncurrent assets and liabilities.

Fair Value Measurement
The Company measures financial instruments at fair value at each reporting date.

Fair value is the 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 to 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 best economic interest.

The fair value of financial instruments that are traded in active markets at each balance sheet date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs at the close of business on the balance sheet date. When current bid prices and asking prices are not available, the prices of the most recent transaction provide evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction.

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 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 financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re- assessing 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.

4.1 Financial Assets
Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, FVOCI, and fair value through profit or loss (FVTPL).

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 FVTPL, 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.

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 under PFRS 9
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 FVTPL

Financial Assets at Amortized Cost
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 solely payments of principal and interest 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 company statement of income when the asset is derecognized, modified or impaired.

The Company's financial assets are categorized as financial assets at amortized cost (debt instrument) which mainly includes the Company's "Cash", Trade and Other Receivables", and "Refundable Deposits" shown under other noncurrent assets.

Financial Assets Designated at FVOCI
Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI 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 the company statement of income. Dividends are recognized in the company statement of 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 as financial assets at FVOCI are not subject to impairment assessment. The Company elected to classify irrevocably its equity investments recognized under "Financial assets at FVOCI" under this category.

Cash
Cash includes petty cash fund, cash on hand and cash in banks that are unrestricted and available for current operations. Petty Cash Fund is the account maintained to cover small payments not covered by checks, such as transportation, small amount of office supplies, and other payments as defined by management. Cash on hand are the undeposited collections as at the end of the reporting period which will be deposited on the next banking day. Cash in banks are deposits held at call with banks. The Company reconciles the books and bank balances regularly as part of its cash monitoring and internal control measures. This is stated in the statements of financial position at face amount.

Trade Receivables
Trade receivables represent the Company's right to an amount of consideration that is unconditional which are non-interest bearing and generally on a 30-90 day term.

The Company's trade receivables pertain to claims from Philippine Health Insurance Corporation (PhilHealth), Health Maintenance Organizations (HMO), Corporate accounts, which include private companies (self-managed health plan), Guarantee Letters (GLs) from Philippine Charity Sweepstakes Office (PCSO), Department of Social Welfare and Development (DSWD) and other government agencies, and self-pay private individuals whose accounts remain unpaid and/or payments are coursed through promissory notes and credit cards.

No trade receivables have been pledged as security for liabilities.

Impairment of Financial Assets

Policy in Accordance with PFRS 9

The Company applied the Expected Credit Loss (ECL) model on the impairment of the following debt instruments financial assets not measured at FVTPL:

- those that are measured at amortized cost and FVOCI;
- loan commitments; and
- financial guarantee contracts.

ECL 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 forecast of future economic conditions.

Amount of ECL to be recognized is 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.

The following stages are applicable to those financial assets being assessed for ECL depending on its credit quality:

Stage 1: 12-month
For credit exposures where there have not been significant increases in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of lifetime ECLs that represent the ECLs that result from default events that are possible within the 12-months after the reporting date are recognized.

Stage 2: Lifetime ECL
For credit exposures where there have been significant increases in credit risk since initial recognition on an individual or collective basis but are not credit-impaired, lifetime ECLs representing the ECLs that result from all possible default events over the expected life of the financial asset are recognized.

Stage 3: Credit-impaired
Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of those financial assets have occurred. For these credit exposures, lifetime ECLs are recognized and interest revenue is calculated by applying the credit-adjusted EIR to the amortized cost of the financial asset.

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 debtors and the economic environment.

Determining the Stage for Impairment
At each reporting date, the Company assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Company considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

An exposure will migrate through the ECL stages as credit quality deteriorates. If, in a subsequent period, credit quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-months ECL. For trade receivables, the Company applied 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.

The Company performs an assessment whether its financial asset is in default when contractual payments are 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 when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition of Financial assets and liabilities
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 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.

Write-off

Financial assets are written off when the Company has no reasonable expectation of recovering the financial assets either in its entirety or a portion of it. This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event.

4.2 Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, 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's financial liabilities are categorized as financial liabilities at amortized cost which comprise of "Trade and other payables", "Current and noncurrent portions of bank loans", and "Advances from shareholders".

After initial recognition, financial liabilities at amortized cost are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the company statement of income 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 finance costs in the company statement of income.

Derecognition

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 company statement of income.

4.3 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the company 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.

4.4 Inventories and Hospital Supplies

Inventories and hospital supplies include unsold drugs and medicines in the Pharmacy medical inventories held for consumption such as medical and laboratory supplies and general hospital maintenance supplies.

Inventories and hospital supplies are initially measured at cost. Costs of inventory and hospital supplies include purchase price and all incidental cost necessary to bring the inventory to its saleable condition. Subsequently, inventories and hospital supplies are stated at the lower of cost and net realizable value. The costs of inventories and hospital supplies are calculated using the weighted average method. Net realizable value represents the estimated selling price less all estimated costs necessary to make the sale.

When the net realizable value of the inventories is lower than the cost, the Company provides for an allowance for the decline in the value of the inventory and recognizes the write-down as an expense in profit or loss. The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized.

Allowance is made, when necessary, for obsolete, slow-moving and defective inventories. The amount of any write down of inventories to NRV and all losses on inventories shall be recognized as an expense in the period the write-down or loss occurs.

The amount of any reversal of any write-downs of inventories, arising from the increase in NRV, shall be recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

No inventories and hospital supplies have been pledged as security for liabilities.

4.5 Other Current Assets
Other current assets include creditable withholding taxes, advances subject to liquidation, prepaid expenses and input VAT. Other current assets are expenses paid in advance and recorded as assets before they are used or consumed, as the service or benefit will be received in the future. Prepayments are recognized as expenses either with the passage of time or through use or consumption.

The Company conducts regular assessment on the recoverability of the account balances depending on how these are to be utilized. The amount of the loss is measured as the difference between the asset's carrying amount and estimated recoverable value. Impairment loss is recognized in the statement of comprehensive income and the carrying amount of the asset through the use of an allowance.

4.6 Property and Equipment
Property and equipment, except land, are stated at cost less accumulated depreciation and any impairment in value. Land is stated at cost less any impairment in value.

The initial cost of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operations, such as repairs and maintenance and overhaul costs, are normally charged to operations in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment.

Cost also includes any asset retirement obligation and interest on borrowed funds used, if any. When assets are sold or retired, their costs and accumulated depreciation and impairment losses, if any, are eliminated from the accounts and any gain or loss resulting from their disposal is included in the Company statement of income of such period.

Subsequently, property and equipment are stated at cost, less accumulated depreciation and impairment in value, if any.

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

	No. of Years
Land improvement	15
Building and improvements	25

Medical machineries and equipment	5
Transportation equipment	5
Office equipment, furniture and fixtures	3-5

Depreciation commences once the assets are available for use. It ceases at the earlier of the date that it is classified as held for sale and the date the asset is derecognized.

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

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

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

Fully depreciated property and equipment are retained in the accounts until they are no longer in use.

4.7 Impairment of Non-financial Assets

The Company assesses at each reporting date whether there is an indication that these non-financial assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. The asset's or cash generating unit's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. Any impairment loss is recognized in the company statement of income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the company statement of income unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is 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.

4.8 Derecognition of Non-financial Assets

Items of property and equipment are derecognized when these assets are disposed of or when no future economic benefits are expected from these assets. Also, items of inventories are derecognized in the period the inventories are sold. The carrying amount of inventories sold is recognized as cost of sales in the statement of comprehensive loss.

4.9 Equity

This includes share capital, share premium and retained earnings.

Share Capital
Share capital is measured at par value for all shares issued. When the Company issues more than one class of stock, a separate account is maintained for each class of stock and number of shares issued.

When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. In case the shares are issued to extinguish or settle the liability of the Company, the shares shall be measured either at the fair value of the shares issued or fair value of the liability settled, whichever is more reliably determinable.

The costs of acquiring Company's own shares, if any, are shown as a deduction from equity attributable to the Company's equity holders until the shares are cancelled or reissued. When such shares are subsequently sold or reissued, any consideration received, net of directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

Share Premium
Share premium includes any premiums received on the initial issuing of capital stock. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Retained Earnings
Retained earnings represent the cumulative balance of periodic net income or losses, dividend distributions, prior period adjustments and effects of changes in accounting policies and capital adjustments. When the retained earnings account has a debit balance, it is called "deficit". A deficit is not an asset but a deduction from equity.

4.10 Revenue and Cost recognition

Revenue Recognition
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 has concluded that it is the principal in its revenue arrangements because it controls the goods or services before transferring them to the customer.

The following are the specific recognition criteria in recognizing the following:

- Ancillary Services, Room Accommodation – revenue is recognized when the significant act of providing inpatient medical services has been rendered based on the statement of accounts or billing issued to the patients of the hospital upon discharge.

  Outpatient revenue from walk-ins is recognized when the medical services are rendered.

- Pharmacy Sales – revenue is recognized upon sale of pharmaceutical products and medical supplies when the significant risks and rewards of ownership of the good have passed to the patients/customers.

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

- Other Income – this includes revenue recognized when earned from sources other than the normal business operations of the Company.

- Discounts - pertain to patient discounts and package deal discounts. These also include senior citizen and persons with disability (PWD) discounts which are computed at 20% of the medicine and necessary medical care services for the diagnosis and/or treatment of an illness or injury for senior citizen and PWD patients. Discounts are a contra revenue account and recognized when revenue is earned.

Cost and Expense Recognition
Costs and expenses are recognized in profit or loss in the year they are incurred. The following specific costs and expense recognition criteria must also be met before costs and expenses are recognized.

Cost of Services
Cost of services is recognized when the medical services are rendered and when the supplies necessary in rendering healthcare services to patients are used.

Cost of Sales - Pharmacy
Cost of sales is recognized when the medicines and other healthcare products are administered to patients.

Operating Expenses
Operating expenses constitute the costs of administering the business operation of the Company and are expensed as incurred.

Finance Cost
Finance costs comprise of interest expense on borrowings and other bank charges. These are recognized in profit or loss in the period they are incurred using the effective interest method

4.11 Income Taxes
Income tax expense represents the sum of the current tax and deferred tax expense.

Current Income Tax
The current tax expense is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statements of comprehensive loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

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

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

Deferred income 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 that have been enacted or substantively enacted at the reporting date.

Deferred income tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred income tax items are recognized in correlation to the underlying transaction either in statement of other comprehensive income or directly in equity.

Value-added Tax (VAT)
Revenue, expenses, and assets are recognized net of the amount of VAT, except:

- where the VAT incurred on a purchase of assets or services is not recoverable from the tax authority, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of VAT included.

The net amount of VAT recoverable from (input VAT), or payable to (output VAT), the tax authority is included as part of "Other current assets" or "Other current liabilities" accounts, respectively, in the Company's statements of financial position.

ENACTMENT OF NEW TAX LAWS

Corporate Recovery and Tax Incentive for Enterprises (CREATE) Act

On March 26, 2021, the Office of the President of the Philippines signed into law the CREATE Act to attract more investments and maintain fiscal prudence and stability in the Philippines.

New Income Tax Rates on the Regular Income of Corporations pursuant to Republic Act (RA) No. 11534 or the CREATE Act, which further amended the National Internal Revenue Code (NIRC) of 1997, adopted the Regular Corporate Income Tax (RCIT) rate effective 01 July 2020 based on the total assets of domestic corporations as follows:

a. Domestic corporations with total assets of Php100 Million and below, and with taxable income of Php5 Million and below – 20% RCIT;
b. Domestic corporations with total assets of Php100 Million and below, and with taxable income of more than Php5 Million – 25% RCIT:
c. Domestic corporations with total assets of more than Php100 Million – 25% RCIT.

Among the other reforms, the following are the significant provisions:

1. Improperly accumulated tax on retained earnings under Section 29 of the NIRC, as amended, has been repealed.

2. Existing enterprises under income tax holiday (ITH) shall be allowed to continue availing the ITH until the remaining period ends. Existing enterprises enjoying the 5% tax based on gross income shall be allowed to continue to enjoy the 5% tax for a period of 10 years, regardless of number of years it has been enjoying the 5% tax rate. After the expiration of the transitory period, they have the option to avail of the tax incentives under CREATE Act.

The Company's current tax liability is calculated using RCIT rate or MCIT, whichever is higher.

Ease of Paying Taxes (EOTP) Act – Republic Act (RA) No. 11976

Republic Act (RA) No. 11976, otherwise known as the "Ease of Paying Taxes (EOPT) Act", was signed into law on January 5, 2024 and took effect on January 22, 2024.

The law aims to simplify tax filings, particularly for those classified as Micro and Small Taxpayers, by introducing the file-and-pay anywhere system, and allowing most of the tax processes to be done online. It also included the shift to an invoice system to improve the registration process as well as to accelerate the processing of VAT refunds. The following are the significant amendments to the Tax Code brought about by the EOPT Act.

Classification of Taxpayers

Classification	Threshold
Micro Taxpayers	With gross sales of less than ₱3M
Small Taxpayers	With gross sales of ₱3M but less than ₱20M
Medium Taxpayers	With gross sales of ₱20M but less than ₱1B
Large Taxpayers	With gross sales of ₱1B and above

Benefits to All Taxpayers

a. Removal of the ₱500 Annual Registration Fee
b. Digitalization of Bureau of Internal Revenue Services
   - Minimized face-to-face transaction
   - Online Registration and Update System (ORUS)
   - Digital TIN ID

c. Ease of Paying Taxes and Digitalization Roadmap
   - Tax dues can be paid to any AAB, RDO (Revenue District Office) or Authorized Tax software provider
   - Surcharge on Wrong Venue Filing is removed

Invoicing Requirements
Previously, taxpayers' claim for deductions and VAT credit or refund have been disallowed for non-compliance with invoicing requirements, particularly with the "business style". Under the EOPT ACT "business style" has been removed as a mandatory information to be contained in the invoice.

Value-Added Tax (VAT)
Under the EOPT Act, the rule on the VAT treatment of sales of goods and services is harmonized, thereby requiring the issuance of sales invoice for both. The VAT invoice is the sole supporting document required in declaring output taxes and claiming input taxes. In addition, the "gross sales" shall now be the sole basis for the sale of goods or propertied, sale of services, and use of lease of propertied. This will align the accrual basis of accounting for both income tax and VAT.

The EOPT Act also mandates that the ₱3M VAT threshold shall be adjusted every 3 years based on the Consumer Price Index, as published by the Philippine Statistics Authority (PSA).

4.12 Operating Leases
Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases re recognized in profit or loss on a straight-line basis over the period of the lease.

The determination of whether an arrangement contains a lease on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a righto use the asset. A reassessment is made after the inception of the lease only if one of the following applies:

a. There is a change in contractual terms, other than a renewal or extension of the arrangement;
b. A renewal option is exercised or extension is granted, unless that term of the renewal or extension was initially included in the lease term;
c. There is a change in the determination of whether fulfillment is dependent on a specified asset;
d. There is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c) or (d) above, and at the date of renewal or extension period for scenario (b). When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized.

Company as a lessee
Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the profit or loss on a straight-line basis over the lease term.

Company as a lessor
Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging 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.

4.13 Employee Benefits

Employee compensation and other benefits

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

Short-term benefits

Short-term employee benefits include: (a) short-term wages, salaries and social security contributions;(b) short-term compensated absences (such as paid annual leave and paid sick leave) when the absences are expected to occur within twelve months after the end of the period in which the employees render the related employee service; and (c) non-monetary benefits (such as medical care for current employees). Short-term employee benefits are measured at the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service.

Retirement benefits

The Company has no formal retirement plan covering all qualified employees, but provision for retirement benefit is being recognized. Under Republic Act 7641 (known as the Retirement Pay Law in the Philippines), in the absence of a retirement plan or agreement providing for retirement benefits of employees in the establishment, an employee upon reaching the age of sixty (60) years or more, but not beyond sixty-five (65) years which is hereby declared the compulsory retirement age, who has served at least five (5) years in the said establishment, may retire and shall be entitled to retirement pay equivalent to at least one-half (1/2) month salary for every year of service, a fraction of at least six (6) months being considered as one whole year.

Payments are made to qualified separated employees as and when they resign equivalent to a percentage of their monthly salary for every year of credited services to all their employees with regular employment status and are reflected as either part of employees' benefits or as a reduction of the retirement benefit obligation.

Termination benefits

Termination benefits include: by legislation, by contractual or other agreements with employees or their representatives or by a constructive obligation based on business practice, custom or a desire to act equitably, to make payments (or provide other benefits) to employees when it terminates their employment. Termination benefits are measured at the best estimate of the expenditure that would be required to settle the obligation at the reporting date. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer. When termination benefits are due more than twelve months after the end of the reporting period, they shall be measured at their discounted present value.

4.14 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

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

4.15 Related Parties

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

4.16 Provisions and Contingencies

Provisions are recognized when the Company has a present obligation, either 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 the amount of the obligation can be estimated reliably. When the Company expects reimbursement of some or all of the expenditure required to settle a provision, the entity recognizes a separate asset for the reimbursement only when it is virtually certain that reimbursement will be received when the obligation is settled.

The amount of the provision recognized is the best estimated of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

Contingent liabilities and assets are not recognized because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent liabilities, if any, are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are disclosed only when an inflow of economic benefits is probable.

4.17 Events After the Reporting Date

The Company identifies post year-end events as events that occurred after the reporting date but before the date when the financial statements were authorized for issue. Any post year-end events that provide additional information about the statements of financial position at the reporting date (adjusting events) are recognized in the financial statements. Events that are not adjusting events are disclosed in the notes to the financial statements when material.

The Company has evaluated subsequent events through April 10, 2025, which is the date the financial statements were available to be issued. (See Note 1)

5. SUMMARY OF SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements in conformity with Philippine Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the amounts reported in the Company's financial statements and accompanying notes. The judgments, estimates and assumptions used in the Company's financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the Company's financial statements.

Actual results could differ from such judgments, estimates and assumptions and these are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5.1 Judgments

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

Going-Concern

Management evaluate whether relevant conditions and events, considered in the aggregate, indicate that it is probable that an entity will be unable to meet its obligations as they become due within one year after the date that the financial statements are issued. The evaluation initially shall not take into consideration the potential mitigating effect of Management's plans that have not been fully implemented as of the date that the financial statements are issued (for example, plans to raise capital, borrow money, restructure debt, or dispose of an asset that have been approved but that have not been fully implemented as of the date that the financial statements are issued).

When evaluating an entity's ability to meet its obligations, Management considers quantitative and qualitative information' about the following conditions and events, among other relevant conditions and events known and reasonably knowable at the date that the financial statements are issued:

- The entity's current financial condition. including its liquidity sources at the date that the financial statements are issued (for example, available liquid funds and available access to credit)
- The entity's conditional and unconditional obligations due or anticipated within one year after the date that the financial statements are issued (regardless of whether those obligations are recognized in the entity's financial statements)
- The funds necessary to maintain the entity's operations considering its current financial condition, obligations, and other expected cash flows within one year after the date that the financial statements are issued
- The other conditions and events, when considered in conjunction with (a), (b), and (c) above that may adversely affect the entity's ability to meet its obligations within one year after the date that the financial statements are issued.

Classification of Property

The Company determines whether a property is classified as construction-in-progress or property and equipment based on the following:
Property and equipment is held for use in the supply of goods or services or for administrative purposes.

Contingencies

The Company's estimate of the probable costs for the resolution of claims and proceedings has been developed in consultation with outside counsel handling defense in these matters and is based upon an analysis of potential results. Management and its legal counsels believe that the Company has substantial legal and factual bases for its position and are of the opinion that losses arising from these legal actions, if any, will not have a material adverse impact on the Company's financial position and results of operations. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of strategies relating to these proceedings. Management assessed that the likelihood that any liability arising from such legal actions is remote, hence, no provision for liability has been recognized in the company financial statements.

5.2 Estimates and Assumptions

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

Key Sources of Estimation Uncertainty
The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) ***Estimated Allowance for Impairment of Receivables***
Impairment of Financial Assets at Amortized Cost based on PFRS 9

The Company uses ECL in calculating its impairment. In the case of certain trade receivables, a provision matrix is established.

The calculation is initially based on the Company's historical observed default rates. The Company will calibrate the calculation to adjust historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward- looking estimates are analyzed.

The assessment of the correlation between historical observed 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 economic conditions may also not be representative of customer's actual default in the future.

• *Stage 3 - Credit Impaired Financial Assets*

The Company determines impairment for each significant financial asset on an individual basis. Among the items that the Company considers in assessing impairment is the inability to collect from the counterparty based on the contractual terms of the financial assets. Financial assets included in the specific assessment are the accounts that have been endorsed to the legal department and non-moving financial assets.

• *Inputs, Assumptions and Estimation Techniques in ECL Calculation*

ECL calculation is performed for those financial assets that are not credit impaired. The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. A significant increase is assessed to have occurred if there are significant payment delays, declining operating performance of the borrower, among others. ECLs are the discounted product of the Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD).

The ECL is determined by projecting the PD, LGD, and EAD for each future month and for each individual exposure or collective segment.

The lifetime PD is developed by applying a maturity profile to the current 12-month PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the financial assets. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis. The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by counterparty or by customer segments.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. LGDs are typically set at product level due to the limited differentiation in recoveries achieved across different counterparties or customers. These LGD's are influenced by collection strategies including contracted debt sales and price.

The assumptions underlying the ECL calculation such as how the maturity profile of the

PDs change are monitored and reviewed quarterly.

Provision Matrix for Trade Receivables
The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the industrial segment, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

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.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

Incorporation of Forward-looking Information
The Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

The base case represents a most-likely outcome and is aligned with information used by the Company for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Company carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Company has identified and documented 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.

The macro-economic variables include the following key indicators for the Philippines: unemployment rates, inflation rates, gross domestic product growth and net personal income growth.

Predicted relationship between the key 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 Company has not identified any uncertain event that it has assessed to be relevant to the risk of default occurring but where it is not able to estimate the impact on ECL due to lack of reasonable and supportable information.

Provision for ECL on trade and other receivables amounting to ₱4,421,352 and ₱8,976,338 were recognized in 2024 and 2023, respectively. The allowance for ECL on trade and other receivables amounted to ₱13,397,690 and ₱8,976,338 as at December 31, 2024 and 2023, respectively. The carrying amounts of trade and other receivables as at December 31, 2024 and 2023 amounted to ₱84,882,564 and ₱78,908,425, respectively. (See Note 7)

(b) *Estimating Impairment of Inventories and Hospital Supplies*
The net realizable value of inventories and hospital supplies represent the estimated selling price for inventories less all estimated costs of necessary to make the sale. The Company determines the estimated selling price based on the recent sale transactions of similar goods with adjustments to reflect any changes in economic conditions since the date the transactions occurred. The Company records allowance for excess of cost over net realizable value of inventories and hospital supplies. While the Company believes that the estimates are reasonable and appropriate, significant differences in the actual experience or significant changes in estimates may materially affect the profit or loss and equity.

As at December 31, 2024 and 2023, Management believes that the net realizable values of the Company's inventories and hospital supplies exceed their carrying values, accordingly, no loss on the decline in value was recognized as of reporting date.

(c) *Estimating Useful Lives of Property and Equipment*
The Company estimates the useful lives of property and equipment based on the period over which the property, plant and equipment are expected to be available for use. The estimated useful lives of the property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the property, plant and equipment. In addition, the estimation of the useful lives of property, plant and equipment is based on the collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future financial performance could be materially affected by changes in the estimates brought about by changes in 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 the property, plant and equipment would increase the recorded expenses and decrease the noncurrent assets.

There were no changes in the estimated useful lives of property and equipment. The carrying amounts of property and equipment amounted to ₱636,148,809 and ₱685,679,761 as of December 31, 2024 and 2023, respectively. (See Note 11)

(d) *Impairment of Non-financial Assets*
The Company assesses whether there are any indicators of impairment for property and equipment and refundable deposits (shown under other noncurrent assets) 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; and
- Significant negative industry or economic trends.

In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Company is required to make judgments and estimates that can materially affect the financial statements.

There were no provisions for impairment losses on non-financial assets recognized in 2024 and 2023.

(e) Retirement Benefit Obligation
The determination of the obligation and cost for pension and other retirement benefits is dependent on the selection of certain assumptions used by management in calculating

such amounts. While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the pension and other retirement obligations.

The provision for retirement benefits amounted to ₱1,252,523 in 2024. The retirement benefit obligation amounted to ₱1,252,523 as of December 31, 2024.

(f) *Deferred Tax Assets*
The Company reviews the carrying amounts at each reporting date and reduces deferred tax assets 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 date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets arising from temporary differences amounted to ₱3,662,544 and ₱4,838,818 as of December 31, 2024 and 2023, respectively. (See Note 27)

(g) *Revenue recognition*
The Company's revenue recognition policies require the use of estimates and assumptions that may affect the reported amounts of revenues and receivables. Differences between the amounts initially recognized and actual settlements are taken up in the accounts upon reconciliation. However, there is no assurance that such use of estimates may not result to material adjustments in future periods.

The total revenue of the Company amounted to ₱690,305,201 in 2024, ₱670,033,593 in 2023 and ₱573,252,184 in 2022. The senior citizen, PWD and privilege discounts given amounted to ₱77,246,279 in 2024, ₱64,536,300 in 2023 and ₱57,439,864 in 2022.

6. CASH

This account consists of:

		2024		2023
Cash on hand	₱	**5,054,231**	₱	154,000
Cash in banks		**52,864,716**		39,597,601
	₱	**57,918,947**	₱	39,751,601

Cash on hand and cash in banks are unrestricted and available for current operations.

Cash on hand pertains to undeposited collections as at the end of the reporting period which will be deposited on the next banking day and petty cash funds that are maintained to cover expenditures on small items such as transportation, supplies, miscellaneous items and other departmental funds for emergency purchase of hospital supplies and services.

Cash in banks represent savings/current accounts in five (5) reputable local banks in 2024 and four (4) reputable local banks in 2023. Savings account deposits earn interest at the respective bank deposit rates and current account deposits do not earn interest.

Interest income earned from cash in banks amounted to ₱48,686 in 2024, ₱23,058 in 2023 and ₱29,505 in 2022 and is presented as part of "other income" in the statement of comprehensive income. (See Note 21)

7. TRADE AND OTHER RECEIVABLES

This account consists of:

	Note		2024		2023
Trade:					
PhilHealth		₱	55,559,866	₱	58,938,833
HMO, Corporate and GLs			37,555,205		20,277,813
Self-pay			4,164,055		6,531,483
			97,279,126		85,748,129
Less: Allowance for ECL			(13,397,690)		(8,976,338)
			83,881,436		76,771,791
Nontrade:					
Advances to shareholders	26		-		1,010,000
Advances to officers and employees	26		175,826		175,826
Other receivables			825,302		950,808
			1,001,128		2,136,634
		₱	84,882,564	₱	78,908,425

The Company's trade receivables pertain to reimbursements for hospital expenses and doctors' fees availed by patients who are members of the Philippine Health Insurance Corporation (PhilHealth) and Health Maintenance Organizations (HMOs) and employees of corporate accounts, which include private companies (self-managed health plan). Guarantee Letters (GLs) received from Department of Social Welfare and Development (DSWD), Department of Health (DOH) and other government agencies pertain to financial assistance availed by patients. Self-pay represents receivables from private individuals whose accounts remain unpaid and/or payments are coursed through promissory notes and credit cards. These are non-interest-bearing and generally on a 30-day term.

Advances to officers and employees comprise of personal cash advances and unliquidated cash advances and are paid through salary deduction.

Other receivables consist of uncollected SSS maternity and sickness benefits and other various insignificant amounts.

The rollforward analysis of allowance for ECL, which is based on collection experience and forward-looking rate is as follows:

	Note		2024		2023
Beginning balances		₱	8,976,338	₱	-
Provision for ECL	22		4,421,352		8,976,338
Ending balances		₱	13,397,690	₱	8,976,338

The allowance for ECL on receivables is being evaluated continuously by Management and overdue accounts are specifically identified on the basis of factors that affect their collectability.

8. INVENTORIES AND HOSPITAL SUPPLIES

This account consists of the following:

	Note		2024		2023
Phamaceutical goods for sale - Pharmacy		₱	7,814,825	₱	6,641,655
Medical inventories held for consumption					
Medical and laboratory supplies	20		15,009,925		13,546,840
General hospital maintenance supplies			7,707,895		7,815,721
			22,717,820		21,362,561
		₱	30,532,645	₱	28,004,216

These inventories and hospital supplies are the unsold medicines and drugs in the Pharmacy departments and unused hospital supplies in the various ancillary departments such as laboratory, x-ray, CT scan, CSR supplies including medical, maintenance and cleaning supplies as at end of the reporting period. The inventories and hospital supplies are valued at the lower of cost or net realizable value.

The inventories from the Pharmacy department recognized as an expense during the period amounted to ₱70,662,085, ₱48,013,738 and ₱52,076,221 in 2024, 2023 and 2022, respectively. (See Note 20)

No inventories and hospital supplies have been pledged as security for liabilities.

9. OTHER CURRENT ASSETS

This account consists of:

		2024		2023
Creditable withholding taxes	₱	**3,146,458**	₱	1,591,987
Input VAT		**793,970**		44,352,659
Prepaid expenses		**959,130**		1,156,006
Advances subject to liquidation		**150,000**		150,000
	₱	**5,049,558**	₱	47,250,652

Creditable Withholding Tax (CWT) is recognized for the amount of withholding tax on certain income tax payment of the payors to the Company, and is creditable against the income tax due of the Company.

Input VAT represents value added tax (VAT) paid to suppliers that can be claimed as credit against the Company's VAT liabilities.

Prepaid expenses refer to unamortized prepayments including but not limited to insurance premiums and will be charged to expense in the next financial year.

Advances subject to liquidation comprise of cash advances for official business for business expenses that are anticipated to be incurred by the officers and employees on behalf of the Company. These are settled through liquidation.

10. ADVANCES TO SUPPLIERS

The movement of the account is detailed as follows:

		2024		2023
Balance at beginning of period	₱	**13,415,999**	₱	14,534,361
Additions during the year		**258,125**		990,500
Less: Completion/delivery		**(5,697,310)**		(2,108,862)
Balance at end of period	₱	**7,976,814**	₱	13,415,999

Advances to suppliers pertain to down payments made by the Company for the purchases of medical machineries and equipment and/or other materials, which have not yet been received as at the end of reporting period.

11. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

At Cost

	Dec. 31, 2023	Additions	Disposals/ Write-offs/ Reclassification	Dec. 31, 2024	Dec. 31, 2024 Carrying Amounts
Cost:					
Land	52,763,860	-	-	52,763,860	₱ 52,763,860
Land improvement	555,000	-	-	555,000	-
Building and improvement	623,431,877	325,731	-	623,757,608	495,861,286
Medical machineries and equipment	264,896,244	17,610,830	-	282,507,074	63,111,797
Transportation equipment	1,775,000	1,348,100	-	3,123,100	1,145,885
Office equipment and furniture	51,241,861	3,624,060	-	54,865,921	23,265,981
	994,663,842	22,908,721	-	1,017,572,563	
Less accumulated depreciation:					
Land improvement	555,000	-	-	555,000	
Building and improvement	101,453,682	26,442,640	-	127,896,322	
Medical machineries and equipment	179,550,989	39,844,288	-	219,395,277	
Transportation equipment	1,775,000	202,215	-	1,977,215	
Office equipment and furniture	25,649,410	5,950,530	-	31,599,940	
	308,984,081	72,439,673	-	381,423,754	
	685,679,761			636,148,809	₱ 636,148,809

At Cost	Dec. 31, 2022	Additions	Disposals/ Write-offs/ Reclassification	Dec. 31, 2023	Dec. 31, 2023 Carrying Amounts
Cost:					
Land	52,763,860	-	-	52,763,860	₱ 52,763,860
Land improvement	555,000	-	-	555,000	-
Building and improvement	617,164,392	6,267,485	-	623,431,877	521,978,195
Medical machineries and equipment	254,256,832	10,639,412	-	264,896,244	85,345,255
Transportation equipment	1,775,000	-	-	1,775,000	-
Office equipment and furniture	46,924,050	4,317,811	-	51,241,861	25,592,451
	973,439,134	21,224,708	-	994,663,842	
Less accumulated depreciation:					
Land improvement	555,000	-	-	555,000	
Building and improvement	75,090,357	26,363,325	-	101,453,682	
Medical machineries and equipment	132,876,206	46,674,783	-	179,550,989	
Transportation equipment	1,405,221	369,779	-	1,775,000	
Office equipment and furniture	20,686,603	4,962,807	-	25,649,410	
	230,613,387	78,370,694	-	308,984,081	
	742,825,747			685,679,761	₱ 685,679,761

As certified by the Company's construction manager, the hospital building has an estimated useful life of 25 years.

The land covered by TCT # 109-2015000619 and 109-2015000621 amounting to ₱52,438,860 with total area of 7,833 sqm is located at F. Cimafranca St., Daro, Dumaguete City, where the Company had constructed a multidisciplinary specialty medical facility (hospital) and is the subject of a real estate mortgage including all other existing and future improvements thereon as disclosed in Note 13. The fair market value of the land as at December 31, 2024 and 2023 approximates its cost.

Management has reviewed the carrying values of property and equipment as at December 31, 2024 and 2023 for any impairment. Based on the results of its evaluation, there are no indications that these assets are impaired.

Depreciation charged to operation amounted to ₱72,439,673 for the year 2024; ₱78,370,694 for the year 2023 and ₱78,544,498 for the year 2022. (See Note 11)

12. INTANGIBLE ASSETS

This account consists of:

		2024		2023
Hospital system	₱	**4,148,880**	₱	435,893
less: amortization		**(1,128,780)**		(194,357)
	₱	**3,020,100**	₱	241,536

As determined by Management, the intangible assets of the Company is being amortized for a period of five (5) years.

13. OTHER NONCURRENT ASSETS

This account consists of:

		2024		2023
Project cost - net of amortization of ₱8,433,737 (Note 22)	₱	**33,734,950**	₱	-
Refundable deposit		**16,000**		16,000
	₱	**33,750,950**	₱	16,000

Project cost represents expenses incurred in undertaking a major project expansion program to keep pace with the dynamic healthcare industry. This is being amortised for a period of five (5) years.

Refundable deposits represent deposits to some utility companies.

14. TRADE AND OTHER PAYABLES

This account consists of:

	2024	2023
Trade payables	₱ 70,364,846	₱ 69,915,878
Other payables	12,971,584	9,796,615
Accrued expenses	4,448,761	5,549,158
Other current liabilities	2,855,708	3,008,174
Retention payable	-	510,000
	₱ 90,640,899	₱ 88,779,825

Trade payables represent the unpaid portion of the Company's purchases of goods and services from its suppliers and professional fees of medical practitioners. They do not earn interest and are expected to be settled within a short period of time.

Other payables are also non-interest-bearing payables arising from the acquisition of hospital equipment, outstanding and stale checks and liabilities arising from payroll deductions. They do not earn interest and are expected to be settled within a short period of time.

Accrued expenses include accruals for various expenses incurred in the operations of the hospital and are settled throughout the financial year.

Other current liabilities are the Company's statutory obligations which have been recognized as at the end of the reporting date and are expected to be paid the following month.

15. BANK LOAN

The Landbank of the Philippines - Negros Lending Center extended to the Company several term loans equivalent to a credit line facility amounting to ₱500M to finance the construction of the hospital structure and the acquisition of various medical equipment, hospital furniture and fixtures.

The foregoing credit line facility consists of a term loan I the availment of which was granted in 2015 amounting to ₱400M for financing the hospital building. The term loan 2 availment amounting to ₱100M was for the acquisition of medical equipment and hospital furniture.

The loans were availed in several drawdowns, payable ranging from 7 to 10 years in ladderized quarterly amortizations, including grace periods ranging from 1 to 3 years for principal amortization. Interest rate is at floating rate of 5% per annum with a fixed rate of 6% per annum.

On December 18, 2019, the Company obtained a short-term loan facility amounting to ₱50M to augment the working capital requirement of the hospital operations, payable in lump sum upon maturity. Interest on said loan is at Landbank's prevailing interest rate at the time of availment and subject to quarterly repricing.

The loans are secured by a real estate mortgage on the Company's land including all other existing and future improvements thereon as well as a chattel mortgage on various medical machineries and equipment. (See Note 11)

The amount of bank loans as at December 31 are as follows:

	2024	2023
Current portion of bank loans	₱ 155,750,000	₱ 163,000,000
Noncurrent portion of bank loans	24,000,000	138,750,000
	₱ 179,750,000	₱ 301,750,000

The classification of bank loans is as follows:

	2024	2023
Construction of hospital building	₱ 120,000,000	₱ 216,000,000
Medical equipment and hospital furniture	18,750,000	43,750,000
Working capital requirement	41,000,000	42,000,000
	₱ 179,750,000	₱ 301,750,000

The total finance costs incurred and were charged to operation as at December 31 are as follows: (See Note 23)

	2024	2023	2022
Construction of hospital building	**₱ 10,320,658**	₱ 16,554,082	₱ 18,902,039
Medical equipment and hospital furniture	**1,869,863**	3,365,753	4,406,164
Working capital requirement	**2,909,963**	2,762,528	3,997,030
	₱ 15,100,484	₱ 22,682,363	₱ 27,305,233

16. ADVANCES FROM SHAREHOLDERS

In the special meeting of the Board of Directors (BOD) and Shareholders held last May 7, 2017, the BOD and Shareholders were mandated and empowered to contribute resources and make cash advances to the Company for the development of its medical structures and appurtenances.

Accordingly, the Shareholders advanced the monies in support of the Company's building construction requirements. These advances are non-interest-bearing and to be paid subject to availability of funds and/or the Management may decide to convert said advances to equity in the distant future. Likewise, the Company reserves the right to defer settlement of the advances and prioritizes the cash requirements of the Company on its existing projects.

The unsecured non-interest-bearing advances from shareholders amounted to ₱27,945,354 and ₱2,384,654 as at December 31, 2024 and 2023, respectively. (Note 26)

17. RETIREMENT BENEFIT OBLIGATION

The Company does not have an established retirement plan and only conforms on the minimum regulatory benefit under the Retirement Pay Law (Republic Act No. 7641) which is of the final salary defined benefit type and provides a retirement benefit for every year of credited service. The regulatory benefit is paid in a lump sum upon retirement.

The retirement benefit obligation recognized by the Company amounted to ₱1,252,523 as at December 31, 2024.

18. SHARE CAPITAL

The details of the authorized, issued and outstanding share capital as of December 31, 2024 and 2023 are as follows:

	2024		2023	
	Amount	**Number of Shares**	Amount	Number of Shares
Authorized capital stock:				
Common share - ₱1,000 par value	₱ 239,400,000	239,400	₱ 239,400,000	239,400
Founders' share - ₱1,000 par value	600,000	600	600,000	600
	₱ 240,000,000	240,000	₱ 240,000,000	240,000
Subscribed:				
Common share - ₱1,000 par value	₱ 168,000,000	168,000	₱ 167,110,000	167,110
Founders' share - ₱1,000 par value	600,000	600	600,000	600
Issued and fully paid	₱ 168,600,000	168,600	₱ 167,710,000	167,710

Share premium represents premiums received on the initial issuing of authorized capital stock, which amounted to ₱397,660,800 and ₱368,240000 as of December 31, 2024 and 2023, respectively.

As at December 31, 2024, pursuant to the SEC's approval of the Company's registration statement of its public offering of its shares of stock, the Company issued a total of EIGHT HUNDRED NINETY (890) common shares during the year. The related share premium arising thereof, after deducting transaction costs associated with the issuance of shares amounted to ₱15,740,800 for the year ended December 31, 2024. The common share offer price amounted to ₱250,000 up to ₱400,000 per block, one (1) block is equivalent to ten (10) common shares.

Likewise, on December 12, 2024, the BOD approved the recognition of the collected privilege to practice amounting to ₱13,680,000 from its medical practitioners to practice their medical profession in the hospital as additional share premium. The privilege to practice was paid by a medical subscriber on top of the acquisition cost of one (1) block of common share from the Company.

As at December 31, 2023, the Company issued a total of FIVE HUNDRED THIRTY (530) common shares during the year. The related share premium arising thereof, after deducting transaction costs associated with the issuance of shares amounted to ₱54,960,000 for the year ended December 31, 2023. The common share offer price amounted to ₱250,000 up to ₱400,000 per block, one (1) block is equivalent to ten (10) common shares.

The Company has fifty-six (56) shareholders as at December 31, 2024, fifty three (53) shareholders as at December 31, 2023 and 2022, each owning 100 or more shares of the Company's shares of stock.

Founders' shares shall have the exclusive right to vote and be voted upon in the election of Board of Directors for five (5) years from the date of registration. Thereafter, the holders of Founders' shares shall have the same rights and privileges as holders of common shares.

19. REVENUE

This account consists of:

HOSPITAL SERVICES	2024	2023	2022
Ancillary services	**₱ 485,647,227**	₱ 506,731,313	₱ 435,842,097
Room accommodation	**67,843,698**	59,749,700	50,438,900
	553,490,925	566,481,013	486,280,997
SALE OF GOODS			
Pharmacy			
In-patient	**108,024,952**	83,473,805	70,414,498
Outpatient	**28,789,324**	20,078,775	16,556,689
	136,814,276	103,552,580	86,971,187
TOTAL REVENUE	**690,305,201**	670,033,593	573,252,184
Less: Privilege discount	**10,891,566**	10,197,303	8,735,238
Senior citizen and PWD discounts	**66,354,713**	54,338,997	48,704,626
	77,246,279	64,536,300	57,439,864
NET REVENUE	**₱ 613,058,922**	₱ 605,497,293	₱ 515,812,320

Ancillary services include income earned from laboratory, X-ray, 2D-echo, ultrasound, emergency, ICU, operating/delivery room, cardio pulmonary, CT scan, physical therapy, dialysis, Nursery, Oxygen and other related services.

20. DIRECT COST

This account consists of:

COST OF SERVICES	Note	2024	2023	2022
Ancillary		**₱ 101,179,846**	₱ 93,948,905	₱ 67,087,825
Personnel costs	24	**74,928,746**	63,671,347	63,058,757
Depreciation	25	**58,354,137**	65,498,889	63,567,875
Management and consultancy fees		**52,397,000**	36,019,800	27,540,000
Professional fees		**44,900,067**	125,941,525	103,206,711
Communication, light and water		**15,272,435**	13,647,415	8,323,164
		347,032,231	398,727,881	332,784,332

COST OF SALES	Note	2024	2023	2022
Pharmacy				
Inventories, beginning of year		**6,641,655**	5,693,093	-
Add : Purchases		**71,835,255**	48,962,300	57,769,314
Less : Inventories, end of year	8	**(7,814,825)**	(6,641,655)	(5,693,093)
		70,662,085	48,013,738	52,076,221
TOTAL DIRECT COST		**₱ 417,694,316**	₱ 446,741,619	₱ 384,860,553

Ancillary expenses include the costs of medical and hospital supplies incurred from laboratory, X-ray, 2D-echo, ultrasound, emergency, ICU, operating/delivery room, cardio pulmonary, CT scan, physical therapy, Nursery, Oxygen and others.

21. OTHER INCOME

This account consists of:

	Note	2024	2023	2022
Interest income	6	**₱ 48,686**	₱ 23,058	₱ 29,505
Other income		**5,518,416**	-	1,700
Total		**₱ 5,567,102**	₱ 23,058	₱ 31,205

Interest income is income earned from the Company's savings accounts and short-term investments in the banks.

Other income consists of income earned from the issuance of medical abstract, medical certificates, birth certificates, death certificates and other administrative fees charged to patients.

22. OPERATING EXPENSES

This account consists of:

	Note	2024	2023	2022
Personnel costs	24	**₱ 30,968,422**	₱ 24,400,921	₱ 18,984,206
Repairs and maintenance		**25,678,151**	9,875,188	4,347,146
Write off of receivables		**24,264,030**	14,566,751	-
Depreciation	25	**14,085,535**	12,871,805	14,976,623
Supplies		**9,521,413**	7,870,849	4,874,100
Amortization of project cost	13	**8,433,737**	-	-
Communication, light and water		**6,883,183**	5,848,892	5,671,016
Entertainment, amusement and recreation (EAR)		**5,984,753**	4,541,656	7,340,500
Transportation and travel		**5,319,698**	4,074,563	909,970
Provision for ECL	7	**4,421,352**	8,976,338	-
Housekeeping and janitorial		**3,580,206**	4,979,280	7,825,254
Security services		**3,327,147**	2,632,668	2,405,710
Advertising and promotions		**3,185,966**	2,795,957	3,552,137
Taxes and licenses	32	**1,773,558**	3,080,220	1,477,571
Insurance		**1,189,776**	1,165,381	1,116,715
Rent expense		**1,181,164**	646,786	1,110,357
Professional fees		**995,435**	838,832	1,159,224
Amortization of intangible assets	12	**934,423**	87,179	87,179
Fines and penalties		**18,987**	1,228,377	148,505
Others		**1,916,125**	2,278,149	1,357,738
		₱ 153,663,061	₱ 112,759,792	₱ 77,343,951

On December 12, 2024, the BOD approved the direct write-off of receivables from private individuals, HMOs, and Philhealth in the amount of ₱24,264,030, ₱14,566,751 and ₱nil in 2024, 2023 and 2022, respectively. These receivables were considered non-collectible as all efforts were exhausted to collect from private individuals and HMOs but to no avail, while for PhilHealth, the Company already *received notices from such institution that these receivables pertaining primarily to COVID patients can no longer be reimbursed due to errors in the documentation of these patients.*

Operating expenses are recognized in the statements of comprehensive income upon utilization of the service or on the date they are incurred.

23. FINANCE COST

This account consists of:

	Note	**2024**	2023	2022
Interest expense:				
Bank loans	15	**₱ 15,100,484**	₱ 22,682,363	₱ 27,305,233
Loans payable - shareholders	16	**-**	896,230	1,402,619
		₱ 15,100,484	₱ 23,578,593	₱ 28,707,852

Interest expenses are incurred from the Company's bank loans and loans payable.

24. PERSONNEL COSTS

This account consists of:

	Cost of Services			**Operating Expenses**		
	2024	2023	2022	**2024**	2023	
Salaries, wages and bonuses	**53,542,262**	47,477,554	59,601,837	**26,025,114**	21,430,572	16,218,437
Training and advancement program	**4,627,082**	-	-	**1,015,701**	-	-
Employees' benefits	**10,352,595**	11,621,444	-	**1,031,997**	1,090,304	461,156
Retirement benefits	**842,844**	-	-	**409,679**	-	-
SSS, PhilHealth, ecc and HDMF contr.	**5,563,963**	4,572,349	3,456,920	**2,485,931**	1,880,045	2,304,613
Total	**74,928,746**	63,671,347	63,058,757	**30,968,422**	24,400,921	18,984,206

Salaries, wages and bonuses pertain to the employees' compensation such as basic salaries, overtime work, De Minimis benefits, bonuses and other benefits received from the Company.

25. DEPRECIATION

This account consists of:

	Cost of Services			**Operating Expenses**		
	2024	2023	2022	**2024**	2023	
Building and improvement	**18,509,848**	18,454,328	17,567,214	**7,932,792**	7,908,997	7,528,806
Medical machineries and equipment	**39,844,289**	46,674,783	45,620,328	**4,473,411**	3,756,614	6,241,623
Transportation equipment	**-**	369,778	380,333	**202,215**	-	
Office equipment and furniture	**-**	-	-	**1,477,117**	1,206,194	1,206,194
	58,354,137	65,498,889	63,567,875	**14,085,535**	12,871,805	14,976,623

26. RELATED PARTY TRANSACTIONS

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 or common significant influence.

Significant transactions with related parties are as follows:

a. Unsecured non-interest-bearing advances from shareholders.

b. Unsecured interest-bearing loans payable to shareholders.

c. Unsecured noninterest-bearing advances to employees. (See Note 7)

d. Retirement benefit obligation represents retirement benefits accruing to qualified employees of the Company. This regulatory benefit is paid in a lump sum upon retirement. (Note 17)

e. Retirement benefits are regularly accrued as post-employment benefits plan to qualified employees.

f. Interest expense from loans payable.

Outstanding balances from related party transactions are shown below:

	Note		2024		2023
Advances from shareholders	16				
Unsecured **non-interest bearing** (no impairment)					
Beginning balance		₱	2,384,654	₱	6,629,654
Additional advances			25,560,700		-
Settlement			-		(4,245,000)
Ending balance		₱	27,945,354	₱	2,384,654
Loans payable					
Unsecured **interest** bearing (no impairment)					
Beginning balance		₱	-	₱	6,000,000
Settlement			-		(6,000,000)
Ending balance		₱	-	₱	-
Advances to employees (non-interest bearing, no impairment)	7	₱	175,826	₱	175,826
Retirement benefit obligation	17	₱	1,252,523	₱	-
Retirement benefits	17	₱	1,252,523	₱	-
Interest expense on unsecured interest bearing loans payable (interest payable monthly)	23	₱	-	₱	896,230

Compensation of Key Management Personnel

Compensation paid to key management personnel of the Company amounted to ₱36,000,000, ₱36,000,000 and ₱27,540,000 for the years ended December 31, 2024, 2023 and 2022, respectively.

27. INCOME TAX

The Company's deferred income tax assets relate to the following temporary differences:

	2024		2023		2022
Deferred income tax assets:					
Allowance for ECL	₱ 3,349,423	₱	-	₱	-
Retirement benefit obligation	313,121		-		-
MCIT	-		4,838,818		-
	₱ 3,662,544	₱	4,838,818	₱	-

Bayanihan to Recover as One Act (Bayanihan 2)

On September 30, 2020, the Bureau of Internal Revenue issued Revenue Regulation (RR) No. 25-2020, signed by the Secretary of Finance, in accordance with the implementation of Section 4 of Republic Act No. 11494, otherwise known as the "Bayanihan to Recover as One Act" relative to NOLCO, under Section 34(D)(3) of NIRC, as amended, making the deductibility of NOLCO incurred for the years ending December 31, 2021 and 2020 can be claimed as deduction from regular income for a period of five (5) years instead of three (3) years.

The NOLCO incurred for the years 2022 and onward shall be carried over as a deduction from the gross income as defined in the National Internal Revenue Code of 1997 (NIRC) for the three (3) consecutive taxable years immediately following the year of such loss.

The MCIT incurred shall be carried over as a deduction from the gross income as defined in the National Internal Revenue Code of 1997 (NIRC) for the three (3) consecutive taxable years immediately following the year of such loss.

The carryforward benefit of NOLCO and MCIT, which can be claimed as tax credit against the regular income tax and deduction against the taxable income, respectively, will expire in the years indicated below:

NOLCO

Period of Recognition	Availment Period	Amount	Applied	Expired	Balance
2024	2025-2027	₱ 5,908,028	(5,908,028)	-	₱ -
2020	2021-2025	33,523,998	(33,523,998)	-	-
		₱ 39,432,026	-	-	₱ -

MCIT

Period of Recognition	Availment Period	Amount	Applied	Expired	Balance
2023	2024-2026	₱ 2,381,335	(2,381,335)	-	₱ -
2022	2023-2025	1,309,535	(1,309,535)	-	-
2021	2022-2024	1,147,948	(1,147,948)	-	-
2020	2021-2023	576,076	-	(576,076)	-
		₱ 5,414,894	(4,838,818)	(576,076)	₱ -

The reconciliation of income tax on income before income tax computed at the statutory tax rate to benefit from income tax as shown in the statements of income is summarized as follows:

	2024	2023	2022
Income tax computed at statutory tax rate of 25%	₱ 8,042,041	₱ 5,610,087	₱ 6,232,792
NOLCO	(1,477,007)	(8,381,000)	(6,615,041)
Income tax effects of :			
Interest income already subjected to final tax	(12,173)	(5,765)	(7,376)
Non-deductible retirement benefits	313,131	-	-
Non-deductible provision for ECL	1,105,338	2,244,085	-
Non-deductible fines and penalties	4,747	307,094	37,126
Unallowable interest on advances from shareholders	-	224,058	350,655
Unallowable portion of interest expense	3,804	1,441	1,844
	₱ 7,979,881	-NIL-	-NIL-
MCIT @ 2%, 1.5% and 1% in 2024, 2023 and 2022	₱ 4,034,517	₱ 2,381,335	₱ 1,309,535

In compliance with Revenue Regulation No. 9-98, the Entity has computed its income tax liability using the higher figure between the resulting "Normal Tax Rate" and the "Minimum Corporate Income tax" (MCIT).

28. BASIC EARNINGS PER SHARE

Basic earnings per share is computed as follows:

	2024	2023	2022
Profit for the period (a)	₱ 27,850,826	₱ 21,864,271	₱ 24,931,169
Weighted average number of shares (b):			
Outstanding and issued shares	168,600	167,710	167,180
Earnings per share (a/b)	₱ 165.19	₱ 130.37	₱ 149.13

There are no potential dilutive ordinary shares outstanding as at December 31, 2024, 2023 and 2022.

29. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk. The Company's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Company. The policies for managing specific risks are summarized below.

Management of Financial Risk

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

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

Capital Management Framework
The Company's risk management function has developed and implemented certain minimum stress and scenario tests for identifying the risks to which the Company are exposed, quantifying their impact on the volatility of economic capital. The results of these tests, particularly, the anticipated impact on the realistic balance sheet and revenue account, are reported to the Company's risk management function. The risk management function then considers the aggregate impact of the overall capital requirement revealed by the stress testing to assess how much capital is needed to mitigate the risk of insolvency to a selected remote level.

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

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

The Company's credit risk is primarily attributable to its cash and receivables. The Company has adopted stringent procedure in extending credit terms to customers and in monitoring its credit risk.

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

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

Credit Quality of Financial Assets
The credit quality of financial assets is managed by the Company using high grade and standard grade as internal credit ratings.

High Grade. This pertains to counterparty who is not expected by the Company to default in settling obligations, thus, credit risk exposure is minimal. This normally includes large prime financial institutions, companies, government agencies and individual buyers. Credit quality was determined based on the credit standing of the counterparty.

Standard Grade. Other financial assets not assessed as high grade financial assets are included in this category.

As a healthcare provider, the Company is exposed to credit risk on patients who are unable to pay their medical bills upon discharge. The Company has a policy to require deposits from patients upon admission and to require top-ups from patients whose bills have exceeded deposited amount. To lessen the exposure on credit risk, the Company closely monitors its receivables on an on-going basis. The Company's exposure to credit risk arises from default of the counterparty.

The table below shows the maximum exposure to credit risk for the components of the statements of financial position. The maximum exposure is shown gross, without taking into account collateral and other credit enhancement.

	Gross Maximum Exposure 2024	2023
Cash *	₱ **52,864,716**	₱ 39,597,601
Receivables	**84,882,564**	78,908,425
Refundable deposits **	**16,000**	16,000
	₱ **137,763,280**	₱ 118,522,026

* *Excludes cash on hand amounting to ₱5,054,231 and ₱154,000 in 2024 and 2023, respectively.*

** *Included as part of "Other noncurrent assets"*

The aging analyses of financial assets as of December 31, 2024 and 2023 according to the Company's credit ratings of debtors:

2024

		Past Due but not Impaired				
	Current	30 Days	90 Days	More than 150 Days	Provision for ECL	Total
Cash *	52,864,716	-	-	-	-	52,864,716
Receivables						
Trade	20,428,616	4,377,561	5,836,748	53,238,511	13,397,690	97,279,126
Nontrade	350,395	530,598	120,135	-	-	1,001,128
Refundable deposits **	-	-	-	-	16,000	16,000
	73,643,727	4,908,159	5,956,883	53,238,511	13,413,690	151,160,970

2023

		Past Due but not Impaired				
	Current	30 Days	90 Days	More than 150 Days	Provision for ECL	Total
Cash *	39,597,601	-	-	-	-	39,597,601
Receivables						
Trade	18,007,107	3,858,666	5,144,888	49,761,130	8,976,338	85,748,129
Nontrade	747,822	1,132,416	256,396	-	-	2,136,634
Refundable deposits **	-	-	-	-	16,000	16,000
	58,352,530	4,991,082	5,401,284	49,761,130	8,992,338	127,498,364

* *Excludes cash on hand amounting to ₱5,054,231 and ₱154,000 in 2024 and 2023, respectively.*

** *Included as part of "Other noncurrent assets"*

For cash, the Company applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Company's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Company uses the ratings from external credit rating agencies to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

For trade and other 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 segments with similar loss patterns (i.e., by customer type or by payors). 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. Based on the Company's credit risk experience, expected credit loss rate increases as the age of receivables also increases.

The table below shows determination of ECL stage of the Company's financial assets:

	December 31, 2024			
	Stage 1	**Stage 2**	**Stage 3**	Total
	12-month ECL	**Lifetime ECL**	**Lifetime ECL**	
Cash *	52,864,716	-	-	₱ 52,864,716
Receivables	-	84,882,564	-	84,882,564
Refundable deposits **	16,000	-	-	16,000
	52,880,716	84,882,564	-	₱137,763,280

	December 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
Cash *	39,597,601	-	-	₱ 39,597,601
Receivables	-	78,908,425	-	78,908,425
Refundable deposits **	16,000	-	-	16,000
	39,613,601	78,908,425	-	₱118,522,026

* *Excludes cash on hand amounting to ₱5,054,231 and ₱154,000 in 2024 and 2023, respectively.*

** *Included as part of "Other noncurrent assets"*

Liquidity Risk

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

The Company maintains cash to meet its liquidity requirements for up to 30-day periods and the Company maintains adequate highly liquid assets in the form of cash and cash equivalents and receivables to assure necessary liquidity, if any. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities.

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

The table below summarizes the maturity profile of the Company's financial liabilities at December 31, 2024 and 2023 based on contractual undiscounted payment.

		2024		
	Within 30 days	**1 Year**	**Above 1 Year**	**Total**
Bank loans	-	155,750,000	24,000,000	179,750,000
Advances from shareholders	-	-	27,945,354	27,945,354
Trade payables	17,133,840	53,231,006	-	70,364,846
Other payables	2,240,193	10,731,391	-	12,971,584
Accruals	3,114,133	1,334,628	-	4,448,761
Other current liabilities	1,998,996	856,712	-	2,855,708
	24,487,162	221,903,737	51,945,354	298,336,253

2023

	Within 30 days	1 Year	Above 1 Year	Total
Bank loans	-	163,000,000	138,750,000	301,750,000
Advances from shareholders	-	-	2,384,654	2,384,654
Trade payables	17,024,516	52,891,362	-	69,915,878
Other payables	1,691,875	8,104,740	-	9,796,615
Accruals	3,884,411	1,664,747	-	5,549,158
Other current liabilities	2,105,722	902,452	-	3,008,174
Retention payable	357,000	153,000	-	510,000
	25,063,524	226,716,301	141,134,654	392,914,479

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

Interest Rate Risk

Interest rate risks arises from the possibility that the changes in interest rates will affect the fair value of financial instruments. Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument.

As of December 31, 2024 and 2023, the Company does not have financial instruments that are subject to interest rate repricing or whose fair values are dependent on interest rates.

Capital Management

The primary objectives of the Company's capital management are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions.

The Company's capital as at December 31, 2024 and 2023 are shown below:

	2024	2023
Share capital	**₱ 168,600,000**	₱ 167,710,000
Share premium	**397,660,800**	368,240,000
Deficit	**(2,906,645)**	(30,757,471)
Total equity	**₱ 563,354,155**	₱ 505,192,529

The Company monitors capital on the basis of the debt-to-equity ratio. This ratio is calculated as total liabilities divided by total equity.

	2024	2023
Liabilities	**₱ 299,588,776**	₱ 392,914,479
Equity	**₱ 563,354,155**	₱ 505,192,529
Debt-to-Equity Ratio	**0.53 : 1**	0.78 : 1

The Company is not subjected to externally imposed capital requirements and there were no changes in the Company's approach to capital management during the years ended December 31, 2024 and 2023.

30. CATEGORIES OF FINANCIAL INSTRUMENTS

Set out below is a comparison by category of the Company's financial instruments that are carried in the financial statements as of December 31, 2024 and 2023:

		December 31, 2024			
	Notes	Cash on Hand	Financial Assets at Amortized Cost	Financial Liabilities at Amortized Cost	Total
Financial Assets:					
Cash	6	5,054,231	47,810,485	-	₱ 52,864,716
Receivable - net	7	-	84,882,564	-	84,882,564
Refundable deposits *	13	-	16,000	-	16,000
		5,054,231	132,709,049	-	₱ 137,763,280
Financial Liabilities:					
Trade and other payables	14	-	-	90,640,899	₱ 90,640,899
Advances from shareholders	16,26	-	-	27,945,354	27,945,354
Bank loans, incl. current portion	15	-	155,750,000	24,000,000	179,750,000
		-	155,750,000	142,586,253	₱ 298,336,253

		December 31, 2023			
	Notes	Cash on Hand	Financial Assets at Amortized Cost	Financial Liabilities at Amortized Cost	Total
Financial Assets:					
Cash	6	154,000	39,443,601	-	₱ 39,597,601
Receivable - net	7	-	78,908,425	-	78,908,425
Refundable deposits *	13	-	16,000	-	16,000
		154,000	118,368,026	-	₱ 118,522,026
Financial Liabilities:					
Trade and other payables	14	-	-	88,779,825	₱ 88,779,825
Advances from shareholders	16,26	-	-	2,384,654	2,384,654
Bank loans, incl. current portion	15	-	163,000,000	138,750,000	301,750,000
		-	163,000,000	229,914,479	₱ 392,914,479

** Included as part of "Other noncurrent assets"*

As at December 31, 2024 and 2023, the Company does not hold any financial assets and liabilities that are carried at fair value.

31. RECLASSIFICATION

Reclassification of 2023 accounts has been made to conform with the preparation and fair presentation of 2024 financial statements in accordance with appropriate financial reporting framework.

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

A. **BIR Revenue Regulation No. 15-2010**

On November 25, 2010, the BIR issued Revenue Regulation No. 15-2010, which required certain information on taxes, duties and license fees paid or accrued during taxable year to be disclosed as part of the notes to financial statements. The Company reported and/or paid the following types of taxes:

Value-added Tax (VAT)

The National Internal Revenue Code of 1997 provides for the imposition of VAT on sales of goods and services. Accordingly, the Company's sales are subject to output VAT while its importations and purchases from other VAT-registered individuals or corporations are subject to input VAT.

Details of the Company's net sales/receipts, output VAT and input VAT accounts are as follows:

a. Value Added Tax (VAT)

		2024
Output VAT	₱	4,116,929
Basis of Output Vat		
Vatable revenue:		
Out-patient sales - Pharmacy and CSR	₱	28,789,324
Other income		5,518,416
Total Vatable Revenue		34,307,740
Exempt revenue		584,269,598
	₱	618,577,338

Exempt revenue consists of medical services rendered to patients of the hospital. This is in accordance with the National Internal Revenue Code (NIRC), Value Added Tax, Chapter 1, Section 109 under Exempt Transactions, paragraph (l) – "Medical, dental, hospital and veterinary services subject to the provision of Section 17 of Republic Act No. 7716, as amended."

		2024
Input VAT		
Beginning of the year	₱	44,352,659
Current year's domestic purchases:		
Goods for resale / purchase of services		13,818,557
Claims for tax credit/refund and other adjustments		(57,377,246)
Balance at the end of the year	₱	793,970

b. Withholding Taxes

		2024
Tax on compensation and benefits	₱	108,394
Expanded withholding taxes		22,786,296
	₱	22,894,690

c. All Other Taxes
Other taxes paid during the year recognized under "Taxes and licenses" account in Operating Expenses:

		2024
Documentary stamps	₱	298,172
DOH registration		16,000
PHIC accreditation		8,000
FDA fees		20,627
Business permits and licenses		447,006
Real property taxes		907,862
Community certificate		10,500
Motor vehicle registration		6,000
Other permits and licenses		59,391
	₱	1,773,558

B. **BIR Revenue Regulation No. 34-2020**

On December 22, 2020, the BIR issued Revenue Regulation No. 34-2020 to inform all concerned on the streamlined guidelines and procedures in the submission of BIR Form 1709 (Information Return on Related Party Transactions) and its required attachments including transfer pricing documentation (TPD).

ALLIED CARE EXPERTS (ACE) DUMAGUETE DOCTORS INC.
KEY PERFORMANCE INDICATORS
DECEMBER 31, 2024

		2024	2023	2022

A. CURRENT RATIO

$$\text{CURRENT RATIO} = \frac{\text{CURRENT ASSETS}}{\text{CURRENT LIABILITIES}} = \quad 0.72 \quad 0.77 \quad 0.93$$

The current ratio is used to evaluate a company's ability to pay off its short-term liabilities with its short-term assets. It's a measure of liquidity and financial health. The decrease in the current ratio for 2024 is mainly due to the proper classification of input taxes. A ratio of 0.72 (< 1) suggests that the company might have difficulty meeting its short-term obligations in the future.

B. DEBT TO EQUITY RATIO

$$\text{DEBT TO EQUITY RATIO} = \frac{\text{DEBT}}{\text{EQUITY}} = \quad 0.53 \quad 0.78 \quad 1.11$$

The debt-to-equity ratio indicates the proportion of company financing that comes from debt versus equity. This ratio helps investors and analysts understand how much risk a company is taking on by using debt to finance its operations. The decrease in the debt-to-equity ratio for 2024 is due to the payment of bank loans. A ratio of 0.53 (< 1) implies less financial risk.

C. DEBT TO TOTAL ASSET RATIO

$$\text{DEBT TO TOTAL ASSET RATIO} = \frac{\text{DEBT}}{\text{TOTAL ASSET}} = \quad 0.35 \quad 0.44 \quad 0.52$$

The debt-to-total-assets ratio shows the proportion of a company's assets that are financed by debt. It provides insight into the company's financial leverage and helps assess the level of risk associated with its capital structure. Similar to the debt-to-equity ratio, the decrease in the debt-to-total-assets ratio for 2024 is due to the payment of bank loans. A ratio of 0.34 (< 1) implies less financial risk.

D. ASSET TO EQUITY RATIO

$$\text{ASSET TO EQUITY RATIO} = \frac{\text{ASSET}}{\text{EQUITY}} = \quad 1.53 \quad 1.78 \quad 2.11$$

The asset-to-equity ratio compares a company's total assets to its shareholders' equity. This ratio measures the amount of assets available for each unit of equity capital. The decrease in the asset-to-equity ratio for 2024 is due to the proper classification of input tax and the payment of bank loans. A decreasing ratio also suggests lower financial leverage and an improving capital structure, which

E. PROFIT MARGIN

$$\text{PROFIT MARGIN} = \frac{\text{NET INCOME}}{\text{NET REVENUE}} = \quad 0.05 \quad 0.04 \quad 0.05$$

The profit margin shows the percentage of revenue that exceeds the costs of production, operating expenses, and other costs. It measures how efficiently a company converts sales into profits. The increase in profit margin for 2024 is due to lower finance charges, as the bank loans are nearly paid

RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
As of December 31, 2024

Allied Care Experts (ACE) Dumaguete Doctors Inc.
F. Cimafranca St., Daro, Dumaguete City

Unappropriated Retained Earnings. as adjusted to available for dividend distribution, beginning of the year		₱ (30,757,471)
Add: Net Income (Loss) actually earned/realized during the period		
Net income during the period closed to Retained Earnings	₱ 27,850,826	
Less: Non-actual/unrealized income net of tax		
Equity in net income of associate/joint venture	-	
Unrealized foreign exchange gain - (after tax) except those attributable to Cash and Cash Equivalents	-	
Unreailized actuarial gain	-	
Fair value adjustment (mark-to-market gains)	-	
Fair value adjustment of Investment Property resulting to gain	-	
Adjustment due to deviation from PFRS - gain	-	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	
Sub-total	27,850,826	
Add: Non-actual Losses		
Depreciatoin on revaluation increment (after tax)	-	
Adjustment due to deviation from PFRS - loss	-	
Loss on fair value adjustment of investment property (after tax)	-	
Sub-total	-	
Net Income Actually Earned During the Period		27,850,826
Add (Less):		
Dividend declarations during the period	-	
Appropriations of Retained Earnings during the period	-	
Reversals of appropriations	-	
Effects of prior period adjusments	-	
Treasury Shares	-	
Sub-total		-
TOTAL RETAINED EARNINGS, END OF THE YEAR AVAILABLE FOR DIVIDEND		₱ (2,906,645)

ONG, NOCEJA & ASSOCIATES
Certified Public Accountants

Supplemental Statement of Independent Auditors
To Accompany Financial Statements For Filing With
The Securities and Exchange Commission
(Statement Required by Rule 68, Part 1, Section 3,
Securities Regulation Code (SRC), As Amended on October 20, 2011)

The Board of Directors and Stockholders
ALLIED CARE EXPERTS (ACE) DUMAGUETE DOCTORS INC.
F. Cimafranca St. Daro, Dumaguete City, Negros Oriental

We have examined the financial statements of ALLIED CARE EXPERTS (ACE) DUMAGUETE DOCTORS INC. as at and for the year ended December 31, 2024, on which we have rendered the attached report dated April 10, 2025.

In compliance with the Revised Securities Registration Code Rule 68, we are stating that the Company has fifty seven (57) shareholders owning one hundred (100) or more shares of the Company's capital stock as at December 31, 2024.

ONG, NOCEJA & ASSOCIATES

BY: LAGRIMAS N. ONG
PARTNER
CPA Cert. No. 38847
Tax Identification No. 153-104-203
PTR 3740237, January 2, 2025 @ Parañaque City
FIRM's PRC/BOA
Firm - Accreditation No. 9308, Valid until August 6, 2027
Partner - Accreditation No. 9308/P-001 Valid until August 6, 2027
IC Group C Accreditation
Firm - Accreditation No. 9308-IC Valid for Audit Period 2020 - 2024
Partner - Accreditation No. 38847-IC Valid for Audit 2020 - 2024
CDA CEA Accreditation
Partner - Accreditation No. 39, Valid until October 14, 2029

Parañaque City, Metro Manila, Philippines
April 10, 2025

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