



SECURITIES AND EXCHANGE COMMISSION

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Industry Classification: K70200

Company Type: Stock Corporation

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April 30, 2025 12:21:21 PM	TCR_3	EAFS000357905TCRTY122024-03.pdf	4.123918	30	✓
April 30, 2025 12:21:24 PM	AFS	EAFS000357905AFSTY122024.pdf	1.978205	36	✓
April 30, 2025 12:21:23 PM	TCR_2	EAFS000357905TCRTY122024-02.pdf	36.916746	71	✓
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F C Godinez and Company, CPAs

DACON INSURANCE BROKERS, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

AND

REPORT OF INDEPENDENT AUDITOR

(IN PHILIPPINE PESO)

C O N T E N T S:

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REPORT OF INDEPENDENT AUDITOR

PHILIPPINE FINANCIAL REPORTING STANDARDS (PFRS) AND INTERPRETATIONS

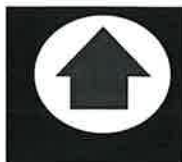
STATEMENT OF FINANCIAL POSITION

STATEMENT OF INCOME

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

STATEMENT OF CASH FLOWS

NOTES TO FINANCIAL STATEMENTS



DACON INSURANCE BROKERS, INC.
2281 Chino Roces Avenue Extension, Makati City
Tel Nos. (02)888-3318
Telefax No. (02)888-3355

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of Dacon Insurance Brokers, Inc. is responsible for the preparation and fair presentation of the financial statements including schedules attached therein for the years 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. Godinez, CPA 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.



Jorge A. Consunji

Chairman of the Board



Maria Cristina C. Gotianun

President



Ma. Edwina C. Laperal

Treasurer

Signed this April 11, 2025




DACON INSURANCE BROKERS, INC.
2281 Chino Roces Avenue Extension, Makati City
Tel Nos. (02)888-3318
Telefax No. (02)888-3355

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

The management of Dacon 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 Dacon 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. The Dacon 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.


Jorge A. Consunji
Chairman of the Board


Maria Cristina C. Gotianun
President


Ma. Edwina C. Laperal
Treasurer

Signed this April 11, 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
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Email fressie_godinez@yahoo.com
www.alasoplasalliancefirms.com



Member of

Alas Oplas Alliance Firms

credibility and honor defined.

The Board of Directors
Dacon Insurance Brokers, Inc.
Dacon Bldg. 2281 Don Chino Roces Avenue Extension
Makati City

We have audited the financial statements of **Dacon Insurance Brokers, Inc.** for the year ended December 31, 2024 on which we have rendered the attached report dated April 11, 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

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

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

April 11, 2025
Muntinlupa City

F C Godinez and Company, CPAs

F C Godinez and Company, CPAs
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SUPPLEMENTAL STATEMENT OF INDEPENDENT AUDITOR

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The Board of Directors
Dacon Bldg. 2281 Don Chino Roces Avenue Extension
Makati City

We have examined the financial statements of **Dacon Insurance Brokers, Inc.** for the year ended December 31, 2024 on which we have rendered the attached report dated April 11, 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, 2024.

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
PTR no. MCF 4778910 January 15, 2025, Muntinlupa City
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April 11, 2025
Muntinlupa City

F C Godinez and Company, CPAs

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REPORT OF THE INDEPENDENT AUDITOR TO ACCOMPANY SUPPLEMENTARY INFORMATION FOR FILING WITH THE INSURANCE COMMISSION

The Board of Directors and Stockholders
Dacon Insurance Brokers, Inc.
Dacon Bldg., 2281 Don Chino Roces Avenue Extension
Makati City

We have audited in accordance with the Philippine Standards in auditing the financial statements of DACON INSURANCE BROKERS, INC. as at and for the year ended December 31, 2024. Our audit was made for the purpose of forming an opinion on the financial statements of the Company taken as a whole. The minimum information attached is the responsibility of the Company's management and is presented for the purposes of complying with the Insurance Commission Circular letter No. 2021-65 and is not a requirement as part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the Company's financial statements and in our opinion is fairly stated in all material respects in relation to the financial statements taken as a whole.

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
BIR AN 08-003576-001-2025, valid until February 25, 2028
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April 11, 2025
Muntinlupa City

F C Godinez and Company, CPAs

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

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Email fressie_godinez@yahoo.com

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REPORT ON THE RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION



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credibility and honor defined.

The Board of Directors and Stockholders
Dacon Insurance Brokers, Inc.
Dacon Bldg., 2281 Don Chino Roces Avenue Extension
Makati City

We have issued our report dated April 11, 2025 on the basic financial statements of DACON 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 DACON 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 DACON 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 black ink, appearing to read "Godinez".

Francisca C. Godinez CPA, MBA

Managing Partner

CPA Reg. No. 0041278

PRC ID valid until December 03, 2025

TIN 116-256-845

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

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

April 11, 2025
Muntinlupa City

F C Godinez and Company, CPAs

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Dacon Insurance Brokers, Inc.
Dacon Bldg. 2281 Don Chino Roces Avenue Extension
Makati City

F C Godinez and Company, CPAs
Lot 2, Blk 6, St. Lukes Street, Sto. Nino Village,
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Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Dacon Insurance Brokers, Inc.** which comprise the statements of financial position as at December 31, 2024 and 2023 the statement of income, statement of changes in stockholders' equity and statement of cash flows for the years 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 2023, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for 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

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

April 11, 2025

Muntinlupa City

DACON INSURANCE BROKERS, INC.

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2024		Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements		X		
Conceptual Framework Phase A: Objectives and qualitative characteristics				
PFRSs Practice Statement Management Commentary		X		
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards	X		
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate			X
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			X
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			X
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			X
	Amendments to PFRS 1: Government Loans			X
PFRS 2	Share-based Payment			X
	Amendments to PFRS 2: Vesting Conditions and Cancellations			X
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			X
PFRS 3 (Revised)	Business Combinations			X
PFRS 4	Insurance Contracts			X
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			X
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			X
PFRS 6	Exploration for and Evaluation of Mineral Resources			X
PFRS 7	Financial Instruments: Disclosures	X		
	Amendments to PFRS 7: Transition	X		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	X		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	X		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2024		Adopted	Not Adopted	Not Applicable
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	X		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets	X		
	Amendments to PFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	X		
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures	X		
PFRS 8	Operating Segments			X
PFRS 9	Financial Instruments		X	
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures		X	
PFRS 10	Consolidated Financial Statements		X	
PFRS 11	Joint Arrangements		X	
PFRS 12	Disclosure of Interests in Other Entities		X	
PFRS 13	Fair Value Measurement		X	
Philippine Accounting Standards				
PAS 1 (Revised)	Presentation of Financial Statements	X		
	Amendment to PAS 1: Capital Disclosures	X		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			X
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income			X
PAS 2	Inventories			X
PAS 7	Statement of Cash Flows	X		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	X		
PAS 10	Events after the Balance Sheet Date	X		
PAS 11	Construction Contracts			X
PAS 12	Income Taxes	X		
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets	X		
PAS 16	Property, Plant and Equipment	X		
PAS 17	Leases	X		
PAS 18	Revenue	X		
PAS 19	Employee Benefits	X		
	Amendments to PAS 19: Actuarial Gains and Losses, Group Plans and Disclosures	X		
PAS 19 (Amended)	Employee Benefits	X		
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			X
PAS 21	The Effects of Changes in Foreign Exchange Rates	X		
	Amendment: Net Investment in a Foreign Operation			X
PAS 23 (Revised)	Borrowing Costs	X		
PAS 24 (Revised)	Related Party Disclosures	X		
PAS 26	Accounting and Reporting by Retirement Benefit Plans	X		
PAS 27 (Amended)	Separate Financial Statements			X

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2024		Adopted	Not Adopted	Not Applicable
PAS 28 (Amended)	Investments in Associates and Joint Ventures			X
PAS 29	Financial Reporting in Hyperinflationary Economies			X
PAS 31	Interests in Joint Ventures			X
PAS 32	Financial Instruments: Disclosure and Presentation	X		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			X
	Amendment to PAS 32: Classification of Rights Issues			X
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	X		
PAS 33	Earnings per Share			X
PAS 34	Interim Financial Reporting			X
PAS 36	Impairment of Assets	X		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	X		
PAS 38	Intangible Assets			X
PAS 39	Financial Instruments: Recognition and Measurement	X		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	X		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			X
	Amendments to PAS 39: The Fair Value Option	X		
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			X
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	X		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets – Effective Date and Transition	X		
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives			X
	Amendment to PAS 39: Eligible Hedged Items			X
PAS 40	Investment Property			X
PAS 41	Agriculture			X
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			X
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			X
IFRIC 4	Determining Whether an Arrangement Contains a Lease	X		
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			X
IFRIC 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			X

IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			X
IFRIC 8	Scope of PFRS 2			X
IFRIC 9	Reassessment of Embedded Derivatives			X
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives			X
IFRIC 10	Interim Financial Reporting and Impairment			X
IFRIC 11	PFRS 2- Group and Treasury Share Transactions			X
IFRIC 12	Service Concession Arrangements			X
PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
Effective as of December 31, 2024				
IFRIC 13	Customer Loyalty Programmes			X
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			X
	Amendments to Philippine Interpretations IFRIC- 14, Prepayments of a Minimum Funding Requirement			X
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			X
IFRIC 17	Distributions of Non-cash Assets to Owners			X
IFRIC 18	Transfers of Assets from Customers			X
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			X
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			X
SIC-7	Introduction of the Euro			X
SIC-10	Government Assistance - No Specific Relation to Operating Activities			X
SIC-12	Consolidation - Special Purpose Entities			X
	Amendment to SIC - 12: Scope of SIC 12			X
SIC-13	Jointly Controlled Entities - Non-Monetary Contributions by Venturers			X
SIC-15	Operating Leases - Incentives			X
SIC-21	Income Taxes - Recovery of Revalued Non-Depreciable Assets			X
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			X
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease			X
SIC-29	Service Concession Arrangements: Disclosures.			X
SIC-31	Revenue - Barter Transactions Involving Advertising Services			X
SIC-32	Intangible Assets - Web Site Costs			X

DACON 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 and cash equivalents	6	103,249,384	57,621,967
Trade receivables	7, 16	97,130,597	93,815,777
Other current assets		11,907,930	7,629,811
		212,287,911	159,067,555
TOTAL ASSETS			
		212,287,911	159,067,555
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities			
Trade and other payables	8, 16	65,300,314	58,556,608
Other current liabilities	9	9,127,883	6,914,172
Dividends payable	8, 14	10,000,000	10,000,000
		84,428,197	75,470,780
TOTAL LIABILITIES			
		84,428,197	75,470,780
STOCKHOLDERS' EQUITY			
Capital stock	14	1,000,000	1,000,000
Additional paid-in capital	14	9,000,000	9,000,000
Retained earnings	14	117,859,714	73,596,775
TOTAL STOCKHOLDERS' EQUITY		127,859,714	83,596,775
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY			
		212,287,911	159,067,555

See accompanying notes to financial statements

DACON INSURANCE BROKERS, INC.

STATEMENTS OF INCOME

For the years ended December 31, 2024 and 2023

Amounts in Philippine Peso

	Notes	2024	2023
REVENUE	10, 16	79,106,212	58,719,335
DIRECT COST	1, 11	26,597,004	22,962,335
GROSS PROFIT		52,509,208	35,757,000
OTHER INCOME	6	2,513,415	1,841,567
ADMINISTRATIVE EXPENSES	12	983,575	6,048,823
INCOME BEFORE INCOME TAX		54,039,048	31,549,743
INCOME TAX EXPENSE	13	7,876,381	3,487,940
NET INCOME		46,162,667	28,061,804
EARNINGS PER SHARE	15	46.16	28.06

See accompanying notes to financial statements

DACON INSURANCE BROKERS, INC.

STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2024 and 2023

Amounts in Philippine Peso

	Notes	Share Capital	Additional Paid-in Capital	Retained Earnings Appropriated	Retained Earnings	Total
Balance at January 1, 2023		1,000,000	9,000,000	-	45,534,971	55,534,971
Declaration of dividends	14	-	-	-	-	-
Net income for the year		-	-	-	28,061,804	28,061,804
Balance at December 31, 2023	14	1,000,000	9,000,000	-	73,596,775	83,596,775
Balance at January 1, 2024		1,000,000	9,000,000	-	73,596,775	83,596,775
Declaration of dividends	14	-	-	-	-	-
Net income for the year		-	-	-	46,162,667	46,162,667
Adjustments					(1,899,728)	(1,899,728)
Balance at December 31, 2024	14	1,000,000	9,000,000	-	117,859,714	127,859,714

See accompanying notes to financial statements

DACON 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		54,039,048	31,549,743
Adjustment to reconcile net income to net cash provided			
Interest income	6	(2,513,415)	(1,155,385)
Operating cash flows before working capital changes		51,525,633	30,394,358
Decrease (Increase) in:			
Trade receivables	7	(3,314,819)	(22,491,714)
Other current assets		(4,278,119)	(3,827,124)
Increase (Decrease) in:			
Trade and other payables	8	6,743,706	6,988,354
Other current liabilities	9	2,213,711	873,122
Cash generated from operations		52,890,112	11,936,996
Income taxes paid	13	(7,876,381)	(3,487,940)
Net cash provided by operating activities		45,013,731	8,449,056
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	6	2,513,415	1,155,385
Net cash provided by investing activities		2,513,415	1,155,385
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of dividends		-	-
Adjustments on Retained earnings	14	(1,899,728)	-
Net cash used in financing activities		(1,899,728)	-
NET DECREASE IN CASH AND CASH EQUIVALENTS		45,627,417	9,604,441
CASH AND CASH EQUIVALENTS, Beginning of the year		57,621,967	48,017,524
CASH AND CASH EQUIVALENTS, End of the year	6	103,249,384	57,621,967

See accompanying notes to financial statements

DACON 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

DACON INSURANCE BROKERS, INC. (the "Company") was incorporated and registered with the Securities and Exchange Commission (SEC) on June 4, 1998 under SEC Reg. No. 162721. As an insurance broker, it is authorized to solicit life and non-life insurance business by the Insurance Commission.

The Company is being managed by D.M. Consunji, Inc. (DMCI) and as such, it renders management services which include utilization of the Company's resources and personnel to achieve the overall policies and objectives of the Company. DMCI, in return, receives monthly management fee based on the monthly gross commissions earned.

The Company's principal office is located at DMCI Building, 2281 Don Chino Roces Avenue Extension, Makati City.

The accompanying financial statements for the years ended December 31, 2024 and 2023 were approved and authorized for issue by the Board of Directors on April 11, 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.

3. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

Adoption of Amended PFRS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amended PFRS.

Effective for annual periods beginning on or after January 1, 2020:

- Amendments to References to the Conceptual Framework in PFRS

The amendments include a new chapter on measurement; guidance on reporting financial performance; improved definitions and guidance-in particular the definition of a liability; and clarifications in important areas, such as the roles of stewardship, prudence and measurements uncertainty in financial reporting. The amendments should be applied retrospectively unless retrospective application would be impracticable or involve undue cost or effort.

- 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 for annual periods beginning on or after June 1, 2020:

- Amendments to PFRS 16, *Leases - Covid-19 Related Rent Concessions*.

The amendments provide practical expedient to lessees from applying the requirements on lease modifications under PFRS 16 for eligible rent concessions that is a direct consequence of COVID-19 pandemic. A lessee may elect not to assess whether eligible rent concessions from a lessor is a lease

modification. A lessee that makes this election account for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for a change that is not a lease modification, i.e., as a variable lease payment. The amendments do not affect lessors. Earlier application of the amendments is permitted.

Due to the impact of the Covid-19 pandemic, the Company received rent concession from its lessors related to its leases of land and buildings. Accordingly, the Company has applied the practical expedient to all Covid-19 related rent concessions that meet all of the following criteria:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- A any reduction in lease payments affects only payments originally due on or before June 30, 2021; and
- there is no substantive change to other terms and conditions of the lease.

Under prevailing circumstances, the adoption of the foregoing amended PFRS did not have a material effect on the financial statements of the Company.

Amended PFRS Issued but Not yet Effective

Relevant new and amended PFRS, which are not yet effective for the year ended December 31, 2020 and have not been applied in preparing the financial statements, are summarized below.

Effective beginning on or after January 1, 2022:

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

The amendments prohibit deducting from the cost of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for its intended use. Instead, the proceeds and related costs from such items shall be recognized in profit or loss. The amendments must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when an entity first applies the amendment.

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

The amendments clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling a contract comprises both the incremental costs of fulfilling that contract and an allocation of costs directly related to contract activities. The amendments apply to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other components of equity. Accordingly, the comparatives are not restated. Earlier application is permitted.

Effective beginning on or after January 1, 2023

- **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 the by HMO.

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

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

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

Annual Improvements to PFRS 2018 to 2020 Cycle:

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

The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognize a financial liability (i.e. whether the terms of a new or modified financial liability is substantially different from the terms of the original financial liability). These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or the lender on the other's behalf. The amendments apply to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendments. Earlier application is permitted.

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

The amendment removes from the Illustrative Example 13 the illustration of the reimbursement of leasehold improvements by the lessor. The objective of the amendment is to avoid any potential confusion regarding the treatment of lease incentives because of how the requirements for lease incentives are illustrated.

Under prevailing circumstances, the adoption of the foregoing amended PFRS did not have a material effect on the financial statements of the Company. Additional disclosures will be included in the financial statements, as applicable.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 cash equivalents and trade receivables.

a) Cash and cash equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

b) Trade and other receivables

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

A modification is considered substantial if the present value of the cash flows under the new terms, including net fees paid or received and discounted using the original effective interest rate, is different by at least 10% from the discounted present value of remaining cash flows of the original liability.

The fair value of the modified financial liability is determined based on its expected cash flows, discounted using the interest rate at which the Company could raise debt with similar terms and conditions in the market. The difference between the carrying value of the original liability and fair value of the new liability is recognized in profit or loss.

On the other hand, if the difference does not meet the 10% threshold, the original debt is not extinguished but merely modified. In such case, the carrying amount is adjusted by the costs or fees paid or received in the restructuring.

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.

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.

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

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.

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.

Value-added tax

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.

The net amount of VAT payable to the taxation authority is included as part of "Other current liabilities" account in the statement of financial position.

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.

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 2.5%-30% 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 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 ₱ 97,130,597 and ₱ 93,815,777 as at December 31, 2024 and 2023, respectively.

6. CASH AND CASH EQUIVALENTS

This account is composed of:

		2024	2023
Cash in bank	₱	88,940,236	₱ 43,948,636
Cash equivalents		14,309,148	13,671,641
Cash on Hand		-0-	1,690
	₱	103,249,384	₱ 57,621,967

Cash in bank represents current deposit account in a reputable local bank.

Cash equivalents represent money market placements with interest ranging from 5% to 6.5% and having maturity of less than 90 days. Interest income earned, net of final taxes, from cash equivalents amounted to ₱ 2,513,415 and ₱ 1,155,385 in 2024 and 2023, respectively.

7. TRADE RECEIVABLES

This account consists of:

		2024	2023
Commission receivable from insurance companies	₱	42,069,858	₱ 62,374,254
Receivable from insurance companies' clients		55,060,739	31,441,523
	₱	97,130,597	₱ 93,815,777

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

Receivable from insurance companies' clients represents amounts receivable from policyholders/clients for payment of insurance premium to the insurance company.

8. TRADE AND OTHER PAYABLES

This account consists of:

	2024	2023
Payable to insurance companies	P 48,350,896	P 31,441,523
Management fee payable (<i>Note 16</i>)	16,949,418	27,115,085
Dividends Payable	10,000,000	10,000,000
	P 75,300,314	P 68,556,608

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

Management fee payable represents obligation of the Company to DMCI due to the general management services provided by DMCI such as, but not limited to, accounting and treasury, internal audit functions, management information, human resources planning, consultancy and delivery, quality managements, maintenance of corporate records, assistance in legal processes and preparation of business plans and reports.

On December 31, 2022, the board of directors on its minutes of meeting of even date declared dividends in the amount of P 10, 000,000 to stockholders of record as of December 31, 2022.

This was originally scheduled for distribution on June 30, 2023 but rescheduled to be released on January 31, 2025, as approved by the board of directors on September 3, 2024.

9. OTHER CURRENT LIABILITIES

This account consists of:

	2024	2023
VAT payable	P 2,357,911	P 231,020
Output VAT deferred	6,661,030	6,661,030
Withholding taxes payable	91,716	22,122
Other Payable	17,226	-0-
	P 9,127,883	P 6,914,172

VAT payable refers to VAT on actual collections.

Deferred output VAT pertains to VAT on commission that the Company have not yet collected based on gross receipts or gross collection.

Withholding taxes payable pertains to expanded taxes on income payments withheld by the Company.

Other payable represent staled check.

10. REVENUE

This account consists of:

		2024		2023
Commission income (Note 16)	₱	79,106,212	₱	58,719,335

11. DIRECT COST

This account consists of:

		2024		2023
Management fees (Note 16)	₱	26,597,004	₱	22,962,335

12. ADMINISTRATIVE EXPENSES

This account consists of:

		2024		2023
Taxes and licenses (Note 18)	₱	542,196	₱	578,338
Professional fees		110,000		113,000
Insurance Expense		227,332		5,335,735
Other expenses	—	104,047		21,750
	₱	983,575	₱	6,048,823

13. INCOME TAXES

Components of income tax expense follows:

		2024		2023
Current tax expense	₱	7,876,381	₱	3,487,940

The Company opts for 40% optional standard deduction (OSD) in determining its tax due.

14. EQUITY

This account consists of:

	2024		2023	
	Shares	Amount	Shares	Amount
Authorized				
₱1 par value per share	1,000,000	₱ 1,000,000	1,000,000	₱ 1,000,000
Subscribed and paid-up	1,000,000	₱ 1,000,000	1,000,000	₱ 1,000,000

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

On October 19, 2018 The Insurance Commission issued CL 2018-52 which supersedes Memorandum Circular no. 1-2006 which requires new entrants corporation for Insurance brokers and re-insurance brokers to have a minimum paid up capital of at least P20,000,000. But for the existing insurance brokers and re-insurance brokers, they must have a net worth of at least P10,000,000.

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

Net Worth Requirement per Adjusted Trial Balance	127,859,714
Net Worth requirement per IC CL 2018-52	10,000,000
Excess(Deficit)	117,859,714

The Company's net worth amounts follows:

	2024	2023
Total stockholders' equity	P 127,859,714	P 83,596,775

On December 31, 2022, the board of directors on its minutes of meeting of even date declared dividends in the amount of P 10, 000,000 to stockholders of record as of December 31, 2022.

This was originally scheduled for distribution on June 30, 2023 but rescheduled to be released on January 31, 2025, as approved by the board of directors on September 3, 2024.

FIDUCIARY RATIO COMPUTATION

The Company monitors its Fiduciary Ratio as required by the Insurance Commission 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 does not keep client's money.

The Company fiduciary accounts are summarized as follows:

	2024	2023
Premium Receivable	P 97,130,597	P 93,815,777
Premium Payable	48,350,896	31,441,523
Fiduciary Ratio	P 2.0	P 3.0

15. EARNINGS PER SHARE

	2024	2023
Net income	P 46,162,667	P 28,061,804
Divide by outstanding shares of stocks	1,000,000	1,000,000
	P 46.16	P 28.06

16. RELATED PARTY TRANSACTIONS AND BALANCES

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

In the ordinary course of business, the Company transacts with its affiliates, and with certain directors, officers, stockholders, and other related interests. These transactions are made substantially on the same terms and conditions as transactions with other individuals and businesses of comparable risks.

The significant transactions and outstanding balances of the Company with the related parties follows:

RELATED PARTY	NATURE OF TRANSACTION	YEAR	OUTSTANDING BALANCE			
			AMOUNT OF TRANSACTION	RECEIVABLE	PAYABLE	TERMS AND CONDITIONS
AFFILIATE COMPANIES	INSURANCE PREMIUMS	2024	P 142,830,685		P 50,451,113	Unsecured, non-interest bearing
		2023	P 1,088,743,774		P 9,854,412	
PARENT COMPANY	INSURANCE PREMIUMS	2024	P 138,066,370		P 153,269	Unsecured, non-interest bearing
		2023	P 38,773,226			
	MANAGEMENT FEES	2024	P 26,597,004		P 16,949,418	Unsecured, non-interest bearing
		2023	P 22,962,335		P 27,115,085	

The Company's commission income amounting to **P 79,106,212** and P 58,719,335 in 2024 and 2023, respectively, were earned from its sales of insurance policies to affiliated companies.

Key management personnel compensation

As discussed in Note 1, the Company is being managed by D.M. Consunji, Inc. (DMCI) such that all personnel are seconded from the managing company.

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial instruments consist of cash and cash equivalents, trade receivables, and trade and other 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, and interest rate 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. 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 and cash equivalents	P	103,249,384	P	57,621,967
Trade receivables		97,130,597		93,815,777
	P	200,379,981	P	151,437,744

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 and cash equivalents	P 103,249,384	–	–	P 103,249,384
Trade receivables	P 97,130,597	–	–	P 97,130,597
	P 200,379,981	–	–	P 200,379,981

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 and other payables	P 65,300,314	–	–	P 65,300,314

Interest rate risk

Interest rate risk pertains to the fluctuations in interest of cash equivalents. These investments are earning interest ranging from 5% to 6.5% per annum. 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 primary measure of the Company's interest rate risk is the duration of its financial assets. It quantifies the effect of changes in interest rates in the value of fixed income securities. The longer the duration, the more sensitive it should be to changes in interest rates.

The following table illustrates the sensitivity of the Company's profit or loss to a reasonably possible change in the interest rates of its cash equivalents with all other variables held constant.

	2024		2023	
	+/- %	Effect on Profit or Loss	+/- %	Effect on Profit or Loss
Cash equivalents	0.50%	P 71,546	0.50%	P 68,358

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	₱	1,000,000	₱	1,000,000
Deposit for share capital subscription		9,000,000		9,000,000
Retained earnings		117,859,714		73,596,775
	₱	127,859,911	₱	83,596,775

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 14.

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

In compliance with Bureau of Internal Revenue (BIR) Regulations No. 15-2010, summarized below are the taxes and licenses paid by the Company during the taxable year:

		2024		2023
Business permits and licenses	₱	456,576	₱	454,184
IC licenses		69,995		123,654
BIR annual registration fee		-0-		500
Others		15,625		-0-
	₱	542,196	₱	578,338

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

		2024		2023
Expanded withholding tax	₱	5,416,110	₱	3,301,914

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

		2023		2022
Output VAT	₱	11,295,032	₱	5,060,589
Input VAT		6,332,321		2,664,505
Net VAT remitted	₱	4,962,711	₱	2,396,084