ANNEX "E"

SECURITIES AND EXCHANGE COMMISSION
SEC Headquarters, 7907 Makati Avenue, Salcedo Village, Barangay Bel-Air, Makati City, 1209, Metro Manila Philippines
Tel: (632) 818-0921 Fax: (632) 818-5293 Email: mis@sec.gov.ph

The following document has been received:

Receiving: John Denver De Guzman
Receipt Date and Time: April 18, 2023 09:27:10 AM

Company Information

SEC Registration No.: CS201721758
Company Name: ASIA-PACIFIC MEDICAL CENTER BACOLOD, INC.
Industry Classification: M85100
Company Type: Stock Corporation

Document Information

Document ID: OST10418202381019535
Document Type: Financial Statement
Document Code: FS
Period Covered: December 31, 2022
Submission Type: Annual
Remarks: None

Acceptance of this document is subject to review of forms and contents

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C S 2 0 1 7 2 1 7 5 8

Company Name

ASIA-PACIFIC MEDICAL CENTER
BACOLOD, INC. (FORMERLY ALLIED
CARE EXPERTS MEDICAL CENTER-
BACOLOD INC.

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

ROOM 4, GROUND FLOOR, MC
METROPLEX BUILDING, BS AQUINO
DRIVE, BACOLOD CITY 6100
NEGROS OCCIDENTAL

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	SEC	

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
businessoffice@apmcbacol	(034) 703-1637	09171884699

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
87	1st Sunday of April	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. Ma. Ivy V. Malata	attymbv.endure@gmail	(034) 703-1637	09175234802

Contact Person's Address

Room 4, Ground Floor, MC Metroplex Building, BS Aquino Drive, Bacolod City, Negros Occidental

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

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

ASIA - PACIFIC
MEDICAL CENTER
BACOLOD, INC.
Formerly Allied Care Experts Medical Center-Bacolod, Inc.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Asia-Pacific Medical Center Bacolod, Inc. (formerly Allied Care Experts Medical Center-Bacolod Inc.) (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2022, 2021 and 2020, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Mendoza Querido & Co., the independent auditors appointed by the stockholders, have audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, have expressed its opinion on the fairness of presentation upon completion of such audit.

Ferjenel G. Biron
Chairman of the Board

Ma. Leila M. Magbanua
President

Olga H. Pabicon
Corporate Treasurer

Signed this 18th day of March, 2023

17 APR 2023
...NNY JOY M. ALIPATO

Republic of the Philippines
Cities of Pasig and San Juan
and Municipality of Pateros) S.S.

CITY OF PASIG

SUBSRIBED AND SWORN to before me this APR 11 2023 with the presentation of the following:

Name	Government ID	Place Issued	Date Issued
Ferjenel G. Biron	TIN 127-685-650-000	MANILA	11/08/1999

Doc No. ~~54~~ 266
Page No. ~~266~~ 54
Book No. V
Series of 2023

MAYLENE B. VILLANUEVA
NOTARY PUBLIC
Cities of Pasig and San Juan
and/in the Municipality of Pateros
Appointment No. 154 (2022-2023)
Roll No. 60137; 03-22-12
IBP Lifetime Member No. 010763; 03-13-2012; Iloilo
PTR No. 9004789; 01-04-2023; Pasig City
MCLE Compliance No. VII-0012768; 04-14-2025
Commission expires on December 31, 2023

Suite 24-G, Goldland Millenia Suites,
Escriva Drive, Ortigas Center, Pasig City
Contact No. 0917-5234802

17 APR 2023
JENNY JOY M. ALIPATO

SUBSRIBED AND SWORN to before me this 14 APR 2023 with the presentation of the following:

Name	Government ID	Place Issued	Date Issued
Ma. Leila M. Magbanua	TIN 138-728-295-000	BACOLOD CITY	01/08/2008
Olga H. Pabicon	TIN 198-919-494-000	BACOLOD CITY	04/09/1996

ERNIE E. MAGASPAG
NOTARY PUBLIC FOR THE CITY OF LA CARLOTA
MUNICIPALITIES OF PONTEVEDRA, LA CASTELLANA, ISABELA
AND MOISES PADILLA
COMMISSION UNTIL DECEMBER 31, 2023
PTR No. 5092847 - 12/16/2022
IBP No. 248901 - 10/19/2022
MCLE No. VII - 0019421 - 04/14/2025
1-C JUAN LUNA ST. BRGY. ROBLES LA CASTELLANA
NEGROS OCCIDENTAL
SPACE B.2ND LEVEL MC METROPLEX BUILDING
BS AQUINO DRIVE BACOLOD CITY

Doc No. 143
Page No. 29
Book No. XXXV
Series of 2023

DISTRICT NO. 77
17 APR 2023
JENNY JOY M. AL

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

FILING REFERENCE NO.

TIN	: 009-725-618-000
Name	: ASIA-PACIFIC MEDICAL CENTER BACOLOD, INC.
RDO	: 077
Form Type	: 1702
Reference No.	: 462300053352650
Amount Payable (Over Remittance)	: 49.00
Accounting Type	: C - Calendar
For Tax Period	: 12/31/2022
Date Filed	: 04/13/2023
Tax Type	: IT

Proceed to Payment

[BIR Main | eFPS Login | User Menu | Help]

REVENUE DISTRICT NO. 77
BACOLOD CITY
R 17 APR 2023 D
JENNY JOY M. ALIPATO

Reference No : 462300053352650
Date Filed : April 13, 2023 04:56 PM
Batch Number : 0

For BIR Use Only: BCS/ Item:

Republic of the Philippines
Department of Finance
Bureau of Internal Revenue

BIR Form No. **1702-RT** January 2018(ENCS) **Page 1**

Annual Income Tax Return

For Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate

Enter all required information in CAPITAL LETTERS. Mark applicable boxes with an "X". Two Copies MUST be filed with the BIR and one held by the taxpayer.

1702-RT 01/18ENCS P1

1 For Calendar / Fiscal
2 Year Ended (MM/20YY) 12/2022
3 Amended Return? Yes / No
4 Short Period Return? Yes / No
5 Alphanumeric Tax Code (ATC) IC055 Minimum Corporate Income Tax (MCIT); IC010

Part I - Background Information

6 Taxpayer Identification Number (TIN) 009 - 725 - 618 - 000
7 RDO Code 077

8 Registered Name *(Enter only 1 letter per box using CAPITAL LETTERS)*
ASIA-PACIFIC MEDICAL CENTER BACOLOD, INC.

9A Registered Address *(Indicate complete registered address)*
RM.4 G/F MC METROPLEX BLDG. B.S. AQUINO DRIVE VILLAMONTE BACOLOD CITY CAPITAL , NEGROS

9B Zipcode 6100

10 Date of Incorporation/Organization (MM/DD/YYYY)

11 Contact Number 09173624418
12 Email Address rpd.acctg.office@gmail.com

13 Method of Deductions: Itemized Deductions [Section 34 (A-J), NIRC] / Optional Standard Deduction (OSD) - 40% of Gross Income [Section 34(L), NIRC as amended by RA No. 9504]

Part II - Total Tax Payable *(Do NOT enter Centavos)*

14 Total Income Tax Due (Overpayment) *(From Part IV Item 43)*		49
15 Less: Total Tax Credits/Payments *(From Part IV Item 55)*		0
16 Net Tax Payable (Overpayment) *(Item 14 Less Item 15) (From Part IV Item 56)*		49
Add Penalties		
17 Surcharge	0	
18 Interest	0	
19 Compromise	0	
20 Total Penalties *(Sum of Items 17 to 19)*		0
21 TOTAL AMOUNT PAYABLE (Overpayment) *(Sum of Item 16 and 20)*		49

If Overpayment, mark "X" one box only *(Once the choice is made, the same is irrevocable)*
To be refunded / To be issued a Tax Credit Certificate (TCC) / To be carried over as tax credit next year/quarter

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

MA. LEILA M. MAGBANUA Signature over printed name of President/Principal Officer/Authorized Representative	OLGA H. PABICON Signature over printed name of Treasurer/Assistant Treasurer	22 Number of Attachments
Title of Signatory: PRESIDENT — TIN 138-728-295	Title of Signatory: TREASURER — TIN 198-919-494	4

Part III - Details of Payment

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

Machine Validation/Revenue Official Receipts Details *(if not filed with an Authorized Agent Bank)*

Stamp of receiving Office/AAB and Date of Receipt (RO's Signature/Bank Teller's Initial)

RECEIVED
BACOLOD CITY
17 APR 2023
JENNY JOY M. ALIPATO

BIR Form No. **1702-RT** January 2018(ENCS) Page 2	**Annual Income Tax Return** Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	1702-RT 01/18ENCS P2

Taxpayer Identification Number (TIN)	**Registered Name**
009 - 725 - 618 - 000	ASIA-PACIFIC MEDICAL CENTER BACOLOD, INC.

Part IV - Computation of Tax	*(Do NOT enter Centavos)*
27 Sales/Receipts/Revenues/Fees	0
28 Less: Sales Returns, Allowances and Discounts	0
29 Net Sales/Receipts/Revenues/Fees *(Item 27 Less Item 28)*	0
30 Less: Cost of Sales/Services	0
31 Gross Income from Operation *(Item 29 Less Item 30)*	0
32 Add: Other Taxable Income Not Subjected to Final Tax	4,917
33 Total Taxable Income *(Sum of Items 31 and 32)*	4,917

Less: Deductions Allowable under Existing Law	
34 Ordinary Allowable Itemized Deductions *(From Part VI Schedule I Item 18)*	32,495,898
35 Special Allowable Itemized Deductions *(From Part VI Schedule II Item 5)*	0
36 NOLCO *(only for those taxable under Sec. 27(A to C); Sec. 28(A)(1) & (A)(6)(b) of the tax Code) (From Part VI Schedule III Item 8)*	0
37 Total Deductions *(Sum of Items 34 to 36)*	32,495,898
OR *[in case taxable under Sec 27(A) & 28(A)(1)]*	
38 Optional Standard Deduction *(40% of Item 33)*	0

39 Net Taxable Income/(Loss) *(If Itemized: Item 33 Less Item 37; If OSD: Item 33 Less Item 38)*	(32,490,981)
40 Applicable Income Tax Rate	25 %
41 Income Tax Due other than Minimum Corporate Income Tax (MCIT) *(Item 39 x Item 40)*	0
42 MCIT Due *(2% of Item 33)*	49
43 Tax Due *(Normal Income Tax Due in Item 41 OR the MCIT Due in Item 42, whichever is higher) (To Part II Item 14)*	49

Less: Tax Credits/Payments (attach proof)	
44 Prior Year's Excess Credits Other Than MCIT	0
45 Income Tax Payment under MCIT from Previous Quarter/s	0
46 Income Tax Payment under Regular/Normal Rate from Previous Quarter/s	0
47 Excess MCIT Applied this Current Taxable Year *(From Part VI Schedule IV Item 4)*	0
48 Creditable Tax Withheld from Previous Quarter/s per BIR Form No. 2307	0
49 Creditable Tax Withheld per BIR Form No. 2307 for the 4th Quarter	0
50 Foreign Tax Credits, if applicable	0
51 Tax Paid in Return Previously Filed, if this is an Amended Return	0
52 Special Tax Credits *(To Part V Item 58)*	0
Other Credits/Payments *(Specify)*	
53	0
54	0

55 Total Tax Credits/Payments *(Sum of Items 44 to 54) (To Part II Item 15)*	0
56 Net Tax Payable / (Overpayment) *(Item 43 Less Item 55)) (To Part II Item 16)*	49

Part V - Tax Relief Availment	
57 Special Allowable Itemized Deductions *(Item 35 of Part IV x Applicable Income Tax Rate)*	0
58 Add: Special Tax Credits *(From Part IV Item 52)*	0
59 Total Tax Relief Availment *(Sum of Items 57 and 58)*	0

BIR Form No. **1702-RT** January 2018(ENCS) Page 3	**Annual Income Tax Return** Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	1702-RT 01/18ENCS P3

Taxpayer Identification Number (TIN)	Registered Name
009 - 725 - 618 - 000	ASIA-PACIFIC MEDICAL CENTER BACOLOD, INC.

Schedule I - Ordinary Allowable Itemized Deductions *(Attach additional sheet/s, if necessary)*

1 Amortizations	0
2 Bad Debts	0
3 Charitable Contributions	0
4 Depletion	0
5 Depreciation	138,041
6 Entertainment, Amusement and Recreation	0
7 Fringe Benefits	0
8 Interest	0
9 Losses	0
10 Pension Trust	0
11 Rental	166,850
12 Research and Development	0
13 Salaries, Wages and Allowances	1,347,589
14 SSS, GSIS, Philhealth, HDMF and Other Contributions	104,993
15 Taxes and Licenses	332,274
16 Transportation and Travel	69,708
17 Others (Deductions Subject to Withholding Tax and Other Expenses) *[Specify below; Add additional sheet(s), if necessary]*	
a Janitorial and Messengerial Services	0
b Professional Fees	1,431,036
c Security Services	0
d MEETINGS AND CONFERENCES	13,663,544
e EXECUTIVE COMPENSATION	13,554,000
f COMMUNICATION, POWER AND WATER	1,134,965
g MARKETING	225,597
h OFFICE SUPPLIES	126,267
i OTHERS	201,034
i.1 REPAIRS AND MAINTENANCE	4,650
i.2 MISCELLANEOUS	196,384
18 Total Ordinary Allowable Itemized Deductions *(Sum of Items 1 to 17i) (To Part IV Item 34)*	32,495,898

Schedule II - Special Allowable Itemized Deductions *(Attach additional sheet/s, if necessary)*

Description	Legal Basis	Amount
1		0
2		0
3		0
4		0
5 Total Special Allowable Itemized Deductions *(Sum of Items 1 to 4) (To Part IV Item 35)*		0

BIR Form No. 1702-RT January 2018(ENCS) Page 4	**Annual Income Tax Return** Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	1702-RT 01/18ENCS P4

Taxpayer Identification Number (TIN)	Registered Name
009 - 725 - 618 - 000	ASIA-PACIFIC MEDICAL CENTER BACOLOD, INC.

Schedule III - Computation of Net Operating Loss Carry Over (NOLCO)

1 Gross Income *(From Part IV Item 33)*	4,917
2 Less: Ordinary Allowable Itemized Deductions *(From Part VI Schedule I Item 18)*	32,495,898
3 Net Operating Loss*(Item 1 Less Item 2) (To Schedule IIIA, Item 7A)*	(32,490,981)

Schedule IIIA - Computation of Available Net Operating Loss Carry Over (NOLCO) *(DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)*

Net Operating Loss		B) NOLCO Applied Previous Year
Year Incurred	A) Amount	
4 2022	32,490,981	0
5	0	0
6	0	0
7	0	0

Continuation of Schedule IIIA (Item numbers continue from table above)

	C) NOLCO Expired	D) NOLCO Applied Current Year	E) Net Operating Loss (Unapplied) *[E = A Less (B + C + D)]*
4	0	0	32,490,981
5	0	0	0
6	0	0	0
7	0	0	0
8 **Total NOLCO** *(Sum of Items 4D to 7D) (To Part IV, Item 36)*		0	

Schedule IV - Computation of Minimum Corporate Income Tax (MCIT)

Year	A) Normal Income Tax as adjusted	B) MCIT	C) Excess MCIT over Normal Income Tax
1	0	0	0
2	0	0	0
3	0	0	0

Continuation of Schedule IV *(Item numbers continue from table above)*

	D) Excess MCIT Applied/Used in Previous Years	E) Expired Portion of Excess MCIT	**F) Excess MCIT Applied this Current Taxable Year**	G) Balance of Excess MCIT Allowable as Tax Credit for Succeeding Year/s [G = C Less (D + E + F)]
1	0	0	0	0
2	0	0	0	0
3	0	0	0	0
Total Excess MCIT Applied *(Sum of Items 1F to 3F) (To Part IV Item 47)*			0	

Schedule V - Reconciliation of Net Income per Books Against Taxable Income *(attach additional sheet/s, if necessary)*

1 Net Income/(Loss) per books	(32,490,981)
Add: Non-deductible Expenses/Taxable Other Income	
2	0
3	0
4 Total *(Sum of Items 1 to 3)*	(32,490,981)
Less: A) Non-Taxable Income and Income Subjected to Final Tax	
5	0
6	0
B) Special Deductions	
7	0
8	0
9 Total (Sum of Items 5 to 8)	0
10 Net Taxable Income/(Loss) (Item 4 Less Item 9)	(32,490,981)

Gmail **Chleo Espera <cdespera@gmail.com>**

Tax Direct (Successful)

Metrobank Business Online Solutions <mbos@metrobank.com.ph> Fri, Apr 14, 2023 at 9:12 AM
Reply-To: ibs.customercare@metrobank.com.ph
To: cdespera@gmail.com

Hello Ms. CHLEO DOMINIQUE PESCA ESPERA

Your Tax Direct transaction is Successful. Transaction Details are as follows:

Reference Number: BIR-041423-090529-04199990
Corporation Name: ALLIED CARE EXPERTS MEDICAL CENTER-BACOLOD INC
Date Created:
Role: Maker
Source Account: *********4414
Amount: 49.00
Filing Reference Number: 462300053352650
Payment Transaction Number: 233986048
Tax Return Period: 12312022
TIN: 009725618000
Remarks:

If you have concerns/inquiries about Metrobank B.O.S. or any of our products or services, you may contact our Customer Care Desk from 8:30AM to 7:00PM, Mondays to Fridays except during bank holidays through any of the following:

During Banking Hours
Call (632) 898-8000 press 2 then 2 (domestic toll-free 1-800-1888-5775) or send an e-mail to ibs.customercare@metrobank.com.ph

During Non-Banking Hours
Call (632) 8700-700 (domestic toll-free 1-800-1888-5775)

Metrobank B.O.S.

ASIA - PACIFIC
MEDICAL CENTER
BACOLOD, INC.
Formerly Allied Care Experts Medical Center-Bacolod, Inc.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

The Management of Asia-Pacific Medical Center Bacolod, Inc. (formerly Allied Care Experts Medical Center-Bacolod Inc.) is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2022. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended December 31, 2022 and the accompanying Annual Income Tax Return are in accordance with the books and records of Asia-Pacific Medical Center Bacolod, Inc. (formerly Allied Care Experts Medical Center-Bacolod Inc.) complete and correct in all material respects. Management likewise affirms that:

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

Ferjenel G. Biron
Chairman of the Board

Ma. Leila M. Magbanua
President

Olga H. Pabicon
Corporate Treasurer

REVENUE DISTRICT NO. 77
BACOLOD CITY
RECEIVED
17 APR 2023
JENNY JOY M. ALIPATO

ASIA - PACIFIC MEDICAL CENTER
BACOLOD, INC.
Formerly Allied Care Experts Medical Center-Bacolod, Inc.

Signed this 18th day of March 2023

SUBSRIBED AND SWORN to before me this MAR 2 9 2023 with the presentation of the following:

Name	Government ID	Place Issued	Date Issued
FERJENEL G. BIRON	TIN # 127-685-650-000	PASIG CITY	

Doc No. 155
Page No. 31
Book No. V
Series of 2023

MAYLENE B. VILLANUEVA
NOTARY PUBLIC
Cities of Pasig and San Juan
and in the Municipality of Pateros
Appointment No. 154 (2022-2023)
Roll No. 60137; 03-22-12
IBP Lifetime Member No. 010763; 03-13-2012; Iloilo
PTR No. 9004789; 01-04-2023; Pasig City
MCLE Compliance No. VII-0012768; 04-14-2025
Commission expires on December 31, 2023
Suite 24-G, Goldland Millenia Suites,
Escriva Drive, Ortigas Center, Pasig City
Contact No. 0917-5234802

REVENUE DISTRICT NO. 77
BACOLOD CITY
RECEIVED
17 APR 2023
JENNY JOY M. ALIPATO

ASIA - PACIFIC
MEDICAL CENTER
BACOLOD, INC.
Formerly Allied Care Experts Medical Center-Bacolod, Inc.

Signed this 18th day of March 2023

SUBSRIBED AND SWORN to before me this 21 MAR 2023 with the presentation of the following:

Name	Government ID	Place Issued	Date Issued
OLGA H. PABICON	TIN # 198-919-494-000	BACOLOD CITY	
MA. LEILA M. MAGBANUA	TIN # 138-728-295-000	BACOLOD CITY	

Doc No.
Page No.
Book No.
Series of 2023

ERNIE E. MAGASPAG
NOTARY PUBLIC FOR THE CITY OF LA CARLOTA
MUNICIPALITIES OF PONTEVEDRA, LA CASTELLANA, ISABELA
AND MOISES PADILLA
COMMISSION UNTIL DECEMBER 31, 2023
PTR No. 5092847 - 12/16/2022
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1-C JUAN LUNA ST. BRGY. ROBLES LA CASTELLANA
NEGROS OCCIDENTAL
SPACE B.2ND LEVEL MC METROPLEX BUILDING
BS AQUINO DRIVE BACOLOD CITY

REVENUE DISTRICT NO. 77
BACOLOD CITY
R 17 APR 2023 D
JENNY JOY M. ALIPATO

Mendoza Querido & Co.

16th Floor, The Salcedo Towers
169 H.V. de la Costa St., Salcedo Village
Makati City 1227 Philippines

T +63 2 8 887 1888

www.mqc.com.ph

PRC/BOA Accreditation No. 0966
September 22, 2020, valid until
August 22, 2023
SEC Accreditation No. 0966-SEC (Group A)
Issued November 24, 2020
Valid for Financial Periods 2020 to 2024

INDEPENDENT AUDITORS' REPORT
TO ACCOMPANY INCOME TAX RETURN

The Stockholders and the Board of Directors
Asia-Pacific Medical Center Bacolod, Inc.
(Formerly Allied Care Experts Medical Center-Bacolod Inc.)
Rm. 4, Ground Floor, MC Metroplex Bldg.
BS Aquino Drive, Bacolod City, Negros Occidental

We have audited the financial statements of Asia-Pacific Medical Center Bacolod, Inc. (formerly Allied Care Experts Medical Center-Bacolod Inc.) (the Company) for the year ended December 31, 2022 on which we have rendered the attached report dated March 18, 2023.

In compliance with Revenue Regulations V-20, we are stating the following:

1. The taxes paid or accrued by the above company for the year ended December 31, 2022 are shown in the Schedule of Taxes and Licenses attached to the Annual Income Tax Return.

2. No partner of our Firm is related by consanguinity or affinity to the president, manager or principal stockholder of the Company.

For the firm: **MENDOZA QUERIDO & CO.**

RICHARD S. QUERIDO
Partner
CPA Certificate No. 84807
SEC Accreditation No. 84807-SEC (Group A)
Issued November 24, 2020
Valid for Financial Periods 2020 to 2024
TIN 102-094-633
BIR Accreditation No. 08-002617-002-2022
January 25, 2022, valid until January 24, 2025
PTR No. 9569440, January 7, 2023, Makati City

REVENUE DISTRICT NO. 77
BACOLOD CITY
R 17 APR 2023 D
JENNY JOY M. ALIPATO

March 18, 2023

Mendoza Querido & Co.

16th Floor, The Salcedo Towers
169 H.V. de la Costa St., Salcedo Village
Makati City 1227 Philippines

T +63 2 8 887 1888

www.mqc.com.ph

PRC/BOA Accreditation No. 0966
September 22, 2020, valid until
August 22, 2023
SEC Accreditation No. 0966-SEC (Group A)
Issued November 24, 2020
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INDEPENDENT AUDITORS' REPORT
TO ACCOMPANY INCOME TAX RETURN

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BS Aquino Drive, Bacolod City, Negros Occidental

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2. No partner of our Firm is related by consanguinity or affinity to the president, manager or principal stockholder of the Company.

For the firm: **MENDOZA QUERIDO & CO.**

REVENUE DISTRICT NO. 77
BACOLOD CITY
17 APR 2023
JENNY JOY M. ALIPATO

RICHARD S. QUERIDO
Partner
CPA Certificate No. 84807
SEC Accreditation No. 84807-SEC (Group A)
Issued November 24, 2020
Valid for Financial Periods 2020 to 2024
TIN 102-094-633
BIR Accreditation No. 08-002617-002-2022
January 25, 2022, valid until January 24, 2025
PTR No. 9569440, January 7, 2023, Makati City

March 18, 2023

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PRC/BOA Accreditation No. 0966
September 22, 2020, valid until
August 22, 2023
SEC Accreditation No. 0966-SEC (Group A)
Issued November 24, 2020
Valid for Financial Periods 2020 to 2024

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Asia-Pacific Medical Center Bacolod, Inc.
(Formerly Allied Care Experts Medical Center-Bacolod Inc.)
Rm. 4, Ground Floor, MC Metroplex Bldg.
BS Aquino Drive, Bacolod City, Negros Occidental

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Asia-Pacific Medical Center Bacolod, Inc. (formerly Allied Care Experts Medical Center-Bacolod Inc.) (the Company), which comprise the statements of financial position as at December 31, 2022 and 2021, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2022, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and of its financial performance and its cash flows for each of the three years in the period ended December 31, 2022 in accordance with Philippine Financial Reporting Standards (PFRS).

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 ethical requirements that are relevant to our audit of the financial statements in the Philippines, the *Code of Ethics for Professional Accountants in the Philippines*, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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, 2022, we have determined that there are no key audit matters to communicate in our report.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS, 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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes, duties, license fees and schedules prescribed under existing revenue issuances in Note 23 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Richard S. Querido.

For the Firm: **MENDOZA QUERIDO & CO.**

RICHARD S. QUERIDO
Partner
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PTR No. 9569440, January 7, 2023, Makati City

March 18, 2023

REVENUE DISTRICT NO. 77
R 17 APR 2023 D
JENNY JOY M. ALIPATO

ASIA-PACIFIC MEDICAL CENTER BACOLOD, INC.
(Formerly Allied Care Experts Medical Center-Bacolod Inc.)

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2022 AND 2021
(Amounts in Philippine Peso)

	2022	2021
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 2, 3, 4 and 5)	**P89,957,922**	P22,326,536
Advances to a related party (Notes 2, 3, 4, 16 and 22)	**622,067**	164,867
Advances to contractors (Notes 3, 6 and 22)	**32,788,211**	55,941,787
Input VAT (Notes 2, 3 and 22)	**25,219,111**	13,750,537
Prepayments (Notes 2, 3 and 7)	**1,182,014**	364,619
Total Current Assets	**149,769,325**	92,548,346
Noncurrent Assets		
Property and equipment – net (Notes 2, 3 and 8)	**652,810,597**	284,645,878
Security deposit (Notes 2, 3, 9 and 15)	**45,466**	45,466
Total Noncurrent Assets	**652,856,063**	284,691,344
TOTAL ASSETS	**P802,625,388**	P377,239,690
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Notes 2, 3, 4 and 10)	**P30,960,703**	P14,694,720
Retention payable (Notes 3, 4, 11 and 22)	**43,936,332**	8,945,544
Income tax payable	**49**	1,808
Advances from shareholders (Notes 2, 3, 4, 16, 19 and 22)	**165,624,718**	218,218,718
Total Current Liabilities	**240,521,802**	241,860,790
Noncurrent Liability		
Loans payable (Notes 2, 3, 4, 12 and 19)	**356,640,000**	–
Total Liabilities	**597,161,802**	241,860,790
Equity		
Share capital (Notes 2, 4 and 13)	**185,594,626**	161,878,533
Additional paid-in capital (Notes 2 and 4)	**78,760,240**	–
Deficit (Notes 2 and 4)	**(58,891,280)**	(26,499,633)
Total Equity	**205,463,586**	135,378,900
TOTAL LIABILITIES AND EQUITY	**P802,625,388**	P377,239,690

See accompanying Notes to Financial Statements.

REVENUE DISTRICT NO. 77
BACOLOD CITY
17 APR 2023
JENNY JOY M. ALIPATO

ASIA-PACIFIC MEDICAL CENTER BACOLOD, INC.

(Formerly Allied Care Experts Medical Center-Bacolod Inc.)

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2022, 2021 AND 2020

(Amounts in Philippine Peso)

	2022	2021	2020
INTEREST INCOME (Notes 2 and 5)	**P104,300**	P514,903	P2,635,791
EXPENSES (Notes 2 and 14)	**(32,495,898)**	(7,326,232)	(12,857,286)
LOSS BEFORE INCOME TAX	**(32,391,598)**	(6,811,329)	(10,221,495)
PROVISION FOR INCOME TAX (Notes 2 and 17)	**(49)**	(1,808)	–
NET LOSS	**(P32,391,647)**	(P6,813,137)	(P10,221,495)
LOSS PER SHARE (Notes 2 and 18)	**(P158.57)**	(P55.39)	(P106.47)

There was no other comprehensive income during the years ended December 31, 2022, 2021 and 2020.

See accompanying Notes to Financial Statements.

ASIA-PACIFIC MEDICAL CENTER BACOLOD, INC.
(Formerly Allied Care Experts Medical Center-Bacolod Inc.)

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022, 2021 AND 2020
(Amounts in Philippine Peso)

	2022	2021	2020
SHARE CAPITAL (Notes 2, 4 and 13)	**P185,594,626**	P161,878,533	P96,000,000
ADDITIONAL PAID-IN CAPITAL (Notes 2 and 4)	**78,760,240**	–	–
DEFICIT (Notes 2 and 4)			
Balance at beginning of year	**(26,499,633)**	(19,686,496)	(9,465,001)
Net loss	**(32,391,647)**	(6,813,137)	(10,221,495)
Balance at end of year	**(58,891,280)**	(26,499,633)	(19,686,496)
	P205,463,586	P135,378,900	P76,313,504

See accompanying Notes to Financial Statements.

REVENUE DISTRICT NO 77
BACOLOD CITY
RECEIVED
17 APR 2023
JENNY JOY M. ALIPATO

ASIA-PACIFIC MEDICAL CENTER BACOLOD, INC.
(Formerly Allied Care Experts Medical Center-Bacolod Inc.)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022, 2021 AND 2020
(Amounts in Philippine Peso)

	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax	**(P32,391,598)**	(P6,811,329)	(P10,221,495)
Adjustments to reconcile pretax loss to cash:			
Interest income (Note 5)	**(104,300)**	(514,903)	(2,635,791)
Depreciation (Notes 8 and 14)	**138,041**	173,092	130,269
Loss before working capital changes	**(32,357,857)**	(7,153,140)	(12,727,017)
Increase in input VAT	**(11,468,574)**	(5,538,864)	(8,184,716)
Increase in prepayments (Note 7)	**(817,395)**	(242,844)	(7,025)
Increase (decrease) in trade and other payables (Note 10)	**16,265,983**	(55,270)	14,733,243
Net cash used for operations	**(28,377,843)**	(12,990,118)	(6,185,515)
Interest received	**104,300**	514,903	2,635,791
Income tax paid	**(1,808)**	–	–
Net cash used in operating activities	**(28,275,351)**	(12,475,215)	(3,549,724)
CASH FLOWS FROM INVESTING ACTIVITIES			
Retention from payment to contractors (Note 11)	**34,990,788**	5,769,323	3,176,221
Application of advances (payments made) to contractors (Note 6)	**23,153,576**	(15,463,365)	(40,478,422)
Payment of security deposit (Notes 9 and 15)	**–**	(466)	–
Payments received from (advances to) a related party (Note 16)	**(457,200)**	(129,867)	140,000
Additions to property and equipment (Note 8)	**(368,302,760)**	(155,891,144)	(33,626,634)
Net cash used in investing activities	**(310,615,596)**	(165,715,519)	(70,788,835)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans payable (Note 12)	**356,640,000**	–	–
Proceeds from (payments of) advances from shareholders (Notes 16 and 19)	**(52,594,000)**	67,972,564	(11,874,258)
Proceeds from shareholders for future share subscriptions (Note 13)	**–**	–	27,000,000
Proceeds from subscription of share capital (Note 13)	**102,476,333**	38,878,533	–
Payment of loans payable (Note 12)	**–**	–	(24,250,000)
Net cash provided by (used in) financing activities	**406,522,333**	106,851,097	(9,124,258)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**67,631,386**	(71,339,637)	(83,462,817)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**22,326,536**	93,666,173	177,128,990
CASH AND CASH EQUIVALENTS AT END OF YEAR	**P89,957,922**	P22,326,536	P93,666,173

	2022	2021	2020
NONCASH FINANCIAL INFORMATION			
Transfer of deposits for future share subscription to share capital (Note 13)	**P–**	(P27,000,000)	P–
Increase in share capital (Note 13)	**–**	27,000,000	–
Transfer of prepayments to property and equipment (Note 7)	**–**	–	14,887,803
Additions to property and equipment	**–**	–	(14,887,803)
	P–	P–	P–

See accompanying Notes to Financial Statements.

1. General Information

Allied Care Experts Medical Center-Bacolod Inc. (the Company) was registered with the Philippine Securities and Exchange Commission (SEC) on July 4, 2017, primarily 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 clinics, condo hospitals, scientific research and other allied undertaking 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 licensed 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 August 22, 2020, the majority of the Board of Directors and the vote of the shareholders owning and representing at least two-thirds of the outstanding share capital approved the amendment of Article I of the Articles of Incorporation (AOI) by changing its name from Allied Care Experts Medical Center-Bacolod Inc. to Asia-Pacific Medical Center Bacolod, Inc. On September 21, 2021, the SEC approved the amendment to the Articles of Incorporation of the Company to change its corporate name.

Its principal place of business is located at Rm. 4, Ground Floor, MC Metroplex Bldg. BS Aquino Drive, Bacolod City, Negros Occidental. The hospital building address is located at Lacson Street, Barangay Bata, Bacolod City, Negros Occidental.

The Company has nine (9) and seven (7) employees as at December 31, 2022 and 2021, respectively.

The accompanying financial statements of the Company for the years ended December 31, 2022 and 2021 were approved and authorized for issue by the Board of Directors on March 18, 2023.

2. Summary of Significant Accounting Policies and Disclosures

Basis of Preparation
The accompanying financial statements of the Company have been prepared on a historical cost basis, except as otherwise stated. Historical costs refer to the amount of cash paid to acquire an asset or, in the case of exchange, the fair value of the consideration given to acquire an asset. The financial statements are presented in Philippine peso, which is the functional and presentation currency under the Philippine Financial Reporting Standards (PFRS). All values are rounded to the nearest peso except as otherwise indicated.

Statement of Compliance
The accompanying financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). The term PFRS, in general, includes all applicable PFRS, Philippine Accounting Standards (PAS) and Interpretations issued by former Standing Interpretations Committee, the Philippine Interpretations Committee and the International Financial Reporting Interpretations Committee (IFRIC), which have been approved by the Philippine Financial Reporting Standards Council and adopted by the Philippine SEC.

Changes in Accounting Policies

The Company consistently adopted and applied all accounting policies under PFRS which have been issued and becomes effective except adoption of the following amendments effective beginning January 1, 2022. Adoption of these amendments to PFRS, PAS and Philippine Interpretations did not have any significant impact on the Company's financial position or performance unless otherwise indicated.

- Amendments to PFRS 3, "*Reference to the Conceptual Framework*"

  The amendments updated the reference to the "*Conceptual Framework*" and an exception to its requirement for an entity to refer to the "*Conceptual Framework*" to determine what constitutes an asset or a liability. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying PFRS 3 should instead refer to PAS 37, "*Provisions, Contingent Liabilities and Contingent Assets*". This exception is to avoid an unintended consequence of updating the reference. Without the exception, an entity would have recognized some liabilities on the acquisition of a business that it would not recognize in other circumstances. Immediately after the acquisition, the entity would have had to derecognize such liabilities and recognize a gain that did not depict an economic gain.

  The amendments will apply on future business combinations of the Company, if any.

- Amendments to PAS 16, "*Property, Plant and Equipment - Proceeds before Intended Use*"

  The amendments prohibit from deducting the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

  The adoption of this amendment is not expected to have any significant impact on the financial statements.

- Amendments to PAS 37, "*Onerous Contracts - Cost of Fulfilling a Contract*"

  The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

  The adoption of this amendment is not expected to have any significant impact on the financial statements.

Annual Improvements to PFRSs 2018-2020 Cycle
The Annual Improvements to PFRSs (2018-2020 cycle) are effective for annual periods beginning 2022 and are not expected to have a material impact on the Company.

- Amendments to PFRS 1, "*Subsidiary as a First-time Adopter*"

  The amendment permits a subsidiary that measures the assets and liabilities at the carrying amounts that would be included in the parent's consolidated financial statements, based on the parent's date of transition to PFRSs, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary, to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to PFRSs.

  The adoption of this amendment is not expected to have any significant impact on the financial statements.

- Amendments to PFRS 9, "*Fees in the '10 per cent' Test for Derecognition of Financial Liabilities*"

  The improvements clarify the fees a company includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

  The adoption of this amendment is not expected to have any significant impact on the financial statements.

- Amendments to PFRS 16, "*Lease Incentives*"

  The amendment removes reimbursement relating to leasehold improvements. PFRS 16 does not contain explicit guidance on how to account for leasehold improvements made by the lessee or when reimbursements made by the lessor in respect of those leasehold improvements can be regarded as lease incentives. Thus, created some confusion on how a lessee should account for such reimbursement by stating that the lessee should apply the appropriate standard and should not account for the reimbursement as a lease incentive. The standard had not clearly explained the conclusion as to whether the reimbursement would meet the definition of a lease incentive in PFRS 16.

  The adoption of this amendment is not expected to have any significant impact on the financial statements.

- Amendments to PAS 41, "*Taxation in Fair Value Measurements*"

  The amendment removes the requirement for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in PFRS 13.

  The adoption of this amendment is not expected to have any significant impact on the financial statements.

The adoption of the foregoing new and revised PFRS and PAS will not have any material impact on the financial statements. Additional disclosures have been included in the notes to financial statements, as applicable.

New Accounting Standards, Amendments to Existing Standards and Interpretations Effective Subsequent to December 31, 2022

The standards, amendments and interpretations which have been issued but not yet effective as at December 31, 2022 are disclosed below. Except as otherwise indicated, the Company does not expect the adoption of the applicable new and amended PFRS to have a significant impact on the financial position or performance.

Effective beginning on or after January 1, 2023

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

  The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

  The adoption of this amendment is not expected to have any significant impact on the financial statements.

- Amendments to PAS 1 and PFRS Practice Statement 2, "*Disclosure Initiative – Accounting Policies*"

  The amendments to PAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendments to PFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures.

  The adoption of this amendment is not expected to have any significant impact on the financial statements.

- Amendments to PAS 8, "*Definition of Accounting Estimates*"

  The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

  The adoption of this amendment is not expected to have any significant impact on the financial statements.

- Amendments to PAS 12, "*Deferred Tax related to Assets and Liabilities from a Single Transaction*"

  The amendments require companies to recognize deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The proposed amendments will typically apply to transactions such as leases for the lessee and decommissioning obligations.

  The adoption of this amendment is not expected to have any significant impact on the financial statements.

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, "*Presentation of Financial Statements – Noncurrent Liabilities with Covenants*"

  The amendments clarify how conditions with which an entity must comply within twelve months after the reporting date affect the classification of a liability. The amendments modify the requirements introduced by PAS 1, *Presentation of Financial Statements – Classification of Liabilities as Current or Noncurrent*, on how an entity classifies debt and other financial liabilities as current or noncurrent in particular circumstances. Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or noncurrent. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that noncurrent liabilities with covenants could become repayable within twelve months.

  The adoption of this amendment is not expected to have any significant impact on the financial statements.

- Amendments to PAS 16, "*Leases – Lease Liability in a Sale and Leaseback*"

  The amendments specify how a seller-lessee should apply the subsequent measurement requirements in PFRS 16 to the lease liability that arises in the sale and leaseback transaction. The amendments require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss relating to the partial or full termination of a lease. The amendments also do not prescribe specific measurement requirements for lease liabilities arising from a leaseback.

  The adoption of this amendment is not expected to have any significant impact on the financial statements.

Effective beginning on or after January 1, 2025

- 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 adoption for contracts with direct participation features (the variable fee approach)

  - A simplified approach (the premium allocation approach) mainly for short-duration contracts.

- Amendments to PFRS 17, "*Insurance Contracts*"*

  The amendments, which respond to feedback from stakeholders, are designed to:

  - Reduce costs by simplifying some requirements in the Standard;
  - Make financial performance easier to explain; and
  - Ease transition by deferring the effective date of the Standard to 2023 and by providing additional relief to reduce the effort required when applying PFRS 17 for the first time.

  The amendments are not applicable to the Company since it does not have activities that are predominantly connected with insurance or issue insurance contracts.

- Amendment to PFRS 17, "*Initial Application of PFRS 17 and PFRS 9 – Comparative Information*"

  The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements.

  The adoption of this amendment is not expected to have any significant impact on the financial statements.

**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 IFRS 17 by two (2) years after its effective date as decided by the IASB.*

Deferred Effectivity

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

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

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

  These amendments may apply to future transactions of the Company.

- Deferment of Implementation of International Financial Reporting Interpretations Committee (IFRIC) Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, *"Borrowing Cost"*) for the Real Estate Industry

  In March 2019, IFRIC published an Agenda Decision on whether borrowing costs can be capitalized on real estate inventories that are under construction and for which the related revenue is/will be recognized over time under par. 35 (c) of PFRS 15. IFRIC concluded that borrowing costs cannot be capitalized for such real estate inventories as they do not meet the definition of a qualifying asset under PAS 23 considering that these inventories are ready for their intended sale in their current condition.

  On February 21, 2020, the Philippine SEC issued MC No. 4, Series of 2020, providing relief to the Real Estate Industry by deferring the mandatory implementation of the above IFRIC Agenda Decision until December 31, 2020. Effective January 2021, the Real Estate Industry will adopt the IFRIC agenda decision and any subsequent amendments thereto retrospectively or as the SEC will later prescribe. A real estate company may opt not to avail of the deferral and instead comply in full with the requirements of the IFRIC agenda decision.

  The adoption of this amendment is not expected to have any significant impact on the financial statements since the Company is not in a real estate industry.

No Mandatory Effective Date

- PFRS 9, *"Financial Instruments (Hedge Accounting and Amendments to PFRS 9, PFRS 7 and PAS 39)"*

  The amendments require the inclusion of general hedge accounting model in the notes disclosure to the financial statements. The amendments allow early adoption of the requirement to present fair value changes due to own credit on liabilities designated as at fair value through profit or loss (FVPL) to be presented in the other comprehensive income.

  These amendments are not applicable to the Company and expected not to have an impact on the financial statements.

<u>Significant Accounting Policies</u>

<u>Current versus Noncurrent Classification</u>
The Company presents assets and liabilities in the statements of financial position based on current or noncurrent classification. An asset is current if:

- 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 period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as noncurrent.

Deferred income tax assets and liabilities, if any, are classified as noncurrent assets and liabilities.

Fair Value Measurement
Fair value is the price that would be receive 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 economic best interest.

A fair value measurement of a nonfinancial 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 prices (unadjusted) 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 - Unobservable inputs for the asset or liability

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 assets or liabilities and the level of the fair value hierarchy.

Financial Instruments
Financial instrument is any contract that gives rise to a financial asset of one entity or a financial liability or equity instrument of another entity.

Date of Recognition
The Company recognizes a financial asset or a financial liability in the statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

"Day 1" Difference
Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a “Day 1” difference) in profit or loss. In cases where there is no observable data on inception, the Company deems the transaction price as the best estimate of fair value and recognizes “Day 1” difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the “Day 1” difference.

Financial Assets

Initial Recognition
Financial assets are recognized initially at fair value, which is the fair value of the consideration given. The initial measurement of financial assets, except for those designated at fair value through profit or loss (FVPL), includes transaction cost.

Classification
The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at amortized cost, (b) financial assets at fair value through other comprehensive income (FVOCI) and (c) financial assets at FVPL. The classification of a financial asset at initial recognition largely depends on the Company's business model for managing the asset and its contractual cash flow characteristics.

Financial Assets at Amortized Cost
Financial assets are measured at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial assets give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less any allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

The Company's cash and cash equivalents and advances to a related party are classified under this category (see Notes 5, 6 and 14).

Debt Instruments at FVOCI
For debt instruments that are not designated at FVPL under the fair value option, the financial assets are measured at FVOCI if both of the following conditions are met:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- The contractual terms of the financial assets give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, interest income (calculated using the effective interest rate method), foreign currency gains or losses and impairment gains or losses of debt instruments measured at FVOCI are recognized directly in profit or loss. When the financial asset is derecognized, the cumulative gains or losses previously recognized in OCI are classified from equity to profit or loss as a reclassification adjustment.

As at December 31, 2022 and 2021, the Company does not have debt instruments at FVOCI.

Equity Instruments at FVOCI
For equity instruments that are not held for trading, the Company may irrevocably designate, at initial recognition, a financial asset to be measured at FVOCI when it meets the definition of equity instrument under PAS 32, "*Financial Instruments: Presentation".* This option is available and made on an instrument by instrument basis.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. All other gains or losses from equity instruments are recognized in OCI and presented in the equity section of the statements of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent periods, instead, these are transferred directly to retained earnings.

As at December 31, 2022 and 2021, the Company does not have equity instruments at FVOCI.

Financial Assets at FVPL
Financial assets that do not meet the criteria for being measured at amortized cost or FVOCI are classified under this category. Specifically, financial assets at FVPL include financial assets that are (a) held for trading, (b) designated upon initial recognition at FVPL, or (c) mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

This category includes debt instruments whose cash flows, based on the assessment at initial recognition of the assets, are not “solely for payment of principal and interest”, and which are not held within a business model whose objective is either to collect contractual cash flows or to both collect contractual cash flows and sell.

This category also includes equity instruments which the Company had not irrevocably elected to classify at FVOCI at initial recognition.

After initial recognition, financial assets at FVPL are subsequently measured at fair value. Gains or losses arising from the fair valuation of financial assets at FVPL are recognized in profit or loss.

As at December 31, 2022 and 2021, the Company has no financial assets at FVPL.

Reclassification

The Company reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in OCI.

For a financial asset reclassified out of the financial assets at FVPL category to financial assets at amortized cost, its fair value at the reclassification date becomes its new gross carrying amount.

For a financial asset reclassified out of the financial assets at FVOCI category to financial assets at amortized cost, any gain or loss previously recognized in OCI, and any difference between the new amortized cost and maturity amount, are amortized to profit or loss over the remaining life of the investment using the effective interest method. If the financial asset is subsequently impaired, any gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

In the case of a financial asset that does not have a fixed maturity, the gain or loss shall be recognized in profit or loss when the financial asset is sold or disposed. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

For a financial asset reclassified out of the financial assets at FVPL category to financial assets at FVOCI, its fair value at the reclassification date becomes its new gross carrying amount. Meanwhile, for a financial asset reclassified out of the financial assets at FVOCI category to financial assets at FVPL, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss as a reclassification adjustment at the reclassification date.

Impairment of Financial Assets at Amortized Cost and FVOCI

The Company recognizes an allowance for ECL for all debt instruments not held at FVPL. ECL 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 to the asset's original effective interest rate. 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.

For other debt instruments measured at amortized cost and FVOCI, the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. The Company also considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

The Company considers a financial asset in default when contractual payments are 30 days past due unless it is demonstrated that the nonpayment was an administrative oversight rather than resulting from financial difficulty of the borrower. 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
A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The right to receive cash flows from the asset has expired;

- The Company retains the right to receive cash flows from the financial asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or

- The Company has transferred its right to receive cash flows from the financial asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) 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 right to receive cash flows from a financial asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Company’s continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Company could be required to repay.

Financial Liabilities

Initial Measurement
Financial liabilities are recognized initially at fair value, which is the fair value of the consideration received. In case of financial liabilities at amortized cost, the initial measurement is net of any directly attributable transaction costs.

Classification and Subsequent Measurement
The Company classifies its financial liabilities at initial recognition as either financial liabilities at FVPL or financial liabilities at amortized cost.

Financial liabilities at FVPL
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in PFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

As at December 31, 2022 and 2021, the Company does not have financial liabilities at FVPL.

Financial liabilities at amortized cost
Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate.

Included in this category are the Company's trade and other payables (except government payables) and advances from shareholders.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. 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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statements of comprehensive income.

Fair Value Option
The Company may, at initial recognition, irrevocably designate a financial asset or liability that would otherwise have to be measured at amortized cost or fair value through other comprehensive income to be measured at fair value through profit or loss if doing so would eliminate or significantly reduce an accounting mismatch or otherwise results in more relevant information.

Classification of Financial Instrument between Liability and Equity
A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;

- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or

- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Company does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

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

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

Prepayments
Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to expense as they are consumed in operations, capitalized to qualifying asset or expire with the passage of time.

Property and Equipment
Property and equipment, except land, are carried at cost less accumulated depreciation and amortization and accumulated provision for any impairment in value, if any.

The initial cost of property and equipment comprises its purchase price and other costs directly attributable in bringing the assets to its working condition and location for its intended use. Expenditures incurred after the property have been put into operation, such as repairs and maintenance, are normally charged to income in the year the costs are incurred. In situations when 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 and the cost of such item can be measured reliably, the expenditures are capitalized as an additional cost of the said property and equipment.

Land is stated at cost less impairment in value, if any.

Depreciation is computed using the straight-line method over the estimated useful life of office equipment which is 3 to 5 years.

The useful life and depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of property.

Construction in progress represents structures under constructions and is stated at cost (include cost of construction, machinery and equipment under installation and other related costs). Construction in progress is not depreciated until such time as the relevant assets are completed and ready for its intended use.

The carrying values of property and equipment are reviewed for impairment when events or changes in the circumstances indicate that the carrying values may not be recoverable.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation and amortization are recognized in profit or loss.

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

Security Deposit

Security deposit represents deposit made on lease contracts of office, initially measured at cost less impairment loss, if any, and which are recoverable at the end of lease terms.

Impairment of Nonfinancial Assets

Property and equipment, security deposit, input VAT and prepayments are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and where the carrying amount of an asset exceeds its recoverable amount, the asset or cash-generating unit (CGU) is written down to its recoverable amount. The estimated recoverable amount is the higher of an asset's fair value less cost to sell and value in use. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's-length transaction less the costs of disposal while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Where the carrying amount of an asset or CGU 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 assessments of the time value of money and the risks specific to the asset. In determining fair value less cost to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other fair value indicators. Impairment losses are recognized in the statements of comprehensive income.

Recovery of impairment loss recognized in prior years is recorded on nonfinancial asset when there is an indication that the impairment loss recognized for the asset no longer exists or has decreased. The recovery is recorded in the statements of comprehensive income. However, the increased carrying amount of an asset due to a recovery of an impairment loss is recognized to the extent that it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for that asset in prior years.

Equity

Share Capital

Share capital is recognized as issued when the share is paid for or subscribed under a binding subscription agreement and is measured at par value.

The share capital is classified into founders' share and common share.

Additional Paid-in Capital

Proceeds and/or fair value considerations received in excess of par value.

Deficit

Deficit includes all current and prior period results as disclosed in the statements of comprehensive income.

Revenue Recognition

Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Company performs its obligations; (b) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The Company also assesses its revenue arrangements to determine if it is acting as a principal or as an agent.

Interest Income

Interest income is recognized as the interest accrues taking into account the effective yield on the asset.

Cost and Expenses

Costs and expenses are recognized in the statements of comprehensive income upon utilization of the service or goods or at the date they are incurred or received.

Borrowing Costs

Borrowing costs are generally expensed as incurred. Interest and other finance costs incurred during the construction period on borrowings used to finance property development are capitalized to the appropriate asset accounts.

The capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. The capitalization of these borrowing costs ceases when substantially all activities necessary to prepare the asset for sale or its intended use are complete. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded.

Employee Benefits

Short-term Benefits

Short-term employee benefits are those benefits expected to be settled wholly before 12 months after the end of the annual reporting period during which employee services are rendered, but do not include termination benefits. Short-term benefits given by the Company to its employees include salaries and wages, social security, health insurance and housing contributions, short-term compensated absences, bonuses and other non-monetary benefits.

Leases

The Company assesses whether the contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, it has the following:

- the contract involves an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- the Company has the right to direct the use of the asset. The Company when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. The Company has the right to direct the use of the asset of either:
  a. the Company has the right to operate the asset; or
  b. the Company designed the asset in a way that predetermines how and for what purpose it will be used.

Short-term Leases and Leases of Low-Value Assets
The Company applies the short-term lease recognition exemption to its short-term leases of office space (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

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

Transactions between related parties are based on terms similar to those offered to non-related parties.

<u>Income Taxes</u>

Current Income Tax
Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting period.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the profit or loss.

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

Deferred tax liabilities are recognized for all taxable temporary differences except: (1) when the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and (2) in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carryforward benefits of unused tax credits from excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating loss carry-over (NOLCO) to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carryforward benefit of unused tax credits and unused tax losses can be utilized except: (1) when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and (2) in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period 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 period.

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

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

Provisions

Provisions are recognized when the Company has present obligations, legal or constructive, as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income, net of any reimbursements. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to passage of time is recognized as interest expense.

Contingencies

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

Loss Per Share
Basic loss per share is calculated by dividing the net loss (less preferred dividends net of tax, if any) for the year attributable to common shareholders by the weighted average number of common shares outstanding during the year, with retroactive adjustment for any stock dividends or stock splits declared during the year.

Diluted loss per share is computed by dividing net loss by the weighted average number of common stocks outstanding during the year, after giving retroactive effect for any stock dividends, stock splits or reverse stock splits during the year, and adjusted for the effect of dilutive options.

Events After the Reporting Period
Post year-end events that provide additional information about the Company’s financial position at the end of the reporting period (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

3. **Significant Judgments, Accounting Estimates and Assumptions**

The preparation of the financial statements in conformity with PFRS requires management to make judgments and estimates that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the reporting date. The uncertainties inherent in these judgments and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liabilities affected in future years.

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

Business Model Assessment
Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Significant Increase of Credit Risk
Where the fair values of financial assets and financial liabilities recorded on the statements of financial position cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The input to these models is taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. These estimates may include considerations of liquidity, volatility and correlation.

Classification of Financial Instruments
The Company classifies its financial assets and financial liabilities in the following measurement categories: i) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss) and ii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Determination Whether an Arrangement Contains a Lease
The Company uses its judgment in determining whether an arrangement contains a lease, based on the substance of the arrangement at inception date and makes assessment whether the arrangement is dependent on the use of a specific asset or assets, the arrangement conveys a right to use the asset and the arrangement transfers substantially all the risks and rewards incidental to ownership to the Company.

The details of these lease agreements are disclosed in Note 13.

Determining the Lease Term of Contracts with Renewal and Termination Options – Company as Lessee
The Company determines the lease term as the noncancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

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

The Company did not include the renewal period as part of the lease term for lease of its temporary office space even though the Company typically exercises its option to renew this lease because the Company does not have enforceable right to extend the lease beyond the noncancellable period.

Determining the Fair Values of Financial Instruments
Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to this model are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Estimates and Assumptions

The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed as follows:

Assessment for ECL on Other Financial Assets at Amortized Cost

The Company determines the allowance for ECL using general approach based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL is provided for credit losses that result from possible default events within the next 12 months unless there has been a significant increase in credit risk since initial recognition in which case ECL is provided based on lifetime ECL.

The Company also considers financial assets that are more than 30 days past due to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent a significant risk in credit risk such as when non-payment was an administrative oversight rather than resulting from financial difficulty of the borrower.

When determining if there has been a significant increase in credit risk, the Company considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- Actual or expected external and internal credit rating downgrade;
- Existing or forecasted adverse changes in business, financial or economic conditions; and
- Actual or expected significant adverse changes in the operating results of the borrower.

The Company has assessed that the ECL on other financial assets at amortized cost is not material because the transactions with respect to these financial assets were entered into by the Company only with reputable banks and companies with good credit standing and relatively low risk of defaults. Accordingly, no provision for ECL on other financial assets at amortized cost was recognized in 2022 and 2021. The carrying amounts of other financial assets at amortized cost is as follows:

	2022	2021
Cash in banks	**P34,906,249**	P22,311,536
Time deposits	**55,036,673**	–
Advances to a related party	**622,067**	164,867
	P90,564,989	P22,476,403

Assessment for Impairment of Nonfinancial Assets

The Company assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of the assets or group of assets may not be recoverable. The relevant factors that the Company considers in deciding whether to perform an asset impairment review include, among others, the following:

- Significant underperformance of a business in relation to expectations;
- Significant negative industry or economic trends; and
- Significant changes or planned changes in the use of the assets.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs.

The recoverable amount of the asset is the greater of the fair value less cost of disposal or value in use. The fair value less cost of disposal is the amount obtainable from the sale of an asset in an arm's-length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

No impairment loss on nonfinancial assets was recognized for the years ended December 31, 2022 and 2021. The carrying amounts of nonfinancial assets are as follows:

	2022	2021
Advances to contractors	**P32,788,211**	P55,941,787
Input VAT	**25,219,111**	13,750,537
Other current assets	**1,182,014**	364,619
Property and equipment	**652,810,597**	284,645,878
Security deposit	**45,466**	45,466
	P712,045,399	P354,748,287

Estimating Useful Life of Property and Equipment, Except Land
The estimated useful lives used as bases for depreciating the Company's property and equipment, excluding land, were determined on the basis of management's assessment of the period within which the benefits of these asset items are expected to be realized taking into account actual historical information on the use of such assets.

The carrying amount of property and equipment, except land, amounted to P572,608,095 and P204,443,376 as at December 31, 2022 and 2021, respectively (see Note 8).

Recognition of Deferred Tax Assets
The Company reviews the carrying amounts of deferred tax assets 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.

The management believes that the Company will not be able to realize the NOLCO in the future. The Company provided full valuation allowance on its NOLCO, thus no deferred tax asset was set up in 2022 and 2021.

4. Financial Risk Management Objectives and Capital Management

Financial Risk Management Objectives and Policies
The main purpose of the Company's financial instruments is to fund its operations. The Company's principal financial instruments arising from operations consist of cash and cash equivalents, advances to a related party, trade and other payables (excluding government liabilities), loans payable and advances from shareholders. The main risks from the use of financial instruments are credit and liquidity risk. The Company has minimal exposure on interest rate risk since its loans payable are short-term and bear fixed interest rate.

The Company does not have foreign currency risk because the Company has no monetary assets and liabilities denominated in foreign currency for the years ended December 31, 2022 and 2021.

The Company's Board of Directors reviews and approves the policies for managing each of these risks and these are summarized below:

<u>Credit Risk</u>
The Company's exposure to credit risk arises from the failure on the part of its counterparty in fulfilling its financial commitments to the Company under the prevailing contractual terms. Financial instruments that potentially subject the Company to credit risk consist primarily of other financial assets at amortized cost.

The carrying amounts of financial assets at amortized costs represent its maximum credit exposure.

Other Financial Assets at Amortized Cost
The Company's other financial assets at amortized cost are composed of cash in banks and time deposits. The Company limits its exposure to credit risk by investing its cash only with banks that have good credit standing and reputation in the local and international banking industry. These instruments are graded in the top category by an acceptable credit rating agency and, therefore, are considered to be low credit risk investments.

It is the Company's policy to measure ECL on the above 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.

When determining if there has been a significant increase in credit risk, the Company considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- Actual or expected external and internal credit rating downgrade;
- Existing or forecasted adverse changes in business, financial or economic conditions; and
- Actual or expected significant adverse changes in the operating results of the borrower.

The Company also considers financial assets that are more than 30 days past due to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent significant credit risk such as when non-payment arises from administrative oversight rather than resulting from financial difficulty of the borrower.

The table below presents the summary of the Company's exposure to credit risk and shows the credit quality of the assets by indicating whether the assets are subjected to 12-month ECL or lifetime ECL. Assets that are credit-impaired are separately presented.

	December 31, 2022			
	Financial asset at amortized cost			
	12-month ECL	Lifetime ECL – not credit impaired	Lifetime ECL – credit impaired	Total
Cash in banks	**P34,906,249**	**P–**	**P–**	**P34,906,249**
Time deposits	**55,036,673**	**–**	**–**	**55,036,673**
Advances to a related party	**622,067**	**–**	**–**	**622,067**
	P90,564,989	**P–**	**P–**	**P90,564,989**

	December 31, 2021			
	Financial asset at amortized cost			
	12-month ECL	Lifetime ECL – not credit impaired	Lifetime ECL – credit impaired	Total
Cash in banks	P22,311,536	P–	P–	P22,311,536
Advances to a related party	164,867	–	–	164,867
	P22,476,403	P–	P–	P22,476,403

Liquidity Risk
In the management of liquidity, the Company monitors and maintains a level of cash deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

To meet the Company's short-term obligations and funding for the construction of its building, the Company will call for payment of the subscription receivable from the stockholders. Also, the Company secured from Development Bank of the Philippines a credit line facility on August 11, 2021 as one of it sources in funding the construction of hospital building.

The table below summarizes the maturity profile of the Company's financial assets and liabilities as at December 31, 2022 and 2021 based on contractual and undiscounted payments.

As at December 31, 2022

	On Demand	**Within 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
Financial liabilities:					
Trade and other payables*	**P–**	**P30,102,288**	**P–**	**P–**	**P30,102,288**
Retention payable	**–**	**43,936,332**	**–**	**–**	**43,936,332**
Advances from shareholders	**–**	**–**	**165,624,718**	**–**	**165,624,718**
Loans payable	**–**	**–**	**–**	**356,640,000**	**356,640,000**
	P–	**P74,038,620**	**P165,624,718**	**P356,640,000**	**P596,303,338**
Financial assets:					
Cash and cash equivalents	**P89,957,922**	**P–**	**P–**	**P–**	**P89,957,922**
Advances to a related party	**622,067**	**–**	**–**	**–**	**622,067**
	P90,579,989	**P–**	**P–**	**P–**	**P90,579,989**

Excluding government payables amounting to P858,415 as at December 31, 2022.

As at December 31, 2021

	On Demand	Within 1 year	1 to 5 years	More than 5 years	Total
Financial liabilities:					
Trade and other payables*	P–	P14,575,083	P–	P–	P14,575,083
Retention payable	–	8,945,544	–	–	8,945,544
Advances from shareholders	–	–	218,218,718	–	218,218,718
	P–	P23,520,627	P218,218,718	P–	P241,739,345

	On Demand	Within 1 year	1 to 5 years	More than 5 years	Total
Financial assets:					
Cash and cash equivalents	P22,326,536	P–	P–	P–	P22,326,536
Advances to a related party	164,867	–	–	–	164,867
	P22,491,403	P–	P–	P–	P22,491,403

**Excluding government payables amounting to P119,637 as at December 31, 2021.*

Fair Values of Financial Instruments

The historical cost carrying amounts of the Company's financial assets and financial liabilities are all subject to normal credit terms, and are short-term in nature, and approximate their fair values. Details are as follows:

	2022	2021
Financial assets:		
Cash and cash equivalents	**P89,957,922**	P22,326,536
Advances to a related party	**622,067**	164,867
	P90,579,989	P22,491,403
Financial liabilities:		
Trade and other payables*	**P30,102,288**	P14,575,083
Retention payable	**43,936,332**	8,945,544
Advances from shareholders	**165,624,718**	218,218,718
Loans payable	**356,640,000**	–
	P596,303,338	P241,739,345

**Excluding government payables amounting to P858,415 and P119,637 as at December 31, 2022 and 2021, respectively.*

Capital Management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business, pay existing obligations and maximize shareholder value.

The Company manages capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust capital, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended December 31, 2022 and 2021.

The following table pertains to the account balances the Company considers as its core economic capital:

	2022	2021	2020
Share capital	**P185,594,626**	P161,878,533	P96,000,000
Additional paid-in capital	**78,760,240**	–	–
Deficit	**(58,891,280)**	(26,499,633)	(19,686,496)
	P205,463,586	P135,378,900	P76,313,504

5. Cash and Cash Equivalents

This account consists of:

	2022	2021
Cash on hand	**P15,000**	P15,000
Cash in banks	**34,906,249**	22,311,536
Time deposits	**55,036,673**	–
	P89,957,922	P22,326,536

Cash in banks earn interest at the respective bank deposit rates. Interest income earned from cash in banks amounted to P62,710 and P111,506 as at December 31, 2022 and 2021, respectively.

Time deposits earn interest at the respective bank deposit rates. Interest income earned from time deposits amounted to P36,673 and P222,575 as at December 31, 2022 and 2021, respectively.

6. Advances to Contractors

Advances to contractors represent advances for each awarded project activity and is liquidated via deduction, on a pro-rate basis from the contractor's periodic progress billings.

Advances to contractors amounted P50,249,279 and P55,941,787 as at December 31, 2022 and 2021, respectively.

7. Prepayments

This account consists of:

	2022	2021
Prepaid marketing	**P933,334**	P–
Prepaid tax	**P241,680**	241,680
Prepaid rent (Note 13)	**–**	115,939
Others	**7,000**	7,000
	P1,182,014	P364,619

Prepaid tax pertains to advance payment of advertisement.

Prepaid tax pertains to advance payment of real property tax.

Prepaid rent pertains to unamortized portion of its payment of lease with MC Metroplex Holdings, Inc. (see Note 13).

Prepaid expenses – CIP account amounting to P14,887,803 in 2019 was transferred to Construction in progress account in 2020 (see Note 8) details as follows:

Advance deposits – Contractor	P10,864,000
Zoning fee for building permit processing	1,106,956
Prepayments – Project management team	1,084,861
Building permit and certification	819,315
Contracted services – Soil lab and groundbreaking	744,780
Others	267,891
	P14,887,803

8. Property and Equipment

This account consists of:

	2021	Additions	Disposal	**2022**
Cost:				
Land	P80,202,502	P–	P–	**P80,202,502**
Construction in progress	204,132,072	368,187,691	–	**572,319,763**
Office equipment	835,751	115,069	–	**950,820**
	285,170,325	368,302,760	–	**653,473,085**
Accumulated depreciation:				
Office equipment	524,447	138,041	–	**662,488**
Net book value	P284,645,878			**P652,810,597**

	2020	Additions	Disposal	2021
Cost:				
Land	P80,202,502	P–	P–	P80,202,502
Construction in progress	48,341,686	155,790,386	–	204,132,072
Office equipment	734,993	100,758	–	835,751
	129,279,181	155,891,144	–	285,170,325
Accumulated depreciation:				
Office equipment	351,355	173,092	–	524,447
Net book value	P128,927,826			P284,645,878

Land pertains to properties located in Bacolod City, Negros Occidental with a total area of 10,000 square meters, where its hospital building is being constructed.

Construction in progress pertains to building under construction to be used as hospital building upon completion.

Beginning 2020, the Company entered into contracts with various contractors and suppliers for the construction of its hospital building.

The total estimated cost for the construction of the hospital building is P1.83 billion. The total estimated cost for the whole project until full operation is P2.33 billion.

As per construction manager, the estimated percentage of completion of the construction is at 27.063% as at December 31, 2022, and construction of the hospital building is estimated to be completed by the second quarter of 2024.

On August 11, 2021, the Company entered into a Mortgage Agreement with Development Bank of the Philippines for loan and credit accommodations to finance the construction of the hospital building and acquisition of medical instruments, furniture and appliances. The Mortgage Agreement is secured by the land together with the buildings and other permanent improvements.

The terms and conditions of the Mortgage Agreement were as follows:
a) keep the mortgaged property in good condition;
b) pay on time the lawful taxes and assessments of the mortgaged property;
c) insure the mortgaged property;
d) the Company shall not transfer, lease, mortgage or encumber the property, or demolish or make any alteration without first obtaining the Mortgagee's written consent.

The carrying amount of the mortgaged property amounted to P652,522,265 as at December 31, 2022.

There were no amount of compensations received from any third parties for items of property and equipment that were impaired, lost or given up.

9. Security Deposit

This account pertains to rent security deposit amounting to P45,466 as at December 31, 2022 and 2021, respectively (see Note 13).

10. Trade and Other Payables

This account consists of:

	2022	2021
Accounts payable	**P30,102,288**	P14,575,083
Withholding tax payable – expanded	**848,032**	94,439
SSS/PhilHealth/HDMF payable	**8,623**	12,420
Withholding tax payable – compensation	**1,760**	12,778
	P30,960,703	P14,694,720

Accounts payable pertains to short-term, unsecured, noninterest-bearing payable to other party.

11. Retention Payable

Retention payable refers to the amount withheld by the Company from the contractor's periodic progress billings as provided for in their respective contract. The amount will be released to the contractor, net of deductions, if any, upon full completion and final acceptance by the Company.

Retention payable amounted P43,936,332 and P8,945,544 as at December 31, 2022 and 2021, respectively.

12. Loans Payable

		2022	2021
DBP	The Company availed long-term loans in tranches from DBP. First tranche availed on June 16, 2022. The principal amount is payable quarterly beginning September 16, 2025 until June 16, 2035. The effective interest rate is 5% per annum and payable quarterly. All loans are secured by the Company's real properties (see Note 8). The loan proceeds were used to finance the construction of the hospital building.	**P356,640,000**	P–

Borrowing costs amounted to P9,155,246 as at December 31, 2022, and were capitalized as cost of the hospital building (see Note 8).

13. Share Capital

This account consists of:

	2022	2021	2020
Authorized share capital			
600 founders' share at P1,000 par value	**P600,000**	P600,000	P600,000
239,400 common share in 2022 and 2021 and 119,400 common share in 2020 at P1,000 par value	**239,400,000**	239,400,000	119,400,000
	P240,000,000	P240,000,000	P120,000,000
Subscribed			
600 founders' shares in 2022 and 480 founders' shares in 2021 and and 2020 at P1,000 par value	**P600,000**	P480,000	P480,000
Current year issuance - 120 founders' shares in 2021	**–**	120,000	–
Balance at end of year - 600 founders' shares in 2022 and 2021 and 480 founders'shares in 2020	**600,000**	600,000	480,000
204,000 common shares in 2022 and 95,520 common shares in 2021 and 2020 at P1,000 par value	**203,400,000**	95,520,000	95,520,000
Current year issuance - 550 common shares in 2022 and 107,880 common shares in 2021	**550,000**	107,880,000	–
Balance at end of year - 203,940 common shares in 2022, 203,400 common shares in 2021 and 95,520 commonshares in 2020	**203,950,000**	203,400,000	95,520,000
Less subscription receivable	**(18,955,374)**	(42,121,467)	–
	184,994,626	161,278,533	95,520,000
	P185,594,626	P161,878,533	P96,000,000

The founders' share has the exclusive right to vote and be voted upon in the election of directors for a limited period not to exceed five (5) years.

On August 22, 2020, the majority of the Board of Directors and the vote of the shareholders owning and representing at least two-thirds of the outstanding share capital approved the increase in authorized share capital from P120,000,000 divided into 119,400 common shares and 600 founders' shares to P240,000,000 divided into 239,400 common shares and 600 founders' shares which all of it have par value of P1,000 per share.

In view of the above, P27,000,000 was paid-up by the existing shareholders representing 25% payment of the 90% subscribed capital amounting to P107,880,000 of the increase in authorized share capital amounting to P120,000,000.

The application of the said increase of authorized share capital was approved by the SEC on September 21, 2021. The deposit for future share subscriptions amounting to P27,000,000 was transferred to paid-up share capital. This transaction is considered as a noncash financial information in the statements of cash flows.

Below is the details of registered common shares:

Date of Registration	Number of Blocks Licensed*	Issue/Offer Price Per Block
March 28, 2022	2,400	P250,000
March 28, 2022	800	300,000
March 28, 2022	400	400,000

**10 shares per block*

14. **Expenses**

This account consists of:

	2022	2021	2020
Meetings and conferences	**P13,663,544**	P157,878	P6,984,927
Executive compensation (Note 14)	**13,554,000**	666,000	–
Professional fees	**1,431,036**	1,174,143	542,857
Salaries and wages	**1,347,589**	1,679,067	1,728,518
Communication, power and water	**1,134,965**	426,452	192,765
Taxes and licenses	**332,274**	2,519,039	428,255
Marketing	**225,597**	–	–
Rentals (Note 13)	**166,850**	144,384	149,009
Depreciation (Note 8)	**138,041**	173,092	130,269
Office supplies	**126,267**	46,374	33,325
SSS/Philhealth/HDMF expense	**104,993**	76,824	108,150
Transportation and travel	**69,708**	20,088	74,984
Repairs and maintenance	**4,650**	4,500	5,320
Outside services	**–**	32,500	13,393
Capital gains tax	**–**	–	2,396,800
Representation	**–**	–	8,500
Miscellaneous	**196,384**	205,891	60,214
	P32,495,898	P7,326,232	P12,857,286

15. **Lease Agreement**

In September 2019, the Company renewed its contract of lease with MC Metroplex Holdings, Inc. for a period of one (1) year, commencing from October 1, 2019 to September 30, 2020 and paid the total amount of P146,170, inclusive of VAT and net of withholding tax.

In October 2020, the Company renewed its contract of lease with MC Metroplex Holdings, Inc. for a period of one (1) year, commencing from October 1, 2020 to September 30, 2021 and paid the total amount of P146,170, inclusive of VAT and net of withholding tax.

In October 2021, the Company renewed its contract of lease with MC Metroplex Holdings, Inc. for a period of one (1) year, commencing from October 1, 2021 to September 30, 2022 and paid the total amount of P147,684, inclusive of VAT and net of withholding tax.

In October 2022, the Company renewed its contract of lease with MC Metroplex Holdings, Inc. for a period of three (3) months, commencing from October 1, 2022 to December 31, 2022 for monthly rent of of P14,479, inclusive of VAT and net of withholding tax.

Due to the lease agreement which is for a period of 1 year and no purchase option, the lease is accounted as short-term and of low value and lease payments are recognized as expense on a straight-line basis over the lease term.

Rent expense charged to operations amounted to P166,850, P144,384 and P149,009 in 2022, 2021 and 2020, respectively (see Note 12).

The Company has a refundable security deposit of P45,466 as at December 31, 2022 and 2021 (see Note 9) and prepaid rent of nil and P115,939 as at December 31, 2022 and 2021, respectively (see Note 7).

At year-end, the Company has an outstanding commitments under noncancellable operating leases that fall due as follows:

	2022	2021	2020
Within 1 year	**P–**	P115,939	P102,775
Later than 1 year but within 5 years	**–**	–	–
	P–	P115,939	P102,775

16. **Related Party Disclosure**

Related party relationships exist 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 relationship also exists between and/or among entities, which are under common control with the reporting enterprises and its key management personnel, directors, or its shareholders.

In considering each related party relationship, attention is directed to the substance of the relationship, and not merely the legal form. Related parties may be individuals or corporate entities.

The following are the details of related party transactions:

	Period	Classification	Terms and conditions	Amount of the Transaction	Outstanding Balance
Shareholders	**2022**	Advances from shareholders	Unsecured, noninterest-bearing, demandable, no term, payable in cash.	**(P52,594,000)**	**P165,624,718**
	2021			67,972,564	218,218,718
APMC - Iloilo	**2022**	Advances to a related party (Note 6)	Unsecured, interest-bearing, no term, collectible in cash.	**457,200**	**622,067**
	2021			129,867	164,867
APMC - Aklan	**2022**	Advances to a related party	Unsecured, interest-bearing, payable in installment (see Note 6).	**–**	**–**
	2021			40,000,000	–
APMC - Aklan	**2022**	Interest income		**–**	**–**
	2021			180,822	–

The following are other relevant related party disclosures:

Identification	Relationship	Business Purpose of Arrangement	Commitments
Shareholders	Shareholder	Advances from shareholders in support for the Company's hospital building construction requirements.	No contract
APMC - Iloilo	Other related party	Reimbursement of expenses.	No contract
APMC - Aklan	Other related party	Loans provided to other related party for financing purposes.	Loan Agreement

Advances from shareholders are payable upon demand. However, the Company is in the status of financing the construction of its hospital building, thus, settlement of advances is not the priority of the Company.

The Company also has a receivable from APMC - Iloilo amounting to P622,067 and P164,867 in 2022 and 2021, respectively, which pertains to the reimbursement of expenses incurred by the latter but paid by the Company.

The Company has advances to Asia Pacific Medical Center (APMC) - Aklan Inc. (APMC - Aklan) amounting to P40,000,000 which is unsecured and bears an interest of five percent (5%) per annum and payable on demand in 2021. The amount was also paid in 2021.

No allowance for doubtful accounts and bad debt expense were recognized in 2022 and 2021.

Compensation of Key Management Personnel

	2022	2021	2020
Executive compensation	**P13,554,000**	P666,000	P–
Meetings and conferences	**9,662,500**	–	–
	P23,216,500	P666,000	P–

17. **Income Tax**

The provision for income tax for 2022 and 2021 represents MCIT..

The following are the computations of RCIT:

	2022	2021	2020
Loss before income tax	**(P32,391,598)**	(P6,811,329)	(P10,221,495)
Deduct permanent differences on:			
Nondeductible representation	**–**	–	8,500
Interest income subjected to final tax	**(99,383)**	(334,081)	(1,502,458)
Taxable loss	**(P32,490,981)**	(P7,145,410)	(P11,715,453)
Tax due at 25% in 2022 and 2021, and 30% in 2020	**P–**	P–	P–

The following are the computations of MCIT:

	2022	2021
Taxable income	**P4,917**	P180,822
Tax due at 1%	**P49**	P1,808

The reconciliation of the tax computed at statutory tax rate to provision for income tax follow:

	2022	2021	2020
Tax at applicable statutory income tax rate	**(P8,097,900)**	(P1,702,832)	(P3,066,449)
Additions to (reductions in) income taxes:			
Nondeductible representation	**–**	–	2,550
Interest income subjected to final tax	**(24,847)**	(83,521)	(450,737)
Unrecognized deferred tax assets	**8,122,796**	1,788,161	3,514,636
	P49	P1,808	P–

As at December 31, 2022, the Company has NOLCO which can be carried forward as a deduction for the next three consecutive taxable years immediately following the year of such loss, under certain conditions, as provided under Section 34(D) of the Tax Code. Details are as follows:

Date Incurred	Amount	Applied/ Expired	Remaining Balance	Expiry Date
December 31, 2022	P32,490,981	P–	P32,490,981	2025
December 31, 2019	6,915,819	(6,915,819)	–	2022
	P39,406,800	(P6,915,819)	P32,490,981	

As at December 31, 2022, the Company has NOLCO in taxable year 2021 and 2020 which can be carried forward as a deduction for the next five consecutive taxable years immediately following the year of such loss, pursuant to the Bayanihan to Recover As One Act. Details are as follows:

Date Incurred	Amount	Applied/ Expired	Remaining Balance	Expiry Date
December 31, 2021	P7,145,410	P–	P7,145,410	2026
December 31, 2020	11,715,453	–	11,715,453	2025
	P18,860,863	P–	P18,860,863	

Details of Company's MCIT which can be claimed as tax credits against regular income tax are as follows:

Date Incurred	Amount	Applied/ Expired	Remaining Balance	Expiry Date
December 31, 2022	P49	P–	P49	2025
December 31, 2021	1,808	–	1,808	2024
	P1,857	P–	P1,857	

The management believes that the Company will not be able to realize the tax benefits from NOLCO and MCIT in the future. The Company provided full valuation allowance on its NOLCO and MCIT, thus, no deferred tax asset was set up.

18. Loss Per Share

Basic loss per share is computed as follows:

	2022	2021	2020
Net loss	**(P32,391,647)**	(P6,813,137)	(P10,221,495)
Weighted average number of shares outstanding	**204,275**	123,000	96,000
Basic loss per share	**(P158.57)**	(P55.39)	(P106.47)

There were no common stock equivalents outstanding that would require calculation of diluted loss per share.

19. Changes in Liabilities Arising from Financing Activities

The following table summarizes the changes in liabilities arising from financing activities:

	2021	Cash flows	Foreign exchange movement	**2022**
Advances from shareholders	P218,218,718	(P52,594,000)	P–	**P165,624,718**
Loans payable	–	356,640,000	–	**356,640,000**
	P218,218,718	P304,046,000	P–	**P522,264,718**

	2020	Cash flows	Foreign exchange movement	2021
Advances from shareholders	P150,246,154	P67,972,564	P–	P218,218,718

20. Impact of Coronavirus of 2019 (COVID-19) Update

The Company has been exposed to the risks brought about by COVID-19, a novel strain of coronavirus, which has rapidly spread worldwide and reached a pandemic magnitude as it continues to affect more and more countries and territories.

On March 16, 2020, the President of the Philippines issued Proclamation No. 929 declaring a state of calamity throughout the Philippines due to COVID-19 which resulted to the imposition of an Enhanced Community Quarantine throughout Luzon starting midnight of March 16, 2020 until May 15, 2020. Bacolod City is under various quarantine classifications up to present. As of to date, Bacolod City is under Alert Level 1 quarantine classification.

The enhanced community quarantine, travel restrictions, temporary closure of different establishments, and social distancing measures imposed by the government exposed the Company's operations to risks that may impact its financial performance.

The construction of Company's hospital building has started in February 2020. However, due to COVID-19 outbreak, delivery of construction supplies was postponed and deployment of engineers and construction workers were postponed resulting to a delay in the construction of the hospital building. Upon the lifting of some quarantine restrictions particularly sea travel, the contractor continues the construction and catches up with the delay.

The events surrounding the outbreak did not have a significant impact to the Company's financial position and performance as at and for the year ended December 31, 2022. Nevertheless, the Company will continue to monitor the situation.

21. Events After the End of the Reporting Period

No events occurred between the statements of financial position date and the date on which these financial statements were approved by the Company's Board of Directors that would require adjustments to or disclosure in the financial statements.

22. Reclassification of Account

The following accounts on December 31, 2021 have been reclassified to conform with the December 31, 2022 financial statement presentation:

Reclassified From	Reclassified To	Amount
Advances to a related party (under receivables)	Advances to a related party (presented under current assets)	P164,867
Advances to contractors (under receivables)	Advances to contractors (presented under current assets)	55,941,787
Input VAT (under other current assets)	Input VAT (presented under current assets)	13,750,537
Retention payable (under trade and other payables)	Retention payable (presented under current liabilities)	8,945,544
Advances from stockholders (presented under current liabilities)	Advances from stockholders (presented under noncurrent liabilities)	218,218,718

23. Supplemental Information Required Under Revenue Regulation Nos. 15-2010 and 19-2011

Revenue Regulation 15-2010
On November 25, 2010, the BIR issued Revenue Regulation (RR) 15-2010, which requires certain information on taxes, duties and license fees paid or accrued during the taxable year to be disclosed as part of the notes to financial statements. These supplemental information, which are additions to the disclosures required under PFRS, are presented as follows:

VAT Output Tax
The Company has not yet started commercial operations and has no receipts subject for output tax.

VAT Input Tax
The Company has input tax from current year's domestic purchases amounting to P23,155,242.

Taxes on Importation
In 2022, the Company has not imported goods for business use. No customs duties and tariff fees were accrued or paid during the year.

Excise Tax
The Company does not have excise tax in 2022 since it does not have any transactions which are subject to excise tax.

Withholding Taxes
The details of total withholding taxes are as follows:

Compensation and benefits	P142,884
Creditable - at source	2,200,211
	P2,343,095

Documentary Stamp Tax
The Company paid documentary stamp tax for the subscription of share capital amounting to P66,800 in 2022.

Taxes and Licenses
The details of taxes and licenses included in expenses are as follows:

Real property tax	P241,680
Documentary stamp tax	66,800
Business permit	12,975
Annual registration	500
Others	10,319
	P332,274

Deficiency Tax Assessment
The Company does not have any deficiency tax assessments with BIR or tax cases outstanding or pending in courts or bodies outside of the BIR as of December 31, 2022.

Revenue Regulation 19-2011

Revenue Regulation No. 19-2011 was issued to prescribe the new BIR forms that will be used for Income Tax filing covering and starting with December 31, 2011, and to modify Revenue Memorandum Circular No. 57-2011 dated November 25, 2011.

The following are the schedules prescribed under existing revenue issuances applicable to the Company as at December 31, 2022:

Revenue

The Company has not yet started commercial operations and did not earn any revenue.

Cost of Sales

The Company has not yet started commercial operations and did not incur any cost of sales.

Non-operating and Taxable Other Income

The Company has non-operating and taxable other income amounting to P4,917.

Itemized Deductions

Details of the Company's itemized deductions for the year are as follows:

	Exempt	RCIT
Meetings and conferences	P–	13,663,544
Executive compensation	–	13,554,000
Professional fees	–	1,431,036
Salaries and wages	–	1,347,589
Communication, power and water	–	1,134,965
Taxes and licenses	–	332,274
Marketing	–	225,597
Rentals (Note 13)	–	166,850
Depreciation (Note 8)	–	138,041
Office supplies	–	126,267
SSS/Philhealth/HDMF expense	–	104,993
Transportation and travel	–	69,708
Repairs and maintenance	–	4,650
Miscellaneous	–	196,384
	P–	P32,495,898

Taxes, fees and charges presented as part of "Expenses" account in the Company's statement of comprehensive income include the following:

	Exempt	RCIT
SEC filing fees	P–	P241,680
Documentary stamp tax	–	66,800
Business permit	–	12,975
Annual registration	–	500
Others	–	10,319
	P–	P332,274

ASIA-PACIFIC MEDICAL CENTER BACOLOD, INC.

(Formerly Allied Care Experts Medical Center-Bacolod Inc.)

Schedule A – Financial Assets
December 31, 2022

Name of Issuing Entity and Association of Each Issue	Number of Shares or Principal Amounts of Bonds and Notes	Amount Shown in the Statement of Financial Position	Value based on Market Quotations at End of Reporting Period	Income Received and Accrued
Cash and cash equivalents				
Cash in banks	Not applicable	P34,906,249	Not applicable	P62,710
Time deposits	Not applicable	55,036,673	Not applicable	36,673
		P89,942,922		**P99,383**

ASIA-PACIFIC MEDICAL CENTER BACOLOD, INC.

(Formerly Allied Care Experts Medical Center-Bacolod Inc.)

Schedule B – Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders

December 31, 2022

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Written Off	Current	Not Current	Balance at End of Period
APMC - Iloilo	P164,867	P457,200	P–	P–	P622,067	P–	P622,067

ASIA-PACIFIC MEDICAL CENTER BACOLOD, INC.

(Formerly Allied Care Experts Medical Center-Bacolod Inc.)

Schedule C – Amounts Receivable from and Payable to Related Parties which are Eliminated during the Consolidation of Financial Statements

December 31, 2022

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Written Off	Current	Not Current	Balance at End of Period
			Not applicable				

ASIA-PACIFIC MEDICAL CENTER BACOLOD, INC.

(Formerly Allied Care Experts Medical Center-Bacolod Inc.)

Schedule D – Long Term Debt
December 31, 2022

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount shown under caption "Current portion of long-term debt" in related Statement of Financial Position	Amount shown under caption "Long-Term Debt" in related Statement of Financial Position
Loan	P356,640,000	P–	P356,640,000

ASIA-PACIFIC MEDICAL CENTER BACOLOD, INC.

(Formerly Allied Care Experts Medical Center-Bacolod Inc.)

Schedule E – Indebtedness to Related Parties (Long-Term Loans from Related Companies)
December 31, 2022

Name of related party	Balance at Beginning of Period	Balance at End of Period
	Not applicable	

ASIA-PACIFIC MEDICAL CENTER BACOLOD, INC.

(Formerly Allied Care Experts Medical Center-Bacolod Inc.)

Schedule F – Guarantees of Securities and Other Issues
December 31, 2022

Name of Issuing Entity of Securities Guaranteed by the Company for which this Statement is Filed	Title of Issue of each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by Person for which Statement is Filed	Nature of Guarantee
		Not applicable		

ASIA-PACIFIC MEDICAL CENTER BACOLOD, INC.

(Formerly Allied Care Experts Medical Center-Bacolod Inc.)

Schedule G – Capital Stock
December 31, 2022

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding under related Statement of Financial Position caption	Number of Shares Reserved for Options, Warrants, Conversions, and Other Rights	Number of Shares Held By Related Parties	Directors, Officers and Employees	Others
Founder	600	600	–	–	224	376
Common	239,400	203,950	–	–	96,751	107,199
	240,000	204,550	–	–	96,975	107,575

ASIA-PACIFIC MEDICAL CENTER BACOLOD, INC.
(Formerly Allied Care Experts Medical Center-Bacolod Inc.)

MAP OF THE RELATIONSHIPS BETWEEN AND AMONG THE COMPANIES IN THE GROUP, ITS ULTIMATE PARENT COMPANY AND CO-SUBSIDIARIES

DECEMBER 31, 2022

Not Applicable

RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
As of December 31, 2022

Asia-Pacific Medical Center Bacolod, Inc.
(Formerly Allied Care Experts Medical Center-Bacolod Inc.)
BS Aquino Drive, Bacolod City, Negros Occidental

Deficit, beginning	(P26,499,633)
Net loss during the period	(32,391,647)
DEFICIT, END	(P58,891,280)

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

Asia-Pacific Medical Center Bacolod, Inc.
(Formerly Allied Care Experts Medical Center-Bacolod Inc.)
As of December 30, 2022

Financial KPI	Definition	**December 31, 2022**	December 31, 2021
Current ratio	Current Assets / Current Liabilities	**0.62:1**	0.38:1
Acid test ratio	Current Assets – Prepayments / Current Liabilities	**0.62:1**	0.38:1
Solvency ratio	Net Income + Depreciation / Total Liabilities	**-0.05:1**	-0.03:1
Debt-to-equity ratio	Total Liabilities / Total Equity	**2.91:1**	1.79:1
Asset-to-equity ratio	Total Assets / Total Equity	**3.91:1**	2.79:1
Interest rate coverage ratio	Operating EBITDA / Net Interest	**3.58:1**	-13.89:1
Return on assets	Net Income / Average Total Assets	**-5.49%**	-2.10%
Return on equity	Net Income / Average Total Equity	**-19.01%**	-6.44%
Net profit margin	Net Income / Total Revenue	**0%**	0%
Operating EBITDA margin	Operating EBITDA / Net Revenue	**0%**	0%