

***OPTIMUM QUALITY HEALTH VENTURES, INC.
Doing business under the name and style of
CAMARIN DOCTORS HOSPITAL***

***Financial Statements
As of March 31, 2024 (Unaudited)
and
December 31, 2023 (Audited)***

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q
(1st Quarter)

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE
17(2) (b) THEREUNDER

1. For the quarterly period ended **March 31, 2024**
2. SEC Identification Number **CS 201738919** 3. BIR Tax Identification No. **009-895-673-000**
4. Exact name of issuer as specified in its charter **OPTIMUM QUALITY HEALTH VENTURES INC.**
Doing business under the name and style
Camarin Doctors Hospital
5. Province, Country or other jurisdiction of incorporation or organization **NCR, Philippines**
6. Industry Classification Code: (SEC Use Only)
7. **1Camarin Road, Barangay 172, Camarin Caloocan City** **1421**
Address of principal office Postal Code
8. **(02) 82605952/ (63)9177134206**
Issuer's telephone number, including area code
9. **N/A**
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Subscribed/Issued and Outstanding
Preferred Shares	1,116,000 Shares
Common Shares A	930,000 Shares
Common Shares C	53,700 Shares

11. Are any or all of these securities listed on a Stock Exchange?
Yes [] No [X]

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

12. Check whether the issuer:

- (a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);
Yes [X] No []
- (b) has been subject to such filing requirements for the past ninety (90) days.
Yes [X] No []

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OPTIMUM QUALITY HEALTH VENTURES, INC.
doing Business Under the name and style of CAMARIN DOCTORS HOSPITAL
Statements of Financial Position
As of March 31, 2024 and December 31, 2023
(All amounts in Philippine Peso)

<u>ASSETS</u>	March 31 2024 (Unaudited)	December 31 2023 (Audited)
Currents assets		
Cash and Equivalents	54,046,612	32,449,597
Trade and Other receivables, net	76,488,998	59,011,162
Inventories, net	37,132,779	29,023,403
Other Current Asset	61,469,892	76,995,795
Total Current Assets	229,138,282	197,479,957
Non-Current Assets		
Property and Equipment	602,775,479	604,847,118
Right of Use Asset – net	5,881,972	6,722,254
Intangible Assets - net	837,053	892,857
Security Deposit	600,000	600,000
Total Non-Current Assets	610,094,504	613,062,229
TOTAL ASSETS	839,232,786	810,542,186
<u>LIABILITIES AND EQUITY</u>		
Current Liabilities		
Trade and Other Payables	171,568,402	146,957,160
Accrued Finance Cost	7,605,175	2,246,502
Advances from Stockholders	36,965,345	36,965,345
Loans Payable	51,000,000	53,000,000
Retention Payable	46,322,357	46,322,357
Lease Liability	2,983,663	3,344,253
Total Current Liabilities	316,444,942	288,835,618
Non-Current Liabilities		
Loans payable - net of current portion	345,200,000	345,200,000
Lease Liability – net of current portion	4,475,495	5,059,158
Total Non- Current liabilities	349,675,495	350,259,158
TOTAL LIABILITIES	666,120,437	639,094,776
STOCKHOLDERS' EQUITY		
Capital Stock	84,510,000	84,510,000
Additional paid- up capital	152,950,000	152,950,000
Deficit	(64,347,651)	(66,012,590)
Total Stockholders' Equity	173,112,349	171,447,410
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	839,232,786	810,542,186

OPTIMUM QUALITY HEALTH VENTURES, INC.
doing Business Under the name and style of CAMARIN DOCTORS HOSPITAL
Statements of Comprehensive Income
For the three months period ending March 31, 2024 and 2023
(All amounts in Philippine Peso)

	March 31 2024 (Unaudited)	March 31 2023 (Unaudited)
Net Revenues	159,593,629	48,606,111
Direct Cost	104,022,735	39,798,522
Gross Income	55,570,894	8,807,589
Other Income	2,911,784	1,056,812
Income (Loss) from operation	58,482,678	9,864,401
Operating Expense	(41,706,321)	(22,184,459)
Finance Cost	(14,000,000)	(7,347,272)
Income (Loss) before income tax	2,776,357	(19,667,330)
Income Tax Expense	(1,111,418)	
Net Income / (Loss)	1,664,939	(19,667,330)

OPTIMUM QUALITY HEALTH VENTURES, INC.
doing Business Under the name and style of CAMARIN DOCTORS HOSPITAL
Cash Flow Statement
For the period ending March 31, 2024 and 2023
(All amounts in Philippine Peso)

	March 31 2024 (Unaudited)	March 31 2023 (Unaudited)
Cash flows from operating activities		
Net Income / (Loss) before tax	2,776,357	(19,667,330)
Adjustments for:		
Depreciation	8,872,424	7,552,543
Operating Cash flows before changes in working capital	11,648,781	(12,114,787)
Decrease (Increase) in operating assets:		
Trade and Other Receivables	(17,477,836)	(16,192,381)
Inventory	(8,109,376)	(13,479,606)
Other Current Assets	15,525,903	(3,137,953)
Right of Use Asset – net	840,282	
Intangible Assets – net	55,804	
Lease Liability – net of current portion	(583,663)	
Increase (Decrease) in Trade and other payables	14,627,400	57,653,634
Net Cash from (used in) operating activities	16,527,294	12,728,907
Cash Flows from investing activities		
Finance In received		
Payments of advances to contractors		
Property and equipment	2,071,639	(20,088,251)
Net cash used in investing activities	2,071,639	(20,088,251)
Cash flows from financing activities		
Proceeds from issuance of shares		
Accrued Finance Cost	5,358,672	2,396,970
Advances from Stockholders		(129,860,585)
Capital Stock		20,400,000
Additional paid In Capital		117,310,000
Payments on Loans	(2,000,000)	
Payment on Lease Liability	(360,590)	
Net cash used in financing activities	2,998,082	10,246,385
Net Increase/(Decrease) in cash	21,597,015	2,887,041
Cash beginning of the year, 2023	32,449,597	15,741,543
Cash end of the period	54,046,612	18,628,584

OPTIMUM QUALITY HEALTH VENTURES, INC.
doing Business Under the name and style of CAMARIN DOCTORS HOSPITAL
Statements of Changes in Equity
As of March 31, 2024, December 31, 2023 and 2022
(All amounts in Philippine Peso)

	Capital Stock	Additional Paid-up Capital	Income / (Deficit)	Total
Balance at December 31,2022	57,910,000		(51,624,636)	6,285,364
Issuance of Common Shares	26,600,000			26,600,000
Additional paid-up capital		152,950,000		152,950,000
Net Income / (Deficit)			(14,387,954)	(14,387,954)
Balance at December 31, 2023	84,510,000	152,950,000	(66,012,590)	171,447,410
Net Income / (Deficit)			1,664,939	1,664,939
Balance at March 31, 2024	84,510,000	152,950,000	(64,347,651)	173,112,349

Notes to the Financial Statements

As of March 31, 2024 (Unaudited) and December 31, 2023 (Audited)

(In the notes, all amounts are shown in Philippine Peso unless otherwise stated)

Note 1- Business Information

1.1 General Information

Optimum Quality Health Ventures, Inc. doing business under the name and style of Camarin Doctors Hospital) (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) and the Bureau of Internal Revenue (BIR) on November 23, 2017 and January 12, 2018, respectively. The principal activities of the Company are to establish, operate, own, manage and maintain a hospital or hospitals, medical and clinical laboratories and such other enterprises which may have similar or analogous undertakings or dedicated to services in connection therewith, subject to the condition that purely professional medical and surgical services shall be performed by duly qualified physicians or surgeons who may or may not be connected with the corporation and whose services shall be freely and individually contracted by the patients.

On December 27, 2022, SEC approved the Company's Registration Statement and issued a Certificate of Permit to Offer Securities for Sale consisting of 2,296,000 shares covered under SEC MSRD Order No. 93 series of 2022. The corporation was granted the permit to offer securities for sale by the Securities and Exchange Commission. The 250,000 Common Shares C or the "Offer Shares" is equivalent to 3,125 blocks (80 shares per block) for issuance to the public at an offer price of Php270,000.00 per block

The Hospital has 435 employees as at March 31, 2024 (December 31, 2023 – 436 employees).

The Company's registered office address is located at #1 Camarin Road, Brgy. 172, Camarin, Caloocan City.

1.2 Status of Operations

The Hospital obtained its license to operate from Health Facilities and Services Regulatory Bureau of the Department of Health on November 28, 2022. The Hospital shall allow medical and dental practitioners, who are shareholders, to practice their profession within the medical facilities.

Soft opening was held on December 3, 2022 when the Hospital opened its doctor's clinics and out-patient services for individuals needing specialized treatments. Partial commercial operations however started only in December 22, 2022. The Hospital expects to further expand its business operations through additional hospital services and expected to increase in the number of patients that will be provided with utmost care.

Management believes that all these business operations will generate sufficient and sustainable income for the Hospital.

Note 2 - Cash

Cash consists of:

	March 31, 2024	December 31, 2023
Cash in Banks	54,046,612	32,449,597

Cash in banks represent demand deposit accounts in various universal banks that earn interest at prevailing bank deposit rates.

Interest Income earned from cash deposits in banks for the period ending March 31, 2024 amounted to P74,115 (December 31, 2023- P237,487)

Note 3 - Trade and other receivables-net

Receivables

As of the 3rd month of 2024, the company's receivables amounting to P76,488,998 mostly from Health Maintenance Organization (HMO) and Philippine Health Insurance Corporation (PHIC).

The Hospital's receivables are all denominated in Philippine Peso

As of March 31, 2024, management sees that there is no need to provide provision or allowance for impairment of receivables.

Note 4 - Inventories

Inventories from pharmacy, CSSD, Dietary, Laboratory supplies amounts to P37,132,779 as of March 31, 2024.

No provision for inventory losses has been recognized for the three months period ended March 31, 2024 and December 31, 2023.

Note 5 - Other Current Assets

Other Current Assets Consists of :

	March 31, 2024
Advances to Suppliers	13,039,634
Advances to Contractors	1,323,200
Creditable withholding tax	1,310,447
Input Tax – Current Portion (net of Output Tax)	46,192,518
Total	61,865,799

The Hospital's input VAT arose from building construction and purchases of various medical equipment, fixtures and payment of goods and services.

Note 6 - Property And Equipment - Net

PROPERTY AND EQUIPMENT

	Land	Furniture and Fixtures	Transportation Equipment	Hospital Equipment	Office Equipment	Hospital System	Janitorial Equipment	Hospital Building	Total
December 31, 2022									
Cost	55,444,070.00	1,147,706.00	1,584,025.00	15,249,875.00	717,678.00	-	127,939.00	525,296,930.00	599,568,223.00
Accumulated depreciation	-	-	-	-	-	-	-	-	-
Carrying Amount	₱55,444,070.00	₱1,147,706.00	₱1,584,025.00	₱15,249,875.00	₱717,678.00	₱0.00	₱127,939.00	₱525,296,930.00	₱599,568,223.00

	Land	Furniture and Fixtures	Transportation Equipment	Hospital Equipment	Office Equipment	Hospital System	Janitorial Equipment	Hospital Building	Total
Movements during 2023									
Balance, January 2022	55,444,070.00	1,147,706.00	1,584,025.00	15,249,875.00	717,678.00	-	127,939.00	525,296,930.00	599,568,223.00
Additions	-	2,142,859.00	-	21,330,068.00	3,066,002.00	-	-	9,400,648.00	35,939,577.00
Accumulated depreciation	-	(250,286.00)	(158,403.00)	(2,864,167.00)	(247,516.00)	-	(42,646.00)	(27,097,664.00)	(30,660,682.00)
Carrying Amount	₱55,444,070.00	₱3,040,279.00	₱1,425,622.00	₱33,715,776.00	₱3,536,164.00	₱0.00	₱85,293.00	₱507,599,914.00	₱604,847,118.00
	55,444,070.00	3,290,565.00	1,584,025.00	36,579,943.00	3,783,680.00	-	127,939.00	534,697,578.00	

	Land	Furniture and Fixtures	Transportation Equipment	Hospital Equipment	Office Equipment	Hospital System	Janitorial Equipment	Hospital Building	Total
Movements during 2023									
Balance, January 2023	55,444,070.00	3,290,565.00	1,584,025.00	36,579,943.00	3,783,680.00	-	127,939.00	534,697,578.00	635,507,800.00
Additions	-	360,192.95	-	4,616,404.74	424,297.35	-	-	559,607.50	5,960,502.54
Accumulated depreciation	-	(337,561.49)	(198,003.63)	(3,846,115.16)	(346,353.81)	-	(53,307.58)	(33,911,482.02)	(38,692,823.69)
Carrying Amount	₱55,444,070.00	₱3,313,196.46	₱1,386,021.37	₱37,350,232.58	₱3,861,623.54	₱0.00	₱74,631.42	₱501,345,703.48	₱602,775,478.85

	Right Of Use Asset
Movements during 2024	
Balance, January 2023	10,083,381.00
Additions	-
Accumulated depreciation	(4,201,408.73)
Carrying Amount	₱5,881,972.27

	Intangible Assets
Movements during 2024	
Balance, January 2023	1,116,071.00
Additions	-
Accumulated depreciation	(279,017.55)
Carrying Amount	₱837,053.45

Property and equipment consist of:

Land / Office Equipment/ furniture and Fixtures and Hospital Equipment amounting to P602,775,479

The Hospital's land and building are mortgaged to secure loan from the Development Bank of the Philippines.

Depreciation expense charge to profit and loss at March 31, 2024: P8,872,424

Critical accounting estimate and assumption: Useful lives of property and equipment

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

The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset.

It is possible that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by the changes in the factors mentioned above.

A reduction in the estimated useful life of any property and equipment would increase the recorded expenses and decrease non-current assets.

Critical accounting judgement: Recoverability of property and equipment

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. On a regular basis, management determines if there are triggering events or impairment indicators based on current circumstances. An impairment loss is recognized whenever evidence exists that the carrying value is not recoverable.

Management believes that there are no events or changes in circumstances indicating that the carrying amount of their property and equipment may not be recoverable as at reporting date.

Note 7 - Intangible Assets

The intangible asset of the Company pertains to hospital information system.

Management had considered the remaining useful life of the intangible asset for four (4) years as of December 31, 2023. The asset is reviewed annually to ensure the carrying amount does not exceed the recoverable amount regardless of whether an indicator of impairment is present. The Company considers its hospital information system to be upgraded after the said period to enhance the company's operation in connection with professional medical and surgical services.

Note 8 - Trade And Other Payables

Details of the Company's trade and other payables amounting to are as follows:

	MARCH 31, 2024	DECEMBER 31, 2023
Trade	107,756,242	81,897,082
Accrued Expenses	44,972,676	41,755,230
Professional fees Payable	14,264,879	18,536,344
Due to Government Agencies	4,574,604	3,832,751
Others	-	935,753
	P 171,568,402	P 146,957,160

Trade Payables include outstanding balances related to purchases of certain hospital equipment, office supplies, etc. that is related to operation of the Company.

Accrued expenses pertain to accrual of obligation from outside services, utilities, readers' fee and junior consultants' incentives, employees benefits and salaries and wages.

Professional fees payable pertains to the outstanding obligations of the Corporation to its doctors with respect to their rendered services.

Due to government agencies pertains to withholding taxes and SSS, PHIC and HDMF premium contributions.

Note 9 - Loans Payable

On December 10, 2019 The Company entered into an Omnibus Loan Agreement with Development Bank of the Philippines (DBP) wherein DBP has approved to extend in favor of the Company two (2) term loans in the aggregate principal amount of P475,000,000 to be made available as follows: (a) Term Loan 1 in the amount of P400,000,000 or Seventy percent (70%) of validated project cost, whichever is lower; and (b) Term Loan II in the amount of P 75,000,000 or Seventy percent (70%) of validated project cost, whichever is lower.

The proceeds of the loan shall be used to finance the following: (a) Term Loan I – To partially finance construction of a seven-storey Level 2 hospital building with basement and roof deck located in Camarin, Caloocan City with one hundred five (105) Bed capacity; and (b) Term Loan II – To partially finance acquisition of hospital machinery and equipment.

The Company shall repay the Term Loan I in the following manner:

- (a) Twelve (12) years inclusive of two (2) years grace period on principal repayment.
- (b) Principal payable in forty (40) equal quarterly amortizations commencing at the end of ninth (9th) quarter from date of initial drawdown until fully paid;

As to the Term Loan II, the Company opted to not to avail of the said approved Term Loan, citing its favorable cash flow position from the previous year extending into the current reporting quarter.

Details of drawdown under Term Loan I is as follows:

	March 31, 2024	December 31, 2023
Balance, Beginning	398,200,000	399,200,000
Payments	(2,000,000)	(1,000,000)
Balance, Ending	P 396,200,000	P 398,200,000

The loan is subject to an interest rate of 5.25% to 5.50% per annum payable quarterly based on drawdown amount and is subject to bank's revaluation of current prevailing interest rate. The interest may be increased or decreased during the term of the loan.

Movements of accrued finance cost are as follows:

	March 31, 2024	December 31, 2023
Balance, beginning	P 2,246,503	P 4,502,000
Finance cost incurred	5,358,673	27,712,635
Finance cost paid	-	(29,968,225)
Balance, Ending	P 7,606,175	P 2,246,503

The loan is secured by a parcel of land, including all improvements existing or may thereafter existing thereon as well as project assets to be financed. The aggregate carrying amounts of pledged assets are as follow:

	March 31, 2024	December 31, 2023
Hospital Building	507,599,914	507,599,914
Land	55,444,070	55,444,070
Hospital Equipment	33,715,776	33,715,776
Office Equipment	3,536,164	3,536,164
Furniture and Fixtures	3,040,279	3,040,279
Transportation Equipment	1,425,622	1,425,622
Janitorial Equipment	85,293	85,293
	P 604,847,118	P 604,847,118

The company shall maintain a total debt-to-equity-ratio of 70:30 . Total credit shall mean the aggregate amount of all short-term and long-term liabilities of the corporation. Equity shall mean the aggregate issued share capital and retained earnings of the company.

The Company is compliant with the terms and conditions of the loan agreement. Further, the Company pays the amortization without any delays.

Note 9.1 - Retention Payable

Retention payable represents amounts withheld from payments to contractors as guaranty for any future claims against the contractor.

Details of Retention payable for March 31, 2024 and December 31, 2023 are as follows:

	March 31, 2024	December 31, 2023
Current portion	P 46,322,357	P 46,322,357
Total loans	P 46,322,357	P 46,322,357

These are non-interest bearing payable and will be remitted to contractors.

Note 10 - Related Party Transactions

The Company's related party is its stockholders acting as its key management personnel. Balances and transaction between the Company and its related party are disclosed below:

Balance of advances from stockholders as shown in the statements of financial position are as follows:

Transaction with advances from stockholders below as follows:

	March 31, 2024	December 31, 2023
	Outstanding	Outstanding
Advances	P 36,965,345	P 36,965,345

Advances from stockholders pertain to cash received to finance the purchase of land and future construction of hospital building. The amount outstanding are non – interest bearing, unsecured, payable on demand and will be settled in cash. No guarantee has been given in respect to these advances.

Remuneration of key Management Personnel

The Company remuneration to its key management personnel amounted to P6,702,919 and P5,5585,001 for the 3 months period ending March 31, 2024 and March 31, 2023.

Note 11 - Capital Stock

Components of capital stock are as follows:

	2024	2023
	As of March 31, 2024	As of December 31, 2023
Common Shares	P 73,350,000	P 73,350,000
Preference Shares	11,160,000	11,160,000
	P 84,510,000	P 84,510,000

Common Shares

Details of Company's authorized common shares as at March 31, 2024

Are as follows:

	SHARES	AMOUNT
Common A – P50 par value	930,000	P 46,500,000
Common B – 300 par value	155,000	46,500,000
Common C – 500 par value	250,000	125,000,000
	1,335,000	218,000,000

All common shares carry on (1) vote per share and a right to dividends.

As at March 31, 2024 Common B share is still unissued.

Common "A" Shares

Shown below are the details of common "A" shares:

	March 31, 2024		December 31, 2023	
	SHARES	AMOUNT	SHARES	AMOUNT
Authorized, Issued and Fully paid:				
P 50 par value	930,000	P46,500,000	930,000	P46,500,000

Common "A" shares tagged as founders' shares carry one (1) vote per share and right to dividends.

Common "B" Shares - unissued

Common "B" shares can be owned and held by both Filipino and foreign individuals and corporations.

Common "B" shares carry one (1) vote per share and right to dividends.

Common "C" Shares

Shown below are the details of common "C" shares:

	March 31, 2024		December 31, 2023	
	SHARES	AMOUNT	SHARES	AMOUNT
Authorized Common "C" P500 par value	250,000	P 125,000,000	250,000	P 125,000,000
Issued and fully paid:				
Balance, Beginning	53,700	26,850,000	500	250,000
Issuances	0	0	53,200	26,600,000
Balance, Ending	53,700	26,850,000	53,700	26,850,000

Common “C” shares carry one (1) vote per share and right to dividends.

Preferred Shares

Shown below are the details of preferred shares in both years:

	March 31, 2024		December 31, 2023	
	SHARES	AMOUNT	SHARES	AMOUNT
Authorized, Issued				
And fully paid:				
P 10 par value	1,116,000	P 11,160,000	1,116,000	P 11,160,000

The Company’s preferred shares are classified as founders’ shares.

Preferred shares are non-voting and are entitled to dividends to be paid from the unrestricted retained earnings at pro-rata basis with the common stock base on their par values.

The preferred shares shall be participating with the common voting stock in the distribution of any residual dividends at pro-rata basis with the common stock based on their par value.

They shall have preference in the distribution of the assets of the Company in the event of liquidation.

Note 12 - Revenue

As of March 31, 2024 the Company’s revenue earned from professional medical and surgical services amounted to P159,593,629 net revenue (net of applicable discounts)

Note 13 - Cost Of Sales

As of March 31, 2024 Cost of Sales amounting to P55,972,399 while at the end of March 31, 2023 amounting to P17,623,919.

COST OF SALES	MARCH 31, 2024	MARCH 31, 2023
Pharmacy	29,586,155	6,770,915
CSSD	14,857,682	7,843,801
Laboratory	4,664,079	1,662,919
Dietary	3,555,353	1,346,284
Hemodialysis	2,516,058	-
Radiology	498,335	-
Pulmonary	294,737	-
TOTAL	P 55,972,399	P 17,623,919

Note 14 - Direct Cost

The account is composed of the following expenses:

	MARCH 31, 2024	MARCH 31, 2023
Laboratory Send Out	2,256,619	853,414
Linen Supplies Expense	108,349	90,125
Laundry Expense	492,051	178,732
Reader' Fee	5,715,421	701,850
On Call Fees	67,242	36,600
Stat Fee (DR)	228,562	38,830
Doctor's Salary JCON	3,222,681	2,045,875
Doctor's Salary ROD	1,226,952	375,200
JCON/ROD Incentives	903,500	82,600
ED Incentives	3,399,373	482,328
Pathologist Fixed Compensation	1,819,184	-
Salaries & Wages	13,848,482	10,960,854
De Minimis Allowance	1,408,463	1,152,721
Hazard Pay	3,422,852	3,117,225
SSS Expense	1,145,035	933,448
Philhealth Expense	319,477	244,808
Pag-ibig Expense	156,400	84,275
13 th Month Pay Expense	1,122,947	795,719
Depreciation	7,186,747	-
TOTAL	P 48,050,336	P 22,174,603

Note 15 – Other Income

Details of the Company's other income are as follows:

	MARCH 31, 2024	MARCH 31, 2023
Rental and Cafeteria Sales	2,837,669	1,036,506
Finance Income	74,115	20,305
TOTAL	P 2,911,784	P 1,056,812

Note 16 - Operating Expenses

The account is composed of the following expenses:

	MARCH 31, 2024	MARCH 31, 2023
Salaries & Wages	5,839,256	4,213,091
De Minimis Allowance	186,237	142,743
Hazard Pay	732,952	598,684
SSS Expense	450,625	333,373
Philhealth Expense	127,538	84,008
Pag-ibig Expense	60,900	28,225
13 th Month Pay Expense	495,422	313,773
Maternity Expense	-	4,517
Penalty Expense	-	14,179

Consultant Fee	223,333	-
Water Expense	805,904	425,922
Electricity	3,283,712	3,981,461
Office Supplies	960,064	667,963
Taxes & License	1,706,290	1,038,345
Repair & Maintenance	684,286	116,365
Telecommunication	331,629	107,935
Gasoline & Parking Expense	72,731	44,466
Transpo / Travel Expense	8,299,170	229,629
Representation Expense	44,971	323,840
Meal Allowance	38,051	61,630
Janitorial Services	1,532,357	880,870
Housekeeping Supplies	69,797	102,719
Security Services Expense	1,397,156	521,050
Advertising Expense	253,736	369,644
Training / Seminar Expense	400,000	29,500
Notarial Fee Expense	10,130	19,821
Garbage Expense	426,262	35,000
Rent Expense	357,530	-
Registration / Membership Fee	-	40,357
Bank Charge Expense	728,826	98,453
Postage / Notarial Expense	13,631	-
Management Fees Expense	7,343,035	-
Management Employee Benefits	463,874	-
Donations	100,000	-
Legal & Audit Expense	114,000	-
Interest Expense (Lease Liability)	255,747	7,347,272
Depreciation	1,685,677	-
Miscellaneous Expense	1,296,154	-
Insurance Expense	339,500	-
ITMD Expense	575,839	-
TOTAL	P 41,706,321	P 21,979,188

EMPLOYEE BENEFITS

Total short-term employee benefits include:

	MARCH 31, 2024	MARCH 31, 2023
Direct Costs		
Salaries & Wages	13,848,482	10,960,854
De Minimis Allowance	1,408,463	1,152,721
Hazard Pay	3,422,852	3,117,225
SSS Expense	1,145,035	933,448
Philhealth Expense	319,477	244,808
Pag-ibig Expense	156,400	84,275
13 th Month pay Expense	1,122,947	795,719
Total	21,423,656	17,289,050

Operating Expense		
Salaries & Wages	5,839,256	4,213,091
De Minimis Allowance	186,237	142,743
Hazard Pay	732,952	598,684
SSS Expense	450,625	333,373
Philhealth Expense	127,538	84,008
Pag-ibig Expense	60,900	28,225
13 th Month pay Expense	495,422	313,773
Total	7,892,930	5,713,896
	P 29,316,586	P 23,002,946

Note 17 - Income Taxes

17.1 Income Tax Recognized in Profit or Loss

A numerical reconciliation between tax benefit and the product of accounting loss multiplied by the tax rate.

	March 31, 2024	December 31, 2023
Accounting Income	2,276,357	(12,183,170)
Tax benefit at 25%,	694,089	(3,045,793)
Unrecognized DTA FROM NOLCO		3,025,112
Unrecognized DTA from MCIT	1,111,418	2,204,784
Unrecognized DTA due to PFRS 16		37,333
Non-deductible donation		27,877
Non -deductible finance cost		14,843
Finance income subjected to Final Tax		(59,372)
	P 1,111,418	P 2,204,784

The company's Net Operating Loss Carry-Over (NOLCO) in 2022 and 2023 are as follows:

Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2022	33,187,571	-	-	-	33,187,571	2025
2023	12,100,448	-	-	-	12,100,448	2026
	P 45,288,019	-	-	-	P 45,288,019	

Details of NOLCO covered by Revenue Regulation No. 25-2020 is as follows:

Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2020	4,377,308	-	-	-	4,377,308	2025
2021	2,053,556	-	-	-	2,053,556	2026

P 6,430,864	-	-	-	P 6,430,864
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The Bureau of Internal Revenue (BIR) has recently issued Revenue Regulations (RR) 25-2020 to inform all concerned on the longer period for claiming NOLCO from taxable years 2020 and 2021.

Pursuant to Section 4 of Bayanihan II and as implemented under RR 25-2020, the net operating losses of a business enterprise incurred for taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five (5) consecutive taxable years following the year of such loss. Ordinarily, NOLCO can be carried over as deduction from gross income for the next three (3) years only.

Details of MCIT are as follows:

Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2023	P 2,204,784	-	-	-	P 2,204,784	2026

Note 18 – Lease Agreement

The Company as a Lessee

Lease Payment recognized as Lease Liabilities

The Corporation’s lease pertains to leases of parking space. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the statements of financial position as right-of-use asset and lease liability. The corporation presents its right-of-use asset as a separate line item on the statements of financial position.

The corporation leased a parking space located at 278 Susano Road, barangay Camarin, Caloocan City owned by Project 45 Ventures Corporation. The monthly rental fee shall be P300,000. The leased asset has lease term of three (3) years starting January 1, 2023 up to December 31, 2025.

Security deposit amounted to P600,000 and nil as of December 31, 2023 and 2022 respectively.

The carrying amount of right-of-use asset P5,881,972 as of March 31, 2024 and P6,722,254 as of December 31, 2023 respectively.

The Company as a Lessor

Operating leases relate to the office space located in the ground floor of the building owned by Optimum Quality Health Ventures Corporation, which is leased out to third parties with lease terms between one (1) to three (3) years starting January 1, 2023 up to December 31, 2025, with escalation rate of five (5%) percent. The lease contract is renewable upon mutual agreement of both parties. The rental income earned by the Corporation from its office space, all of which is leased out under operating leases amounted to P225,000 for the 1st quarter of 2024 and P1,331,293 as of December 31, 2023.

Note 19 - Loss Per Share

The Company's results of operation as of March 31, 2024 and year end 2023 amounted to P1,664,939 and P(14,387,954) respectively. Accordingly, the Company's income per share in March 31, 2024 and loss per share as of December 31, 2023, amounted to P1.69 and P14.63 respectively.

The weighted average number of ordinary shares used in the calculations of loss per share are as follows:

	1 st Quarter 2024	December 31, 2023
Weighted average number of shares	983,700	983,700

The Company did not have any potential dilutive instruments as of March 31, 2024 and December 31, 2023.

Note 20 - Fair Value Measurements

The carrying amounts and estimated fair values of the Company's financial asset and financial liabilities as of March 31, 2024 and December 31, 2023, respectively are presented below:

	MARCH 31, 2024		December 31, 2023	
	Carrying Amount	Fair Values	Carrying Amount	Fair Values
Financial Assets				
Cash in Banks	54,046,612	54,046,612	32,449,597	32,449,597
Trade Receivables	76,488,998	76,488,998	59,011,162	59,011,162
Security Deposit	-	-	600,000	600,000
	P 130,535,611	P 130,535,611	P 92,060,759	P 92,060,759
Financial Liabilities				
Trade Payables	171,151,073	171,151,073	146,957,160	146,957,160
Accrued Finance Cost	7,605,175	7,605,175	2,246,503	2,246,503
Advances from Stockholders	36,965,345	36,965,345	36,965,345	36,965,345
Loans Payable	396,200,000	396,200,000	398,200,000	398,200,000
Retention Payable	46,322,357	46,322,357	46,322,357	46,322,357
Lease Liability	7,459,158	7,459,158	8,403,411	8,403,411
	P 665,703,109	P 665,703,109	P 639,094,776	P 639,094,776

The fair values of financial asset and liabilities are determined as follows:

- Due to the short-term nature of cash in banks, trade receivable, security deposit, trade payables, accrued finance cost, advances from stockholders and retention payable, the carrying amount approximate their fair values.
- Loans payable bears market interest rate, hence, the fair value of these loans payable is equal to it carrying value.
- The Company measures its lease liability at the present value of the lease payments unpaid at that date, discounted using market rate. Management believes that fair value approximates amortized cost.

Note 21 - Financial Risk Management Objectives, Policies And Procedures

Management function provides services to the business, coordinates access to domestic markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risks including interest rate risk, credit risk and liquidity risk.

The Company seeks to minimize the effects of these risks through appropriate dedicated investment planning aimed to reduce risk exposure. These parameters include monitoring cash flows and investigation of counterparty's credit quality. Compliance with policies and exposure limits are reviewed by the Management on a continuous basis.

Management reports quarterly to monitor the risks and policies implemented to mitigate risk exposures.

21.1 Market Risk Management

21.1.1 Interest Rate Risk Management

The company's exposure to interest rate risk arises from its cash deposits in banks and which is subject to variable interest rates.

The interest rate risk arising from deposits with banks is managed by means of effective investment planning and analysis and maximizing investment opportunities in various local banks and financial institutions.

21.2 Credit Risk Management

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is expose to credit risks from cash in banks.

The Company considers the following policies to manage its credit risk:

- *Cash in Banks and Cash Equivalents*
The Company transacts only to banks with investment grade credit rating. This information is supplied by independent rating agencies. The Company uses other publicly available information such as annual report to monitor the financial status of the banks. The Company assesses the current and forecast information of the banking industry and macro-economic factors such as GDP, interest and inflation rates to determine the possible impact to banks.
- *Trade and Other Receivables*
The Company transacts with numerous patients with different financial capacities. It is the Company's policy to perform appropriate initial medical treatment to all new patients in emergency or serious cases to comply with the existing law. Moreover, in situations other than emergency or serious cases, it is the Company's policy that patients shall undergo background investigation. The Company assesses the creditworthiness of each recurring patients before the Company's performance of services. The Company's performance of services shall be approved by the management. The Company assesses the current and forecast information of the clients' industry and the macro-economic factors such as GDP, interest and inflation to determine the possible impact to clients.

The calculation of allowance for expected credit are based on the following three (3) components:

- *Probability of Default (PD)*
PD is the likelihood over a specified period, usually one year that a client will not able to make scheduled repayments. PD depends not only on the client's characteristics, but, also on the economic environment. PD may be estimated using historical data and statistical techniques.
- *Loss Given Default (LGD)*
LGD is the amount of money a company loses when a client defaults on a contract. The most frequently used method to calculate this loss is by comparing the actual total losses and the total amount of potential exposure sustained at the time that a contract goes into default.
- *Exposure at Default (EAD)*
EAD is the total value a company is exposed to when a loan default. It refers to the gross carrying amount of financial asset.

Cash in Banks and Cash Equivalent

The Company determined the probability of default rate by considering the following:

The credit ratings; the past, current, and forecast performance of Banking Industry, the past, current, and forecast macro-economic factors that may affect the banks; and the current and projected financial information. The company estimated the probability of default to be nil in March 31, 2024 and December 31, 2023.

Trade and Other Receivables

The Company determined the probability of default rate by considering the following:

The schedules of trade and other receivables for the past five years; the past, current, and forecast performance of each client's industry; and the past, current, and forecast macro-economic factors that may affect the Company's clients. The Company estimated the probability of default to be nil for its clients for the quarter ending March 31, 2024.

21.3 Liquidity Risks Management

Ultimate responsibility for liquidity risk management rests with the Board of Director, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate liquid assets in the form of cash through infusion and funding from its shareholders in order to meet the obligation to the creditors.

21.4 Capital Management Objectives, Policies And Procedures

Management 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's overall strategy remains unchanged from the previous reporting period.

Pursuant to Section 42 of the Revised Corporation Code of the Philippines, stock corporations are prohibited from retaining surplus plus profits in excess of 100% of their paid-in capital stock, except:

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

The Company's BOD reviews the capital structure of the Company on an annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

	MARCH 31, 2024	DECEMBER 31, 2023
Debt	665,703,109	639,094,776
Cash	(54,046,612)	(32,449,597)
Net Debt	611,656,497	606,645,179
Equity	173,112,349	171,447,410
Net Debt to Equity Ratio	3.53:1	3.54:1

Note 20 – Summary of Significant Accounting Policies

Changes in accounting policies and disclosure

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are 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.

Critical Judgment in Applying Accounting Policies.

The following is a critical judgment, apart from those involving estimations that Management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in financial statements.

Assessment of Contractual Terms of a Financial Asset

The Company determines whether the contractual terms of a financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. In making its judgments,

the Company considers whether the cash flows before and after the changes in timing or in the amount of payments represent only payments of principal and interest on the principal amount outstanding.

Management assessed that the contractual terms of its financial assets are solely payments of principal and interest and consistent with the basic lending arrangement.

Assessment on Capitalization of Borrowing Cost

The Conceptual Framework for Financial Reporting defines an asset as a resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity. Entities normally obtain assets by purchasing or producing them, but other transactions or events may generate assets. Future economic benefits may flow to the entity in a number of ways, it could be used singly or in combination with other assets in the production of goods or services to be sold by the entity; exchange for other assets; used to settle liability; or distributed to the owners of the entity.

Assessment of Timing of Satisfaction of Performance Obligations

An entity satisfies a performance obligation by transferring control of a promised good or service to the customer, which could occur over time or at a point in time.

The Company's revenue from medical services is recognized over time. The Company transfers control of service over time and, therefore, satisfies a performance obligation and recognizes revenue over time, if the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.

Assessment of the Allocation of Transaction Price to Performance Obligations

A performance obligation is a vendor's promise to transfer a good or service that is "distinct" from other goods and services identified in the contract.

Management assessed that the allocation of transaction price to performance obligations is not applicable because there is only one performance obligation in both sales of goods and services.

Assessment of 30 days Rebuttable Presumption

The Company determines when a significant increase in credit risk occurs on its financial assets based on the credit Management practice of the Company.

Management believes that the 30 days rebuttable presumption on determining whether there is a significant increase in credit risk in financial assets is not applicable because based on the Company's historical experience, credit risk has not increased significantly even the amounts are past due form more than 30 days.

Assessment of 90 Days Rebuttable Presumption

The Company determines when a default occurs on its financial assets based on historical experience on collections per patient, HMO, PHIC, PCSO and other counterparties and credit management practice of the Company.

Management believes that the 90 days rebuttable presumption on determining whether financial assets are credit impaired is not applicable because based on the Company's historical experience on collections per patients and aging schedules, the Company considers some of its financial assets to be not impaired even if this is past due for over one (1) year.

Determining whether or not it is Reasonably Certain that an Extension Option will be Exercised, and Termination Option will not Exercised

Lease term is the non-cancellable period for which the Company has the right to use an underlying asset including optional periods when the Company is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Company considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term and the enforceability of the option. The option to extend the lease term should be included in the lease term if it is reasonably certain that the lessee will exercise the option and the option is enforceable. The Company is required to reassess the option when significant events or changes in circumstances occur that are within the control of the lessee. The lease contracts state that the lease is terminated upon the expiration of the lease period, unless renewed by both parties. Thus, the lease term covers only the non-cancelable term of the contract.

For the lease agreement with Project 45 Ventures Corporation, Management assessed that the Company will extend the lease term beyond the non-cancelable lease period because the renewal is subject to mutual consent by both parties. However, extension of lease contract without mutual consent of both parties is not enforceable. The lease term determined by the Management comprises the non-cancelable term of three (3) years.

Determining Whether or not a Contract Contains a Lease

Management assessed that lease agreement with Project 45 Ventures Corporation qualifies as a lease since the contract contains an identified asset. The Company has the right to obtain substantially all the economic benefits, and the Company has the right to direct the use of the identified asset throughout the period of use.

Assessment of Classification of Lease as a Lessor

The Company determines whether a lease qualifies as an operating lease. In making its judgements, the Company considers whether the risk and reward of the leased property will be transferred to the lessee. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. Whether a lease is finance lease or an operating lease depends on the substance of the transaction rather than the form of the contract.

Management assessed that the Company's lease contract qualify as operating lease because the risk and reward of the leased property will not be transferred to the lessee at the end of the lease term.

Key Sources of Estimation Uncertainties

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

Estimating Inventories at Net Realizable Values

Net realizable values of inventories are assessed regularly based on the prevailing selling prices of inventories less estimated costs to sell. The Company recognizes expenses and provides allowances for decline in value of inventories whenever net realizable values of inventories becomes lower than cost due to damage, physical deterioration, obsolescence, changes on price levels or causes. Inventory items identified to be obsolete and unusable is written-off and charge against allowance account. Increase in the net realizable values will increase the carrying amount through reduction of allowance for decline but only to the extent of original acquisition cost.

As of March 31, 2024 ,Management determined that the net realizable values of the Company's inventories approximate their costs; hence no impairment or write-down was recognized. The cost of inventories as of March 31, 2024 and December 31, 2023 amounted to P37,132,779 and P29,023,403, respectively.

Reviewing Useful Lives and Depreciation of Property and Equipment

The useful life and depreciation method of the Company's property and equipment are reviewed at least annually, and adjusted prospectively if appropriate, if there is an indication of a significant change in, how an asset is used; significant unexpected wear and tear; technological advancement; and changes in market prices since the most recent annual reporting date. The useful lives of the Company's assets are estimated based on the period over which the assets are expected to be available for use. In determining the useful life of an asset, the Company considers the expected usage, expected physical wear and tear, technical or commercial obsolescence arising from changes, improvements in production, or from a change in the market demand for the product or service output and legal or other limits on the use of the Company's 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. It is possible, however, that the future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors or circumstances. A reduction in the estimated useful lives of property and equipment would increase the recognized operating expenses and decrease non-current assets. The Company uses a depreciation method that reflects the pattern in which it expects to consume the asset's future economic benefits. If there is an indication that there has been a significant change in the pattern used by which the Company expects to consume the asset's future economic benefits, the entity shall review its present depreciation method and if current expectations differ, change the depreciation method to reflect the new pattern.

Management assess that there is no significant change from previous estimates. As of March 31, 2024 and December 31, 2023, the carrying amount of depreciable property and equipment amounted to P602,775,479 and P549,403,048, respectively.

Asset Impairment

The Company performs an impairment review when certain impairment indicators are present. Determining the fair value of property and equipment, right-of-use asset, intangible asset, 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 property and equipment, right-of-use asset, intangible asset are impaired. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations.

The preparation of the estimated future cash flows involves significant judgment and estimations. While the Company believes that its assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under PFRS.

Management believed that there are no indications of impairment that could materially affect its other current assets, property and equipment, right-of-use asset, and intangible asset. As of March 31, 2024 and December 31, 2023, the aggregate carrying amounts of the aforementioned assets amounted to P670,964,396 and P689,458,024, respectively.

Estimating Allowance for Expected Credit Losses

The Company evaluates the expected credit losses related to a financial asset based on an individual assessment and available facts and circumstances, including, but not limited to historical loss experience and current and forecast macro-economic information.

The Company uses credit ratings, performance of banking industry, macro-economic and bank's financial information to assess the expected credit losses on its cash in banks. In view of the foregoing factors, Management believes that the estimated expected credit loss is nil in both periods.

The Company uses growth in health industry and other macro-economic factors to assess the expected credit losses on its trade and other receivables. In view of the foregoing factors, Management believes that the estimated expected credit loss is nil in both periods.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATION AND FINANCIAL CONDITION

1ST QUARTER 2024

Review of results of operations for the three (3) months ended March 31, 2024.

Result of Operations

Revenues

The Hospital's gross revenues of P172.546 million. Discounts of P12.953 million of which are given to senior citizens and Persons with Disability, equivalent to 7.51% gross revenues.

Cost of services

Cost of services of P104.023 million is equivalent to 60.29% of gross revenues.

General and Administrative expenses

General and administrative expense was P41.706 million the bulk of which are attributable to salaries and wages, utilities, management and travel expenses.

Finance Cost of P14 million due to accrual of interest for loan from Development Bank of the Philippines.

Other Income was P2.911 million referring to rental income derived from the canteen concessionaires and space rental by the Stone Center.

Net Operating Income (Loss)

The 1st quarter 2024 posted a net operating income before depreciation of P28.944 million and a net income of P1.664 million after depreciation and taxes. Interest income amounted to P0.074 million.

Review of the financial condition of the Hospital as of March 31, 2024 compared with the financial condition as of December 31, 2023:

Financial Condition

As of March 31, 2024, the Hospital's total assets reached to P839.233 million, (December 31, 2023 – P810.542 million), which increased by P28.691 million, or 3.54%, compared to year-end last year.

Current assets increased by 16.03% or P229.138 million (December 31, 2023 – P197.480 million), primarily attributable increase in trade and other receivables (P17.478 million), inventories (P8.109 million), and partially decreased by other current assets amounting to P15.526 million.

Non-current assets went down by 0.48% or P2.968 million (December 31, 2023 – P613.062 million), caused mainly by accumulated depreciation of property and equipment.

Total liabilities of P666.120 million (December 31, 2023 – P639.095 million) increased by P27.026 million, due to the following: Increase in Trade and Other Payable amounted to P24.611 million or a percentage increase of 14.34%, Increase in Accrued Finance Cost amounted to P5.359 million or a percentage increase of 70.46%. Loans Payable, however, decreased minimally by P2 million or 3.92%.

Material Changes in the March 31, 2024 Financial Statements

Statement of Financial Position (Increase/Decrease of December 31, 2023)

Increase in Cash

The increase in cash is attributable to the payments received from self-pay patients.

Increase in Receivables

This came from receivable from HMO due to the increase in medical services under HMO accounts. The increase is also attributable from claims filed with the Philippine Health Insurance Corporation (PHIC).

Increase in Accounts payable and accrued expenses.

The factor for the increase in payable is mainly due to trade and other payables of P24.611 million and Accrued Finance cost of P5.358 million.

Income Statements (Increase/Decrease of December 31, 2023)

Increase in Gross Revenues

The increase is mainly due to the full operations of the hospital starting 2023. Several accredited HMOs were in placed thus resulting in the substantial increase in gross revenues.

Increase in Discounts

Increase in discounts were from senior citizens and PWD cardholders.

Increase in Cost of Services

Due to the increase in gross revenue, the increase in cost of services is directly proportional to the said increase. The increase is attributable to professional services of resident doctors and junior consultants, reader's fee and increase in number of personnel in the nursing service unit and ancillary departments.

Increase in Operating Expenses

Increase came from salaries, wages and benefits of back office, taxes and licenses and utilities, transportation and travel expenses, and management fees.

Increase in Finance Costs

The increase in finance cost is due to accruals of interest payable for the quarter.

Financial Instruments

Discussions on financial instruments to the Unaudited Interim Financial Statements as of March 31, 2023.

Financial Soundness Indicators

	Formula	March 31, 2024	December 31, 2023
Current ratio	Total current assets divided by total current liabilities	0.72	0.68
Acid test ratio	Quick assets (total current assets less inventories and other current assets) divided by total current liabilities	0.41	0.32
Solvency ratio	Net income after tax add depreciation divided by total liabilities	0.016	(0.03)
Debt to equity	Total liabilities divided by total stockholders' equity	3.85	3.73
Asset-to-equity ratio	Total assets divided by Stockholders' equity	4.85	4.73
Return on Equity	Net income divided by average stockholders' equity	0.01	-0.16
Return on Assets	Net Income divided by total assets	0.002	-0.02
Net Profit margin	Net Income Divided by revenues	0.01	0.02
Gross Profit margin	Gross Profit (revenues less cost of services) divided by revenues	0.35	0.34
Book Value per share	Stockholders' equity divided by weighted average outstanding number of common shares	175.98	167.52

PART II - OTHER INFORMATION

The Hospital is not in possession of any information which has not been previously reported in a report on SEC Form 17-C and with respect to which a report on SEC Form 17-C is required to be filled.

SIGNATURE

Pursuant to the requirements of the Securities Regulations Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

OPTIMUM QUALITY HEALTH VENTURES, INC.
Issuer

By:



JONATHAN L. LATONIO
Corporate Treasurer



CATHERINE P. CABALIC
Compliance Officer

Subscribed and sworn to before me
this ___ day ___ in Caloocan City, Metro Manila

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Series of 2024

ATTY. SEVERINA S. AGUILAR-ACUÑA
NOTARY PUBLIC FOR AND WITHIN THE JURISDICTION OF COLOCCAN CITY
NOTARIAL COMMISSION NO. NC 444 until December 31, 2024
PTR NO. 1841005 / January 2, 2024 / Caloocan City
Attorney's Roll No. 30232
Lifetime IBP No. 776295, January 27, 2009 / CALMANA CHAPTER
MCLE Compliance No. VII-0019670 valid until April 14, 2025 / Pasig City
No. 15 Zone, Brgy. 172 Zamora Comp. Gate 1, Camarin, Caloocan City