

F C Godinez and Company, CPAs

RESPONSIVE HEALTH & INSURANCE BROKERS, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

AND

REPORT OF INDEPENDENT AUDITOR

(IN PHILIPPINE PESO)





Tel. Nos.: (632) 7910-1837; Fax: (632) 8655-5888
E-mail: financemanager@responsivebrokers.com
Website: www.responsivebrokers.com

STATEMENT OF MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **Responsive Health and Insurance Brokers, Inc.** is responsible for the preparation and fair presentation of the financial statements including schedules attached therein for the year ended December 31, 2024, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation and fair presentation 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 financial ability to continue as a 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.

Francisca C. Godínez CPA, MBA, the independent auditor, appointed by the Board of Directors, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its reports to the stockholders, have expressed its opinion on the fairness of presentation upon completion of such audit.

Maria Theresa D. Rodriguez
Chairman of the Board and President
Chief Executive Officer

Leah M. Mamuyac
Treasurer
Chief Financial Officer

Signed this 26th of March, 2025.



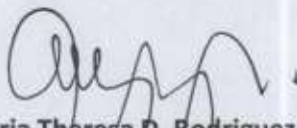
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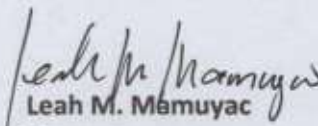
STATEMENT OF MANAGEMENT RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

The Management of **Responsive Health and Insurance Brokers, Inc.** is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2024. Management is likewise responsible for all the information and representations contained in the financial statements accompanying the Annual Income Tax Return Information Sheet covering the same reporting period. Furthermore, the Management is responsible for all the information and representations contained in all 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, 2024, and the accompanying Annual Income Tax Returns are in accordance with the books and records of **Responsive Health and Insurance Brokers, 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. **Responsive Health and Insurance Brokers, 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.


Maria Theresa D. Rodriguez
Chairman of the Board and President


Leah M. Mamuyac
Treasurer

March 26, 2025

F C Godinez and Company, CPAs

REPORT OF INDEPENDENT AUDITOR TO ACCOMPANY INCOME TAX RETURN

F C Godinez and Company, CPAs

Lot 2, Blk 6, St. Lukes Street, Sto. Nino Village,

Tunasan, Muntinlupa City Philippines 1773

Phone: (632) 861 8603

Email: fressie_godinez@yahoo.com

www.alasoplasalliancefirms.com



Member of

Alas Oplas Alliance Firms

credibility and honor defined

The Board of Directors and Stockholders
Responsive Health & Insurance Brokers, Inc.
101 Himalayan Road, Pasong Tamo 6
Quezon City

We have audited the financial statements of **Responsive Health & Insurance Brokers, Inc.** for the year ended December 31, 2024 on which we have rendered the attached report dated March 26, 2025.

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

1. The taxes paid or accrued by the above company for the year ended December 31, 2024 are shown in the Schedule of Taxes and Licenses attached to the Annual Income Tax Return;
2. We are not related by consanguinity or affinity to the president, manager or member of the Board of Directors.

F C GODINEZ AND COMPANY CPAs

A handwritten signature in black ink, appearing to read 'Francisca C. Godinez'.

Francisca C. Godinez CPA, MBA

Managing Partner

CPA Cert. of Registration No. 0041278

PRC ID valid until December 03, 2025

PTR No. MCF 4778910 January 15, 2025, Muntinlupa City

Taxpayer Identification Number (TIN) 116-256-845-000

BOA CERT. No. 0779 valid until December 03, 2025

CDA Accreditation no. CEA 0003 Renewal valid until April 25, 2026

BIR AN-08-003576-001-2025 valid until February 25, 2028

SEC Accreditation no. 41278-IC for Category B valid for audit year 2021 to 2025

March 26, 2025
Muntinlupa City

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Phone (632) 861 8603
Email: fressie_godinez@yahoo.com
www.alasoplasalliancefirms.com

REPORT ON THE RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION



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The Board of Directors and Stockholders
Responsive Health & Insurance Brokers, Inc.
101 Himalayan Road, Pasong Tamo 6
Quezon City

We have issued our report dated March 26, 2025 on the basic financial statements of **Responsive Health and Insurance Brokers, Inc.** as of and for the period December 31, 2024. Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Responsive Health and Insurance Brokers, Inc. taken as a whole. The information in the reconciliation of retained earnings available for dividend declaration, which is not a required part of the financial statements, is required to be filed by the Securities and Exchange Commission (SEC). Such information is the responsibility of the Management of Responsive Health and Insurance Brokers, Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

F C GODINEZ AND COMPANY CPAs

A handwritten signature in dark ink, appearing to read 'Francisca C. Godinez'.

Francisca C. Godinez CPA, MBA

Managing Partner

CPA Cert. of Registration No. 0041278

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March 26, 2025
Muntinlupa City

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SUPPLEMENTAL STATEMENT OF INDEPENDENT AUDITOR

The Board of Directors and Stockholders
Responsive Health & Insurance Brokers, Inc.
101 Himalayan Road, Pasong Tamo 6
Quezon City

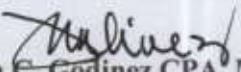
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We have examined the financial statements of **Responsive Health & Insurance Brokers, Inc.** for the year ended December 31, 2024 on which we have rendered the attached report dated March 26, 2025.

In compliance with Securities Regulation Code Rule 68, we have performed audit procedures to determine the total number of stockholders of the Company owning 100 or more shares each. We were able to obtain a certification from the Company's Corporate Secretary indicating that the Company has a total number of two (2) stockholders owning one hundred (100) or more shares as of December 31, 20214

F C GODINEZ AND COMPANY CPAs


Francisca C. Godinez CPA, MBA
Managing Partner
CPA Cert. of Registration No. 0041278
PRC ID valid until December 03, 2025
PTR No. MCF 4778910 January 15, 2025, Muntinlupa City
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March 26, 2025
Muntinlupa City

F C Godinez and Company, CPAs

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
Responsive Health & Insurance Brokers, Inc.
101 Himalayan Road, Pasong Tamo 6
Quezon City

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Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Responsive Health & Insurance Brokers, Inc.** which comprise the statements of financial position as at December 31, 2024, the statement of income, statement of changes in stockholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Other Matters

The financial statements for the year ended December 31, 2023 was audited by another independent auditor whose report dated April 08, 2024 rendered an unqualified opinion.

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

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.

F C Godinez and Company, CPAs

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

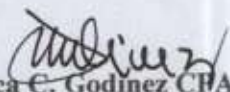
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes and licenses in the notes to the financial statements is presented for the purposes of filing with the Bureau of Internal Revenue and is not required part of the basic financial statements. Such information is the responsibility of management and 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.

F C Godinez and Company, CPAs

F C GODINEZ AND COMPANY CPAs


Francisca C. Godinez CPA, MBA

Managing Partner

CPA Reg. No. 0041278

PRC ID Valid until December 03, 2025

TIN 116-256-845-000

PTR no. MCF 4778910 January 15, 2025, Muntinlupa City

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March 26, 2025
Muntinlupa City



RESPONSIVE HEALTH & INSURANCE BROKERS, INC.**STATEMENTS OF FINANCIAL POSITION****As of December 31, 2024 and 2023**

Amounts in Philippine Peso

	Notes	2024	2023
ASSETS			
Current Assets			
Cash	6	20,849,975	16,072,582
Trade and other receivables	7	13,311,716	15,373,960
Other current assets	8	10,321,548	10,054,056
		44,483,240	41,500,598
Non-current Assets			
Property and equipment	9	4,690,643	4,193,094
		4,690,643	4,193,094
TOTAL ASSETS		49,173,883	45,693,692
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities			
Trade payables	10	13,804,728	11,782,598
Other current liabilities	11	1,394,020	354,496
		15,198,748	12,137,094
Non-current Liabilities			
Advances from stockholders		-	-
		-	-
TOTAL LIABILITIES		15,198,748	12,137,094
STOCKHOLDERS' EQUITY			
Capital stock	16	11,875,000	11,875,000
Retained earnings		22,100,135	21,681,598
		33,975,135	33,556,598
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		49,173,883	45,693,692

See accompanying notes to financial statements



RESPONSIVE HEALTH & INSURANCE BROKERS, INC.**STATEMENTS OF COMPREHENSIVE INCOME**
For the years ended December 31, 2024 and 2023

Amounts in Philippine Peso

	Notes	2024	2023
REVENUE	12	28,529,225	19,271,824
DIRECT COST	13	(15,521,027)	(9,319,424)
GROSS PROFIT		13,008,198	9,952,400
OTHER INCOME		18,698	14,569
ADMINISTRATIVE EXPENSES	14	(8,631,076)	(5,908,398)
INCOME BEFORE INCOME TAX		4,395,820	4,058,571
INCOME TAX EXPENSE			
Current	15	(875,424)	(808,800)
Deferred		-	-
INCOME TAX EXPENSE		(875,424)	(808,800)
NET INCOME		3,520,396	3,249,771
OTHER COMPREHENSIVE INCOME (LOSS)		-	-
TOTAL COMPREHENSIVE INCOME		3,520,396	3,249,771
EARNINGS PER SHARE	17	29.65	27.37

See accompanying notes to financial statements

RESPONSIVE HEALTH & INSURANCE BROKERS, INC.

STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2024 and 2023

Amounts in Philippine Peso

	Notes	Share Capital	Retained Earnings	Total
Balance at January 1, 2023		11,875,000	18,431,827	30,306,827
Net income for the year		-	3,249,771	3,249,771
Balance at December 31, 2023	17	11,875,000	21,681,598	33,556,598
Balance at January 1, 2024		11,875,000	21,681,598	33,556,598
Net income for the year		-	3,520,396	3,520,396
Adjustments			(3,101,859)	(3,101,859)
Balance at December 31, 2024	17	11,875,000	22,100,135	33,975,135

See accompanying notes to financial statements



RESPONSIVE HEALTH & INSURANCE BROKERS, INC.**STATEMENTS OF CASH FLOWS**

For the years ended December 31, 2024 and 2023

Amounts in Philippine Peso

	Notes	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income before Income tax provided by operating activities		4,395,820	4,058,571
Depreciation	9,14	881,022	541,023
Gain on sale of investment property	9	-	
Operating cash flows before working capital changes		5,276,843	4,599,594
Decrease (Increase) in:			
Trade and other receivables	7	2,062,244	(3,517,676)
Other current assets	8	(267,492)	(1,978,738)
Increase (Decrease) in:			
Trade payables	10	2,022,130	2,448,739
Other current liabilities	11	1,039,524	241,324
Cash used in operations		10,133,248	1,793,243
Income taxes paid	15	(875,424)	(808,800)
Net cash provided (used) by operating activities		9,257,824	984,443
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	9	(1,378,571)	-
Net cash from investing activities		(1,378,571)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of advances from stockholders		-	-
Adjustments on Retained earnings		(3,101,859)	-
Net cash provided (used) by financing activities		(3,101,859)	-
NET DECREASE IN CASH		4,777,393	984,443
CASH BALANCE, Beginning of the year		16,072,582	15,088,139
CASH BALANCE, End of the year	6	20,849,975	16,072,582

See accompanying notes to financial statements



RESPONSIVE HEALTH & INSURANCE BROKERS, INC.

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2024 and 2023

(Amounts in Philippine Pesos)

1. GENERAL INFORMATION

RESPONSIVE HEALTH & INSURANCE BROKERS, INC. (Formerly *Responsive Consultants, Inc.*) (the "Company") was incorporated and registered with the Securities and Exchange Commission (SEC) on August 31, 2000 under Reg. No. A200007567. The Company's primary purpose is to carry on the business of insurance broker for any insurance company in connection with its insurance underwriting business (wherever the same maybe carried on) or any branch of the same, and or enter into any agreement for such purpose with any such insurance company.

The Company is a holder of secondary license from Insurance Commission, authorizing the Company to act as Insurance Broker.

The Company's principal office is located at 101 Himalayan Road, Pasong Tamo 6, Quezon City.

The accompanying financial statements of the Company were approved and authorized for issue by the Board of Directors on March 26, 2025.

2. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

Statement of Compliance

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC) issued by the Philippine Financial Reporting Standards Council and adopted by the SEC, including the SEC provisions.

Basis of Preparation

The financial statements have been prepared on a going concern basis under the historical cost convention, except where a Financial Reporting Standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. Historical cost is generally based on the fair value of the consideration given in exchange for an asset and change in fair value of the consideration received in exchange for incurring a liability.

The financial statements have been presented in Philippine Peso, which is the functional currency of the Company. All values are rounded to the nearest peso, except when otherwise indicated.

Use of Estimates and Judgments

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes.

Judgments are made by management in the development, selection and disclosure of the Company's significant accounting policies and estimates and the application of these policies and estimates. The estimates and assumptions are reviewed on an ongoing basis. These are based on management's evaluation of relevant facts and circumstances as of the reporting date. Actual results could differ from such estimates.

Changes in accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Current versus Non-current Classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

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

All other assets are classified as non-current.

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 12 months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

Deferred income tax assets and liabilities are classified as non-current assets and liabilities, respectively.

3. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

Adoption of New and Amended PFRS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new and amended PFRS effective January 1, 2019.

- PFRS 16, *Leases*

PFRS 16 replaced PAS 17, *Leases*, IFRIC 4, *Determining whether an Arrangement contains a Lease*, SIC-15, *Operating Leases-Incentives*, and SIC-27, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. PFRS 16 requires lessees to account for all leases under a lease accounting model under which all major leases are recognized on-balance sheet similar to the accounting for finance leases under PAS 17. The new accounting standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard provides two recognition exemptions for lessees - leases of low-value assets and short-term leases (i.e., leases with a lease term of 12 months or less).

At the commencement date of a lease, the lessee should recognize a liability and an asset representing the right to use the underlying asset during the lease term. The lessee is required to recognize the interest on the lease liability and to amortize the right-of-use (ROU) asset.

The lease liability should be reviewed when there are changes in the lease term and other events affecting the lease, such as future lease payments resulting from a change in the index or rate used to determine those payments. The remeasurement of the lease liability should be recognized as an adjustment to the ROU asset.

Lessor accounting under PFRS 16 is substantially unchanged from accounting under PAS 17. The lessor should continue to classify leases using the same classification principle as in PAS 17 to distinguish the two types of leases: operating and finance leases.

PFRS 16 did not have significant impact on the Company's financial statements since the Company only has short-term lease agreements.

- Philippine Interpretation IFRIC-23, *Uncertainty over Income Tax Treatments*.

The interpretation provides guidance on how to reflect the effects of uncertainty in accounting for income taxes under PAS 12, *Income Taxes*, in particular (i) matters to be considered in accounting for uncertain tax treatments separately, (ii) assumptions for taxation authorities' examinations, (iii) determinants of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, and (iv) effect of changes in facts and circumstances.

- Amendments to PFRS 9, *Financial Instruments - Prepayment Features with Negative Compensation*.

The amendments clarify that a financial asset passes the "solely payments of principal and interest" criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. Consequently, financial assets with termination provisions can now be measured at amortized cost (or, depending on the business model, at fair value through other comprehensive income).

- Amendments to PAS 19, *Employee Benefits - Plan Amendment, Curtailment or Settlement*

The amendments specify how companies remeasure a defined benefit plan when a change – an amendment, curtailment or settlement – to a plan takes place during a reporting period. It requires entities to use the updated assumptions from this remeasurement to determine current service cost and net interest cost for the remainder of the reporting period after the change to the plan.

Amended PFRS Issued but Not yet Effective

Relevant new and amended PFRS, which are not yet effective for the year ended December 31, 2019 and have not been applied in preparing the financial statements, are summarized below.

Effective beginning on or after January 1, 2020

- Amendments to PFRS 3, *Definition of a Business*

The amendments to PFRS 3 clarify the minimum requirements to be a business, remove the assessment of a market participant's ability to replace missing elements, and narrow the definition of outputs. The amendments also add guidance to assess whether an acquired process is substantive and add illustrative examples. An optional fair value concentration test is introduced which permits a simplified assessment of whether an acquired set of activities and assets is not a business.

- Amendments to PAS 1, *Presentation of Financial Statements*, and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material*

The amendments clarify the definition of "material" and how it should be applied by companies in making materiality judgments. The amendments ensure that the new definition is consistent across all PFRS standards. Based on the new definition, an information is "material" if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

Effective beginning on or after January 1, 2021

- PFRS 17, *Insurance Contracts*

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities

that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

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

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.
- Per IC CL no. 2022 dated March 07, 2022, IFRS 17 shall also apply to HEALTH MAINTENANCE ORGANIZATIONS (HMOs) specifically to those HMOs agreements with membership fee based benefits or where the fixed prepaid fee is in the form of a membership where the risk are born by the HMO.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principal accounting and financial reporting policies applied by the Company in the preparation of its financial statements are enumerated below and are consistently applied to all the years presented, unless otherwise stated.

Financial Instruments

Date of recognition. The Company recognizes a financial assets or liabilities in the statement of financial position when the Company becomes a party to the contractual provisions of a financial instrument.

Initial recognition and measurement. Financial instruments are recognized initially at fair value of the consideration given (in the case of an asset) or received (in the case of a liability). The initial measurement of all financial instruments, except for financial instruments classified as fair value through profit or loss (FVPL), includes transaction cost.

Financial assets

In the case of regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

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 profit or loss (financial assets at FVPL) and (c) financial assets at fair value through other comprehensive income (financial assets at FVOCI). The classification of financial asset largely depends on the Company's business model and its contractual cash flow characteristics.

The Company does not have financial assets measured at FVPL and FVOCI.

Financial assets at amortized cost. A financial asset should be measured at amortized cost if both of the following conditions are met:

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

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. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process. Financial assets at amortized cost are included under

current assets if realizability or collectability is within 12 months after the reporting year. Otherwise, these are classified as noncurrent assets.

As at December 31, 2024 and 2023, this category includes cash, and trade and other receivables.

a) Cash

Cash includes cash on hand and cash in banks. Cash on hand includes petty cash fund and other cash items not yet deposited with the banks. Cash in banks include demand deposits which are unrestricted as to withdrawal.

b) Trade and other receivables

Trade receivables represent amounts receivable from policyholders/clients for payment of insurance premium to the insurance company.

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method, less provision for impairment.

Impairment. Under PFRS 9, the Company recognizes an allowance for expected credit loss (ECL) for all debt instruments not measured at FVPL. Expected credit loss 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. The difference is then discounted at an approximation to the asset's original effective interest rate.

For trade receivables, the Company has applied the simplified approach in measuring ECL. Simplified approach requires that ECL should always be based on the lifetime expected credit losses. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment and an assessment of both the current as well as forecast direction of conditions at the reporting date, including time value of money, where appropriate.

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 year following the change in 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 other comprehensive income.

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 other comprehensive income, and any difference between the new amortized cost and maturity amount, are amortized to profit or loss over the remaining life of the financial asset using the effective interest method. If the financial asset is subsequently impaired, any gain or loss that has been recognized in other comprehensive income 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 should 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 other comprehensive income is reclassified from equity to profit or loss.

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

Classification. The Company classifies its financial liabilities at initial recognition under the following categories: (a) financial liabilities at amortized cost or (b) financial liabilities at FVPL.

As at reporting date, the Company does not have financial liabilities measured 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.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. 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. Gains and losses are recognized in profit or loss when the liabilities are derecognized or impaired or through the amortization process.

As at December 31, 2024 and 2023, trade payables are classified in this category.

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 profit or loss.

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 instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Other current assets

Other current assets mainly consist of tax credits, input value-added tax (VAT), and prepaid expenses.

Tax credits. Tax credits shown in the statement of financial position are creditable taxes withheld by insurance companies on the Company's commission income, unused as at reporting date and carried-over to succeeding period.

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

- where VAT incurred on a purchase of assets or services is not recoverable from the taxation authority; or
- receivables and payables that are stated with the amount of tax included.

Prepaid expenses. Prepaid expenses are expenses paid in advance and recorded as asset before these are utilized. Prepaid expenses are apportioned over the period covered by the payment and charged to appropriate expense accounts in profit or loss when incurred. Prepaid expenses that are expected to be realized for no more than 12 months after the financial reporting date are classified as current assets. Otherwise, these are classified as noncurrent assets.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation, amortization and any impairment in value.

The initial cost of property and equipment comprises of its purchase price and any directly attributable costs in bringing the asset to its working condition and location for its intended use.

Expenditures incurred after the asset has been put into operations, such as repairs and maintenance, are normally recognized as expense in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have improved the condition of the asset beyond the originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment.

Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, as follows:

Leasehold improvements	5 years
Transportation equipment	5 years
Office furniture and equipment	5 years
Office condominium	15 years

The estimated useful lives and depreciation and amortization are reviewed and adjusted, if appropriate, at each reporting date to ensure that such years and method of depreciation and amortization are consistent with the expected pattern of economic benefits from the items of property and equipment.

Fully depreciated assets are retained in the accounts until these are no longer being used and no further depreciation and amortization are credited or charged to profit or loss.

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

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

Investment property

The Company applied cost model in measuring its investment property.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost, less impairment, which reflects market conditions at the reporting date.

Investment properties are derecognized when either they have been disposed of or when permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition. The amount of consideration to be included in the gain or loss arising from the derecognition of investment property is determined in accordance with the requirements for determining the transaction price in PFRS 15. Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is charged against operations in the year in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is charged to the revaluation increment of the said asset.

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

Equity

Capital stock and additional paid-in capital. Capital stock is measured at par value for all shares issued. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from proceeds, net of tax. The excess of proceeds from the issuance of shares over the par value of shares is credited to additional paid-in capital.

Retained earnings. Retained earnings represent the cumulative balance of net income or loss, dividend distributions, correction of prior year errors, effects of changes in accounting policy and other capital adjustments.

Dividend distribution. Dividend distribution to the Company's stockholders is recognized as a liability and deducted from equity in the year in which the dividends are declared as approved by the Company's BOD. Dividends that are approved after the reporting year are dealt with as an event after the reporting year.

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

Commission income. Commission income or placement fees earned by the Company are earned at point in time when the terms of the insurance policy have been agreed contractually by the insurer and the policyholder and the insurer has a present right to payment from the policyholder (contract date). Contract date is the date the insurance policy incepts or is the effective date of the insurance coverage.

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

Cost and expenses

Expenses are recognized in the income statement when a decrease in the future economic benefit related to a decrease in asset or an increase of a liability has arisen that can be measured reliably. Cost and expenses are recognized in the following manner.

- On the basis of a direct association between costs incurred and the earning of specific items of income;
- On the basis of a systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and association with income can only be broadly or indirectly determined; or
- Immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the statement of financial position as an asset;
- Expense encompasses losses as well as those expenses that arise in the course of the ordinary activities of the Company.

Related party relationship and transactions

Related party transactions consist of transfers of resources, services or obligations between the Company and its related parties.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes: (a) individuals who, by owning directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Company; (b) associates; and, (c) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on legal form.

Employee benefits

Short-term employee benefits. The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the year. A liability is also recognized for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

Leases

The Company as Lessee

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the low-value assets recognition exemption to leases that are considered of low value. 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.

Income taxes

Current Tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rate and tax laws used to compute the amount are those that have been enacted or substantively enacted at end of the reporting year.

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences. Deferred tax, however, is not recognized when it 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.

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

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rate and tax laws that have been enacted or substantively enacted at the end of reporting year.

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

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

Earnings per share

The Company presents basic and diluted earnings per share. Basic earnings per share are calculated by dividing the net income by the weighted average number of common shares outstanding during the year. Diluted earnings per share are calculated in the same manner, adjusted for the effects of all dilutive potential common shares.

The Company has no dilutive potential common shares.

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that a transfer of economic benefits will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects market assessments of the time value of money and the risks

specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

Contingencies

Contingent liabilities are not recognized in the financial statements but are disclosed in the notes to financial statements 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.

Events after the reporting date

Events after the reporting date that provide additional information about the Company's financial position at the end of the reporting year (adjusting events) are reflected in the financial statements when material. Events after the reporting date that are non-adjusting events are disclosed in the notes to financial statements when material.

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENT

The preparation of the financial statements in accordance with PFRS requires the Company to make judgments and estimates that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the judgments and assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the financial statements as they become reasonably determinable.

Judgements

In the process of applying the 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.

Revenue from contracts with customers

The Company applied the following judgments that significantly affect the determination of the amount and timing of revenue from contract with customers.

a) Identifying contracts with customer

Brokerage contracts entered into by the Company consist of a mixture of different types of contractual arrangements depending on the type of coverage and terms of business arrangements among others.

b) Identifying performance obligation in the contract

The brokerage services provided by the Company resulting in the placement of the policy are considered by the Company as a single performance obligation, in consideration of a placement fee or commission income.

c) Determining the transaction price

Commissions are ranging from 5%-25% of insurance premium depending on the type of coverage or risk, and on the location of the insured property or person. Example of the type of risk are own damage, theft, acts of god and personal accident. These percentages are provided in a letter from the Insurer to the Company.

d) Allocation of the transaction price

Due to the mixture of different types of contractual arrangements with clients such as placement of a single policy or multiple policies, the Company allocates the consideration of such arrangements to the individual performance obligations based on the relative selling prices which represent their relative fair value.

e) Recognizing revenue

Commission income or placement fees earned by the Company are earned at a point in time when the terms of the insurance policy have been agreed contractually by the insurer and the policy holder and

the insurer has the present right to payment from the policyholder (contract date). The contract date is the date the insurance policy incepts or is the effective date of the insurance policy.

Estimates and assumptions

The key estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances of the financial statements. Actual results could differ from those estimates. Presented below are the relevant significant estimates performed by management in preparing the financial statements.

Assessing expected credit losses on trade and other receivables

Expected credit losses are provided for potentially uncollectible receivables. An evaluation of receivables, designed to identify potential charges to the allowance, is performed on a continuous basis throughout the year. The Company maintains allowance for credit losses accounts at a level based on the result of the individual assessment. Under the individual assessment, the Company considers the payment history, past due status and term. Further, the Company takes into consideration the inability to collect from the counterparty based on the contractual terms of the receivables. Receivables as such are accounts from inactive customers. In order to determine the amount of ECL to be recognized in the financial statements, the Company has set up a provision matrix based on its historical observed default rates which is adjusted forward-looking estimates and establishes an allowance for ECL.

Management generally analyzes accounts receivables and analyzes historical bad debt, client concentrations, client creditworthiness, current economic trends and changes in client payment terms when evaluating the adequacy of the ECL. To the extent that it is feasible, impairment and collectability is determined individually for each item.

The Insurer will assess the credit risk from policyholders with past-due accounts by considering the individual characteristics of each policyholder such as creditworthiness and payment history. After considering credit risk above, the Insurer will therefore inform the Company as to the total amount of expected credit loss from each policyholder then the Company will determine the portion of the commission related to expected credit loss that will be treated as allowance which is also based on the commission percentage of the Company.

The carrying amount of trade and other receivables amounted to ₱ 13,311,716 and ₱ 15,373,960 as at December 31, 2024 and 2023, respectively.

Estimating useful lives of property and equipment

The Company estimates the useful lives of property and equipment based on the years over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, the estimation of the useful lives is based on the Company's collective assessment of industry practice, internal technical evaluation and experience with similar assets.

The carrying amount of property and equipment amounted to ₱ 4,690,643 and ₱ 4,193,094 as at December 31, 2024 and 2023, respectively.

Determination of impairment of nonfinancial asset

The Company assesses whether there are any indicators of impairment for all nonfinancial assets at each reporting date. Nonfinancial assets are tested for impairment when there are indicators that the carrying amount may not be recoverable. Determining the value of these nonfinancial assets, which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions that can materially affect the financial statements. Future events could cause the Company to conclude that such nonfinancial assets are impaired. Any resulting impairment loss could have a material adverse impact on the Company's financial position and performance.

No provision for impairment loss on investment property, and property and equipment were recognized in 2024 and 2023.

6. CASH

This account is composed of:

	2024	2023
Cash	₱ 20,849,975	₱ 16,072,582
	₱ 20,849,975	₱ 16,072,582

Cash in banks represent savings and current deposits in reputable local banks and earn interest at prevailing bank deposit rates.

7. TRADE AND OTHER RECEIVABLES

This account consists of:

	2024	2023
Receivable from insurance companies' clients	₱ 11,955,880	₱ 13,578,279
Commission receivable from insurance companies	1,355,836	1,795,681
	₱ 13,311,716	₱ 15,373,960

Receivable from insurance companies' clients represents amounts receivable from policyholders/clients for payment of insurance premium to the insurance company. These are due within 30-90 days and non-interest bearing.

Commission receivable from insurance companies represents commissions earned but not yet received from insurance companies, as a result of insurance transaction.

8. OTHER CURRENT ASSETS

This account consists of:

	2024	2023
Prepaid income tax	₱ 5,691,286	₱ 5,820,183
Creditable withholding tax	3,492,853	3,101,859
Advances to employees	833,756	833,756
Advances to providers	253,734	253,734
Rental deposits	44,524	44,524
Prepaid VAT	-0-	-0-
Prepaid withholding tax	5,395	-0-
	₱ 10,321,548	₱ 10,054,056

Advances to officers and employees are for future payment for expenses of the Company advanced to officers and employees subject for liquidation.



9. PROPERTY AND EQUIPMENT

Details and movements of this account are as follows:

	Office Condominium	Leasehold Improvements	Transportation Equipment	Office Furniture and Equipment	Total
Cost:					
January 1, 2023	2,400,000	2,179,243	1,903,883	839,264	7,322,390
Additions	-	-	-	-	-
December 31, 2023	2,400,000	2,179,243	1,903,883	839,264	7,322,390
Additions(Disposal)	-	-	1,378,571	-	1,378,571
December 31, 2024	2,400,000	2,179,243	3,282,454	839,264	8,700,961
Accumulated depreciation:					
January 1, 2023	624,000	473,243	819,473	671,558	2,588,274
Depreciation (Disposal)	48,000	284,000	190,388	18,634	541,022
December 31, 2023	672,000	757,243	1,009,861	690,192	3,129,296
Depreciation (Disposal)	48,000	624,000	190,388	18,634	881,022
December 31, 2024	720,000	1,381,243	1,200,249	708,826	4,010,318
Carrying amount					
December 31, 2023	1,728,000	1,422,000	894,022	149,072	4,193,094
December 31, 2024	1,680,000	798,000	2,082,205	130,438	4,690,643

The Company carried out a review of the recoverable amounts of its property and equipment. The Company has determined that there is no indication that an impairment has occurred on its property and equipment.

10. TRADE PAYABLES

This account consists of:

	2024	2023
Payable to insurance companies	P 13,804,728	P 11,782,598

Payable to insurance companies represent insurance premiums collected by the Company from policyholders which shall be remitted to insurers.

11. OTHER CURRENT LIABILITIES

This account consists of:

	2024	2023
Accrued expenses	P 56,011	P 56,011
Output tax payable	312,433	246,560
Accounts payable	957,347	-0-
SSS, HDMF, PHIC contributions payable	58,786	38,055
SSS, HDMF loans payable	6,030	9,596
Withholding taxes	-0-	2,906
Expanded ax payable	3,413	1,368
	P 1,334,020	P 354,496



12. REVENUE

This account consists of:

		2024		2023
Commission income	P	28,529,225	P	19,271,824

13. DIRECT COST

This account consists of:

		2024		2023
Wellness	P	12,667,017	- P	8,079,155
Marketing, sales and promotions		528,580		412,274
Representation & Entertainment		258,247		190,560
Fuel and oil		250,995		266,899
Others		1,816,188		370,536
	P	15,521,027	P	9,319,424

14. ADMINISTRATIVE EXPENSES

This account consists of:

		2024		2023
Salaries, wages and allowances	P	3,862,977	— P	2,593,673
Office supplies		1,227,433		1,097,332
Depreciation (Note 9)		881,022		541,022
Communication, light and water		335,205		394,693
SSS, HDMF, PHIC contributions		376,836		254,715
Taxes and licenses (Note 21)		314,463		249,763
Professional fees		886,596	—	208,412
Association dues		199,958		200,627
Miscellaneous expense		279,139		172,412
Insurance		162,492		132,401
Repairs and maintenance		104,955		63,348
	P	8,631,076	— P	5,908,398

15. INCOME TAXES

Components of income tax expense follows:

		2024		2023
Income before income tax	P	4,377,122	P	4,044,001
Current tax expense	P	875,424	P	808,800

The Company is subject to regular corporate income tax (RCIT) at 20% of net taxable profit, and minimum corporate income tax (MCIT) at 2% of gross profit, whichever is higher. The Company's current income tax expense represent RCIT for both years presented.



16. EQUITY

This account consists of:

	2024		2023	
	Shares	Amount	Shares	Amount
Authorized P100 par value per share	200,000	P 20,000,000	200,000	P 20,000,000
Subscribed and paid-up	118,750	P 11,875,000	118,750	P 11,875,000

The minimum capital requirements of insurance brokerage as set by the Insurance Commission in its Insurance Memorandum Circular No. 1 – 2006, requiring a minimum capital requirement for companies operating as insurance or reinsurance brokers as follows:

Net Worth	Compliance Date
10,000,000	On or before December 31, 2010

As of December 31, 2024 and 2023, the Company is compliant with the above capitalization requirement.

FIDUCIARY RATIO COMPUTATION

The Company monitors its Fiduciary Ratio as required by the Insurance Commission under Circular CL 2021-65 Issued November 05, 2021.

Fiduciary Ratio is computed by dividing the total Fiduciary Assets either cash or receivables being held by an Insurance Brokers over the total Fiduciary liabilities.

The Company fiduciary accounts are summarized as follows:

	2024		2023	
Premium Receivable	P	13,311,716	P	15,373,960
Premium Payable		13,804,728		11,782,598
Fiduciary Ratio	P	.96	P	1.3

17. EARNINGS PER SHARE

	2024		2023	
Net income	P	3,520,396	P	3,249,771
Divide by outstanding shares of stocks		118,750		118,750
	P	29.65	P	27.37

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial instruments consist of cash, trade and other receivables, and trade payables. The main purpose of these financial instruments is to fund the Company's operations.

The Company is exposed to a variety of financial risks which result from both its operating and investing activities. The Company's risk management is coordinated with the Board of Directors (BOD) and focuses on actively securing the company's short to medium-term cash flows by minimizing the exposure to financial market.



The main financial risks arising from the financial instruments are credit risk, and liquidity risk. The BOD regularly reviews and approves the appropriate policies for managing these financial risks, as summarized below:

Credit risk

Credit risk is the risk that the Company will incur a loss because its counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by doing business only with recognized, creditworthy third parties. Receivables are monitored on an on-going basis with the result that the Company's exposure to possible losses is not significant.

With respect to credit risk arising from cash, the Company's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to its carrying amount. Cash in bank is deposited with reputable commercial banks duly approved by management and is available for withdrawal.

Maximum credit risk is equal to the gross amount of these instruments as follows:

		2024		2023
Cash	₱	20,849,975	₱	16,072,582
Trade and other receivables		13,311,716		15,373,960
	₱	34,161,691	₱	31,446,542

The table below summarizes the Company's financial assets based on aging:

	Neither past due nor impaired	Past due but not impaired – Less than one year	Past due and impaired	Total
Cash	₱ 20,849,975	–	–	₱ 20,849,975
Trade and other receivables	₱ 13,311,716	–	–	₱ 13,311,716
	₱ 34,161,691	–	–	₱ 34,161,691

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company 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.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	Within three months	More than three months to one year	More than one year but less than five years	Total
Trade payables	₱ 13,804,728	–	–	₱ 13,804,728

Interest rate risk

Interest rate risk pertains to the fluctuations in interest of cash in banks. The Company regularly monitors interest rate movements and on the basis of current and projected economic and monetary data, decides on the best alternative to take.

The Company has assessed that the exposure to interest rate risk is minimal.

Capital Management

The Company's risk management function has developed and implemented certain minimum stress and scenario test for identifying the risk to which the Company is exposed, quantifying their impact on the



volatility of economic capital. The results of these tests, particularly, the anticipated impact on the realistic balance sheet and revenue account, are reported to the Company's risk management function. The risk management function then considers the aggregate impact of the overall capital requirement revealed by the stress testing to assess how much capital is needed to mitigate the risk of insolvency to a selected remote level.

The operations of the Company are also subject to the regulatory requirements of Securities and Exchange Commission (SEC) and Insurance Commission (IC). Such regulations not only prescribed approval and monitoring of activities but also impose certain restrictive provisions.

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The Company considers the following as its capital:

		2024		2023
Capital stock	P	11,875,000	P	11,875,000
Retained earnings		22,100,135		21,681,598
	P	33,975,135	P	33,556,598

The Company is exposed to a capital requirement of prohibiting stock corporations from retaining excess surplus profits in excess of one hundred percent (100%) of their paid-in capital stock.

The Company is also required under IC regulations to maintain a net worth of at least ₱10,000,000 which the Company complies, as discussed in Note 17.

19. SUPPLEMENTARY INFORMATION UNDER REVENUE REGULATION NO. 15-2010

In compliance with Bureau of Internal Revenue (BIR) Regulations No. 15-2010 issued on November 25, 2010, summarized below are the taxes and licenses paid by the Company in the years presented:

		2024		2023
Business permits and licenses	P	182,163	P	117,463
IC license and filing fees		131,300		131,300
BIR annual registration fee		1,000		1,000
	P	314,463	P	249,763

Details of the Company's withholding taxes during the year are as follows:

		2024		2023
Withholding tax on compensation	P	72,055	P	46,947
Expanded withholding tax	P	42,380	P	4,421

Details of the VAT declared during the year are as follows:

Output VAT

Details on the Company's VAT output tax declared during the year are as follows:

		2024		2023
	Tax base	Output VAT	Tax base	Output VAT
Revenue				
VAT 12%	P 28,529,225	P 3,424,979	P 19,271,824	P 2,312,619
VAT Exempt	-0-	-0-	-0-	-0-
	P 28,529,225	P 3,424,979	P 19,271,824	P 2,312,619



Input VAT

Details of the Company's VAT input tax declared during the year are as follows:

	2024	2023
Balance, January 1	₱	₱
Current year's domestic purchases/payments for:		
Purchases	2,359,330	1,688,725
Total available input tax	2,359,330	1,688,725
Less: Current year's application	2,359,330	1,688,725
	₱ -0-	₱ -0-

20. EVENTS AFTER THE REPORTING PERIOD

On March 26, 2021, the Republic Act (RA) 11534, known as "The Corporate Recovery or Tax Incentives for Enterprises" (CREATE ACT), was passed into law. The salient provisions of the Create Act applicable to the Company are as follows:

1. Effective July 01, 2020, the corporate income tax rate is reduced from 30% to 20% for domestic corporations with net taxable income not exceeding P5,000,000 and with total assets not exceeding P100,000,000, excluding land on which the particular business entity's office, plant and equipment are situated during the taxable year for which the tax is imposed at 20%. All other domestic corporations and resident foreign corporations will be subject to 25% income tax;
2. Minimum corporate income tax (MCIT) rate reduced from 2% to 1% effective July 01, 2020, to June 30, 2023;
3. Percentage tax reduced from 3% to 1% effective July 01, 2020, to June 30, 2023; and
4. The imposition of improperly accumulated earnings is repealed.

