

**ALINSUB PEDIATRICS AND DIAGNOSTIC
LABORATORY**

Dr. Aileen D. Alinsub-Medical Practitioner
Sogod, Southern Leyte

**AUDITOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(With comparative figures of 2016)**

Auditor's Opinion

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Statements of Financial Condition

Statements of Financial Operation

Statement of Cash Flow

Statement of Owner's Capital

Notes to Financial Statements

REPORT OF INDEPENDENT PUBLIC ACCOUNTANT

DR. AILEEN ALINSUB
Medical Practitioner
ALINSUB PEDIATRICS AND DIAGNOSTIC LABORATORY
Sogod, Southern Leyte

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of ALINSUB PEDIATRICS AND DIAGNOSTIC LABORATORY, which comprise the statements of financial position as at December 31, 2017 and 2016 and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of ALINSUB PEDIATRICS AND DIAGNOSTIC LABORATORY as at December 31, 2017 and 2016 and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards for small entities.

Basis for Opinion

I conducted the audits in accordance with Philippine Standards on Auditing (PSAs). My responsibility under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Cooperative 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 my audit of the financial statements in the Philippines, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 PFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I also

- a.) 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.
- b.) 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.
- c.) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d.) 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 I conclude that a material uncertainty exists, I am 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 my opinion. Our conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e.) 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.

I 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 I identify during my audit.

CONCESO SARRIOLA, CPA
Board Certificate No. 75760
BIR Accreditation No. 00-14-0000151-2017 - 3/24/17 to 3/24/20
BOA Accreditation No. 5403 - 12/01/15 to 12/31/18
TIN 101-146-844-000
PTR No. 6073890 - 01.08.18
Masin City, So. Leyte

Libagon, Southern Leyte
April 13, 2018




STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of ALINSUB PEDIATRICS AND DIAGNOSTIC LABORATORY, Sogod, Southern Leyte is responsible for all information and representations contained in the financial statements for the fiscal year ended December 31, 2017. The financial statements have been prepared in conformity with generally accepted accounting principles and reflect amounts that are based on the best estimates and informed judgment of management with an appropriate consideration of materiality.

In this regard, the management maintains a system of accounting and reporting which provides for the necessary internal controls and ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized.

The Proprietor reviews the Financial statements before such statements are approved and submitted to the external users.


DR. AILEEN D. ALINSUB
Practitioner

Signed this _____ day of _____, 2018.

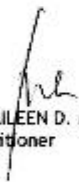


STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX

The management of **ALINSUB PEDIATRICS AND DIAGNOSTIC LABORATORY**, Sogod, Southern Leyte is responsible for all information contained in the Annual Income Tax Return for the year ended, December 31, 2017. Management is likewise responsible for all information and representations contained in the financial statements accompanying Annual Income Tax Return covering the same reporting period. Furthermore, the management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax returns, and any all other tax returns.

In this regard, the Management affirms that the attached financial statements for the year ended December 31, 2017 and the accompanying Annual Income Tax Return are in accordance with the books and records of **ALINSUB PEDIATRICS AND DIAGNOSTIC LABORATORY**, 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.) **ALINSUB PEDIATRICS AND DIAGNOSTIC LABORATORY**, 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.


DR. AILEEN D. ALINSUB
Practitioner



Signed this _____ day of _____, 2018.

CONCESO S. ARRIOLA C.P.A.

Talibay, Libagon, Southern Leyte Contact no. 09177910468

ALINSUB PEDIATRICS AND DIAGNOSTIC LABORATORY
DR. AILEEN D. ALINSUB M.D. - Medical Practitioner
Sagod, Southern Leyte

STATEMENT OF FINANCIAL CONDITION

As of December 31, 2017

(Amounts in Philippine Pesos)

(With comparative figures of 2016)

ASSETS	Notes	2017	2016	Variance
CURRENT ASSETS				
Cash and cash equivalents	3	788,371.87	510,750.00	277,621.87
Accounts Receivable	4	721,102.00	500,200.00	220,902.00
Financial Assets		1,000,000.00	1,000,000.00	-
Other Current Assets	5	304,697.96	224,269.59	80,428.37
Total Current Assets		2,814,171.83	2,235,219.59	578,952.24
NON-CURRENT ASSETS				
Properties and Equipment		378,008.00	474,008.00	(96,000.00)
Total Non-Current Assets		378,008.00	474,008.00	(96,000.00)
TOTAL ASSETS		3,192,179.83	2,709,227.59	482,952.24
LIABILITIES AND EQUITY				
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable		38,822.33	-	38,822.33
Total Liabilities		38,822.33	-	38,822.33
NON-CURRENT LIABILITIES				
Other Non-Current Liabilities		-	-	-
Total Non-Current Liabilities		-	-	-
TOTAL LIABILITIES		38,822.33	-	38,822.33
EQUITY				
Owners Capital	SOC	3,153,357.50	2,709,227.59	444,129.91
TOTAL EQUITY		3,153,357.50	2,709,227.59	444,129.91
TOTAL LIABILITIES AND EQUITY		3,192,179.83	2,709,227.59	482,952.24

See accompanying notes to financial statements



CONCEPCION S. ARAYOLA C.F.A.
Talisay, Libagon, Southern Leyte Contact no. 09177910168

DR. AILEEN D. ALINSUB M.D. - Medical Practitioner

Sogod, Southern Leyte

STATEMENT OF FINANCIAL OPERATION

For the year ended December 31, 2017

(Amounts in Philippine Pesos)

REVENUES	
<u>Service Income</u>	
Professional fee	
Laboratory fees	2,638,339.00
Total	457,400.00
Less: Cost of services	3,095,739.00
Salaries and wages	
Supplies/reagents	138,000.00
Total cost of services	38,416.20
Income from Profession	176,416.70
<u>Trading business</u>	2,919,322.80
Sales	
Less: Cost of sales	2,170,437.00
Merchandise Inventory, beg.	
Add: Purchases	224,269.59
Total goods available for sale	2,264,678.01
Less: Merchandise Inventory, end	2,488,947.60
Cost of sales	(304,697.96)
Income from trading business	2,184,249.64
TOTAL REVENUES	(13,812.64)
EXPENSES	2,905,510.16
Trainings and Seminars	
Travelling expenses	375,000.00
Stationeries and supplies used	55,500.00
Fuels and lubricants	34,607.28
Insurance expense	193,000.00
Repairs and Maintenance	48,000.00
Rent expense	168,000.00
Management and Professional fees	127,500.00
Representation Expense	16,002.00
Advertising and Promotion	18,450.00
Depreciation Expense	43,500.00
Taxes and Licenses	96,000.00
Janitorial services	4,979.97
Donations	25,000.00
Miscellaneous Expense	150,000.00
Total	5,841.00
NET INCOME	1,361,380.25
	1,544,129.91

See accompanying notes to financial statements



CONCESO S. ARRIOLA C.P.A.
Tolosa, Libagon, Southern Leyte Contact no. 09177910168

ALINSUB PEDIATRICS AND DIAGNOSTIC LABORATORY
DR. AILEEN D. ALINSUB M.D. - Medical Practitioner
Sogod, Southern Leyte

STATEMENT OF CASH FLOW
For the year ended December 31, 2017
(Amounts in Philippine Pesos)
(With comparative figures of 2016)

CASH FLOWS FROM OPERATING ACTIVITIES	
Net Income	1,544,129.91
Adjustment to reconcile net surplus to net cash provided by operating activities	
Depreciation	96,000.00
Changes in assets and Liabilities	
Decrease(increase) in:	
Accounts Receivable	(220,902.00)
Financial Assets	
Other Current Assets	(80,428.37)
Increase(decrease) in:	
Other Current Liabilities	38,822.33
Net cash provided by(used) in operating activities	1,377,621.87
CASH FLOWS FROM INVESTING ACTIVITIES	
Decrease(Increase) in Properties and Equipment	
Net Cash provided by(used) in investing activities	
CASH FLOWS FROM FINANCING ACTIVITIES	
Drawings	(1,100,000.00)
Net Cash provided by(used in) financing activities	(1,100,000.00)
NET INCREASE(DECREASE) IN CASH	277,621.87
ADD: CASH AND CASH EQUIVALENTS, JANUARY 1	510,750.00
CASH AND CASH EQUIVALENTS, DECEMBER 31	788,371.87



CONCESO S. ARRIOLA C.P.A.

Talisay, Libagon, Southern Leyte Contact no. 09177910468

ALINSUB PEDIATRICS AND DIAGNOSTIC LABORATORY
DR. AILEEN D. ALINSUB M.D. - Medical Practitioner
Sogod, Southern Leyte

STATEMENT OF OWNER'S CAPITAL
For the year ended December 31, 2017
(Amounts in Philippine Pesos)
(With comparative figures of 2016)

	2017	2016
AILEEN D. ALINSUB CAPITAL		
Beginning Balance	2,709,227.59	3,912,073.56
Add: Net Income for the year	1,544,129.91	1,402,023.00
Additional Capital		
Less: Withdrawal in Capital	(1,100,000.00)	(2,604,868.97)
Ending balance	3,153,357.50	2,709,227.59

See accompanying notes to financial statements



ALINSUB PEDIATRICS AND DIAGNOSTIC LABORATORY
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

1. ORGANIZATION

ALINSUB PEDIATRICS AND DIAGNOSTIC LABORATORY is a duly organized and registered business enterprise with the Government of the Philippines as a sole proprietorship business.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FINANCIAL REPORTING AND FINANCIAL ACCOUNTING STANDARDS

Basis of Preparation. The business financial statements have been prepared in conformity with accounting standards and reporting practices of Business in the Philippines and as set forth in the Philippine Financial Reporting Standards(PFRS), revised Philippine Accounting Standards(PAS), the applicable practices, and rules and regulations of the industry. The accompanying financial statements have been prepared under the historical cost convention.

FINANCIAL ASSETS

Financial Assets includes Cash and other financial instruments. These are classified into current assets and non-current assets. Current Asset is an asset on the balance sheet date which is expected to be sold or otherwise use up in the near future, usually within one year or one business cycle whichever is longer. Non-current asset is an asset which is not readily convertible to cash or not expected to become cash within the next year.

CURRENT ASSETS

Cash and cash equivalents

Cash on hand are valued at face amount.

NON-CURRENT ASSETS

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation and any impairment in value. The initial cost of property and equipment consists of its purchase price and any directly attributable costs of bringing assets to its working condition and location for its intended use.

Addition, betterments and major replacements are capitalized while minor repairs and maintenance are charged to expense as incurred. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation and any impairment loss are removed from the account and any resulting gain(loss) is credited(charged) to results of operations for the year.

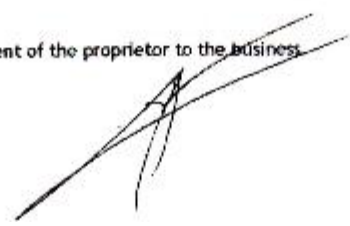
Impairment of Financial Assets

No impairment of Financial Assets noted as of date of financial statements.

EQUITY

Capital

Capital is the investment of the proprietor to the business.



REVENUES RECOGNITION

Revenue is recognized under PAS 18 & 39 to the extent that is probable that the economic benefits will flow to the Business and the revenue can be measured reliably. Income is recognized upon receipt of cash.

EXPENSE RECOGNITION

Expenses are recognized when incurred and measured reliably. Estimates and judgments are used to measure other expenses which are continually evaluated and are based on historical experience and other factors, including expectations of future events.



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3 CASH AND CASH EQUIVALENTS

This accounts consists of the following:

	2017	2016
Cash on Hand	88,371.87	10,750.00
Cash in Bank	700,000.00	500,000.00
Total Cash and cash equivalents	788,371.87	510,750.00

Note: These are non restricted. Cash in bank is withdrawable anytime.

4 RECEIVABLES

This account consists of the following:

	2017	2016
Accounts Receivable	721,102.00	500,200.00
Total	721,102.00	500,200.00

5 OTHER CURRENT ASSETS

This accounts consists of the following:

	2017	2016
Unused supplies	-	-
Inventory-Reagents	304,697.96	224,269.59
Total other current assets	304,697.96	224,269.59

6 PROPERTY AND EQUIPMENT

At December 31, 2017

	Building		Total
Opening net Book Value	474,008.00	-	474,008.00
Acquisitions	-	-	-
Depreciation for the year	(96,000.00)	-	(96,000.00)
Closing net book Value	378,008.00	-	378,008.00

Year ended December 31, 2017

	Building		Total
Cost	794,008.00	-	794,008.00
Accumulated Depreciation	(416,000.00)	-	(416,000.00)
Net Book Value	378,008.00	-	378,008.00

At December 31, 2016

	Building		Total
Opening net Book Value	570,008.00	-	570,008.00
Acquisitions	24,000.00	-	24,000.00
Depreciation for the year	(120,000.00)	-	(120,000.00)
Closing net book Value	474,008.00	-	474,008.00

Year ended December 31, 2016

	Building		Total
Cost	794,008.00	-	794,008.00
Accumulated Depreciation	(320,000.00)	-	(320,000.00)
Net Book Value	474,008.00	-	474,008.00