

COVER SHEET

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S.E.C. Registration Number

C	E	N	T	R	O		E	S	C	O	L	A	R		U	N	I	V	E	R	S	I	T	Y									
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(Company's Full Name)

9		M	E	N	D	I	O	L	A		S	T	.		S	A	N		M	I	G	U	E	L							
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(Business address: No. Street City / Town / Province)

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Contact Person

873568-61 to 71

Contact Number

0	5
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Month

3	1
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Day

Fiscal Year

2	0	-	I	S
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FORM TYPE

Definitive Information Statement

1	0
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Month

4 th Friday

Day

Annual Meeting

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Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

Total Amount of Borrowings

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Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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LCU

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CASHIER

October 1, 2024

Mr. Vicente Graciano P. Felizmenio, Jr.
Director
Markets & Securities Regulation Department
Securities and Exchange Commission
The SEC Headquarters
7907 Makati Avenue
Salcedo Village
Makati City

**Re: Comments on the Preliminary Information Statement
Of Centro Escolar University**

Gentlemen:

This is in response to the email dated 24 September 2024 on containing the Comments to CEU's Preliminary Information Statement (SEC Form 20-IS) filed with the Commission on 20 September 2024.

The Definitive Information Statement and Management Report is submitted with your checklist; clearance from the Commission prior to said distribution is requested; and response to said checklist is hereby provided in the attached table for easy reference.

We trust that our Company's SEC Form 20-IS are now in full compliance with SRC rules and can be distributed to the stockholders.

Thank you.

Very truly yours,



JAYSON O'S RAMOS
Compliance Officer
Centro Escolar University

MANILA AND MALOLOS CAMPUSES

MANILA CAMPUS

EXCLUDING SCHOOL OF MEDICINE
AND SENIOR HIGH SCHOOL

MANILA AND MALOLOS CAMPUSES



FULL
AUTONOMY
STATUS



**INSTITUTIONAL
ACCREDITATION
STATUS**
Federation of
Accrediting Agencies
of the Philippines



ISO 9001:2015



**PROFICIENCY
IN QUALITY
MANAGEMENT
SYSTEM**



PAPAL AWARD
PRO ECCLESIA
ET PONTIFICE
December 20, 2006

ASEAN University Network (AUN) Quality Assurance certified: Dentistry, Pharmacy, Biology, Business Administration, Hotel and Restaurant Management, Tourism Management, Nursing, Nutrition and Dietetics and Optometry Programs
• **CHED Center of Excellence in Teacher Education** • **CHED Center of Development in Business Administration** • **CHED Center of Development in Optometry** • **HIGHEST LEVEL of accreditation, LEVEL IV, by PACUCOA as certified by FAAP:** Biology, Psychology, Pharmacy, Business Administration, Dentistry, Optometry, Nutrition and Dietetics, Liberal Arts (Mass Communication and Political Science), Education, and Medical Technology

CENTRO ESCOLAR UNIVERSITY.		
SEC Form 20-IS Preliminary filed on September 20, 2024		
Checklist of Requirements	Page No.	Remarks
THE COMPANY IS ADVISE OF THE NOTICE DATED FEBRUARY 16, 2022 RE: ALTERNATIVE MODE FOR DISTRIBUTING AND PROVIDING COPIES OF NOTICE OF MEETING, INFORMATION STATEMENT, AND OTHER DOCUMENTS IN CONNECTION WITH THE HOLDING OF ANNUAL STOCKHOLDERS' MEETING ("ASM") FOR 2022.		
MC. No. 3, Series 2020 and Section 49 of the Revised RCC (21 days prior to ASM)		Disclose compliance of Section 49 of the Revised RCCP and MC. No. 3, Series 2020
		Please see page 1. The DIS will be distributed on 03 October 2024, 21 days prior to the ASM.
Part I.		
B. Control and Compensation Information		
ITEM 5. DIRECTORS & EXECUTIVE OFFICERS		Submit a certification that none of directors and officers works in government and if there is, submit a letter consent from the head of the Department/Agency.
		See attachment to the Definitive Information Statement
<i>Information required by Part IV paragraphs (A), (D)(1) and (D)(3) of "Annex C"</i>		
(A)(1) Identify Directors, including Independent Directors and Executive Officers		(1) Company is advised to comply with SEC Memo. Circular No. 4, Series of 2017 re: Term Limit of Independent Directors. (2) Submit updated Certification on the Qualifications and Disqualification of Independent Directors pursuant to SEC Memo. Circular No. 5, Series of 2017.

		See attached Definitive Information Statement. The continuous engagement of Dr. Javier will be submitted to the Stockholders for approval due to meritorious reasons as allowed by relevant law. (Page 8)
ITEM 6. COMPENSATION OF DIRECTORS & EXECUTIVE OFFICERS		
If action to be taken with regard to election, any bonus, profit sharing, pension/retirement plan granting of extension of any option, warrant or right to purchase any securities, furnish the following:		See Definitive Information Statement. No such action but summary compensation table nonetheless included. (page 13-14)
(1) Summary Compensation Table		Per diem receive of each of the Board of Directors and Trustee (fiscal year 2022 and 2023) pursuant to Revised Corporation Code of the Philippine (RCC) Section 29 and Section 49 .
		See Definitive Information Statement. Page 13-14
Part III.		
MANAGEMENT REPORT		
Audited Financial Statements		See Management Report Re: Attached Audited Financial Statements
Changes in and Disagreements with Accountants on Accounting and Financial Disclosure (Required by Part III (B) of "Annex C")		
(1) If during the two most recent fiscal years or any subsequent interim period, the independent accountant has resigned, was dismissed or otherwise ceased performing services, state the name of the previous accountant and the date of resignation, dismissal or cessation of performing services.		See attached Management Report
(2) Describe if there were any disagreements with the former accountant on any matter of accounting and financial disclosure.		

(3) File as an exhibit to the report the letter from the former accountant addressed to the Commission stating whether it agrees with the statements made by the registrant and, if not, stating the respects in which it does not agree.		
Management's Discussion and Analysis (MD&A) or Plan of Operation (Required by Part III(A) of "Annex C")		
No revenues form operation in each of the last two (2) fiscal years, or the last fiscal year and any interim period in the current fiscal year, shall <i>in addition to applicable items under subparagraph (2) provide provide the following information:</i>		
(1) Describe the plan of operation for the next twelve (12) months. This description includes:		See attached Management Report (Item 3, starting on page 1)
(a) how long the registrant can satisfy its cash requirements and whether it will have to raise additional funds in the next twelve (12) months;		
(b) summary of any product research and development for the term of the plan;		
(c) any expected purchase or sale of plant and significant equipment; and		
(d) any expected significant changes in the number of employees.		
<i>All other registrants shall provide the following information:</i>		
For both full fiscal years and interim periods, disclose the company's and its majority-owned subsidiaries' top five (5) key performance indicators. It shall include a discussion of the manner by which the company calculates or identifies the indicators presented on a comparable basis.		See attached Management Report (page 3-4)
(a) Full fiscal years		
(1) Discussion of the Registrant's Financial Condition, Changes in Financial Condition and Results of Operations for each of the last 3 fiscal years.		See attached Management Report (page 2-6)
(2) If FS shows losses from operation, explain the causes underlying these losses and the steps the registrant has taken or is taking to address these cause.		
(3) Past and future financial condition and results of operation, with particular emphasis on the prospects for the future.		
(4) Key Variable and Other Qualitative and Quantitative Factors.		
If Material:		
(i) Any Known Trends, Events or Uncertainties (Material Impact on Liquidity)		See attached Management Report (Page 5-6)
<i>(ii) Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation</i>		
<i>(iii) All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.</i>		
(iv) Description of any material commitments for capital expenditures, general purpose of such commitments, expected sources of funds for such expenditures		
(v) Any Known Trends, Events or Uncertainties (Material Impact on Sales)		
(vi) Any Significant Elements of Income or Loss (from continuing operations)		
<i>(vii) Causes for Any Material Changes from Period to Period of FS which shall include vertical and horizontal analyses of any material item (5%)</i>		

<p>The term “material” in this section shall refer to changes or items amounting to at least five percent (5%) of the relevant accounts or such lower amount, which the registrant deems material on the basis of other factors.</p>		
<p>(viii) Seasonal Aspects that has Material Effect on the FS</p>		
<p>(b) Interim Periods: Comparable discussion to assess material changes (last fiscal year and comparable interim period in the preceding year). <i>Disclose the required information under subparagraph (2)(a)(I) to (viii) above.</i></p>		
<p>INFORMATION ON INDEPENDENT ACCOUNTANT</p>		
<p>EXTERNAL AUDIT FEES (MC No. 14 Series of 2004)</p>		
<p>(a) Under the caption Audit and Audit-Related Fees, the aggregate fees billed for each of the last two (2) fiscal years for professional services rendered by the external auditor for:</p>		
<p>1. The audit of the registrant's annual financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements for those fiscal years;</p>		
<p>2. Other assurance and related services by the external auditor that are reasonably related to the performance of the audit or review of the registrant's financial statements. The registrant shall describe the nature of the services comprising the fees disclosed under this category.</p>		<p>See attached Management Report (page 8-10)</p>
<p>(b) Under the caption "Tax Fees", the aggregate fees billed in each of the last two (2) fiscal years for professional services rendered by the external auditor for tax accounting, compliance, advice, planning and any other form of tax services. Registrant shall describe the nature of the services comprising the fees disclosed under this category.</p>		
<p>(c) Under the caption "All Other Fees", the aggregate fees billed in each of the last two (2) fiscal years for products and services provided by the external auditor, other than the services reported under items (a) & (b) above. Registrants shall describe the nature of the services comprising the fees disclosed under this category;</p>		
<p>(d) The audit committee's approval policies and procedures for the above services</p>		
<p>Market Price of and Dividends required by Part V of Annex C</p>		
<p>(1) Market Information</p>		
<p>(a) Identification of the Principal Market or Markets where the Registrant's Common Equity is Traded</p>		
<p>If principal market is a Stock Exchange in the Philippines or a foreign Exchange:</p>		
<p>(1) State the name of the Exchange.</p>		
<p>(2) Presentation of the High and Low Sales Prices for Each Quarter within the last two (2) fiscal years and any subsequent interim period for which Financial Statements are required by SRC Rule 68.</p>		<p>See attached Management Report (page 16)</p>
<p>If the principal market is not an Exchange:</p>		
<p>(1) State the frequency with which trading occurs; if sporadic, so state;</p>		
<p>(2) Presentation of the Range of High and Low Bid Information for Each Quarter within the last two (2) fiscal years and any subsequent interim period for which Financial Statements are required by SRC Rule 68.</p>		

<p>(b) If the information called for by paragraph (A) of this Part is being presented, the document shall also <u>include the price information as of the latest practicable trading date</u> , and in the case of securities to be issued in connection with an acquisition, business combination or other reorganization, as of the trading date immediately prior to the public announcement of such transaction.</p>	53	Comply with the highlighted portion re: include the price information as of the latest practicable trading date (page 17. Data as of 30 September)
<p>(c) If there is no established public trading market in the Philippines, indicate the:</p>		
<p>(i) Amount that is Subject to Outstanding Options or Warrants to Purchase or Securities Convertible into, Common Equity of the Registrant</p>		
<p>(ii) Amount of Common Equity that is being or has been Proposed to be Publicly Offered by the Registrant</p>		
<p>(2) Holders</p>		
<p>(a) (i) Approximate Number of Holders of Each Class of Common Security as of the latest practicable date but in no event more than 90 days prior to filing of report.</p>		
<p>(ii) Names of the Top Twenty (20) Shareholders of Each Class</p>		See attached Management Report (page 17)
<p>(iii) Number of Shares Held</p>		
<p>(iv) Percentage of Total Shares Outstanding Held by Each</p>		
<p>(b) If it relates to an acquisition, business combination or other reorganization, indicate the effect of such transaction on the amount and percentage of present holdings of the registrant's common equity owned beneficially by:</p>		
<p>(i) more than five percent (5%) beneficial owner of registrant's common equity;</p>		
<p>(ii) each director and nominee; and</p>		See attached Management Report (page 17)
<p>(iii) all directors and officers as a group, and the registrant's present commitments to such persons with respect to the issuance of shares.</p>		
<p>(3) Dividends</p>		
<p>(a) Discussion of any Cash Dividends Declared (two most recent years)</p>		See attached Management Report Page 17-28
<p>(b) Description of any Restriction that Limits the Payment of Dividend on Common Shares</p>		
<p>(4) Recent Sales of Unregistered or Exempt Securities including Recent Issuance of Securities Constituting an Exempt Transaction</p>		
<p>(a) Date of sale and the Title and Amount of Securities Sold</p>		
<p>(b) Names of the Underwriters or Identity of Persons to whom the Securities were Sold</p>		
<p>(c) If sold for cash: Total Offering Price and Total Underwriting Discounts or Commissions</p>		See attached Management Report Page

Sold otherwise for cash: State the nature of the transaction and the type and amount of consideration received.		18
(d) Exemption from Registration Claimed - Indicate section of the Code & state briefly the facts relied upon to make the exemption available		
Discussion on Compliance with leading practice on Corporate Governance		
a. Evaluation system established by the company to measure or determine the level of compliance of the Board of Directors and top level management with its Manual of Corporate Governance		See attached Management Report page 18
b. Measures being undertaken by the company to fully comply with the adopted leading practices on good corporate governance		
c. Any deviation from the company's Manual of Corporate Governance. Including a disclosure of the name and position of the person/s involved and sanction/s imposed on said individual		
d. Any plan to improve corporate governance of the company		
AUDITED FINANCIAL STATEMENTS		
Statement of Management Responsibility on the Financial Statements (as prescribed by SRC Rule 68, As Amended)(Financial Reporting Bulletin No. 1)		
The Management of (name of reporting company) is responsible for the preparation and fair presentation of the financial statements for the year (s) ended (date), including the additional components attached therein, in accordance with the prescribed financial reporting framework indicated therein. This responsibility includes designing and the implementing internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances. The Board of Directors or Trustees reviews and approves the financial statements and submit the same to the stockholders or members. (Name of Auditing Firm), the independent auditors, appointed by the stockholders has examined the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed opinion on the fairness of presentation upon completion of such examination. Signature (Printed Name of the (1) Chairman of the Board (2) Chief Executive Officer (3) Chief Financial Officer)		See attached Audited Financial Statements
ADDITIONAL COMPONENTS OF FINANCIAL STATEMENTS (SRC Rule 68, as amended October 2011)		
Legal matter paragraph in the Auditor's Report on each components:		
Reconciliation of Retained Earnings Available for Dividend Declaration (Part 1,4 (c))		
A reconciliation of Retained Earnings available for dividend declaration which shall present the prescribed adjustments as indicated in Annex 68-C		See attached Audited Financial Statements
A map of the conglomerate or group of companies showing the relationships between and among the company and its ultimate parent company, middle parent, subsidiaries or co-subsidiaries, and associates (Par 4(h))		
ADDITIONAL DISCLOSURE REQUIREMENTS		

Additional disclosures set forth in Annex 68-D shall appear on the face of the balance sheets or related notes and in the Statement of comprehensive income or related notes filed and on the face of the financial statements		See attached Audited Financial Statements
Disclosures of receivable/payables with related parties eliminated during consolidation (Annex 68-D)		
ADDITIONAL DISCLOSURE REQUIREMENTS (SRC Rule 68, as amended October 2011)		
A schedule showing financial soundness indicators in two comparative period as follows: 1) current/liquidity ratios; 2) solvency ratios, debt-to-equity ratio; 3) assets-to-equity ratio; 4) interest rate coverage ratio; 5) profitability ratio and 6) other relevant ratio as the Commission may prescribe.		See attached Audited Financial Statements
Undertaking in bold face prominent type to provide without charge to each person solicited, on the written request of any such person, a copy of the registrant's annual report on SEC Form 17-A and shall indicate the name and address of the person to whom such a written request is to be directed. At the discretion of management, a charge may be made for exhibits, provided such charge is limited to reasonable expenses incurred by the registrant in furnishing such exhibits.		See attached SEC Form 17-A



Machine Validation:

VALID UNTIL: NOVEMBER 07, 2024



Republic of the Philippines

DEPARTMENT OF FINANCE
SECURITIES AND EXCHANGE COMMISSION
The SEC Headquarters
7907 Makati Avenue, Salcedo Village,
Barangay Bel-Air, Makati City, 1209




PAYMENT ASSESSMENT FORM

No. 20240923-11409221

DATE 09/23/2024	RESPONSIBILITY CENTER MSRD
PAYOR: CENTRO ESCOLAR UNIVERSITY SAN MIGUEL, MANILA	

NATURE OF COLLECTION	QUANTITY	ACCOUNT CODE	AMOUNT
Information Statement - Registrant		4020199099 (678)	7,500.00
Legal Research Fee (A0823)		2020105000 (131)	75.00
----NOTHING FOLLOWS----			

TOTAL AMOUNT TO BE PAID	Php 7,575.00
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Assessed by: fbdelfin 	Amount in words: SEVEN THOUSAND FIVE HUNDRED SEVENTY FIVE PESOS AND 00/100
Remarks:	

PAYMENT OPTIONS

- Online payment thru eSPAYSEC at
 - <https://espaysec.sec.gov.ph>
- Over the Counter Payments at any LandBank branch nationwide

BREAKDOWN SUMMARY

FUND ACCOUNT	AMOUNT	ACCOUNT #
SEC SRC Current Account	7,500.00	0552-2222-88
SEC BTR Account - LRF	75.00	3402-2319-20
TOTAL	Php 7,575.00	

NOTES:

- The Payment Assessment Form (PAF) is valid until NOVEMBER 07, 2024.
- Accepted modes of payment at Landbank branches:
 - Cash
 - Manager's/Cashier's Check payable to the Securities and Exchange Commission
- For check payment, please prepare separate Manager's checks per fund account as indicated on the breakdown summary.
- For over the counter payment at LandBank:
 - Print 2 copies of PAF, 1 Client Copy, 1 LandBank copy
 - Accomplish the onColl Payment slip per fund account as indicated on the breakdown summary.
Use the correct Fund Account and Account No. and provide the below information:
 - Reference Number 1 - PAF No.
 - Reference Number 2 - Name of Payor appearing on the PAF
 - Present OnColl Payment Slip, together with the PAF, to the LandBank Teller
- You may generate the electronic official receipt (eOR) by visiting <https://espaysec.sec.gov.ph/eor>
 - Payment thru ESPAYSEC – eOR available upon payment
 - LandBank OTC - eOR available within two (2) business days after the payment

F. ANY ALTERATIONS WILL INVALIDATE THIS FORM



SEC Main Office
The SEC Headquarters
7907 Makati Avenue, Salcedo Village, Barangay Bel-Air, Makati City , 1209

electronic Official Receipt

Transaction Details

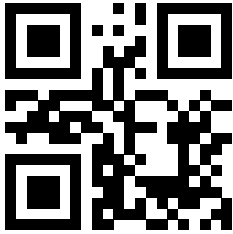
eOR Number	20240924-PM-0123740-67
Transaction Number	426801961140
Payment Date	September 24, 2024 09:01 AM
Payment Scheme	master-card
Status	COMPLETED
Payment Status	PAYMENT_SUCCESS

Payment Assessment Details

PAF No.	20240923-11409221
PAF Date	2024-09-23 09:49:17
Payor Name	CENTRO ESCOLAR UNIVERSITY
Payor Address	SAN MIGUEL, MANILA

#	Nature of Collection	Account Code	Amount
1	Information Statement - Registrant	4020199099(678)	7,500.00
2	Legal Research Fee (A0823)	2020105000(131)	75.00
TOTAL			7,575.00

Total amount indicated herein does not include the convenience/service fee of the selected payment channel.



Machine Validation:

VALID UNTIL: NOVEMBER 18, 2024



Republic of the Philippines

DEPARTMENT OF FINANCE
SECURITIES AND EXCHANGE COMMISSION
The SEC Headquarters
7907 Makati Avenue, Salcedo Village,
Barangay Bel-Air, Makati City, 1209



PAYMENT ASSESSMENT FORM

No. 20241004-11491408

DATE 10/04/2024	RESPONSIBILITY CENTER MSRD
PAYOR: CENTRO ESCOLAR UNIVERSITY MANILA CITY	

NATURE OF COLLECTION	QUANTITY	ACCOUNT CODE	AMOUNT
Information Statement - Amended Definitive (Haphazard Filing)		4020199099 (678)	5,000.00
Legal Research Fee (A0823)		2020105000 (131)	50.00
----NOTHING FOLLOWS----			

TOTAL AMOUNT TO BE PAID	Php 5,050.00
Assessed by: ajlgolosino	Amount in words: FIVE THOUSAND FIFTY PESOS AND 00/100
Verified by: Mike Santos	

Remarks:

PAYMENT OPTIONS

- Online payment thru eSPAYSEC at
 - <https://espaysec.sec.gov.ph>
- Over the Counter Payments at any LandBank branch nationwide

BREAKDOWN SUMMARY

FUND ACCOUNT	AMOUNT	ACCOUNT #
SEC SRC Current Account	5,000.00	0552-2222-88
SEC BTR Account - LRF	50.00	3402-2319-20
TOTAL	Php 5,050.00	

NOTES:

- The Payment Assessment Form (PAF) is valid until NOVEMBER 18, 2024.
- Accepted modes of payment at Landbank branches:
 1. Cash
 2. Manager's/Cashier's Check payable to the Securities and Exchange Commission
- For check payment, please prepare separate Manager's checks per fund account as indicated on the breakdown summary.
- For over the counter payment at LandBank:
 1. Print 2 copies of PAF, 1 Client Copy, 1 LandBank copy
 2. Accomplish the **onColl Payment slip per fund account** as indicated on the breakdown summary.
Use the correct Fund Account and Account No. and provide the below information:
 - Reference Number 1 - PAF No.
 - Reference Number 2 - Name of Payor appearing on the PAF
 3. Present OnColl Payment Slip, together with the PAF, to the LandBank Teller
- You may generate the electronic official receipt (eOR) by visiting <https://espaysec.sec.gov.ph/eor>
 - Payment thru ESPAYSEC – eOR available upon payment
 - LandBank OTC - eOR available within two (2) business days after the payment

F. ANY ALTERATIONS WILL INVALIDATE THIS FORM



SEC Main Office
The SEC Headquarters
7907 Makati Avenue, Salcedo Village, Barangay Bel-Air, Makati City , 1209

electronic Official Receipt

Transaction Details

eOR Number	20241004-PM-0129968-47
Transaction Number	427803440445
Payment Date	October 04, 2024 11:31 AM
Payment Scheme	master-card
Status	COMPLETED
Payment Status	PAYMENT_SUCCESS

Payment Assessment Details

PAF No.	20241004-11491408
PAF Date	2024-10-04 10:53:42
Payor Name	CENTRO ESCOLAR UNIVERSITY
Payor Address	MANILA CITY

#	Nature of Collection	Account Code	Amount
1	Information Statement - Amended Definitive (Haphazard Filing)	4020199099(678)	5,000.00
2	Legal Research Fee (A0823)	2020105000(131)	50.00
TOTAL			5,050.00

Total amount indicated herein does not include the convenience/service fee of the selected payment channel.

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

To the Stockholders of Centro Escolar University:

Notice is hereby given that the Annual Meeting of the Stockholders of CENTRO ESCOLAR UNIVERSITY (CEU) will be held on Friday, October 25, 2024, 1:00 pm, online via Zoom.

AGENDA

1. Call to Order
2. Proof of Notice and Quorum
3. Approval of the Minutes of Annual Stockholders' Meeting on October 27, 2023
4. Chairman's Address
5. Approval of the Annual Report of the Board of Directors
6. Ratification of all acts, resolutions, and transactions of the Board of Directors and the management for the fiscal year 2023 – 2024
7. Ratification/approval of the continuous engagement of Dr. Emil Q. Javier as independent director.
8. Election of Directors
9. Appointment of External Auditor
10. Other Matters
 - Declaration of Stock Dividends
 - Amendment of Articles of Incorporation to increase number of Directors from 9 to 10
 - Amendment of By Laws to increase number of Independent Directors from 2 to 3
 - Amendment of By Laws to permanently allow attendance and voting in absentia via remote communication during Stockholder Meetings.
11. Adjournment

The minutes of the 2023 Annual Stockholders' Meeting is available at the University's website at www.ceu.edu.ph under the Corporate Information Tab.

All stockholders of record as of the close of business on October 3, 2024 are entitled to notice and to vote at the annual meeting and at any adjournment thereof. The stock and transfer book of the University will be closed from October 4, 2024 to October 24, 2024.

Attendance and Voting shall be done electronically in absentia. Stockholders who will participate and vote electronically in absentia in the Annual Stockholders meeting are required to pre-register at www.ceu.edu.ph from October 04, 2024 to October 15, 2024. Instructions and Procedures for Online Registration and Online Voting in Absentia by Remote Communication is attached herein as Annex “A” and are likewise set forth in the Definitive Information Statement posted at the University’s website at www.ceu.edu.ph under the Corporate Information Tab, and the PSE Edge Portal.

A PROXY instrument in accordance with the Corporation Code may also be submitted through the same registration page at www.ceu.edu.ph on or before October 14, 2024. Proxies will be validated on October 17, 2024. For your convenience, a downloadable copy of the Proxy Instrument is available at www.ceu.edu.ph. WE ARE NOT, HOWEVER, SOLICITING PROXIES.

Only stockholders who have successfully registered within the prescribed period, or participate through proxy, will be included in the determination of quorum. Successful registrants will receive an email invitation containing the necessary access code and password. For any registration concerns, you may send an email to corporate@ceu.edu.ph

Stockholders may send their queries about the Annual Stockholders’ Meeting and the Company through the Office of the Corporate Secretary at corporate@ceu.edu.ph

Pursuant to relevant SEC Issuances the Stockholders may examine the Definitive Information Statement, Management Report, and SEC Form 17A at the Company’s website and through the PSE Edge Portal. The University will provide, without charge, a printed copy of said documents upon the written request of a stockholder addressed to the Corporate Secretary at Centro Escolar University, No. 9 Mendiola Street, San Miguel, City of Manila, Philippines.

There will be an audio and video recording of the Annual Stockholders’ Meeting. All votes cast shall be validated by the Stock and Transfer Agent, Philippine Stock Transfer Inc. (PSTI). The University’s Internal Auditor, SGV, shall also be present to observe.

September 24, 2024 City of Manila


ATTY. SERGIO F. APOSTOL
Corporate Secretary

Annex A

Instructions and Procedures for Attendance and Online Voting in Absentia via remote communication for the 2024 CEU Annual Stockholders' Meeting

I. Online Attendance and Voting in Absentia

For the 2024 CEU Annual Stockholders' Meeting ("Meeting") attendance and voting may be done electronically in absentia.

II. Online Registration

1. Stockholders who wish to participate and vote in the Annual Stockholders' meeting shall pre-register through the banner announcement found in the University's Website, www.ceu.edu.ph starting October 4, 2024.
2. The registration period shall start from October 4, 2024 to the close of business hours on October 20, 2024. For any registration concerns, Stockholders may send an email to corporate@ceu.edu.ph
3. Upon access to the registration page, a Privacy Notice will appear. Once consent is given, registration will commence.
4. During the registration, the stockholder shall provide the following:
 - a. Individual Stockholders:
 - a.i. Name
 - a.ii. Active email address
 - a.iii. Active contact number
 - a.iv. Stock certificate number (just one in case of multiple certificates)
 - a.v. Scan (pdf or jpeg format) of a Valid Government Issued ID with signature and photograph. File size should not exceed 2MB.
 - a.vi. Recent Photograph of the Stockholder
 - b. For Stockholders with joint accounts:
 - b.i. A scanned copy of an authorization letter signed by all Stockholders named in the joint account, identifying who among them is authorized to cast the vote for the account. (pdf or jpeg format; file size should not exceed 2MB)
 - b.ii. In addition, the authorized stockholder must submit the requirements enumerated in No. 3 (a) above.
 - c. For Stockholders under Broker accounts
 - c.i. A broker's certification on the Stockholder's number of shareholdings. (pdf or jpeg format; file size should not exceed 2MB).
 - c.ii. Active email address
 - c.iii. Active contact number
 - c.iv. Scan (pdf or jpeg format) of a Valid Government Issued ID with signature and photograph. File size should not exceed 2MB.
 - c.v. Recent Photograph of the Stockholder.

- d. For corporate Stockholders
 - d.i. A Secretary's Certificate attesting to the authority of the representative to vote for, and on behalf of the Corporation (in JPG or PDF format. File size should not exceed 2MB).
 - d.ii. Active email address of the representative
 - d.iii. Active contact number of the representative
 - d.iv. Scan (pdf or jpeg format) of a Valid Government Issued ID of the representative with signature and photograph. File size should not exceed 2MB.
 - d.v. Recent Photograph of the Representative
 - e. For Stockholders to be represented by a proxy -
 - e.i. In addition to the above requirements for the Stockholder, the same requirement shall be submitted by the Proxy together with a scanned copy of the Proxy Form duly signed by the Stockholder (in JPG or PDF format. File size should not exceed 2MB). The Proxy Form may be downloaded from www.ceu.edu.ph
5. The collected information and documents will be validated and verified by Philippine Stock Transfer Inc., the Stock and Transfer Agent of CEU.
 6. Incomplete or inconsistent information may result in an unsuccessful registration. Stockholders who are not able to register successfully will not be given access to participate and vote in the Meeting by remote communication.
 7. Only those Stockholders who have successfully pre-registered and voted by remote communication, or participates through proxy, will be included in determining the existence of a quorum.
 8. Once verification is successful, a confirmation email shall be sent to the registered email address containing the necessary codes and passwords in order to access the meeting.

III. Online Voting in Absentia

1. After filling out the required fields and uploading the required documents, Stockholders may cast their votes.
2. For the following items, the Stockholder may choose from the following options: **For, Against, or Abstain**. The vote is considered cast for all the registered Stockholder's shares:
 - Approval of the Minutes of the October 27, 2023 Annual Stockholders' Meeting;
 - Approval of the Annual Report of the Board of Directors;
 - Ratification of all acts, resolutions, and transactions of the Board of Directors and the management for the fiscal year 2023-2024;
 - Continuous engagement of Dr. Emil Q. Javier as independent director;
 - Appointment of SGV & Co. as External Auditor
 - Approval of the amendment to the Articles of Incorporation to increase the number of Directors from 9 to 10
 - Approval of the amendment to the By-Laws to increase the number of Independent Directors from 2 to 3
 - Approval of the amendment to the By-Laws to permanently allow voting in absentia via remote communication during Stockholders Meetings
 - Approval of the amendment to the By-Laws to permanently allow attendance via remote communication during Stockholder Meetings

3. For the Election of Directors, the registered Stockholder may either (a) vote for all nominees, (b) not vote for any of the nominees, or (c) vote for some nominees only, in such number of shares as preferred by the Stockholder, provided that the total number of votes cast shall not exceed the number of shares owned, multiplied by the number of directors to be elected. Candidates receiving the highest number of votes shall be declared elected.
4. Votes cast will be validated and verified by Philippine Stock Transfer Inc., the Stock and Transfer Agent of CEU. Unsuccessful registration will result in invalid votes.
5. A stockholder may send his/her questions and/or comments about the items in the Agenda prior to or during the Meeting to corporate@ceu.edu.ph. The Chairman will endeavor to reply to all questions received but should, for any reason, a question is not addressed, the Office of the Corporate Secretary will reply to the same by email.

In compliance with the requirements of the Securities and Exchange Commission, a recording of the proceedings of the Annual Meeting will be secured. Stockholders may send their queries about the Meeting to corporate@ceu.edu.ph

For any clarifications, please contact the Office of the Corporate Secretary through corporate@ceu.edu.ph

PROXY

KNOW ALL MEN BY THESE PRESENTS:

I, the undersigned, a stockholder of CENTRO ESCOLAR UNIVERSITY, do hereby nominate, constitute and appoint _____ as my attorney and proxy to represent me and vote all shares registered in my name on the books of said corporation or owned by me, at any and all regular and special meetings of the stockholders of said corporation and adjournments and postponements thereof as fully to all intents and purposes as I might or could do if present and acting in person, hereby ratifying and confirming any and all matters which may properly come before any said meetings, or adjournments and postponements thereof.

This proxy shall take precedence over any other proxy and revokes and supersedes any proxy(ies) that I may have previously executed, and it shall continue until such time as the same is withdrawn by me through notice in writing. This proxy shall continue for a period of five (5) years or until such time as the same is withdrawn by me through notice in writing delivered to the Secretary.

I hereby confirm that my only proxy(ies) is/are the person(s) mentioned above and that this proxy is the only one that should be honoured.

In case of non-attendance of my abovenamed proxy(ies) at any particular meeting, I authorize and empower the Chairman of the meeting to fully exercise all rights as my proxy(ies) at such meeting.

IN WITNESS WHEREOF, I have hereunto signed these presents this _____ day of _____, 20 _____ in _____.

(Stockholder's Signature)

(Name in Print)

WITNESS:

(Signature over Printed Name)

Minutes of the Annual Stockholders' Meeting
 Centro Escolar University
 27 October 2023
 CEU Mendiola Campus

(For Approval at the 2024 Annual Stockholders' Meeting)

Total Outstanding Shares	Shares Present	Abstentions
372,414,400 shares	295,724,079 shares	-

Tally of votes

Item	For	Against	Abstain	Decision
Approval of the Minutes of the 21 October 2022 Annual Stockholders Meeting	295,724,079	0	0	Approved
Approval of the Annual Report of the Board of Directors	295,724,079	0	0	Approved
Ratification of all acts, resolutions, and transactions of the Board of Directors and the Management for the fiscal year 2022-2023	295,724,079	0	0	Approved
Continuous engagement and nomination of Dr. Emil Q. Javier as independent director.	295,724,079	0	0	Approved
Appointment of SGV and Co. as External Auditor	295,724,079	0	0	Approved

Directors Present

Mr. Basilio C. Yap, *Chairman*
Dr. Ma. Cristina D. Padolina, *Vice Chairman*
Dr. Emil Q. Javier, *Independent Director*
Dr. Alejandro C. Dizon, *Director*
Mr. Benjamin C. Yap, *Director*
Dr. Emil C. Yap III, *Director*
Dr. Johnny C. Yap, *Director*
Ms. Corazon M. Tiongco, *Director*

Call to Order

The meeting was called to order at 1:00pm by Dr. Padolina, Vice Chairman and President, who presided over the meeting. Dr. Padolina acknowledged the other directors who were present and noted that since it was the first time the Stockholders Meeting is being held in person after the pandemic, that everyone is welcomed back to CEU. After reminding everyone that the meeting is being recorded as required by the SEC, Dr. Padolina called on Ms. Corazon M. Tiongco, Director, to lead the prayer.

Proof of Notice of Meeting

After the prayer, Dr. Padolina asked the Corporate Secretary, Atty. Sergio F. Apostol, whether the required notices were sent to the stockholders. Atty. Apostol stated that in accordance with Rule 20 of the Securities Regulation Code, and in consonance with the Notice of the Securities and Exchange Commission to Publicly-Listed Companies, the notice for the stockholders' meeting was published in the business section of two newspapers of general circulation – The Manila Bulletin, and Tempo – in print and online format, for two consecutive days, October 3 and 4, 2023.

The last day of publication, October 4, 2023 complies with the minimum twenty-one (21) days requirement prior to the date of the meeting. A Certification to this effect was executed by the publishing companies utilized by Management for the purpose and part of the records of the University.

Atty. Apostol further stated that the notice for the meeting was posted on the Company's website www.ceu.edu.ph, and on the Company's PSE EDGE portal.

As such, Atty. Apostol certified that the Stockholders were duly notified.

Certification of Quorum

Atty. Apostol stated that the total number of shares present and/or represented by proxy amount to 295,724,079 shares or at least 79.40% of the 372,414,400 total outstanding shares.

Atty. Apostol then certified that there was a quorum for the valid transaction of business during the meeting.

Approval of the Minutes of the Meeting Held October 21, 2022

Atty. Apostol stated that a copy of the Minutes of the 2022 Annual Stockholders Meeting held on October 21, 2022 was made available on the Corporate Information portion of the Company's website. In addition, a summary of the matters approved in the last stockholders' meeting is set out in the Definitive Information Statement which was also made available to the stockholders.

As such, since the stockholders have been fully apprised of this item in the agenda, it was proposed that the reading of the Minutes of the 2022 Annual Stockholders' Meeting held on October 21, 2022 be dispensed with, and that the minutes of that meeting, as appearing in the minutes book of the Company, be approved.

The tally of votes was then presented which shows that based on the total votes received, more than the required majority of the outstanding shares of the Company equivalent to 295,724,079 shares (79.40%) approved the Minutes of the 2022 Annual Stockholders' Meeting held on October 21, 2022.

Dr. Padolina then asked if there are questions regarding the matter. No questions were raised.

The Minutes of the 2022 Annual Stockholders' Meeting held on October 21, 2022 therefore, was approved.

Resolution

“Resolved, as it is hereby approved, that the Minutes of the 2022 Annual Stockholders' Meeting held on October 21, 2022 is hereby approved.”

Management Report for the Fiscal Year 2022 - 2023.

Dr. Padolina stated that the Management Report is included in the Definitive Information Statement which was made available to the stockholders via the Company's website and PSE EDGE portal.

Highlights of the report was then presented by Dr. Padolina.

After the presentation, Dr. Padolina asked Atty. Apostol if there were questions submitted by the stockholders in relation to the Management Report.

As there were no questions, the votes on the approval of the Management Report was presented. Based on the tally of votes more than the required majority of the outstanding shares of the Company, equivalent to 295,724,079 shares (79.40%) voted in favour of the matter.

With the shareholders owning at least a majority of the outstanding shares voting in favor of the matter, the Management Report as reflected in the Annual Report together with the financial statements for the fiscal year 2022-2023 is approved.

Resolution

“Resolved, as it is hereby approved, that the Annual Report together with the financial statements for the fiscal year 2022-2023 is hereby approved.”

Ratification of all the Acts, Proceedings and Resolutions of the Board of Directors and Management of the Company for Fiscal Year 2022-2023

Dr. Padolina stated that a summary of acts, proceedings, and resolutions is contained in the Definitive Information Statement made available to the stockholders through www.ceu.edu.ph and the PSE Edge Portal. These acts, proceedings and resolutions were discussed and approved in the meetings of the Board and its Committees and covered by minutes, which are on file and are available for inspection upon the request of any stockholder.

Dr. Padolina then asked if there were questions submitted regarding the matter. There being none, the tally of votes on the matter was presented.

Based on the total votes received, more than the required majority of the outstanding shares of the Company equivalent to 295,724,079 shares (79.40%) voted in favour of approving all the legal acts, resolutions and proceedings of the Board of Directors and Corporate Officers of the Company for Fiscal Year 2022-2023.

With shareholders owning at least a majority of the outstanding shares voting in favour of the matter, the acts, proceedings and resolutions of the Board of Directors and Management for Fiscal Year 2022-2023 as reflected in the minutes of the Board of Directors are approved, confirmed and ratified.

Resolution

“Resolved, as it is hereby resolved, that the acts, proceedings and resolutions of the Board of Directors and Management for Fiscal Year 2022-2023 as reflected in the minutes of the Board of Directors are hereby approved, confirmed and ratified.”

Ratification/Approval of the Continuous engagement of Dr. Javier as Independent Director.

Dr. Padolina called on a member of the Nomination Committee, Ms. Corazon M. Tiongco, to present the Nomination Committee Report which was thoroughly discussed in the Definitive Information Statement. According to Ms. Tiongco:

1. During the meeting of the Nomination Committee last 25 August 2023, the committee set 15 September 2023 as the last day of submission of names of nominees for Independent Directors.
2. The corresponding Notice to All Stockholders was submitted to the Securities and Exchange Commission as well as the Philippine Stock Exchange. A copy of the Notice was also posted on the CEU Website.
3. As of the closing of business hours of 15 September 2023, only 2 nominations were submitted. That of Dr. Emil Q. Javier and Mr. Lope M. Yuvienco.
4. In this connection, the committee notes that Dr. Javier has already served as Independent Directors for ten (11) years since 2012.
5. Under SEC Memorandum Circular 4 s. 2017, Independent Directors shall have a cumulative term limit of nine (9) years. The reckoning for the nine (9) period is 2012.
6. The same Memorandum Circular, however, provides that in the instance that a company wants to retain an Independent Director who has served for nine (9) years, the Board should provide meritorious justifications and seek shareholders' approval during the annual shareholders' meeting.
7. In view of the foregoing, and as approved by the Board, the continuous engagement/nomination of Dr. Javier, is submitted to the approval of the shareholders during this Annual Stockholders' Meeting for the following meritorious reasons:
 - a. The prevailing conditions where CEU thrives require the guidance of Dr. Javier who is already familiar with the peculiar circumstances of the University.
 - b. The personal qualifications of Dr. Javier as well as his experience in the field of education is crucial. In this connection, the qualifications of Dr. Javier are set out in the Definitive Information Statement.
 - c. As shown by the nominations submitted as of 15 September 2023, no suitable replacement for Dr. Javier can be had at this time.

Dr. Padolina then asked if there were questions submitted regarding the matter. There being none, the tally of votes on the matter was presented.

Based on the total votes received, more than the required majority of the outstanding shares of the Company equivalent to 295,724,079 shares voted in favour of the continuous engagement of Dr. Javier as Independent Director.

Resolution

“Resolved, as it is hereby resolved, that the continuous engagement of Dr. Javier as Independent Director is hereby approved.”

Election of Directors for the fiscal year 2023-2024.

Dr. Padolina called on a member of the Nomination Committee, Ms. Corazon M. Tiongco, to name the individuals who are the nominees for the nine (9) seats in the Board. Ms. Tiongco then reported that in a meeting held on September 9, 2023, the Nomination Committee approved the nomination of the following individuals as Independent Directors of the Company for the year 2023-2024:

Dr. Emil Q. Javier

Mr. Lope M. Yuvienco

Ms. Tiongco further stated that in the same meeting, the following, after evaluation, were identified as nominees for Directors:

Mr. Basilio C. Yap

Dr. Ma. Cristina D. Padolina

Mr. Benjamin C. Yap

Dr. Alejandro C. Dizon

Dr. Emilio C. Yap III

Ms. Corazon M. Tiongco

Dr. Johnny C. Yap

Atty. Apostol stated that after tallying the ballots and the votes of proxies received, and considering further that there are only nine (9) nominees for the nine (9) seats in the Board, all the nominees are effectively elected as Directors of the Corporation for the year 2023 to 2024, getting the following votes:

Name	Votes Received
Dr. Emil Q. Javier (independent)	295,724,079
	295,724,079
Mr. Basilio C. Yap	295,724,079
Dr. Ma. Cristina D. Padolina	295,724,079
Dr. Alejandro Dizon	295,724,079
Mr. Benjamin C. Yap	295,724,079
Ms. Corazon M. Tiongco	295,724,079
Dr. Emil C. Yap III	295,724,079
Dr. Johnny C. Yap	295,724,079

Resolution

“Resolved that the following are the duly elected directors of CEU for the ensuing fiscal year and until the election and qualification of their successors:

Dr. Emil Q. Javier and

Mr. Lope M. Yuvienco, as the Independent Directors

Mr. Basilio C. Yap

Dr. Ma. Cristina D. Padolina

Mr. Benjamin C. Yap

Dr. Alejandro C. Dizon

Dr. Emilio C. Yap III

Ms. Corazon M. Tiongco and

Dr. Johnny C. Yap.

Appointment of External Auditor for the Fiscal Year 2023-2024

Dr. Padolina called on Dr. Emil Q. Javier, the Chairperson of the Audit Committee, to name the firm nominated to be the External Auditor for the Fiscal Year 2023-2024. Dr. Javier reported that after careful deliberation, and after considering the quality of its audit work with the Company for the past fiscal years, the reasonableness of its fees and its reputation, that the Audit Committee is endorsing the reappointment of the auditing firm of **Sycip, Gorres, Velayo & Co. (SGV)** as External Auditor of the Company for the fiscal year 2023-2024.

Based on the total votes received, more than the required majority of the outstanding shares of the Company equivalent to Dr. Emil Q. Javier (independent) shares voted in favor of the appointment of **Sycip, Gorres, Velayo & Co. (SGV)** as External Auditor of the Company for the year 2023-2024.

With the shareholders owning at least a majority of the outstanding shares voting in favor of the matter, the appointment of **Sycip, Gorres, Velayo & Co. (SGV)** as External Auditor of the Company for the year 2023-2024 is hereby approved.

Resolution

“Resolved, as it is hereby resolved, that the University hereby appoints **Sycip, Gorres, Velayo & Co. (SGV)** as External Auditor of the Company for the year 2023-2024”

Other Matters

Atty. Apostol informed Dr. Padolina that there were no further questions raised.

Adjournment

There being no further matters to discuss, upon motion duly seconded, the Stockholders' Meeting was adjourned at 2:00pm. The attendees were then invited to avail of refreshments.

CENTRO ESCOLAR UNIVERSITY

(Company's Full Name)

**9 Mendiola Street
San Miguel, Manila**

(Company's Address)

8735-6861 to 71

(Telephone Numbers)

DEFINITIVE INFORMATION STATEMENT SEC FORM 20-IS

Pursuant to SRC RULE 20

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS
INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:
 Preliminary Information Statement
 Definitive Information Statement
2. Name of Registrant as specified in its charter **CENTRO ESCOLAR UNIVERSITY**
3. Province, country or other jurisdiction of incorporation or organization **Philippines**
4. SEC Identification Number **1093**
5. BIR Tax Identification Code **000-531-126-000**
6. Address of principal office **9 Mendiola Street
San Miguel, Manila 1005**
7. Registrant's telephone number, including area code **(02) 8735-6861**
8. Date, time and place of the meeting of security holders **October 25, 2024, 1:00 P.M.**
Online Via Zoom. As part of security measures, stockholders who wish to attend online are required to preregister. The link to the meeting will be provided after complete pre-registration.
9. Approximate date on which the Information Statement is first to be sent or given to stockholders **October 3, 2024**
10. In case of Proxy Solicitation:
Name of Person Filing the Statement/Solicitor: **Not Applicable**
Address and Telephone Number : **Not Applicable**
11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):
- | Title of Each Class | Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding |
|---------------------|--|
| Common Stock | 372,414,400 |
12. Are any or all of registrant's securities listed on a Stock Exchange?
Yes No
If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

Philippine Stock Exchange, Inc.

CENTRO ESCOLAR UNIVERSITY
SEC Form 20-IS

PART I.
INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, time and place of meeting of security holders.

a)	Date of Meeting	October 25, 2024
	Time of Meeting	1:00P.M.
	Place of Meeting	Online Via Zoom
	Registrant's Mailing Address	9 Mendiola St., San Miguel, Manila 1005
b)	Approximate Date when the Information Statement is first to be sent or given to security holders	October 3, 2024

Note: The corresponding notice of Annual Stockholders Meeting was published via 2 newspapers of general circulation, the Manila Bulletin and Tempo, both on print and online, for 2 consecutive days on October 1 and 2, 2024. The last day of publication, 02 October 2024 is more than 21 days before the date of the meeting. The affidavit of publication is not yet available as of the time of the preparation of this report.

The target date of distribution via the CEU Website and PSE Edge, 03 October 2024, will be 21 days prior to the scheduled ASM.

THE PARENT COMPANY IS NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY

Item 2. Dissenters' Right of Appraisal.

Although there are items in the agenda that involves an amendment to the Articles of Incorporation, there are no corporate matters or actions that will entitle dissenting stockholders to exercise their right of appraisal as provided for by the Revised Corporation Code because the proposed amendment to the Articles of Incorporation does not have the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence. The proposed amendment is for the purpose of increasing the number of Directors in order to consequently increase Independent Directors, and to permanently allow attendance via remote communication

and/or voting in absentia via remote communication during stockholder meetings in order to encourage stockholder participation.

Item 3. Interest of Persons in or Opposition to Matters to be Acted Upon.

a. The incumbent directors and officers have no substantial interest in any matter to be acted upon other than their election to office.

b. No director has informed the University in writing that he intends to oppose any action to be taken by the registrant at the annual meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof.

a) As of September 30, 2024, the University has 372,414,400 issued and outstanding common stock at ₱1.00 par value per share.

The closing price per share of the University’s common shares as of September 30, 2024 (last traded September 30, 2024), the latest obtainable data as of the preparation of this report, was ₱13.26.

All the shares of stock are entitled to vote.

b) Only stockholders of record at the close of business hours on October 3, 2024 are entitled to notice and to vote at the Annual Stockholders’ Meeting.

c) A stockholder entitled to vote at the meeting shall have the right to do so in person or by proxy. With respect to the election of directors, in accordance with Section 24 of the Corporation Code of the Philippines, a stockholder may vote the number of shares held in his name in the University’s stock and transfer book as of October 5, 2023, and may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit: Provided, That the total number of votes cast by him shall not exceed the number of shares owned by such stockholder as shown in the stock and transfer book multiplied by the total number of directors to be elected.

d) Security Ownership of Certain Record and Beneficial Owners and Management

1. Security Ownership of Certain Record and Beneficial Owners

Owners of record of more than five percent (5%) of the University’s shares of stock as of September 30, 2024 are as follows:

Title of Class	Name & Address of Record Owner* & Relationship with Issuer	Name of Beneficial Owner & Relationship with Record Owner	Citizenship	Number of Shares Held	Percent (%)
Common	USAUTO CO, INC. 1000 United Nations Ave., Ermita, Manila Authorized	USAUTO CO, INC. Authorized Representative – Basilio	Filipino	126,620,891	34.00%

	Representative – Basilio C. Yap Relationship to Issuer - Stockholder	C. Yap Position -President			
Common	U.S. Automotive Co., Inc. 1000-1046 United Nations Ave., cor. San Marcelino, Ermita, Manila Authorized Representative – Basilio C. Yap Relationship to Issuer - Stockholder	U.S. Automotive Co., Inc. Authorized Representative – Basilio C. Yap Position - President	Filipino	85,650,096	22.99%

*Authorized representative has voting power over the shareholdings of the corporate stockholder.

Common	PCD Nominee Corp. – Filipino	Alejandro C. Dizon Beneficial Owner	Filipino	70,349,321	18.89%
Aggregate Number of Shares and Percentage of All Beneficial/Record Owners As a Group				<u>232,618,106</u>	<u>62.46%</u>

Security Ownership of Management

The following tables show the security ownership of CEU’s directors and officers as of September 30, 2024, the latest obtainable data as of the preparation of this report, are as follows:

Title of Class	Directors	Amount of Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Basilio C. Yap (Chairman)	1001 (d)	Filipino	0.0003
Common	Ma. Cristina D. Padolina (Vice Chairman/President)	38,316 (d)	Filipino	0.0103
Common	Lope M. Yuvienco*	100 (d)	Filipino	Nil
Common	Emil Q. Javier*	1 (d)	Filipino	Nil
Common	Benjamin C. Yap	800 (d)	Filipino	0.0002
Common	Alejandro C. Dizon**	50,033,412 (d)	Filipino	13.4349
Common	Emilio C. Yap III	344,833 (d)	Filipino	0.09
Common	Corazon M. Tiongco (Assistant Treasurer)	10,115,904 (d)	Filipino	2.7163
Common	Johnny C. Yap	1,000 (d)	Filipino	0.0003
	Total	60,544,367 (d)		16.25%

Title of Class	Officers	Amount of Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Ma. Cristina D. Padolina	38,316 (d)	Filipino	0.0102
Common	Cesar F. Tan	19,735 (d)	Filipino	0.0053
Common	Teresa R. Perez	3,226 (d)	Filipino	0.0009
Common	Maria Clara Perlita Erna V. Yabut	4,000 (d)	Filipino	0.0011
Common	Pearly P. Lim	2,366 (d)	Filipino	0.0006
Common	Ma. Flordeliza F. Anastacio	1,302 (d)	Filipino	0.0003
Common	Corazon M. Tiongco	10,115,904 (d)	Filipino	2.7163
Common	Bernardita T. Traje	753 (d)	Filipino	0.0002
-	Ma. Rolina S. Servitillo	0 (d)	Filipino	0

-	Carlito B. Olaer	0 (d)	Filipino	0
-	Rhoda C. Aguilar	0 (d)	Filipino	0
-	Jericho P. Orlina	0 (d)	Filipino	0
-	Bella Marie L.Fabian	0 (d)	Filipino	0
Total (excluding shares of Ma. Cristina D. Padolina and Corazon M. Tiongco)		31,382 (d)		0.0084
Aggregate Number of Shares and Percentage of All Security Ownership of Management as a Group		60,544,367 (d) =====		<u>16.25%</u>

*Independent Director

**Dr. Alejandro C. Dizon has 51,837 shares registered in his name in addition to 49,981,575 shares lodged with PCD Nominee Corporation.

3. There is no voting trust or similar agreement with respect to any portion of the outstanding shares, nor any agreement which may result in a change in control of the University.

Item 5. Directors and Executive Officers.

a. 1. The following are the incumbent directors and officers of the University:

DIRECTORS¹

BASILIO C. YAP, 75 years old, Filipino, was elected Board member and Chairman of the Board of Directors of the University on April 25, 2014. In 1972, he graduated from De La Salle University with the degree of Bachelor of Science in Commerce major in Accounting, (*cum laude*). He is a Certified Public Accountant. In 1978, he earned his masters degree in Business Management from Asian Institute of Management. He is also the Chairman, President and Director of U.S. Automotive Co. Inc., USAUTOCO Inc., Philtrust Realty Corporation, Manila Prince Hotel, Cocusphil Development Corporation, U.N. Properties Development Corporation and Seebreeze Enterprises, Chairman Emeritus of Philtrust Bank, Chairman and Director of Manila Hotel Corporation, Chairman of the Board of Manila Bulletin Publishing Corporation. He is also the Chairman of Centro Escolar University Hospital, Inc. and Centro Escolar Las Piñas, Inc.

MA. CRISTINA D. PADOLINA, 78 years old, Filipino, is the President, Vice Chairman and Chief Academic Officer of the University. She was elected as a member of the Board of Directors and President of the University on August 18, 2006, and as Vice Chairman on July 25, 2008. She graduated from the University of the Philippines with the degree of Bachelor of Science in Chemical Engineering. She also holds a degree of Master of Science (Chemistry) from the Ateneo de Manila University and the degree of Doctor of Philosophy (Inorganic Chemistry) from the University of Texas at Austin. On secondment from her post as Professor of Chemistry at UP Los Baños, she served as Chancellor of the Open University from 1995 to 2001 and as Commissioner of the Commission on Higher Education from 2001 to 2005. She is Professor Emeritus of the University of the Philippines, Los Baños. She is also a

¹ All directors hold office for one (1) year and until their successors are elected and qualified. All directors, except for the independent directors, are nominated on the floor.

Director of Centro Escolar University Hospital, Inc., Centro Escolar Integrated School and Vice-Chairman and President of Centro Escolar Las Piñas, Inc.

LOPE M. YUVIENCO, 80 years old, Filipino, is an independent director. He became a member of the Board of Directors of the University on March 31, 2023. He is currently a member of the University's Audit Committee. He graduated from University of the Philippines with a degree of Bachelor of Science in Business Administration in 1965, and obtained his M.B.A also from the University of the Philippines in 1972. He is a Certified Public Accountant. He was formerly an Independent Director of AXA Philippines and ORIX Metro Leasing Corporation, Director for Regulatory and Government Sector of Buenaventura Echauz & Partners, and Former Vice-President of Citibank N.A., Manila. He is also an Independent Director of Charter Ping An Insurance Corporation, and Fellow of Institute of Corporate Directors.

EMIL Q. JAVIER, 83 years old, Filipino, is an independent director. He became a member of the Board of Directors of the University in July 2002. He is currently the Chairman of the University's Audit Committee and a member of the Nomination Committee. He graduated from the University of the Philippines, Los Baños with a degree of B.S. Agriculture (*cum laude*). He also holds a degree of M.S. Agronomy from the University of Illinois and Ph.D. in Plant Breeding from Cornell University. He is Chairman of the Coalition for Agricultural Modernization in the Philippines, a Trustee of the Asia Rice Foundation, Head Advisor of the Biotech Coalition of the Philippines and Academician of the National Academy of Science and Technology (Phil.). He is likewise a Board Member of the International Service for the Acquisition of Agri-Biotech Applications (South East Asia Center), and Chairman, Nutrition Center of the Philippines. He is also an Independent Director of Centro Escolar University Hospital, Inc., Centro Escolar Las Piñas, Inc. and Independent Director of Del Monte Pacific Ltd. and Member, Advisory Committee of Japan International Cooperation Agency (JICA), Philippines.

BENJAMIN C. YAP, 78 years old, Filipino, was elected as a member of the Board of Directors on July 22, 2014. He graduated from University of the East with a degree of Bachelor of Science in Business Administration. He is currently the President and Chairman of the Board of Benjamin Favored Son, Inc., Chairman of the House of Refuge, Director of USAUTOOCO, Inc. and Director of Manila Hotel Corporation. He is also a Director of Centro Escolar University Hospital, Inc.

ALEJANDRO C. DIZON, 64 years old, Filipino, was elected as a member of the Board of Directors on August 31, 2007. Dr. Dizon graduated from the UERMMMC College of Medicine and passed the Philippine Medical Licensure Examination in 1986. He finished his residency in General Surgery at St. Luke's Medical Center and passed his Specialty Board Examination in General Surgery to become a Diplomate of the Philippine Board of Surgery, Inc. in 1992. He took his postgraduate fellowship training as a G.B. Ong Surgical Scholar at the Queen Mary Hospital, University of Hong Kong. He is a fellow and President of the Philippine College of Surgeons, a Fellow of the American College of Surgeons, Charter Fellow of the Philippine Society of General Surgeons Inc., and Examiner and member of the Board of Directors and Governors of the Philippine Board of Surgery Inc. He is currently the Vice President for Quality and Patient Safety and Chief Quality Officer and an Active Consultant in the Institute of Surgery of St. Luke's Medical Center Quezon City & Global City. He holds an Assistant Professor position in the faculty of UERMMMC College of Medicine.

EMILIO C. YAP III, 53 years old, Filipino, was elected as a member of the Board of Directors on September 1, 2009. He graduated from De La Salle University with the degree of Bachelor of Science in Accountancy. He was conferred with the degree of Doctor of Philosophy in Journalism, *honoris causa* by

Angeles University Foundation on March 1, 2009, and Doctor of Business Administration, *honoris causa* by the Pamantasan ng Lungsod ng Maynila on April 16, 2010. He is currently the Chairman of the Board of Manila Prime Holdings, Inc., Director and Vice Chairman of the Board of Manila Bulletin Publishing Corporation, and Director of Manila Hotel, Philtrust Bank and US Automotive Co., Inc.

CORAZON M. TIONGCO, 75 years old, Filipino, has been a member of the University's Board of Directors since 2000. She has been the Assistant Treasurer since August 12, 2005. She obtained her Bachelor of Arts degree from the College of the Holy Spirit. She is currently a member of the Nomination Committee, Head of the Purchasing Committee and the Purchasing Department. She is also a Director of Centro Escolar University Hospital, Inc.

JOHNNY C. YAP, 52 years old, Filipino, was elected as a member of the Board of Directors on October 26, 2007. He graduated from De La Salle University with the degree of Bachelor of Science in Management of Financial Institutions. He was conferred with the degree of Doctor of Philosophy in Humanities, *honoris causa* by Foundation University on March 21, 2010. He is presently the Vice Chairman and Treasurer of Euromed Laboratories, Philippines, Inc., Chairman of the Board of Café France Corporation, Board member of Philtrust Bank, and Director of Centro Escolar Las Piñas, Inc.

Under the Securities Regulation Code (SRC), any corporation with a class of equity shares listed for trading in an Exchange is required to have at least two (2) independent directors or have such independent directors which shall constitute at least twenty percent (20%) of the membership of such board, whichever is the lesser. Presently, CEU's incumbent independent directors are Angel C. Alcala and Emil Q. Javier.

The nomination, pre-screening and election of independent directors will be made in accordance with Rule 38 of the Amended Implementing Rules and Regulations of the Securities Regulation Code and Section 7, Article 1 of the University's By-laws.⁴

Based on the pre-screening and evaluation by the Nomination Committee⁵ during its meeting on 30 August 2024, the nominees for Independent Directors are:

(1) Dr. Emil Q. Javier, 83 years old, Filipino is the owner of record of one (1) share of common stock (0%). Dr. Javier was recommended as a nominee for Independent Director by Sally Hubag, Lolita Balboa, Adelma Obciana, Raul Caparas, and Felicita Diolanda, all stockholders of record. All of said stockholders have no relationship with Dr. Javier.

(2) Mr. Lope M. Yuvienco, Filipino, 80 years old, is owner of record of one (1) share of common stock (0%). Mr. Yuvienco was nominated by Sally Hubag and Sirila Agno, all stockholders of record. All of said stockholders have no relationship with Mr. Yuvienco.

Under SEC Memorandum Circular 4 s. 2017 Dr. Javier has already served as Independent Directors for nine (9) years since 2012. Under the same Memorandum Circular, however, in the instance that a company wants to retain an Independent Director who has served for nine (9) years, the Board should provide meritorious justifications and seek shareholders' approval during the annual shareholders' meeting.

Upon recommendation by the Nomination Committee and as approved by the Board, the nomination of Dr. Javier will be submitted to the approval of the shareholders during the Annual Stockholders' Meeting for the following meritorious reasons:

- a. The personal qualifications of both Dr. Javier, as well as their experience in the field of education is crucial for CEU.
- b. As shown by the nominations submitted as of 30 August 2024, no suitable replacement can be had at this time.

The nominees for regular directors were also evaluated by the Nomination Committee during the same meeting. Viz:

1. Mr. Basilio C. Yap
2. Ma. Cristina D. Padolina
3. Benjamin C. Yap
4. Alejandro C. Dizon
5. Emilio C. Yap III
6. Maria Corazon M. Tiongco
7. Johnny C. Yap

⁴The Nomination Committee is composed of Dr. Ma. Cristina D. Padolina, chairman; Dr. Emil Q. Javier, Ms. Corazon M. Tiongco and Atty. Sergio F. Apostol, members.

⁵During the stockholders' meeting on July 27, 2004, the stockholders approved the grant of annual medical allowance and related bonuses to the members of the Board of Directors.

OFFICERS

SERGIO F. APOSTOL, 89 years old, Filipino, was elected as the University's Corporate Secretary and Compliance Officer on February 26, 2010. He graduated from Letran College with the degree of Associate in Arts, Bachelor of Laws at Ateneo de Manila University. He is a member of the Board of Directors of Manila Hotel and Chairman and Chief Executive Officer of Kaytrix Agri-Aqua Corporation. He is a member of the Audit and Nomination Committee of Centro Escolar University. He is a Member of the House of Representatives 16th Congress.

CESAR F. TAN, 70 years old, Filipino, was elected as Treasurer on April 11, 2006 and is a member of the Procurement Committee. He graduated from the Far Eastern University with a degree of B.S.C. Accounting and is a career service professional. He was formerly Assistant Treasurer and Assistant Vice President of Liwayway Publishing, Inc. He is also the Treasurer of Centro Escolar Integrated School, Centro Escolar University Hospital, Inc. and Centro Escolar Las Piñas, Inc.

JAYSON O'S. RAMOS, 43 years old, Filipino, is the Legal Counsel of the University. He graduated from De La Salle University with the degree of BS Commerce major in Business Management in 2000 and Bachelor of Laws at San Beda College in 2006. He passed the Bar examination in 2006. Attended various seminars and trainings in his field of expertise. In July 2017, he was elected Assistant Compliance Officer. He is also the Corporate Secretary of Centro Escolar Integrated School, Inc.

TERESA R. PEREZ, 62 years old, Filipino, is the Vice President for Academic Affairs. She is a member of the Purchasing Committee. She graduated from CEU with the degree of B.S. Biology. She holds a Master's degree in Biology and a doctorate degree in Curriculum and Supervision, both from CEU. She has been a faculty member of the University since 1982 and also Vice President of Centro Escolar Integrated School and Centro Escolar Las Piñas, Inc.

MARIA CLARA PERLITA ERNA V. YABUT, 58 years old, Filipino, is the Vice President for Research and Evaluation. She graduated from the University of the Philippines with the degree of B.S. Secondary Education, major in Mathematics. She obtained a Master's and a doctorate degree in Mathematics Education, both from CEU. She has been with the University since 1990. At present, she is the National President of the Philippine Society for Research and Evaluation (PSERE), Chair of U-Belt Research Consortium, CEU Research and Development Foundation and Executive Secretary of the National Research Council of the Philippines Research Foundation (NRCPRF).

PEARLY P. LIM, 60 years old, Filipino, is the new Vice President for Makati. She was a former Dean of School of Dentistry. She graduated Preparatory Dentistry from University of the East, March 1982 and Doctor of Dental Medicine at Centro Escolar University, March 1986. She earned Master of Arts with Specialization of Teaching in March 1992, Doctor of Philosophy Major in Curriculum and Supervision in March 2002, and Master of Science in Dental Education in March 2007 at Centro Escolar University. She is a councilor at International Association for Dental Research, Fellow at Academy of Dentistry International and Pierre Fauchard Academy. She is an accreditor of the Philippine Association of Colleges and Universities., Commission on Accreditation (PACUCOA), and the CHINA (Guangxi)-ASEAN Advisory Committee on Dentistry.

MA. FLORDELIZA L. ANASTACIO, 64 years old, Filipino, is the Vice President and Dean of Studies of CEU Malolos. She earned her Bachelor's Degree in Accounting from La Consolacion College Manila. She is a Certified Public Accountant. She finished her MBA, PhD in Educational Management and Post Doctoral Course in Total Quality Management in Higher Education from Centro Escolar University Manila. She is the President of the International Academy of Accountants for Business, Research and Education (IAABRE) and the former National President of the Philippine Society for Educational Research and Evaluation (PSERE) and the Philippine Council of Deans and Educators in Business (PCDEB). She is an International Visiting Professorial Fellow, Research Fellow and Senior Fellow in Accountancy of the Royal Institute of Singapore. She completed her Post Doctoral Program in International Deans' Course (IDC) in Germany as a DAAD Scholar. At present, she is one of the 3 IDC Mentors/Experts of Southeast Asia.

CARLITO B. OLAER, 60 years old, Filipino, is the Vice President for Student Affairs. He served as the Head of the Religion Department and was the Campus Minister of CEU before his appointment as VP for Student Affairs. He holds the degree of A.B. Philosophy (*magna cum laude*) from the Dominican House of Studies and Bachelor of Sacred Theology (*cum laude*) from the University of Santo Tomas. He obtained his Masters in Theology (*magna cum laude*) from San Sebastian College and his doctoral degree in Educational Management from CEU (*with the highest academic distinction*). He has been with the University since 1991.

MA. ROLINA S. SERVITILLO, 57 years old, Filipino, is the Vice President for Administration and Accounting. She earned a degree of Bachelor of Science in Commerce, major in Accounting (*cum laude*) from the Centro Escolar University, Malolos Campus. She is a Certified Public Accountant (CPA) and former Head, Internal Audit Department of the University. She is also the Vice President for Accounting and Administration of Centro Escolar Las Piñas, Inc. and Centro Escolar Integrated School, Inc.

JERICHO P. ORLINA, 58 years old, Filipino, is the Assistant Vice President for Business Affairs. He graduated from Ateneo de Naga University with the degree of Bachelor of Science in Commerce, major in Accounting. He is a Certified Public Accountant. He completed the Post-Graduate Management Development Program of Asian Institute of Management. He is a member of Philippine Institute of Certified Public Accountants (PICPA) and Institute of Internal Auditors. He is also the Assistant Vice President of Centro Escolar University Hospital, Inc.

BELLA MARIE L. FABIAN, 61 years old, Filipino, is the Assistant Vice President for Administration. She graduated from University of the East with a degree of Bachelor of Science in Business Administration-Accounting. She obtained her Masters degree in Business Administration-Management and doctorate degree of Doctor of Philosophy in Business Management.

RHODA C. AGUILAR, 51 years old, Filipino, is the University Registrar. She is a member of the Administrative Council. She graduated from CEU with the degree of BSE major in Mathematics (*magna cum laude*). She obtained her Master's degree in Mathematics Education and doctorate degree in Curriculum and Supervision. She is a career service professional (exempted given to honor student) and the Professional Board Examination for Teachers (*8th place*).

BERNARDITA T. TRAJE, 63 years old, Filipino, is the University's Assistant Controller. She served as Assistant Treasurer from August 2001 to August 2006. She graduated from the Polytechnic University of the Philippines. She is a Certified Public Accountant (CPA). She has been with the University since 1980.

2. Significant Employees

All employees are expected to make reasonable contribution to the success of the business of the University. There is no "significant employee" as defined in Part IV(A)(2) of the SRC Rule 12 (i.e., a person who is not an executive officer of the registrant but who is expected to make a significant contribution to the business).

3. Family Relationships

Mr. Basilio C. Yap and Mr. Benjamin C. Yap are relatives within the second degree of consanguinity, while Dr. Emilio C. Yap III and Dr. Johnny C. Yap are relatives within the second degree of consanguinity. Mr. Basilio C. Yap and Mr. Benjamin C. Yap who are relatives within the second degree of consanguinity and Dr. Emilio C. Yap III and Dr. Johnny C. Yap who are also within the second degree of consanguinity are relatives within the third degree of consanguinity.

4. Pending Legal Proceedings

The University is not aware of any legal proceeding in the past five (5) years to date involving its directors and officers which are material to the evaluation of the ability and integrity of any director or officer of the University.

No director or officer has been convicted by final judgment during the last five (5) years up to the present of any offense punishable by Philippine laws or by the laws of any other country.

Likewise, the University has no knowledge of pending legal proceedings against any of its directors or executive officers involving: (a) any bankruptcy petition filed by or against any business of which its directors or executive officers is subject; or (b) any judgment or decree permanently or temporarily limiting or suspending their involvement in any type of business, securities, commodities or banking activities; or, (c) any violation of a securities or commodities law or regulation and the judgment has not been reversed, suspended or vacated.

5. Certain Relationships and Related Transactions

The University entered into a 25-year lease contract with Philtrust Bank on July 29, 2004. The lease covers the use of Philtrust Bank's land, building and improvements thereon located at 259-263 Sen. Gil Puyat Avenue and Malugay Street, Makati City. The lease commenced on January 1, 2005 for the operation of the CEU-Makati Extension Campus beginning school year 2005-2006. Lease of the building from Philtrust Bank Building is for the exclusive purpose of maintaining and operating an extension campus in Makati City, and to conduct therein all such activities necessary to provide adequate educational instruction and other services to its students, including authorized extra-curricular activities. The consideration for the lease was principally based on the valuation of the property by Asian Appraisal, Inc. and on the financial advisory by Buenaventura, Echaz and Partners. Except for the respective parties' covenants under said lease contract between CEU and Philtrust Bank,

there is no further contractual or other commitment resulting from the arrangement that would pose any risk or contingency. There are no other parties involved in this transaction.

The University, in line with its expansion program and for marketing purposes, avails of advertising services of Manila Bulletin Publishing Corporation. The terms of said advertising transactions are based on terms similar to those offered to non-related parties.

The University has rented room and facilities of Manila Hotel, an affiliate of the University, as venue for commencement exercises.

For a detailed discussion on related party transactions, please see the notes on the 2022 Audited Financial Statements.

b. There is no director who has declined to stand for re-election to the Board of Directors since the date of the last annual stockholders' meeting because of disagreement with the University on matters relating to operations, policies and practices.

Item 6. Compensation of Directors and Officers

1. The aggregate compensation paid or accrued during the last two (2) fiscal years and to be paid in the ensuing calendar year to the University's President and five (5) most highly compensated executive officers as a group are as follows:

<u>Name and Position</u>	<u>Fiscal Year</u>	<u>Annual Salary as a group</u>	<u>Bonuses as a group</u>	<u>Other Annual Compensation as a group</u>	<u>Total Compensation as a group</u>
PRES. PADOLINA	2022-2023	11,645,333.49	1,520,419.35	N/A	13,165,752.84
VP YABUT	2023-2024	12,798,102.56	1,497,245.64	N/A	14,295,348.20
VP PEREZ	2024-2025***	12,798,102.56	1,497,245.64	N/A	14,295,348.20
VP ANASTACIO					
VP OLAER					

***Figures are estimated amounts.

2. The aggregate compensation paid or accrued during the last two (2) fiscal years and to be paid in the ensuing calendar year to all other officers and directors as a group are as follows:

<u>Name and Position</u>	<u>Fiscal Year</u>	<u>Annual Salary</u>	<u>Bonus</u>	<u>Other Annual Compensation</u>	<u>Total Compensation</u>
All Officers and Directors as a Group	2022-2023	}			₱ 35,943,018.72
	2023-2024				₱ 31,754,550.55
	2024-2025***				₱ 31,754,550.55

3. The Directors do not receive compensation for services provided as a director other than reasonable per diems for attendance at meetings of the Board or any of its committees.⁶ The following are the per diems received by each Director:

<u>Name</u>	<u>Per Diem Amount (Monthly)</u>
1. Basilio C. Yap	₱ 5,000.00
2. Ma. Cristina D. Padolina	₱ 5,000.00
3. Emil Q. Javier	₱ 5,000.00
4. Lope M. Yuvienco	₱ 5,000.00
5. Emilio C. Yap, III	₱ 5,000.00
6. Alejandro C. Dizon	₱ 5,000.00
7. Benjamin C. Yap	₱ 5,000.00
8. Johnny C. Yap	₱ 5,000.00
9. Corazon M. Tiongco	₱ 5,000.00

4. There are no bonus, profit sharing stock options warrants, rights of other compensation plans or arrangements with directors or officers that will result from their resignation, retirement, termination of employment or change in the control of the University.

The duties and responsibilities of the elected corporate officers are specified in the University's By-laws and/or Manual of Corporate Governance.

Other officers whose duties and responsibilities are set by Management are considered regular employees of the University.

5. There are no outstanding warrants or options held by the University's President, executive officers and directors.

Item 7. Independent Public Accountants.

The accounting firm of Sycip, Gorres, Velayo & Co., Inc. (SGV) served as the University's external auditors for the last fiscal year.

In compliance with Securities Regulation Code (SRC) Rule 68, Ms. Djole S. Garcia was designated as partner in-charge from FY 2018 to FY 2023 while Ms. Josephine Adrienne A. Abarca and Mr. Christian Lauron were designated as partner in-charge in FY 2016 to FY 2017 and FY 2014 to FY 2015 respectively. For FY 2023-2024, the partner in - charge is Mr. Bryan Chrisnel M. Baes.

There was no change in or disagreement with the external auditor on accounting and financial disclosures.

The University is in compliance with SRC Rule 68, paragraph 3(b)(iv).

The Board, upon recommendation of the Audit Committee⁸ proposed the appointment of SGV as the external auditor for the ensuing fiscal year. The approval of the appointment of SGV as external auditors for fiscal year 2024-2025 will be one of the matters to be undertaken during the annual stockholders' meeting.

⁶During the stockholders' meeting on July 27, 2004, the stockholders approved the grant of annual medical allowance and related bonuses to the members of the Board of Directors.

⁷SGV has served as the University's external auditor since 2000, with Mr. Arnel F. de Jesus (2000-2005), Mr. Ramon D. Dizon (2006-Feb.2009), Ms. Janet Alvarado-Paraiso (March 2009-July 2013) and Mr. Christian Lauron (Aug.2013-Sept.2014), Ms. Josephine Adrienne A. Abarca (Oct. 2014-March 2018) Ms. Djole S. Garcia (April 2018 up to present) as handling partners.

⁸The Audit Committee is composed of Dr. Emil Q. Javier, (independent director) chairman, Dr. Angel C. Alcala, Dr. Alejandro C. Dizon and Atty. Sergio F. Apostol, members.

SGV representatives will be present during the stockholders' meeting and will have an opportunity to make a statement if they desire to do so. It is also expected that the attending representatives will be able to respond to appropriate questions.

There was no change in or disagreement with the external auditor on accounting and financial disclosures.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

The approval of the minutes of the annual stockholders' meeting held on October 27, 2023 will be taken up during the meeting.

Brief Summary of the 27 October 2023 Annual Stockholders' Meeting

The following Directors were present:

Mr. Basilio C. Yap, *Chairman*
Dr. Ma. Cristina D. Padolina, *Vice Chairman*
Dr. Emil Q. Javier, *Independent Director*
Dr. Alejandro C. Dizon,
Mr. Benjamin C. Yap,
Dr. Emil C. Yap III,
Dr. Johnny C. Yap,
Ms. Corazon M. Tiongco – Assistant Treasurer

The following corporate officers are present:

Mr. Cesar F. Tan – Treasurer/Assistant Corporate Secretary
Dr. Teresa R. Perez – Senior Vice President – Academics
Dr. Erna V. Yabut – Vice President for Research Innovation and Institutional Development &
Corporate Information Officer
Mrs. Rolina S. Servitillo – Vice President for Administration and Accounting

The voting rights of each stockholder and the requirements and procedure for participation and voting were set out in the Company's Definitive Information Statement.

Stockholders were advised to send questions and/or comments about the items in the agenda prior to or during the Annual Meeting to corporate@ceu.edu.ph. Questions which cannot be addressed during

the meeting will be referred to the Corporate Secretary for a response. **There were no questions propounded during the meeting.**

During the meeting, the following matters were approved with the following votes cast:

Tally of votes

Item	For	Against	Abstain	Decision
Approval of the Minutes of the 21 October 2022 Annual Stockholders Meeting	295,724,079	0	0	Approved
Approval of the Annual Report of the Board of Directors	295,724,079	0	0	Approved
Ratification of all acts, resolutions, and transactions of the Board of Directors and the Management for the fiscal year 2022-2023	295,724,079	0	0	Approved
Continuous engagement and nomination of Dr. Emil Q. Javier and Dr. Angel C. Alcala as independent directors.	295,724,079	0	0	Approved
Appointment of SGV and Co. as External Auditor	295,724,079	0	0	Approved

The following individuals were elected as members of the Board of Directors, with the following votes received

Name	Votes Received
Dr. Emil Q. Javier (independent)	295,724,079
Mr. Lope M. Yuvienco (independent)	295,724,079
Mr. Basilio C. Yap	295,724,079
Dr. Ma. Cristina D. Padolina	295,724,079
Dr. Alejandro Dizon	295,724,079
Mr. Benjamin C. Yap	295,724,079
Ms. Corazon M. Tiongco	295,724,079
Dr. Emil C. Yap III	295,724,079
Dr. Johnny C. Yap	295,724,079

Item 16. Agenda for annual stockholders' meeting on October 25, 2024:

1. Call to Order
2. Proof of Notice and Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting on October 27, 2023
4. Chairman's Address
5. Approval of the Annual Report of the Board of Directors
6. Ratification of all acts, resolutions, and transactions of the Board of Directors and the management for the fiscal year 2023 - 2024
7. Ratification/approval of the continuous engagement of Dr. Emil Q. Javier as Independent Director.
8. Election of Directors
9. Appointment of External Auditor
10. Other Matters
 - Declaration of Stock Dividends.
 - Amendment of Articles of Incorporation to increase number of Directors from 9 to 10.
 - Amendment of By Laws to increase number of Independent Directors from 2 to 3.
 - Amendment of By Laws to permanently allow voting in absentia via remote communication during Stockholder Meetings.
 - Amendment of By Laws to permanently allow attendance via remote communication during Stockholder Meetings.
11. Adjournment

Item 6, 7, and 10 are acts of Board of Directors and Management subject to ratification by the stockholders.

Rationale for the Agenda items:

1. Approval of the Minutes of the previous meeting is needed to ensure that the proceedings were properly recorded.
2. Since Dr. Javier has served as Independent Director for more than 9 years since 2012, the ratification by the shareholders of his continuous engagement is required.
3. The proposal to declare stock dividends is due to the fact that CEU currently has retained earnings in excess of its outstanding capital.
4. Under the Revised Corporation Code, the proposed amendment to the Articles of Incorporation and By-Laws in item 10 of the Agenda requires ratification by the Shareholders. These proposed amendments are aimed at further improving Corporate Governance. (Increase in number of Independent Directors, providing an additional channel for shareholders to attend and/or vote.

Item 17. Matters required to be submitted to the Stockholders – continuous engagement of Dr. Javier as independent director.

Item 7 of the agenda re: Ratification/approval of the continuous engagement of Dr. Emil Q. Javier as Independent Director. Requires the approval by the Stockholders because he has already served as Independent Director for more that nine (9) years since 2012.

Item 18. Matters required to be submitted to the Stockholders – Stock Dividend Declaration

Declaration of Stock Dividends. CEU currently has unrestricted retained earnings in excess of 100% of its paid in capital. As such, in addition to certain appropriations for facilities improvements, the Board of Directors of CEU during the Special BOD Meeting held last 03 October 2024 approved the issuance of stock dividends.

Amount declared is 20% stock dividend of the current outstanding or a total of 74,482,880 shares. Market value of Php13.3 per share at close of business hours of 02 October 2024 used as basis. This translates to an equivalent of PHP990,622,304 to be taken from the unrestricted retained earnings of the company as of fiscal year ended 31 May 2024.

The matter will be submitted to approval of the stockholders constituting at least two-thirds (2/3) of the outstanding capital stock. The corresponding application for SEC approval shall be made after the Annual Stockholders Meeting, depending on the outcome. Since the matter is subject to approval by the Stockholders and the SEC, record date and payment date will be announced later on.

Item 19. Matters required to be submitted to the Stockholders – amendment of Articles of Incorporation and By-Laws

On the other hand, the other proposals under Item 10 of the agenda, viz:

- Amendment of Articles of Incorporation to increase number of Directors from 9 to 10.
- Amendment of By Laws to increase number of Independent Directors from 2 to 3.
- Amendment of By Laws to permanently allow voting in absentia via remote communication during Stockholder Meetings.
- Amendment of By Laws to permanently allow attendance via remote communication during Stockholder Meetings.

All involve the amendments of the Corporation's Articles of Incorporation and By-Laws which, under the revised corporation code, requires the approval of at least two-thirds (2/3) of the outstanding capital stock.

Item 20. Voting Procedures

a. The vote required for approval or election

Sec. 24 of the Corporation Code provides that at all elections of directors, there must be present, either in person or by representative authorized to act by written proxy, the owners of majority of the outstanding capital stock. Candidates receiving the highest number of votes shall be declared elected.

Article I, Section 3 of the By-laws provides that in case of election of directors, every stockholder entitled to vote shall have the right to cumulate his shares, and give one candidate as many votes as the number of directors to be elected, multiplied by the number of his shares shall equal.

b. The method by which votes will be counted

Article I, Section 3 of the By-laws provides that except as otherwise provided by the Corporation Law, at each meeting of the stockholders, every stockholder entitled to vote thereat shall be entitled to one (1) vote in person or by proxy for each share of stock of the University subscribed for by him or held by him and registered in his name on the books of the University.

c. The manner by which the votes may be made

Instructions and Procedures for
Attendance and Online Voting in Absentia via remote communication
for the
2024 CEU Annual Stockholders' Meeting

I. Online Attendance and Voting in Absentia

For the 2024 CEU Annual Stockholders' Meeting (“Meeting”) attendance and voting may be done electronically in absentia.

II. Online Registration

1. Stockholders who wish to participate and vote in the Annual Stockholders’ meeting shall pre-register through the banner announcement found in the University’s Website, www.ceu.edu.ph starting October 4, 2024.
2. The registration period shall start from October 4, 2024 to the close of business hours on October 20, 2024. For any registration concerns, Stockholders may send an email to corporate@ceu.edu.ph
3. Upon access to the registration page, a Privacy Notice will appear. Once consent is given, registration will commence.
4. During the registration, the stockholder shall provide the following:
 - a. Individual Stockholders:
 - a.i. Name
 - a.ii. Active email address
 - a.iii. Active contact number
 - a.iv. Stock certificate number (just one in case of multiple certificates)
 - a.v. Scan (pdf or jpeg format) of a Valid Government Issued ID with signature and photograph. File size should not exceed 2MB.
 - a.vi. Recent Photograph of the Stockholder
 - b. For Stockholders with joint accounts:
 - b.i. A scanned copy of an authorization letter signed by all Stockholders named in the joint account, identifying who among them is authorized to cast the vote for the account. (pdf or jpeg format; file size should not exceed 2MB)

- b.ii. In addition, the authorized stockholder must submit the requirements enumerated in No. 3 (a) above.
 - c. For Stockholders under Broker accounts
 - c.i. A broker's certification on the Stockholder's number of shareholdings. (pdf or jpeg format; file size should not exceed 2MB).
 - c.ii. Active email address
 - c.iii. Active contact number
 - c.iv. Scan (pdf or jpeg format) of a Valid Government Issued ID with signature and photograph. File size should not exceed 2MB.
 - c.v. Recent Photograph of the Stockholder.
 - d. For corporate Stockholders
 - d.i. A Secretary's Certificate attesting to the authority of the representative to vote for, and on behalf of the Corporation (in JPG or PDF format. File size should not exceed 2MB).
 - d.ii. Active email address of the representative
 - d.iii. Active contact number of the representative
 - d.iv. Scan (pdf or jpeg format) of a Valid Government Issued ID of the representative with signature and photograph. File size should not exceed 2MB.
 - d.v. Recent Photograph of the Representative
 - e. For Stockholders to be represented by a proxy -
 - e.i. In addition to the above requirements for the Stockholder, the same requirement shall be submitted by the Proxy together with a scanned copy of the Proxy Form duly signed by the Stockholder (in JPG or PDF format. File size should not exceed 2MB). The Proxy Form may be downloaded from www.ceu.edu.ph
- 5. The collected information and documents will be validated and verified by Philippine Stock Transfer Inc., the Stock and Transfer Agent of CEU.
- 6. Incomplete or inconsistent information may result in an unsuccessful registration. Stockholders who are not able to register successfully will not be given access to participate and vote in the Meeting by remote communication.
- 7. Only those Stockholders who have successfully pre-registered and voted by remote communication, or participates through proxy, will be included in determining the existence of a quorum.
- 8. Once verification is successful, a confirmation email shall be sent to the registered email address containing the necessary codes and passwords in order to access the meeting.

III. Online Voting in Absentia

1. After filling out the required fields and uploading the required documents, Stockholders may cast their votes.

2. For the following items, the Stockholder may choose from the following options: **For, Against, or Abstain**. The vote is considered cast for all the registered Stockholder's shares:
 - Approval of the Minutes of the October 27, 2023 Annual Stockholders' Meeting;
 - Approval of the Annual Report of the Board of Directors;
 - Ratification of all acts, resolutions, and transactions of the Board of Directors and the management for the fiscal year 2023-2024;
 - Continuous engagement of Dr. Emil Q. Javier as independent director;
 - Appointment of SGV & Co. as External Auditor
 - Approval of issuance of Stock Dividends
 - Approval of the amendment to the Articles of Incorporation to increase the number of Directors from 9 to 10
 - Approval of the amendment to the By-Laws to increase the number of Independent Directors from 2 to 3
 - Approval of the amendment to the By-Laws to permanently allow voting in absentia via remote communication during Stockholders Meetings
 - Approval of the amendment to the By-Laws to permanently allow attendance via remote communication during Stockholder Meetings
3. For the Election of Directors, the registered Stockholder may either (a) vote for all nominees, (b) not vote for any of the nominees, or (c) vote for some nominees only, in such number of shares as preferred by the Stockholder, provided that the total number of votes cast shall not exceed the number of shares owned, multiplied by the number of directors to be elected. Candidates receiving the highest number of votes shall be declared elected.
4. Votes cast will be validated and verified by Philippine Stock Transfer Inc., the Stock and Transfer Agent of CEU. Unsuccessful registration will result in invalid votes.
5. A stockholder may send his/her questions and/or comments about the items in the Agenda prior to or during the Meeting to corporate@ceu.edu.ph. The Chairman will endeavor to reply to all questions received but should, for any reason, a question is not addressed, the Office of the Corporate Secretary will reply to the same by email.

In compliance with the requirements of the Securities and Exchange Commission, a recording of the proceedings of the Annual Meeting will be secured. Stockholders may send their queries about the Meeting to corporate@ceu.edu.ph

For any clarifications, please contact the Office of the Corporate Secretary through corporate@ceu.edu.ph

The Professional Stock and Transfer, Inc. will assist in the counting of votes.

**PART III
SIGNATURE PAGE**

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

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Manila on 03 October 2024.

CENTRO ESCOLAR UNIVERSITY

By:


SERGIO F. APOSTOL
Corporate Secretary

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **EMIL Q. JAVIER**, Filipino, of legal age and a resident of 9941 Mt. Makiling St., Los Baños Subd. College, Los Baños, Laguna, after having been sworn to in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of Centro Escolar University, and I have been its Independent Director since 2008.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
National Academy of Science and Technology Phils.	Academician	1982 to date
Asia Rice Foundation, Inc.	Trustee	1999 to date
Biotech Coalition of the Phils.	Head Advisor	2004 to date
International Service for the Acquisition of Agri-Biotech Applications (South East Asia Center)	Board Member	2000 to date
Nutrition Center of the Phils.	Chairman	2017 to date
Centro Escolar University Hospital	Independent Director	2008 to date
Del Monte Pacific Ltd.	Independent Director	2007 to date
Japan International Cooperation Agency (JICA)-Philippines	Member, Advisory Com.	2011 to date
Coalition for Agricultural Modernization in the Phils. (CAMP)	Chairman	2015 to date
Centro Escolar Las Piñas, Inc.	Independent Director	April, 2016

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Centro Escolar University, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.
4. I am not related any director/officer/substantial shareholder of Centro Escolar University and its subsidiaries and affiliates other than the relationship provider under rule 38.2.3 of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuance.
7. I shall inform the Corporate Secretary of Centro Escolar University of any changes in the above-mentioned information with five days from its occurrence.

Done, this _____ day of 26 SEP 2024, at Manila.

Emil Q. Javier
EMIL Q. JAVIER

SUBSCRIBED AND WORN to before me this 26 SEP 2024 day of _____ at Manila, affiant personally appeared before me and exhibited to me his Philippine Passport No. P4047095A issued at DFA, Manila on August 15, 2017.

Doc. No. 378
Page No. 76
Book No. Cxori
Series of 2024.

ATTY. GARY CAMITAN AJURE
NOTARY PUBLIC, ROLL NO. 60777
PTR No. 1527767 Issued on Jan. 2, 2024 until Dec. 31, 2024 Manila
IBP Lifetime No. 14589 Issued on Feb. 2, 2016
Commission No. 2023-018 Issued on Nov. 18, 2022 Effective Jan. 1, 2023 Until Dec. 31, 2024/Manila
RCLE No. VII-0001643 Issued on Nov. 20, 2019 Valid Until April 14, 2025 Pasig City
Office Address: L2F1 Upper Ground Floor, Burgundy Transpacific Place,
2444 A, Taft Avenue, Malate, Manila 1004

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **LOPE M. YUVIENCO**, Filipino, of legal age and a resident of 50 Domingo Poblete St., BFHEVA BF Executive Village, Parañaque City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of Centro Escolar University, and I have been its Independent Director since March 2023.
2. I have been affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Philippine AXA Life Insurance Corporation	Independent Director	2008 up to April 2023
Charter Ping An Insurance Corporation	Independent Director	2016 up to April 2023
Orix Metro Leasing Corporation	Independent Director	2005-2007
Buenaventura Echauz & Partners	Director for Regulatory and Government Sector	2001-2003
Citibank N.A., Manila	Vice-President	1972-1994

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Centro Escolar University, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.
4. I am not related any director/officer/substantial shareholder of Centro Escolar University and its subsidiaries and affiliates other than the relationship provider under rule 38.2.3 of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuance.
7. I shall inform the Corporate Secretary of Centro Escolar University of any changes in the above-mentioned information with five days from its occurrence.

Done, this 26th day of September, 2024 at Manila.


LOPE M. YUVIENCO
Attiant

SUBSCRIBED AND WORN to before me this 26 SEP 2024 at Manila,
affiant personally appeared before me and exhibited to me his Philippine Passport No. P8956971B
issued at DFA, NCR South on February 15, 2022.

Doc. No. 977
Page No. 70
Book No. CRV1
Series of 2024.


ATTY. GARY CANTAN AURE
NOTARY PUBLIC, ROLL NO. 60777
PTR No. 1527767 Issued on Jan 2, 2022 Exp. Mar 31, 2024 Manila
IBP License No. 1409-1409-0000-0000-018
Commission No. 2023-018 Issued on Nov. 18, 2022 Expires Jan 1, 2025 Manila
MCLE No. 171-001648 Issued on Nov. 20, 2019 Valid Until April 14, 2025 Pasig City
Office Address: L2F1 Upper Ground Floor, Burgundy Transpacific Plaza,
2444 A. Taft Avenue, Malate, Manila 1004

CERTIFICATION

I, **SERGIO F. APOSTOL**, Corporate Secretary of Centro Escolar University (CEU), a corporation duly registered under Philippine laws, with address at 9 Mendiola Street, San Miguel, Manila certify that none of the Directors and Officers of the University work in government or any government agency.

September 26, 2024, Manila.


SERGIO F. APOSTOL
Corporate Secretary

ATTESTED BY:



DR. MA. CRISTINA D. PADOLINA
President and Vice Chairman

SUBSCRIBED AND SWORN to before me this SEP 30 2024 day of _____ at the City of Manila, affiant exhibiting to me his Philippine Passport No. EC7889755 issued on February 6, 2016 at Manila.


ATTY. GARY CAMITAN AURE

NOTARY PUBLIC, ROLL NO. 60777

PTR No. 1527767 Issued on Jan. 2, 2024 until Dec. 31, 2024 Manila

ESP License No. 14885 Issued on Feb. 2, 2018

Commission No. 2023-018 Issued on Nov. 18, 2023 Effective Jan. 1, 2023 Until Dec. 31, 2024 Manila

MCLE No. VII-0001643 Issued on Nov. 20, 2019 Valid Until April 14, 2025 Pasig City

Office Address: L2F1 Upper Ground Floor, Burgundy Transpacific Plaza,
2444 A. Taft Avenue, Malate, Manila 1004

Doc. No. 421
Page No. 87
Book No. CT001
Series of 2024.

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER**

1. August 30, 2024
Date of Report (Date of earliest event reported)
 2. SEC Identification Number 1093
 3. BIR Tax Identification No. 240-000-531-126
 4. CENTRO ESCOLAR UNIVERSITY
Exact name of issuer as specified in its charter
 5. PHILIPPINES
Province, city or other jurisdiction of incorporation
 6. (SEC Use Only)
Industry Classification Code:
 7. No. 9 Mendiola St., San Miguel, Manila
Address of principal office
 7. 1005
Postal Code
 8. (02) 8735-6861 to 71
Issuer's telephone number, including area code
 9. N/A
Former name or former address, if changed since last report
 10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA
- | Title of Each Class | Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding |
|---------------------|---|
| Common | 372,414,400 |
11. Indicate the item numbers reported herein: Item 9. Other Events

Item 9. Other Events.

Based on the nominations, pre-screening and evaluation by the Nomination Committee during its meeting on August 30, 2024, the nominees for Independent Directors are:

(1) Mr. Lope M. Yuvienco, 80 years old, Filipino, is an independent director. He became a member of the Board of Directors of the University on March 21, 2023. He is currently a member of the University's Audit Committee. He graduated from University of the Philippines with a degree of Bachelor of Science in Business Administration in 1965, and obtained his M.B.A also from the University of the Philippines in 1972. He is a Certified Public Accountant. He was formerly an Independent Director of AXA Philippines and ORIX Metro Leasing Corporation, Director for Regulatory and Government Sector of Buenaventura Echaz & Partners, and Former Vice-President of Citibank N.A., Manila. He is also an Independent Director of Charter Ping An Insurance Corporation, and Fellow of Institute of Corporate Directors.

Mr. Yuvienco was nominated by Sally Hubag and Cyrilla Agno all stockholders of record. All of said stockholders have no relationship with Mr. Yuvienco.

(2) Dr. Emil Q. Javier, 84 years old, Filipino, is an independent director. He is currently the Chairman of the University's Audit Committee and a member of the Nomination Committee. He graduated from the University of the Philippines, Los Baños with a degree of B.S. Agriculture (*cum laude*). He also holds a degree of M.S. Agronomy from the University of Illinois and Ph.D. in Plant Breeding from Cornell University. He is Chairman of the Coalition for Agricultural Modernization in the Philippines, a trustee of the Asia Rice Foundation, Head Advisor of the Biotech Coalition of the Philippines; Member, National Academy of Science and Technology (Phil.). He is likewise a Board Member of the International Service for the Acquisition of Agri-Biotechnology Applications (South East Asia Center), and Nutrition Center of the Philippines. He is also a Director of Centro Escolar University Hospital, Inc. and Centro Escolar Las Piñas and Independent Director of Del Monte Pacific Ltd. and Member, Advisory Committee of Japan International Cooperation Agency (JICA) Philippines.

Dr. Javier was recommended as a nominee for Independent Director by Sally Hubag, Lolita Balboa, Adelma Obciana, Raul Caparas and Felicita Diolanda, all stockholders of record. All of said stockholders have no relationship with Dr. Javier.

In this connection, since Dr. Javier has already served as Independent Director for more than nine (9) years since 2012, the matter was reported to the BOD. During the regular meeting of the BOD held in the afternoon of 30 August 2024, the Board, for meritorious reasons, resolved that the matter (continuous nomination and engagement

of Dr. Javier as independent director) be referred to the Stockholders during the annual meeting on 25 October 2024.

SIGNATURES

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

CENTRO ESCOLAR UNIVERSITY

Issuer

By:

A handwritten signature in black ink, appearing to read 'S. Apostol', with a long, sweeping flourish extending to the right.

Atty. SERGIO F. APOSTOL
Corporate Secretary

Item 9. Other Events.

Based on the screening and evaluation by the Nomination Committee per the Corporation's Code of Corporate Governance during its meeting on August 30, 2024, the slate of nominees for Board of Directors are:

BASILIO C. YAP, 75 years old, Filipino, was elected Board member and Chairman of the Board of Directors of the University on April 25, 2014. In 1972, he graduated from De La Salle University with the degree of Bachelor of Science in Commerce major in Accounting, (*cum laude*). He is a Certified Public Accountant. In 1978, he earned his masters degree in Business Management from Asian Institute of Management. He is also the Chairman, President and Director of U.S. Automotive Co. Inc., USAUTO CO Inc., Philtrust Realty Corporation, Manila Prince Hotel, Cocusphil Development Corporation, U.N. Properties Development Corporation and Seebreeze Enterprises, Chairman Emeritus of Philtrust Bank, Chairman and Director of Manila Hotel Corporation, Chairman of the Board of Manila Bulletin Publishing Corporation. He is also the Chairman of Centro Escolar University Hospital, Inc. and Centro Escolar Las Piñas, Inc.

MA. CRISTINA D. PADOLINA, 78 years old, Filipino, is the President, Vice Chairman and Chief Academic Officer of the University. She was elected as a member of the Board of Directors and President of the University on August 18, 2006, and as Vice Chairman on July 25, 2008. She graduated from the University of the Philippines with the degree of Bachelor of Science in Chemical Engineering. She also holds a degree of Master of Science (Chemistry) from the Ateneo de Manila University and the degree of Doctor of Philosophy (Inorganic Chemistry) from the University of Texas at Austin. On secondment from her post as Professor of Chemistry at UP Los Baños, she served as Chancellor of the Open University from 1995 to 2001 and as Commissioner of the Commission on Higher Education from 2001 to 2005. She is Professor Emeritus of the University of the Philippines, Los Baños. She is also a Director of Centro Escolar University Hospital, Inc., Centro Escolar Integrated School and Vice-Chairman and President of Centro Escolar Las Piñas, Inc.

LOPE M. YUVIENCO, 80 years old, Filipino, is an independent director. He became a member of the Board of Directors of the University on March 31, 2023. He is currently a member of the University's Audit Committee. He graduated from University of the Philippines with a degree of Bachelor of Science in Business Administration in 1965, and obtained his M.B.A also from the University of the Philippines in 1972. He is a Certified Public Accountant. He was formerly an Independent Director of AXA Philippines and ORIX Metro Leasing Corporation, Director for Regulatory and Government Sector of Buenaventura Echaz & Partners, and Former Vice-President of Citibank N.A., Manila. He is also an Independent Director of Charter Ping An Insurance Corporation, and Fellow of Institute of Corporate Directors.

EMIL Q. JAVIER, 84 years old, Filipino, is an independent director. He became a member of the Board of Directors of the University in July 2002. He is currently the Chairman of the University's Audit Committee and a member of the Nomination Committee. He graduated from the University of the Philippines, Los Baños with a

degree of B.S. Agriculture (*cum laude*). He also holds a degree of M.S. Agronomy from the University of Illinois and Ph.D. in Plant Breeding from Cornell University. He is Chairman of the Coalition for Agricultural Modernization in the Philippines, a Trustee of the Asia Rice Foundation, Head Advisor of the Biotech Coalition of the Philippines and Academician of the National Academy of Science and Technology (Phil.). He is likewise a Board Member of the International Service for the Acquisition of Agri-Biotech Applications (South East Asia Center), and Chairman, Nutrition Center of the Philippines. He is also an Independent Director of Centro Escolar University Hospital, Inc., Centro Escolar Las Piñas, Inc. and Independent Director of Del Monte Pacific Ltd. and Member, Advisory Committee of Japan International Cooperation Agency (JICA), Philippines.

BENJAMIN C. YAP, 78 years old, Filipino, was elected as a member of the Board of Directors on July 22, 2014. He graduated from University of the East with a degree of Bachelor of Science in Business Administration. He is currently the President and Chairman of the Board of Benjamin Favored Son, Inc., Chairman of the House of Refuge, Director of USAUTOOCO, Inc. Director of Manila Hotel Corporation and Director of Philtrust Bank. He is also a Director of Centro Escolar University Hospital, Inc.

ALEJANDRO C. DIZON, 64 years old, Filipino, was elected as a member of the Board of Directors on August 31, 2007. Dr. Dizon graduated from the UERMMMM College of Medicine and passed the Philippine Medical Licensure Examination in 1986. He finished his residency in General Surgery at St. Luke's Medical Center and passed his Specialty Board Examination in General Surgery to become a Diplomate of the Philippine Board of Surgery, Inc. in 1992. He took his postgraduate fellowship training as a G.B. Ong Surgical Scholar at the Queen Mary Hospital, University of Hong Kong. He is a fellow and President of the Philippine College of Surgeons, a Fellow of the American College of Surgeons, Charter Fellow of the Philippine Society of General Surgeons Inc., and Examiner and member of the Board of Directors and Governors of the Philippine Board of Surgery Inc. He is currently the Vice President for Quality and Patient Safety and Chief Quality Officer and an Active Consultant in the Institute of Surgery of St. Luke's Medical Center Quezon City & Global City. He holds an Assistant Professor position in the faculty of UERMMMM College of Medicine.

EMILIO C. YAP III, 53 years old, Filipino, was elected as a member of the Board of Directors on September 1, 2009. He graduated from De La Salle University with the degree of Bachelor of Science in Accountancy. He was conferred with the degree of Doctor of Philosophy in Journalism, *honoris causa* by Angeles University Foundation on March 1, 2009, and Doctor of Business Administration, *honoris causa* by the Pamantasan ng Lungsod ng Maynila on April 16, 2010. He is currently the Chairman of the Board of Manila Prime Holdings, Inc., Director and Vice Chairman of the Board of Manila Bulletin Publishing Corporation, Director and Vice Chairman Philtrust Bank, and Director of Manila Hotel, and US Automotive Co., Inc.

CORAZON M. TIONGCO, 75 years old, Filipino, has been a member of the University's Board of Directors since 2000. She has been the Assistant Treasurer since August 12, 2005. She obtained her Bachelor of Arts degree from the College of the Holy Spirit. She is currently a member of the Nomination Committee, Head of the Purchasing

Committee and the Purchasing Department. She is also a Director of Centro Escolar University Hospital, Inc.

JOHNNY C. YAP, 52 years old, Filipino, was elected as a member of the Board of Directors on October 26, 2007. He graduated from De La Salle University with the degree of Bachelor of Science in Management of Financial Institutions. He was conferred with the degree of Doctor of Philosophy in Humanities, *honoris causa* by Foundation University on March 21, 2010. He is presently the Vice Chairman and Treasurer of Euromed Laboratories, Philippines, Inc., Chairman of the Board of Café France Corporation, and Director of Centro Escolar Las Piñas, Inc.

SIGNATURES

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

CENTRO ESCOLAR UNIVERSITY

Issuer

By:



Atty. SERGIO F. APOSTOL
Corporate Secretary

30 August 2024

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. August 30, 2024
Date of Report (Date of earliest event reported)
2. SEC Identification Number 1093 3. BIR Tax Identification No. 240-000-531-126
4. CENTRO ESCOLAR UNIVERSITY
Exact name of issuer as specified in its charter
5. PHILIPPINES 6. (SEC Use Only)
Province, city or other jurisdiction of incorporation Industry Classification Code:
7. 9 Mendiola St., San Miguel, Manila 1005
Address of principal office Postal Code
8. (02) 8735-6861 to 71
Issuer's telephone number, including area code
9. N/A
Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
---------------------	--

Common Stock	372,414,400
--------------	-------------

11. Indicate the item numbers reported herein: Item 9. Other Events

Item 9. Other Events

During the recently concluded Regular Meeting of the Board of Directors of CEU held in the afternoon of 30 August 2024, the Board of Directors approved the proposal to amend Article 6 of the Articles of Incorporation and Section 7, Article I of the By Laws of CEU to change the number of Directors from 9 to 10, so that the number of Independent Directors be increased from 2 to 3. The proposal shall be submitted for approval by the Stockholders during the Annual Stockholders Meeting to be held on 25 October 2024.

The necessary submissions will be made after the Annual Stockholders Meeting.

SIGNATURES

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

CENTRO ESCOLAR UNIVERSITY

Issuer

By:


Atty. SERGIO F. APOSTOL
Corporate Secretary

August 30, 2024

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. August 30, 2024
Date of Report (Date of earliest event reported)

2. SEC Identification Number 1093
3. BIR Tax Identification No. 240-000-531-126

4. CENTRO ESCOLAR UNIVERSITY
Exact name of issuer as specified in its charter

5. PHILIPPINES
6. (SEC Use Only)
Province, city or other jurisdiction of incorporation Industry Classification Code:

7. 9 Mendiola St., San Miguel, Manila 1005
Address of principal office Postal Code

8. (02) 8735-6861 to 71
Issuer's telephone number, including area code

9. N/A
Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock	372,414,400

11. Indicate the item numbers reported herein: Item 9. Other Events
-

Item 9. Other Events

During the recently concluded Regular Meeting of the Board of Directors of CEU held in the afternoon of 30 August 2024, the Board of Directors approved the proposal to amend Article 6 of the Articles of Incorporation and Section 7, Article I of the By Laws of CEU to change the number of Directors from 9 to 10, so that the number of Independent Directors be increased from 2 to 3. The proposal shall be submitted for approval by the Stockholders during the Annual Stockholders Meeting to be held on 25 October 2024.

The necessary submissions will be made after the Annual Stockholders Meeting.

SIGNATURES

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

CENTRO ESCOLAR UNIVERSITY

Issuer

By:


Atty. SERGIO F. APOSTOL
Corporate Secretary

August 30, 2024

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. August 24, 2024
Date of Report (Date of earliest event reported)
2. SEC Identification Number 1093 3. BIR Tax Identification No. 240-000-531-126
4. CENTRO ESCOLAR UNIVERSITY
Exact name of issuer as specified in its charter
5. PHILIPPINES 6. (SEC Use Only)
Province, city or other jurisdiction of incorporation Industry Classification Code:
7. 9 Mendiola St., San Miguel, Manila 1005
Address of principal office Postal Code
8. (02) 8735-6861 to 71
Issuer's telephone number, including area code
9. N/A
Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
---------------------	--

Common Stock	372,414,400
--------------	-------------

11. Indicate the item numbers reported herein: Item 9. Other Events

Item 9. Other Events

During the recently concluded Regular Meeting of the Board of Directors of CEU held in the afternoon of 24 September 2024, the Board of Directors approved the proposal to amend Section 3 Article 1 of the By Laws of CEU to permanently allow remote communication as a method to attend Stockholder Meetings. The proposal shall be submitted for approval by the Stockholders during the Annual Stockholders Meeting to be held on 25 October 2024.

This is in addition to the resolution submitted last 30 August 2024. Details of the amendment will be set out in the Definitive Information Statement.

The necessary submissions will be made after the Annual Stockholders Meeting.

SIGNATURES

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

CENTRO ESCOLAR UNIVERSITY

Issuer

By:


Atty. SERGIO F. APOSTOL

Corporate Secretary

September 24, 2024

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. August 30, 2024
Date of Report (Date of earliest event reported)
2. SEC Identification Number 1093
3. BIR Tax Identification No. 240-000-531-126
4. CENTRO ESCOLAR UNIVERSITY
Exact name of issuer as specified in its charter
5. PHILIPPINES
6. (SEC Use Only)
Province, city or other jurisdiction of incorporation Industry Classification Code:
7. 9 Mendiola St., San Miguel, Manila 1005
Address of principal office Postal Code
8. (02) 8735-6861 to 71
Issuer's telephone number, including area code
9. N/A
Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
---------------------	--

Common Stock	372,414,400
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11. Indicate the item numbers reported herein: Item 9. Other Events

Item 9. Other Events

During the recently concluded Regular Meeting of the Board of Directors of CEU held in the afternoon of 30 August 2024, the Board of Directors approved the proposal to amend Section 3 Article 1 of the By Laws of CEU to permanently allow voting in absentia via remote communication during Stockholder Meetings. The proposal shall be submitted for approval by the Stockholders during the Annual Stockholders Meeting to be held on 25 October 2024.

The necessary submissions will be made after the Annual Stockholders Meeting.

SIGNATURES

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

CENTRO ESCOLAR UNIVERSITY

Issuer

By:


Atty. SERGIO F. APOSTOL
Corporate Secretary

August 30, 2024

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. September 24, 2024
Date of Report (Date of earliest event reported)
2. SEC Identification Number 1093 3. BIR Tax Identification No. 240-000-531-126
4. CENTRO ESCOLAR UNIVERSITY
Exact name of issuer as specified in its charter
5. PHILIPPINES 6. (SEC Use Only)
Province, city or other jurisdiction of incorporation Industry Classification Code:
7. 9 Mendiola St., San Miguel, Manila 1005
Address of principal office Postal Code
8. (02) 8735-6861 to 71
Issuer's telephone number, including area code
9. N/A
Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
---------------------	--

Common Stock	372,414,400
--------------	-------------

11. Indicate the item numbers reported herein: Item 9. Other Events

Item 9. Other Events

During the recently concluded Regular Meeting of the Board of Directors of CEU held in the afternoon of 24 September 2024, the Board of Directors approved that specifically for the 25 October 2024 Annual Stockholders' Meeting, the meeting will be held online, and the right to vote may be exercised in absentia via remote communication.

The Rules on Meeting by remote Communication and Voting in Absentia shall be made available to the stockholders through the University Website and the Definitive Information Statement.

Record date remains at close of business hours of 03 October 2024. Stock and transfer book will be closed from 04 October 2024 to 24 October 2024.

Last day of Proxy submission is 14 October 2024 and Proxy validation is 17 October 2024.

Agenda will be as follows:

1. Call to Order
2. Proof of Notice and Quorum
3. Approval of the Minutes of Annual Stockholders' Meeting held October 27, 2024
4. Chairman's Address
5. Approval of the Annual Report of the Board of Directors
6. Ratification of all acts, resolutions, and transactions of the Board of Directors and the management for the fiscal year 2023 - 2024
7. Ratification/approval of the continuous engagement of Dr. Emil Q. Javier as independent director.
8. Election of Directors
9. Appointment of External Auditor
10. Other Matters –
 - a. Amendment of Articles of Incorporation to increase Directors from 9 to 10
 - b. Amendment of By-Laws to increase Independent Directors from 2 to 3.
 - c. Amendment of By-Laws to permanently allow attendance and voting in absentia via remote communication during Stockholder Meetings
11. Adjournment

Justification for Agenda Items:

Item 3 – To ensure that the past meeting was properly recorded.

Item 7 – Ratification of Stockholders is needed since Dr. Javier has already served as Independent Director for more than 9 years.

Item 10 – Ratification of Stockholders is required by law in case of amendments to the Articles of Incorporation and/or By-Laws.

SIGNATURES

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

CENTRO ESCOLAR UNIVERSITY

Issuer

By:


Atty. SERGIO F. APOSTOL
Corporate Secretary

August 30, 2024

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. October 3, 2024
Date of Report (Date of earliest event reported)
2. SEC Identification Number 1093 3. BIR Tax Identification No. 240-000-531-126
4. CENTRO ESCOLAR UNIVERSITY
Exact name of issuer as specified in its charter
5. PHILIPPINES 6. (SEC Use Only)
Province, city or other jurisdiction of incorporation Industry Classification Code:
7. 9 Mendiola St., San Miguel, Manila 1005
Address of principal office Postal Code
8. (02) 8735-6861 to 71
Issuer's telephone number, including area code
9. N/A
Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock	372,414,400

11. Indicate the item numbers reported herein: Item 9. Other Events

Item 9. Other Events

During the recently concluded Special Meeting of the Board of Directors of CEU held in the afternoon of 03 October 2024, the Board of Directors approved the proposal to release past appropriation of retained earnings amounting to PHP786,000,000.00 detailed as follows:

- PHP336,000,000.00 approved last August 2020 for CEU Malolos;
- PHP450,000,000.00 approved last April 2022 for various projects at the Manila and Makati Campuses.

SIGNATURES

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

CENTRO ESCOLAR UNIVERSITY

Issuer

By:



Atty. SERGIO F. APOSTOL
Corporate Secretary

October 3, 2024

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. October 3, 2024
Date of Report (Date of earliest event reported)
2. SEC Identification Number 1093 3. BIR Tax Identification No. 240-000-531-126
4. CENTRO ESCOLAR UNIVERSITY
Exact name of issuer as specified in its charter
5. PHILIPPINES 6. (SEC Use Only)
Province, city or other jurisdiction of incorporation Industry Classification Code:
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Address of principal office Postal Code
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Issuer's telephone number, including area code
9. N/A
Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock	372,414,400

11. Indicate the item numbers reported herein: Item 9. Other Events

Item 9. Other Events

During the recently concluded Special Meeting of the Board of Directors of CEU held in the afternoon of 03 October 2024, the Board of Directors approved the proposal to issue stock dividends.

Amount declared is 20% stock dividend of the current outstanding or a total of 74,482,880 shares. Market value of Php13.3 per share at close of business hours of 02 October 2024 used as basis. This translates to an equivalent of PHP990,622,304 to be taken from the unrestricted retained earnings of the company as of fiscal year ended 31 May 2024.

The proposal shall be submitted for approval by the Stockholders during the Annual Stockholders Meeting to be held on 25 October 2024. The corresponding application for SEC Approval shall then be made depending on the results of the Annual Stockholders Meeting.

Since the matter will be subject to approval by the Stockholders and the SEC, record date and payment date will be provided later.

SIGNATURES

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

CENTRO ESCOLAR UNIVERSITY

Issuer

By:


Atty. SERGIO F. APOSTOL

Corporate Secretary

October 3, 2024

CENTRO ESCOLAR UNIVERSITY

(Company's Full Name)

**9 Mendiola Street
San Miguel, Manila**

(Company's Address)

8735-6861 to 71

(Telephone Numbers)

MANAGEMENT REPORT TO STOCKHOLDERS

**For the fiscal year ended May 31, 2024
in accordance with SRC Rule 20.4**

**MANAGEMENT REPORT TO STOCKHOLDERS
UNDER SRC RULE 20.4**

Item 1. Financial Statements

The annual report (SEC17A) and audited consolidated financial statements are hereto attached.

Item 2. Changes in and Disagreements with External Accountants on Accounting and Financial Disclosure

There was no change in, nor disagreement with External Accountants on accounting and financial disclosures.

Item 3. Management's Discussion and Analysis (MD&A) or Plan of Operation

Management 's Discussion and Analysis or Plan of Operation

Tuition and Other School Fees increased by 28.50% from the previous year's ₱1,847,171,734 to this year's ₱2,373,589,778 as compared to last year's increase by 43.32% to ₱1,847,171,734 from ₱1,288,803,199. This account consists of Tuition Fees, Other Fees, and Income from Other School Services. Other fees included fees for electricity, registration materials, miscellaneous classroom expenses, laboratory materials, health services fees, library fees and development fees. Income from Other School Services comprised of fees for diploma and certificates, transcript of records, entrance examinations and various collections for specific items or activities. Other Revenues pertaining to rental income amounted to ₱13,227,724 which is a decrease of 20% from previous year's total of ₱10,953,501 as compared to an increase of 127.47% in 2023 from ₱4,815,310 in 2022. Interest income was reported at ₱32,265,250 in 2024, ₱14,739,965 in 2023, and ₱3,102,887 in 2022. No Other Income was reported as of May 31, 2024, with ₱4,000 as of May 31, 2023 which is a decrease from ₱322,060 in 2022.

The total revenues from contracts with customers increased to ₱2,400,221,353 from ₱1,880,318,123 in 2023 and from ₱1,301,696,641 in 2022 while Costs and Expenses were reported at ₱1,762,579,013 in 2024, ₱1,500,235,664 in 2023 and ₱1,180,482,250 in 2022.

For the fiscal year ended May 31, 2022, the academic calendar of the University was revised and the completion of the academic year was moved from May 2022 (fiscal year ended May 31, 2022) to June (covered by fiscal year ending May 31, 2023). This is due to the offering of the programs by the learning block affected by the health breaks imposed by the City Government.

Net income of the University as of May 31, 2024 increased to ₱616,981,545 from ₱396,019,517 in 2023 and from ₱119,052,481 in 2022. For the fiscal year 2023-2024 the University has increased in the number of total students. A 5% increase in the tuition fees and other school fees of first year students was implemented in School Year 2022-2023. In addition, there are no more rebates in the miscellaneous fees as the hybrid class modality was implemented. For SY 2023-2024, a 5% increase in tuition and other school fees was collected from the students in second year and higher years.

The extension of classes due to a health break implemented by the city government had an effect on the net income reported for Fiscal Year 2022 and 2023 with the deferred tuition fees and contract liabilities which will be recognized as revenue in June 2022 (fiscal year ending May 31, 2023) and in June 2023 (fiscal year ending May 31, 2024).

Financial Condition (2023-2024; 2022-2023; 2021-2022)

The University reported a healthy cash position as of May 31, 2024. Cash and cash equivalents were at ₱788,628,149 as compared to last year's balance of ₱790,973,671 and May 31, 2022 balance of ₱480,047,725. Also, in fiscal year 2024 was a ₱450,000,000 Investment in Securities and Other Instruments. Tuition and other receivables were at ₱308,104,679 this year as compared with ₱347,621,304 in 2023 and ₱286,584,422 in 2022. The University's receivables consist of tuition receivables, interest receivables, and employee and lessee receivables. There are no receivables from unconsolidated subsidiaries or related parties.

Inventories, consisting of materials, uniforms and supplies, were at ₱31,923,660. Other current assets, which consist largely of Advances to Suppliers and Prepayments, stood at ₱103,613,684.

The current assets of the University as of fiscal year ended May 31, 2024 were ₱1,682,270,172 as compared to ₱1,250,860,782 in 2023 and ₱957,799,560 for May 31, 2022.

Property and Equipment were reported at ₱6,530,816,984 from ₱5,739,500.53 in 2023 and ₱5,721,282,796 in 2022.

Total non-current assets were at ₱6,713,301,408 and Total Assets were at ₱8,395,571,580 at the end of the fiscal year.

Accounts payable and other current liabilities increased to ₱736,094,461 from ₱650,395,722 in 2023 and ₱530,611,109 for May 31, 2022. Deferred revenues were reported this year at ₱35,755,839. Dividends payable were at ₱592,029,196 compared to ₱346,614,015 last year and ₱116,979,801 on May 31, 2022. Total current liabilities were at ₱1,406,735,176 at fiscal year end.

Total noncurrent liabilities as of May 31, 2024 increased to ₱820,067,256 from last year's ₱790,552,282 and ₱809,411,783 in 2022. Because schools are allowed to claim 10% of their capital assets as an advanced tax credit, they can no longer claim the depreciation on these capital assets as tax deduction. Instead, the unamortized portion of these tax credits are lodged under deferred tax liability, and is amortized yearly in congruence with the depreciation of the capital assets. Deferred tax liabilities were at ₱535,706,593.

Upon adoption of PFRS 16 on April 1, 2019, the University recognized right-of-use asset and lease liability.

The Lease Liability - net of current portion for 2024 was at ₱116,038,550 and was at ₱131,452,782 in 2023 and ₱147,451,415 in 2022. Retirement liability refers to the portion of the Retirement Fund that needs to be funded over the course of the expected working lives of the employees. As of May 31, 2024, retirement liability was at ₱157,336,740.

The University's stockholder's equity stood at ₱6,168,769,148 as of May 31, 2024 compared to ₱5,338,126,160 as of May 31, 2023 and ₱5,389,626,957 as of May 2022.

Change in Academic Year and Financial Reporting Period

The University implemented a change in the academic year (i.e from June ending March to August ending May of each year). This started in August 2019 and was reported under the fiscal year ended March 31, 2020. This change in the academic year had an effect on the net income reported for Fiscal Year 2020 due to the non-inclusion of April and May 2020 realized tuition and other fees, as well as related expenses, which were reported under Fiscal Year 2021.

The University also implemented the approved change in its financial reporting period from April ending March to June ending May of each year because of the change in its academic year.

Last 19 November 2020, the Securities and Exchange Commission approved the amended By-Laws of the University. The amended By-Laws provided for the following changes:

1. Change in fiscal year from 01 April - 31 March of the following year to 01 June - 31 May of the following year;
2. Change in the date of the Annual Stockholders' Meeting from every fourth Tuesday of July to every fourth Friday of October.

Because of the change in fiscal year, CEU was audited twice for fiscal year 2020-2021, in order to include the interim period which consist of 01 April 2021 to 31 May 2021.

Key Performance Indicators

Key	2024	2023	2022	Interim	Manner of Computation	Significance
Revenue Growth	28.50%	43.32%	14.13%	-82.27%	Difference between current and last year's tuition and other school fees divided by last year's revenues	Measures Revenue growth

Return on Revenue	26%	21%	9%	21%	Net income divided by Tuition and other school fees	Shows how much profit is derived from every pesos of tuition and other school fees
Dividend Pay-out Ratio	72%	113%	125%	-	Dividends divided by net income	Indicates how earnings support dividend payment
Return on Equity	11%	7%	2%	1%	Net profit divided by average total stockholders' equity	Measures extent of profit earned
Return on Assets	8%	6%	2%	1%	Net profit divided by average total assets	Measures use of assets to generate income

Liquidity

The University relies on internally generated cash to fund its working capital needs, capital expenditures and cash dividends. It can satisfy the cash requirements and has no plan to raise additional funds.

Cash flows provided by operating activities were at ₱370,924,168 for fiscal year ended May 31, 2024 as compared to cash flows provided by operating activities at ₱590,751,938 for fiscal year ended May 31, 2023 and ₱267,078,425 for fiscal year ended March 31, 2022.

Cash used in investing activities was at ₱145,404,390 during the fiscal year ended May 31, 2024 as compared to cash used in investing activities of ₱122,372,645 during the fiscal year ended May 31, 2023 and ₱17,865,723 during the fiscal year ended March 31, 2022.

Cash used in financing activities was at ₱227,949,599 during the fiscal year. This was primarily used for the payment of dividends. Cash used for financing activities was ₱242,995,566 during the fiscal year ended May 31, 2023 and ₱168,354,116 for the fiscal year ended May 31, 2022.

Segment Reporting

The University operates in four geographical segments – Mendiola, Malolos, Makati-Gil Puyat and Makati-Legaspi campus. The financial information on the operations of these segments are disclosed in terms of segment assets, segment property and equipment (net), segment liabilities, segment revenues, operating expenses and net income/loss.

The segment report is included in the financial statements under Note 20.

Known Trends

Effect of Government Regulation with Respect to Increase in Tuition Fees

The Commission on Higher Education (CHED) promulgates guidelines to be followed by Higher Education Institutions (HEIs) intending to increase their tuition and other fees. Notable among them follows:

“A Certificate of Intended Compliance (COIC) stating that (70%) of the proceeds to be derived from the tuition fee increase shall be used for the payment of the salaries, wages, allowances and other benefits of its teaching and non-teaching personnel and other staff xxx.

“The 20% shall go to the improvement of the following:

1. Modernization of buildings
2. Equipment
3. Libraries
4. Laboratories
5. Gymnasium and similar facilities and
6. Payment of other costs of operations.

“Only 10% is left for return on investment.

1. Modernization of buildings
2. Equipment
3. Libraries
4. Laboratories
5. Gymnasium and similar facilities and
6. Payment of other costs of operations.

“Only 10% is left for return on investment.”

Education Trends

For school years 2018-2019 and 2017-2018, the University registered downward trends in enrollment due to the K-12 program of the government. This downward trend was exacerbated in the school year 2019-2020 due to the free tuition program of the government, which caused a lot of potential enrollees to enroll in State Universities and Colleges instead. For the school year 2020-2021, there was a notable decrease in enrollment. After a survey conducted by the University, the decrease was due to the COVID 19 pandemic. For the school years 2022-2023, and 2023-2024 there was an increase in enrollment as the University intensified its admission process and implemented changes in the teaching and learning modalities.

Key Variable and Other Qualitative and Quantitative Factors

Currently, there are no known trends, events, or uncertainties that have a material impact on the University's liquidity.

The Registrant does not know of any event that will trigger any direct or contingent financial obligation that may be material to the company, including default or acceleration of an obligation.

There are no known material off-balance sheet transactions, arrangements, or obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

As the University went back to its onsite operations as a result of the lifting of COVID Restrictions and resumption of face to face classes, CEU will continue with its facilities improvement.

All income is derived from the normal course of operations and through interest income on money market placements. There are no significant elements of income or loss.

Material changes from FY 2023 to FY 2024 include an increase of 27.61% in total revenues which resulted from the increase of 28.50% in tuition and other school fees and increase of 20.76% in rental income for the fiscal year. During FY 2022 and 2021, rebates were applied to certain miscellaneous fees due to online classes in this period of pandemic. Starting FY 2023, said rebates were no longer applied as there had been a shift to hybrid class modality. For costs and expenses, there was an increase of 17.07% in cost of services resulting from increased cost of manpower, light and water, cost of student uniforms, rental, office supplies, library, sports and academic development, expenses for co-curricular activities and professional fees. General and administrative expenses posted an increase of 20.19% due to increases in janitorial and security services, repairs and maintenance, provision for credit losses and insurance expenses. On other income and expenses, a material increase of 118.9% in interest income was reported due to higher deposits and placements and higher interest rates. Interest expense arising from lease liability due to the adoption of PFRS 16 on April 1, 2019 was reported this fiscal year at 8.0 million with a 9.96% decrease from previous year. There was a decrease of 97.89% in foreign currency exchange gains reported this fiscal year because of lower foreign currency placements and exchange rates. The loss on retirement of assets increased at 681.12% due to the value of condemned furniture and equipment.

These material changes resulted in an increase of 55.80% in net income after tax. This resulted from an increase in enrollment and higher rates of tuition fee and other school fees. Another factor to a higher income this fiscal year is the deferral of revenues for the month of June 2023 from the 2nd semester of SY 2022-2023, due to extension of the academic year when health break was implemented by the city government. This deferral was realized and recorded as income this fiscal year 2024.

New Accounting Standards

The University presented its consolidated financial statements to comply with accounting principles generally accepted in the Philippines (Philippine GAAP) as set forth in Philippine Financial Reporting Standards (PFRS). New and revised accounting standards, consisting of Philippine Accounting Standards (PAS) and PFRS became effective for financial reporting purposes.

The consolidated financial statements include the financial statements of the University, Centro Escolar University Hospital, Inc. (the Hospital), a wholly owned subsidiary, Centro Escolar Las Pinas (CELPI) and Centro Escolar Integrated School (CE-IS) (collectively referred to as the Group).

Subsidiary is consolidated when control is transferred to the Group and ceases to be consolidated when control is transferred out of the Group. Control is presumed to exist when the University owns more than 50% of the voting power of an entity unless in exceptional cases, it can be clearly demonstrated that such ownership does not constitute control. The consolidated financial statements are prepared using uniform accounting policies for the like transactions and other events in similar circumstances. All intercompany balances and transactions, intercompany profits and unrealized gains and losses have been eliminated in the consolidation.

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except that the Group has adopted the following new accounting pronouncements effective in 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the financial statements of the Group.

Amendments to PAS 1 and PFRS Practice Statement 2, Disclosure of Accounting Policies

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies; and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.
- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to PAS 12, *International Tax Reform-Pillar Two Model Rules*

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Group's consolidated financial statements.

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*

Deferred effectivity

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

The Group continues to assess the impact of the above new and amended accounting standards and interpretations effective subsequent to May 31, 2024 on the Group's financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the financial statements when these amendments are adopted.

The Registrant has no knowledge of any seasonal aspects that had a material effect on the financial condition or results of the operations.

Information on Independent Accountant

External Audit Fees and Services

Audit Fees and Related Fees

The appointment of Sycip, Gorres, Velayo and Co. (SGV) as external auditor of the University for the fiscal year ending May 31, 2024 was approved by the stockholders during the annual meeting on October 27, 2023.

In compliance with Securities Regulation Code (SRC) Rule 68, Ms. Djole S. Garcia was designated as partner in-charge from FY 2018 to FY 2023 while Ms. Josephine Adrienne A. Abarca and Mr. Christian Lauron were designated as partner in-charge in FY 2016 to FY 2017 and FY 2014 to FY 2015 respectively.

For FY 2023-2024, the partner in -charge is Mr. Bryan Chrisnel M. Baes.

In 2023, 2022 and 2021, the University paid ₱1,195,700, ₱1,087,000 and ₱1,048,100 respectively, VAT exclusive, to Sycip, Gorres, Velayo and Co. (SGV) for the audit of the University's annual financial statements, as well as assistance in the preparation of the annual income tax returns.

In May 2021, the University paid ₱366,560, VAT exclusive, to Sycip, Gorres, Velayo and Co. (SGV) for the audit of the University's two-month period ended May 31, 2021 interim financial statements, as well as assistance in the preparation of the annual income tax returns.

There is no other assurance and related services by the external auditor that are reasonably related to the performance of the audit or review of the University financial statements.

Tax Fees

In 1 May 2023 the Audit Committee unanimously approved the engagement of the SGV Business Tax Services Division to handle the BIR Final Assessment Notice matter of Centro Escolar Las Pinas Inc., one of the University's subsidiaries. In the pre-concurrence, the committee declared that said engagement does not constitute an unmanageable independence threat. This engagement is on-going.

Other Fees

On 21 July 2023 the Audit Committee unanimously approved the engagement of the SGV Business Tax Services Division to study and submit a report which documents all processes and analyses for the transfer pricing policies and documentation of the University. This engagement is on-going.

Audit Committee Pre-approval Policy

CEU's Audit Committee is composed of the Chairman, Dr. Emil Q. Javier, (independent director) and members, Dr. Angel C. Alcala (independent director), Dr. Alejandro C. Dizon and Committee Secretary Atty. Sergio F. Apostol.

The Audit Committee is required to pre-approve all audit and non-audit services rendered and approve the engagement fees and other compensation to be paid to the external auditor.

The Audit Committee found the services and fees for external audit reasonable and approved the same following a conference with the external auditors and the University's financial officers to clarify the scope, extent and details of the audit.

Changes in and Disagreements with External Accountants on Accounting and Financial Disclosure

There was no change in nor disagreement with External Accountants on accounting and financial disclosures.

Item 4. Description and General Nature and Scope of the Business

Centro Escolar University, an institution of higher learning established in 1907 by Librada Avelino and Carmen de Luna, is committed to the furtherance of its founders' philosophy *Ciencia y Virtud* (knowledge and virtue), and aims to cultivate the mind, the spirit, and the body for service to God, country and the family.

In pursuit of this goal, it seeks to educate students:

1. to develop wholesome values and attitudes;
2. to be proficient in their chosen vocations; and
3. to be involved in the promotion of progressive nationalism within the context of one world.

CEU, a stock corporation, was first incorporated in 1932 to exist for 50 years, or until 1982. On March 31, 1982 the corporate life was extended for another 12 years to last until 1994. On March 31, 1994, the Articles of Incorporation was amended extending the life of CEU for another 50 years.

There was no bankruptcy, receivership or similar proceeding that happened to the corporation.

A stock split was approved by SEC on March 31, 2000, effectively reducing the par value from ₱100 to ₱1 per share. PSE correspondingly adjusted the par value on August 3, 2000.

School Year 2023-2024

Student Enrolment

The University had an enrolment of 18,811 for the first semester and 17,889 for the second semester of school year 2023-2024. The total enrolment for the three campuses increased by 6.03% and 5.93% for the first and second semesters respectively compared to that of SY 2022-2023. The school year 2023-2024 has the enrollment for all each year levels.

Foreign Student Enrolment

Foreign student enrolment for SY 2023-2024 was 159 and 154 for the first and second semesters, respectively. An increase of 17.78% and 6.21% for the first and second semesters, respectively, was noted compared to that of the previous school year. Dentistry is the program where most of the foreign students enrolled. Chinese comprise the highest foreign students in CEU this SY.

Performance in Board Examination

Making excellence as its culture, CEU has proven once again its commitment to provide world-class quality education as its graduates garnered top spots in different licensure examinations conducted by the Professional Regulation Commission (PRC). CEU-Manila Pharmacy graduates took the top 4 spots in the licensure examination (1st, 3rd, 8th, and 10th), CEU-Manila Medical Technology graduate snatched the 6th while CEU – Makati Medical Technology graduate placed 8th of Medical Technology Licensure Examination for March 2024.

The passing percentage of CEU graduates who took the licensure examination the first time was higher than the national passing percentage in almost all licensure examinations.

Accreditation and Recognition

The sustainability of higher education institutions (HEIs) depends on their ability to compete locally and globally through quality programs and to be efficient and effective through quality systems.

CEU's adherence to its quality objectives and principles, as well as its compliance to statutory and regulatory requirements, urges the academic community to seek for opportunities for continuous improvement.

A total of eight (8) programs on the CEU campuses underwent AUN-QA Programme Assessment in SY 2023-2024. Four (4) programs that includes BS Nursing, Doctor of Optometry, BS Nutrition and Dietetics and BS Psychology (Online/Remote Site Visit) were assessed on May 9-11, 2023 while the other four (4) programs for Bachelor of Music, BS Social Work, BS Cosmetic Science, and

BS Information Technology had onsite assessment on September 12-14, 2023. All the eight (8) programs fulfilled the AUN-QA requirements and that the quality assurance implemented for the programs is "Adequate as Expected". The certifications from AUN indicates validity from June 11, 2023 to June 10, 2028 and October 14, 2023 to October 13, 2028 respectively for each group.

The AUN-QA assessment at programme level covers 11 criteria: expected learning outcomes, programme specification, programme structure and content, teaching and learning approach, student assessment, academic staff quality, support staff quality, student quality and support, facilities and infrastructure, quality enhancement and output. Each criterion is assessed based on a 7-point scale. Based on the overall assessment results, all the eight (8) programs fulfilled the AUN-QA requirements and that overall the quality assurance implemented for the programs is "Adequate as Expected".

The Société Générale de Surveillance (SGS) conducted the three-day combined audit of ISO 9001:2015 (Quality Management System) and ISO 21001:2018 (Educational Organization Management System) on April 15-17, 2024. The SGS auditors verified CEU's compliance with ISO standards, regulatory

requirements, and customer expectations. They also assessed the institution's risk management processes and effectiveness.

The University is granted recertification for its ISO 9001:2015 and a new certification for ISO 21001:2018 with effectivity date of June 20, 2024 to July 17, 2026.

Centro Escolar University, has been ranked among the 2024 Global Top 300 Innovative Universities by The World University Rankings for Innovation (WURI). The World University Rankings for Innovation (WURI) assesses higher education institutions' real contributions to industry and society, highlighting innovative education, research, and engagement to society.

Overall, CEU was ranked 271 among the 1072 universities worldwide that participated.

Most significant is that CEU ranked in the TOP 100 in three categories:

- Industrial Application: Rank 23
- Support for Global Resilience: Rank 27
- Leadership: Rank 36

This ranking is a result of the collective effort of everyone in the CEU community. Each of us contributes in our unique and special way. Each one of us should feel the pride and the pleasure at having contributed to this achievement.

International Linkages

The School of Nursing have a research collaboration with Stikes Buleleng Bali Indonesia and Stikes Baiturrahim for the research "Effectiveness of Mobile Diabetes Self-Management Education (M-DSME for Patients with Type 2 Diabetes Mellitus in Indonesia and Philippines". They co-organized the 13th Hong Kong International Nursing Forum held in March 5, 2024 and the 9th Allied Health Sciences Symposium held on May 8-9, 2024 with Daegu Health College, Kumamoto Health Science University, and Khon Kaen University. They have an Internship/Student Exchange Program Outbound with Budi Luhur Institute of Health Sciences and a faculty Exchange Program with Polytechnic Health Ministry of Pontianak.

The School of Optometry have student exchange linkages with the Asia University in Taiwan, Academy Leprindo and Academy Aktriyo Yogyakarta Indonesia, and Management Science University (MSU), Malaysia where they sent 19, 16, and 25 student interns for international visit and clinical immersion on April 18-25, 2024, May 13-23, 2024, and May 15-25, 2024 respectively.

Quality Assurance

Centro Escolar University earned anew an International Organization for Standardization Certification on ISO 21001:2018 which is Educational Organizations Management System (EOMS). This system guides institution that support the development of knowledge through teaching learning or research. The standard aims to enhance the satisfaction of learners, other beneficiaries and staff through effective application of the EOMS. The University also passed the surveillance I of ISO 9001:2015 (Quality Management System). The ISO visit was conducted in April 15-17,

2024. The certification and surveillance applies to all academic and support services functions in CEU Manila, CEU Makati, and CEU Malolos campuses.

In preparation for the ISO external visit, a mock audit was conducted on March 19-22, 2024. On the other hand, Internal Quality Audit (IQA) was held on January to February 2024.

To leverage the future of the University as the “University of first choice” and to strengthen its pursuit of its vision and mission, the CEU Management Council conducts a yearly review and strategic planning. The activity also serves as a venue for strengthening the working relationship among the different work units of the University.

The Year End Management Review and Strategic Planning for the SY 2022-2023 was held on July 3, 5, 6, 18, & 19, 2023 with the following objectives: evaluate CEU’s performance on the four pillars of excellence and on the QMS and establish CEU’s three-year strategic plan (SY 2024-2025 to Sy 2026-2027). Aside from reporting the year end performances of the four pillars including the University programs and projects accomplishments, a comprehensive environment assessment that includes the finalization of the SWOT, Risk and Opportunities and Action Plans from SWOT was conducted. A strategic planning workshop was also part of the year end management review. A periodic monitoring of the annual operation plan of the different units was conducted online by the Planning and Monitoring Office.

The Midyear Management Review and Strategic Planning was held on February 27-29, 2024. It aimed to determine the CEU’s midyear performance on the four pillars of excellence, finalize the strategic plan for SY 2024-2025, and disseminate the improvement on the University Integrated QMS related programs.

An Internal Quality Audit (IQA) orientation and re-orientation was conducted on January 12, 2024. The activity aimed at enhancing CEU’s Quality Management System through an effective internal quality audit process delivered by competent and committed auditors. Orientation on the Educational Organizations Management System (EOMS – ISO 2018:2018) was also conducted. The same activity was also conducted for the Data and Document Custodian on October 4, 11, 12, 13 for Makati, and Manila. The orientation for the 7S evaluators was conducted on November 29, 2023.

To further improve service to various clientele, Customer Feedback Form (CFF) was incorporated in the visitor’s form to obtain feedback from external clients. Collection and submission of the CFF to the Institutional Development Department is done periodically. On the other hand, the CEU Internal Customer Survey Instrument and Student Personnel Services (SPS) Evaluation from internal clients/students are done annually.

To recognize the quality service and exemplary efforts of both teaching and non-teaching personnel, Centro Escolar University held its annual Quality Awards Day last November 8, 2023. The event gives recognition to the deserving members of the University from the three campuses; Manila, Makati, and Malolos as The Teacher of the Year, Non-Teaching of the Year (Non-Supervisory and Supervisory Category), Research of the Year, Best Internal Quality Audit (IQA) Sub-Team, Best Quality Circle, and CEU STARS.

Faculty Achievements

Dr. Erna V. Yabut, Vice-President for Research and Evaluation, is the current president of the Philippine Society for Educational Research and Evaluation, Inc. (PSERE), the chair of the University Belt Consortium Research and Extension Linkages, and the secretary of the National Research Council of the Philippines Research Foundation, Inc.

Dr. Carlito B. Olaer, Vice President for Student Affairs, was elected President of Philippine Association of Practitioners of Student Affairs and Services (PAPSAS). Dr. Maria Corazon L. Andoy, head of the Student Affairs of CEU Makati is the elected President of PAPSAS-NCR Chapter while Mr. Dante Gabano, Asst. to the VP for Student Affairs (Campus Organization) is the Business Manager.

Dr. Julieta Z. Dungca, Dean of the School of Science and Technology, is the elected secretary of the Philippines Society of Research (PSERE), Inc. and the treasurer of the Philippine Society of Parasitology (PSP), Inc. Dr. Carmencita Salonga, head of the Guidance and Counseling Department is a board director of Psychological Association of the Philippines. Dr. Maria Dolores Delacruz, head of the Planning and Monitoring Department is the treasurer of the Philippine Society for Quality Assurance (PSQ). Dr. Maricar Ching, the Asst. Dean of the Graduate School, is the secretary of both the Biology Teachers Association (BIOTA) of the Philippines and the National Research Council of the Philippines (NRCP) Division 3. Dr. Ching is also a board member of the Department of Science and Technology Philippine Council for Health Research and Development (DOST-PCHRD) Scholars Society. Ms. Aleli Lozano, head of the Physical Sciences and Math Department is the Asst. Treasurer of the Philippine Association of Chemistry Teachers. Dr. Agnes Magnaye, a faculty from the Biological Sciences Dept. is a board member of BIOTA Philippines.

The Dean of the School of Accountancy and Management, Dr. Rosemarie Soo, was elected Asst. Treasurer of the Philippine Association of Collegiate Schools of Business (PACSB) in SY 2023-2024 and Vice President for NCR. Prof. Roy Raian Joson, Program Head of Accountancy and Management, is presently the Director of the Philippine Federation of Credit Cooperatives, NCR and the Treasurer of the Regional Cluster Officer-Cooperative Development Authority while Mr. Dennis Sandoval, a lecturer, is the National President of the Council of Management Educators and Professionals in the Philippines (COMEPP) and the Vice President for External Affairs, Asian Council of Leaders, Administrators, Deans, and Educators in Business (ACLADEB)

The Dean of the School of Nursing, Dr. Elvira Urgel, is the P.R.O. of the Association of Deans of Philippine Colleges of Nursing while the Assistant to the Dean Mrs. Joylyn Mejilla is the Treasurer of Philippine Association of Diabetes Educators (PADE). Dr. Pearl Ed Cuevas is the Global Society for Philippines Nurses Researchers, Inc. (GSPNRI) Treasurer while Mr. Benedicto Reyes is the Treasurer. Mrs. Anjanette De Leon is the PADCENS Secretary, Mr. Rhyann Hitalla is the ETNAP President and a specialized trainer of European Wound Management Association, Mr. Erljohn Gomez is the Director Finance of the Sigma Phi Gamma Chapter and Dr. Sofia Magdalena Robles is a member of the COMELC of the Philippine Nurses Association.

From Dentistry Makati, Dr. Ryan Tiongco is a Board of Trustee for Luzon of the Philippine Dental Association (PDA). The Program Head of CEU Nursing, Mae Angeline M. Lontoc, is the Treasurer of the Philippine Association of Diabetes Care and Education Nurse Specialists, Inc. Mr. Marc Eugene Cera III, Program Head of the Makati Pharmacy is the Public Relations Officer of the Philippine Association of Colleges of Pharmacy while Mr. Cyrene Keith Villanueva and Mr. John Christian Lara is the Vice President and Coordinator respectively for the Young Pharmacists Group - South Metro Chapter. The Program Head of the Hospitality Management, Mrs. Luzette Mijares is the Treasurer of the Hospitality and Tourism Deans and Program Head CHED NCR (HOSTCODE CHED NCR). Mrs. Aurea Manzon- Prado won 3rd Place in the Outstanding Oral Presentation for her research entitled "*Musa acuminata and Ipomea batatas L.* as WBC Diluting Fluid and Its Effect on Erythrocytes" during the 8th Allied Health International Symposium held in Khon Kaen University, Thailand in December 1, 2023.

The Vice President of CEU Malolos, Dr. Maria Flordeliza Anastacio, is the President- International Academy of Accounting for Business, research and Education (IABBRE), Vice President -Pi Lambda Theta International Honor (Philippines Area), Expert/Mentor of the German Academic Exchange Service for Innovation Education Strategies (DAAD-DIES), and a Visiting Professor of the Royal Institution of Singapore, Dr. Maria Dinna Avinante, Program Head of Business Administration is a Marketing Professional of the Marketing Institute of the Philippines (PMAP), Mr. Pilipino Ramos, Head of the Accountancy Program is the Vice President- Planning and Development of the Bulacan Chamber and Commerce Industry. Dr. Josan Tamayo, Program Head of Information Technology, is the VP for External Affairs of Bulacan IT Educators Society and the Director for Curriculum and Instruction- Association of Computing Education Deans and Program Heads.

Dr. Shirley Wong, Head of the Dentistry, is the Treasure of the Academy of Dentistry International and Assistant Treasurer of the Academy of Dentistry International- Phil Section. She was also awarded as Fellow of the International College of Dentistry and Pierre Fauchard Academy.

Dr. Maria Concepcion Anda, Program Head of Optometry received the PFFA Excellence Awardee for the Optometry Profession (Academe/Research and Development Category) during the 11th PFFA Distinction Award 2024 held at U.P. Bahay ng Alumni in February 25, 2024.

Mrs. Regina Jazul, Program Head of Pharmacy, is the Auditor of the Philippine Association of Colleges of Pharmacy (PACOP), Mrs. Mylene June Perez is one of the assessors/coach of Immunizing Pharmacist Certification Program (PPhA) and is the Treasurer of the Young Pharmacist Guild Philippines – Bulacan Chapter.

Student Achievements

Centro Escolar University (CEU) Scorpions soar high in the field of sports as the Women's Volleyball varsity Team and the Women's Basketball Team were both declared Champion in the WNCAA 54th Season while the Men's Basketball Varsity Team was the Champion in the Breakdown Basketball Invitational (25 under)

Pharmacy students once again raised the banner of CEU as they won in the research competitions conducted during the 7th International Symposium & 14th Annual Scientific Conference of the **Metro Manila Health Research and Development Consortium (MMHRDC) in November 23-24, 2023 at the park Inn by Radison North Edsa, Quezon City. Research on “Characterization and Antibacterial Assessment of Optimized Ceftazidime Niosomal Gel Formulation” won 2nd place in the Oral Research Presentation while the “Antibacterial Property of The Ethanolic Crude Leaves Extract of Calabur Tree (Muntingia Calabura Linn.)” won 3rd place in the Research Poster Presentation. Both competitions are in the undergraduate categories.**

A 4th year BSA student was the 2nd runner up in the Search for the Regional Brightest Buwis Master Competition organized by the Bureau of Internal Revenue and participated in by 46 schools across the region. The CEU of Junior Philippine Institute of Accountants (JPIA) was recognized as the Most Compliant Local Chapter during the 2nd Dangal Kanluran: Honoring the Best held on June 29, 2023.

CEU Makati Dentistry brought home awards as a group of students won 2nd place in the Dental Student Research Competition organized by the Universitas Gadjah Mada, Yogyakarta, Indonesia in August 16, 2023. Several students presented a research poster during the 115th PDA Annual Convention & Scientific Sessions held on May 14, 2024 at SMX, MOA.

A group of Nursing students were declared Champion in the Makati Med. Battle of the Nightingales, an intern nursing School Quiz Bowl held at Makati Medical Center in September 8, 2023.

Item 5. Directors and Executive Officers

Please refer to the Definitive Information Statement submitted to the Securities and Exchange Commission.

Item 6. Market Price and Dividends

The University’s common equity is traded at the Philippine Stock Exchange. Following are the high and low prices for each quarter within the last two (2) fiscal years:

Fiscal Year Ended 2023		High	Low
June 1, 2022 – August 31, 2022	First Quarter	₱ 6.95	₱ 6.50
Sept. 1, 2022 – Nov. 30, 2022	Second Quarter	7.99	6.01
Dec. 1, 2022 – February 28, 2023	Third Quarter	₱8.00	₱6.12
March 1, 2023 – March 31, 2023	Fourth Quarter	8.70	6.53
Fiscal Year Ended 2024		High	Low
June 1, 2023 – August 31, 2023	First Quarter	₱ 8.70	₱ 7.11
Sept. 1, 2023 – Nov. 30, 2023	Second Quarter	9.05	7.62

Dec. 1, 2023 – February 28, 2024	Third Quarter	₱8.81	₱8.02
March 1, 2024 – May 31, 2024	Fourth Quarter	8.99	8.00

The closing price per share of the University's common shares as of September 30, 2024 (last traded September 30, 2024), the latest obtainable data as of the preparation of this report, was ₱13.26.

Holders

As of September 30, 2024, the latest obtainable data as of the filing of this report, there are 1,008 common shareholders. The name of the top twenty (20) shareholders and the number of shares and the percentage of total shares outstanding held by each are as follows:

Stockholder	Number of Common Shares Held	Percentage of Total Shares (%)
1. USAUTOOCO, Inc.	126,620,891	34.0000
2. PCD Nominee Corp. – Filipino/Others	70,349,321	18.8901
3. U.S. Automotive Co., Inc.	85,650,096	22.9986
4. Jose M. Tiongco	13,439,614	3.6088
5. Corazon M. Tiongco	10,115,904	2.7163
6. Erlinda T. Galeon	9,252,982	2.4846
7. Natalia De Vera	9,186,138	2.4666
8. Security Bank Corporation TA# 1090	8,072,299	2.1676
9. Alvin Anton C. Ong	1,344,308	0.3610
10. Maria Concepcion I. Donato	994,465	0.2670
11. Emma de Santos Oboza	758,190	0.2036
12. Alicia de Santos Villarama	758,190	0.2036
13. Estate of Trinidad V. Javellana	713,666	0.1916
14. Manuel M. Paredes	650,107	0.1746
15. Amado R. Reyes	650,107	0.1746
16. Ma. Alexa J. Intengan	634,621	0.1704
17. Leland &/or Melita Villadolid	560,523	0.1505
18. Angelo A.S. Suntay	453,186	0.1217
19. Valery C. Virata	387,206	0.1040
20. Emilio C. Yap, III	353,833	0.0950

There are no transactions that relate to an acquisition, business combination or other reorganization which will affect the amount and percentage of shareholdings of any of the University's directors, officers (as a group) or any person owning more than 5% of the University's outstanding capital stock.

Dividends

Dividends declared for the two most recent fiscal years, i.e., Fiscal Year ended May 31, 2023 and Fiscal Year ended May 31, 2024, are as follows:

Fiscal Year Ended May 31, 2023

Cash dividend amounting to .60 per share was paid on 25 July 2023 to all Stockholders of Record as of 30 June 2023.

Cash dividend amounting to .60 per share was declared on September 30, 2022 in favor of stockholders of record as of November 11, 2022, paid on December 7, 2022.

Fiscal Year Ended May 31, 2024

Cash dividend amounting to 1.20 per share was declared on 31 May 2024 in favor of stockholders of record as of 11 July 2024, paid on 05 August 2024.

Dividends shall be declared only from retained earnings.

There are no restrictions that limit the ability to declare dividends on common equity.

Recent Sale of Unregistered or Exempt Securities

The University did not sell any unregistered or exempt securities in the past three (3) years.

Item 7. Compliance on Corporate Governance

The University has complied with the provisions of its Manual on Corporate Governance. Continuous monitoring is being done by the Compliance Officer, Audit Committee, President and Chief Financial Officer and Internal Auditor to assure compliance.

On November 18, 2023 the Board of Directors and identified key officers of CEU attended a seminar on Corporate Government conducted by the Institute of Corporate Directors at the Manila Prince Hotel.

CEU adheres to governance principles and best practices to attain its objectives. A system has been established to monitor and evaluate the performance of the University and its Management and CEU is committed. The University is committed to consistently abide by and ensure improved compliance with the requirements of good corporate governance.

CEU is not aware of any acts of its Directors, top management, middle managers, employees of any acts of omission that may be considered as a deviation from the company's Code of Corporate Governance.

Committed to continuous improvement, CEU undertakes to regularly review its existing policies and practices and update the same when warranted.

UNDERTAKING

A copy of the University's annual report in "SEC Form 17-A (2024)", may be provided to any stockholder upon written request addressed to:

**Office of the Corporate Secretary
Centro Escolar University
9 Mendiola Street
San Miguel, Manila**

At the discretion of Management, a charge may be made for exhibits, provided such charge is limited to reasonable expenses incurred by the registrant in furnishing such copies.

COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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(Business address: No. Street City / Town / Province)

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Contact Person

873568-61 to 71

Contact Number

0	5
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Month

3	1
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Day

Fiscal Year

1	7	-	A
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FORM TYPE

Annual Report

1	0
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Month

4 th Friday

Day

Annual Meeting

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Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

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Domestic

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Foreign

Total Amount of Borrowings

To be accomplished by SEC Personnel concerned

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LCU

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CASHIER

CENTRO ESCOLAR UNIVERSITY
Company's Full Name

9 Mendiola Street
San Miguel, Manila
Company's
Address

8735-68-61 to 71
Telephone Number

May 31,2024
Fiscal Year Ending
(Month & Day)

SEC FORM 17 – A
Form Type

May 31, 2024
Period Ended Date

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-A

**ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE
AND SECTION 141 OF THE CORPORATION CODE**

1. For the fiscal year ended May 31, 2024
2. SEC Identification Number 1093
3. BIR Tax Identification No. 000-531-126-000
4. Exact name of issuer as specified in its charter CENTRO ESCOLAR UNIVERSITY
5. Province, Country or other jurisdiction of incorporation or organization Philippines
6. Industry Classification Code (SEC Use Only)
7. Address of Principal Office 9 Mendiola Street, San Miguel,
Manila Postal Code 1005
8. Issuer's telephone number, including area code (02) 8735-68-61
9. Former name, former address and fiscal year, if changed since last report N/A

10. Securities registered pursuant to Section 8 and 12 of the SRC, or Section 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
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Common Stock	372,414,400
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11. Are any or all these securities listed on a stock exchange?

Yes No

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

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder of Section 11 of the RSA and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports):

Yes

No

(b) has been subject to such filing requirements for the past 90 days.

Yes

No

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and ask prices of such stock, as of a specified date within 60 days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form. (See definition of "affiliate" in "Annex B").

Number of non-affiliate shares as of August 30, 2024 372,414,400

Closing price per share as of August 30, 2024 (last traded August 30, 2024)

13.50

Market value as of August 31, 2024

5,027,594,400.00
(price/share x 372,414,400)

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

Description of Business

Centro Escolar University (CEU), an institution of higher learning established in 1907 by Librada Avelino and Carmen de Luna, is committed to the furtherance of its founders' philosophy, Ciencia y Virtud (knowledge and virtue), and aims to cultivate the mind, the spirit, and the body for service to God, country and the family. It has ranked among the top ten institutions of higher education in the Philippines.

In pursuit of this philosophy, it seeks to educate students:

1. To develop wholesome values and attitudes;
2. To become intellectually, technologically, and globally proficient in their chosen professions; and
3. To be involved in the promotion of nationalism.

CEU, a stock corporation, was first incorporated in 1932 to exist for 50 years, or until 1982. On March 31, 1982 the corporate life was extended for another 12 years to last until 1994. On March 31, 1994, the Articles of Incorporation was amended extending the life of CEU for another 50 years.

There was no bankruptcy, receivership or similar proceeding that happened to the corporation.

Stock split was approved by the SEC on March 31, 2000, effectively reducing the par value from ₱100 to ₱1 per share. PSE correspondingly adjusted the par value on August 3, 2000.

School Year 2023-2024

Student Enrolment

The University had an enrolment of 18,811 for the first semester and 17,889 for the second semester of school year 2023-2024. The total enrolment for the three campuses increased by 6.03% and 5.93% for the first and second semesters respectively compared to that of SY 2022-2023. The school year 2023-2024 has the enrollment for all each year levels.

Foreign Student Enrolment

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- Support for Global Resilience: Rank 27
- Leadership: Rank 36

This ranking is a result of the collective effort of everyone in the CEU community. Each of us contributes in our unique and special way. Each one of us should feel the pride and the pleasure at having contributed to this achievement.

International Linkages

The School of Nursing have a research collaboration with Stikes Buleleng Bali Indonesia and Stikes Baiturrahim for the research “Effectiveness of Mobile Diabetes Self-Management Education (M-DSME for Patients with ype 2 Diabetes Mellitus in Indonesia and Philippines”. They co-organized the 13th Hong Kong International Nursing Forum held in March 5, 2024 and the 9th Allied Health Sciences Symposium held on May 8-9, 2024 with Daegu Health College, Kumamoto Health Science University, and Khon Kaen University. They have an Internship/Student Exchange Program Outbound with Budi Luhur Institute of Health Sciences and a faculty Exchange Program with Polytechnic Health Ministry of Pontianak.

The School of Optometry have student exchange linkages with the Asia University in Taiwan, Academy Leprindo and Academy Aktriyo Yogyakarta Indonesia, and Management Science University (MSU), Malaysia where they sent 19, 16, and 25 student interns for international visit and clinical immersion on April 18-25, 2024, May 13-23, 2024, and May 15-25, 2024 respectively.

Quality Assurance

Centro Escolar University earned anew an International Organization for Standardization Certification on ISO 21001:2018 which is Educational Organizations Management System (EOMS). This system guides institution that support the development of knowledge through teaching learning or research. The standard aims to enhance the satisfaction of learners, other beneficiaries and staff through effective application of the EOMS. The University also passed the surveillance I of ISO 9001:2015 (Quality Management System). The ISO visit was conducted in April 15-17, 2024. The certification and surveillance applies to all academic and support services functions in CEU Manila, CEU Makati, and CEU Malolos campuses.

In preparation for the ISO external visit, a mock audit was conducted on March 19-22,2024. On the other hand, Internal Quality Audit (IQA) was held on January to February 2024.

To leverage the future of the University as the “University of first choice” and to strengthen its pursuit of its vision and mission, the CEU Management Council conducts a yearly review and strategic planning. The activity also serves as a venue for strengthening the working relationship among the different work units of the University.

The Year End Management Review and Strategic Planning for the SY 2022-2023 was held on July 3, 5, 6, 18, & 19, 2023 with the following objectives: evaluate CEU’s performance on the four pillars of excellence and on the QMS and establish CEU’s three-year strategic plan (SY 2024-2025 to Sy 2026-2027).

Aside from reporting the year end performances of the four pillars including the University programs and projects accomplishments, a comprehensive environment assessment that includes the finalization of the SWOT, Risk and Opportunities and Action Plans from SWOT was conducted. A strategic planning workshop was also part of the year end management review. A periodic monitoring of the annual operation plan of the different units was conducted online by the Planning and Monitoring Office.

The Midyear Management Review and Strategic Planning was held on February 27-29, 2024. It aimed to determine the CEU’s midyear performance on the four pillars of excellence, finalize the strategic plan for SY 2024-2025, and disseminate the improvement on the University Integrated QMS related programs.

An Internal Quality Audit (IQA) orientation and re-orientation was conducted on January 12, 2024. The activity aimed at enhancing CEU’s Quality Management System through an effective internal quality audit process delivered by competent and committed auditors. Orientation on the Educational Organizations Management System (EOMS – ISO 2018:2018) was also conducted. The same activity was also conducted for the Data and Document Custodian on October 4, 11, 12, 13 for Makati, and Manila. The orientation for the 7S evaluators was conducted on November 29, 2023.

To further improve service to various clientele, Customer Feedback Form (CFF) was incorporated in the visitor’s form to obtain feedback from external clients. Collection and submission of the CFF to the Institutional Development Department is done periodically. On the other hand, the CEU Internal Customer Survey Instrument and Student Personnel Services (SPS) Evaluation from internal clients/students are done annually.

To recognize the quality service and exemplary efforts of both teaching and non-teaching personnel, Centro Escolar University held its annual Quality Awards Day last November 8, 2023. The event gives recognition to the deserving members of the University from the three campuses; Manila, Makati, and Malolos as The Teacher of the Year, Non-Teaching of the Year (Non-Supervisory and Supervisory Category), Research of the Year, Best Internal Quality Audit (IQA) Sub-Team, Best Quality Circle, and CEU STARS.

Faculty Achievements

Dr. Erna V. Yabut, Vice-President for Research and Evaluation, is the current president of the Philippine Society for Educational Research and Evaluation, Inc. (PSERE), the chair of the University Belt Consortium Research and Extension Linkages, and the secretary of the National Research Council of the Philippines Research Foundation, Inc.

Dr. Carlito B. Olaer, Vice President for Student Affairs, was elected President of Philippine Association of Practitioners of Student Affairs and Services (PAPSAS). Dr. Maria Corazon L. Andoy, head of the Student Affairs of CEU Makati is the elected President of PAPSAS-NCR Chapter while Mr. Dante Gabano, Asst. to the VP for Student Affairs (Campus Organization) is the Business Manager.

Dr. Julieta Z. Dungca, Dean of the School of Science and Technology, is the elected secretary of the Philippines Society of Research (PSERE), Inc. and the treasurer of the Philippine Society of Parasitology (PSP), Inc. Dr. Carmencita Salonga, head of the Guidance and Counseling Department is a board of director of Psychological Association of the Philippines. Dr. Maria Dolores Delacruz, head of the Planning and Monitoring Department is the treasurer of the Philippine Society for Quality Assurance (PSQ). Dr. Maricar

Ching, the Asst. Dean of the Graduate School, is the secretary of both the Biology Teachers Association (BIOTA) of the Philippines and the National Research Council of the Philippines (NRC) Division 3. Dr. Ching is also a board member of the Department of Science and Technology Philippine Council for Health Research and Development (DOST-PCHRD) Scholars Society. Ms. Aleli Lozano, head of the Physical Sciences and Math Department is the Asst. Treasurer of the Philippine Association of Chemistry Teachers. Dr. Agnes Magnaye, a faculty from the Biological Sciences Dept. is a board member of BIOTA Philippines.

The Dean of the School of Accountancy and Management, Dr. Rosemarie Soo, was elected Asst. Treasurer of the Philippine Association of Collegiate Schools of Business (PACSB) in SY 2023-2024 and Vice President for NCR. Prof. Roy Raian Joson, Program Head of Accountancy and Management, is presently the Director of the Philippine Federation of Credit Cooperatives, NCR and the Treasurer of the Regional Cluster Officer-Cooperative Development Authority while Mr. Dennis Sandoval, a lecturer, is the National President of the Council of Management Educators and Professionals in the Philippines (COMEPP) and the Vice President for External Affairs, Asian Council of Leaders, Administrators, Deans, and Educators in Business (ACLADEB).

The Dean of the School of Nursing, Dr. Elvira Urgel, is the P.R.O. of the Association of Deans of Philippine Colleges of Nursing while the Assistant to the Dean Mrs. Joylyn Mejilla is the Treasurer of Philippine Association of Diabetes Educators (PADE). Dr. Pearl Ed Cuevas is the Global Society for Philippines Nurses Researchers, Inc. (GSPNRI) Treasurer while Mr. Benedicto Reyes is the Treasurer. Mrs. Anjanette De Leon is the PADCEMS Secretary, Mr. Rhyon Hitalla is the ETNAP President and a specialized trainer of European Wound Management Association, Mr. Erljohn Gomez is the Director Finance of the Sigma Phi Gamma Chapter and Dr. Sofia Magdalena Robles is a member of the COMELC of the Philippine Nurses Association.

From Dentistry Makati, Dr. Ryan Tiongco is a Board of Trustee for Luzon of the Philippine Dental Association (PDA). The Program Head of CEU Nursing, Mae Angeline M. Lontoc, is the Treasurer of the Philippine Association of Diabetes Care and Education Nurse Specialists, Inc. Mr. Marc Eugene Cera III, Program Head of the Makati Pharmacy is the Public Relations Officer of the Philippine Association of Colleges of Pharmacy while Mr. Cyrene Keith Villanueva and Mr. John Christian Lara is the Vice President and Coordinator respectively for the Young Pharmacists Group - South Metro Chapter. The Program Head of the Hospitality Management, Mrs. Luzette Mijares is the Treasurer of the Hospitality and Tourism Deans and Program Head CHED NCR (HOSTCODE CHED NCR). Mrs. Aurea Manzon- Prado won 3rd Place in the Outstanding Oral Presentation for her research entitled "Musa acuminata and Ipomea batatas L. as WBC Diluting Fluid and Its Effect on Erythrocytes" during the 8th Allied Health International Symposium held in Khon Kaen University, Thailand in December 1, 2023.

The Vice President of CEU Malolos, Dr. Maria Flordeliza Anastacio, is the President- International Academy of Accounting for Business, research and Education (IABBRE), Vice President -Pi Lambda Theta International Honor (Philippines Area), Expert/Mentor of the German Academic Exchange Service for Innovation Education Strategies (DAAD-DIES), and a Visiting Professor of the Royal Institution of Singapore, Dr. Maria Dinna Avinante, Program Head of Business Administration is a Marketing Professional of the Marketing Institute of the Philippines (PMAP), Mr. Pilipino Ramos, Head of the Accountancy Program is the Vice President- Planning and Development of the Bulacan Chamber and Commerce Industry. Dr. Josan Tamayo, Program Head of Information Technology, is the VP for External Affairs of Bulacan IT Educators Society and the Director for Curriculum and Instruction- Association of Computing Education Deans and Program Heads.

Dr. Shirley Wong, Head of the Dentistry, is the Treasure of the Academy of Dentistry International and Assistant Treasurer of the Academy of Dentistry International- Phil Section. She was also awarded as Fellow of the International College of Dentistry and Pierre Fauchard Academy.

Dr. Maria Concepcion Anda, Program Head of Optometry received the PFFA Excellence Awardee for the Optometry Profession (Academe/Research and Development Category) during the 11th PFFA Distinction Award 2024 held at U.P. Bahay ng Alumni in February 25, 2024.

Mrs. Regina Jazul, Program Head of Pharmacy, is the Auditor of the Philippine Association of Colleges of Pharmacy (PACOP), Mrs. Mylene June Perez is one of the assessors/coach of Immunizing Pharmacist

Certification Program (PPhA) and is the Treasurer of the Young Pharmacist Guild Philippines – Bulacan Chapter.

Student Achievements

Centro Escolar University (CEU) Scorpions soar high in the field of sports as the Women's Volleyball varsity Team and the Women's Basketball Team were both declared Champion in the WNCAA 54th Season while the Men's Basketball Varsity Team was the Champion in the Breakdown Basketball Invitational (25 under).

Pharmacy students once again raised the banner of CEU as they won in the research competitions conducted during the 7 th International Symposium & 14 th Annual Scientific Conference of the Metro Manila Health Research and Development Consortium (MMHRDC) in November 23-24, 2023 at the park Inn by Radison North EDSA, Quezon City. Research on "Characterization and Antibacterial Assessment Of Optimized Ceftazidime Niosomal Gel Formulation" won 2nd place in the Oral Research Presentation while the "Antibacterial Property of The Ethanolic Crude Leaves Extract of Calabur Tree (Muntingia Calabura Linn.)" won 3rd Place in the Research Poster Presentation. Both competitions are in the undergraduate categories.

A 4th year BSA student was the 2nd runner up in the Search for the Regional Brightest Buwis Master Competition organized by the Bureau of Internal Revenue and participated in by 46 schools across the region. The CEU of Junior Philippine Institute of Accountants (JPIA) was recognized as the Most Compliant Local Chapter during the 2nd Dangal Kanluran: Honoring the Best held on June 29, 2023.

CEU Makati Dentistry brought home awards as a group of students won 2 nd place in the Dental Student Research Competition organized by the Universitas Gadjah Mada, Yogyakarta, Indonesia in August 16, 2023. Several students presented a research poster during the 115th PDA Annual Convention & Scientific Sessions held on May 14, 2024 at SMX, MOA.

A group of Nursing students were declared Champion in the Makati Med. Battle of the Nightingales, an intern nursing School Quiz Bowl held at Makati Medical Center in September 8, 2023.

CEU Program Accreditations

Thirteen (13) programs in CEU-Manila have PACUCOA Level 4 accredited status (BS Pharmacy, BS Biology, BS Psychology, BS Business Administration, BS Medical Technology, Liberal Arts, Bachelor of Secondary Education, Bachelor of Elementary Education, Doctor of Dental Medicine, BS Nutrition and Dietetics, Master of Arts, Master of Business Administration and Master of Science). BS Biology, BS Psychology, BS Pharmacy, BS Business Administration, and BS Nutrition and Dietetics are with Level 4 2nd reaccredited status. BS Medical Technology, Liberal Arts, Bachelor of Secondary Education, Bachelor of Elementary Education, and Doctor of Dental Medicine are with Level 4 1st reaccredited status. Doctor of Optometry is Level 3 accredited status. Nursing and Social Work is Level 3 accredited by PAASCU. Five (5) programs are in Level 2 reaccredited status (BS Hotel and Restaurant Management, BS Tourism Management, BS Information Technology, BS Computer Science, and BS Computer Engineering). Six (6) programs are on Level 1 accredited status (Ph.D. in Higher Education Management, Ph.D. in Mathematics Education. Ph.D. in Pharmacy, Ph.D. in Southeast Asian Studies, and Doctor of Public Administration). Accountancy is on Candidate Status. All these accredited programs have met the FAAP's stringent requirements specifically, (a) reasonably high standard of instruction as manifested by the quality of its teachers, (b) highly visible community extension programs, (c) highly visible research tradition, (d) strong staff development, (e) highly creditable performance of graduates in licensure examinations, and (f) existence of working consortia or linkages with other schools/agencies.

For CEU-Malolos, three programs have Level 4 1st Reaccredited status (BS Business Administration, Liberal Arts, BS Psychology), five programs have Level 3 reaccredited status (BS Hotel and Restaurant Management, BS Tourism Management, Doctor of Dental Medicine, BS Pharmacy, and BS Nursing), and

Level 2 1st reaccredited status for Bachelor of Elementary Education and BS Information Technology.

CEU-Makati has ten (10) Level 2 1st reaccredited status (BS Hotel and Restaurant Management, BS Tourism Management, BS Computer Science, BS Business Administration, BS Medical Technology, BS Psychology, BS Nursing, BS Pharmacy, Doctor of Dental Medicine and BS Information Technology).

The summary is as follows:

Accredited Programs	College/School	Accreditation Level	Period Covered	Accrediting Agency
CEU-Manila				
B.S. Biology		Level 4 2nd RA	July 2019-July 2024	PACUCO A
B.S. Psychology		Level 4 2nd RA	July 2019-July 2024	
B.S. Pharmacy		Level 4 2nd RA	May 2023-May 2028	
B.S. Business Administration		Level 4 2nd RA	May 2023-May 2028	
B.S. Nutrition and Dietetics		Level 4 2nd RA	Nov. 2022-Nov. 2027	
Doctor of Dental Medicine		Level 4 1 st RA	Jan. 2018-Jan. 2023	
Liberal Arts		Level 4 1 st RA	Sept. 2018-Sept. 2023	
Bachelor of Secondary Education		Level 4 1 st RA	Sept. 2018-Sept. 2023	
Bachelor of Elementary Education		Level 4 1 st RA	Sept. 2018-Sept. 2023	
B.S. Medical Technology		Level 4 1 st RA	March 2019-March 2024	
Doctor of Optometry		Level 3	Aug. 2018-Aug. 2023	
B.S. Social Work		Level 3	May 2023-May 2028	PAASCU
B.S. Nursing		Level 3	May 2023-May 2028	

B.S. Hotel and Restaurant Management	Level 2 RA	July 2019-July 2024	PACUCOA
B.S. Tourism Management	Level 2 RA	July 2019-July 2024	
B.S. Information Technology	Level 2 RA	March 2022-March 2027	
B.S. Computer Science	Level 2 RA	March 2022-March 2027	
B.S. Computer Engineering	Level 2 RA	Oct. 2022-Oct. 2027	
B.S. Accountancy	Candidate	April 2022-April 2026	

GRADUATE SCHOOL		
Master of Arts	Level 4	March 2019-March 2024
Master of Business Administration	Level 4	March 2019-March 2024
Master of Science	Level 4	March 2019-March 2024
Ph.D. in Higher Education Management	Level 1	Feb. 2020-Feb. 2024
Ph.D. In Mathematics Education	Level 1	Feb. 2020-Feb. 2024
Ph.D. in Pharmacy	Level 1	Feb. 2020-Feb. 2024
Ph.D. in Southeast Asian Studies	Level 1	Feb. 2020-Feb. 2024
Doctor of Public Administration	Level 1	Feb. 2020-Feb. 2024
CEU-MALOLOS		

B.S. Business Administration	Level 4, 1 st RA	July 2021-July 2026	PACUCO A
Liberal Arts Program	Level 4, 1 st RA	July 2021-July 2026	
Science Program (B.S. Psychology)	Level 4, 1 st RA	July 2021-July 2026	
Doctor of Dental Medicine	Level 3 RA	Dec. 2021-Dec. 2026	
B.S. Tourism Management	Level 3 RA	Dec. 2021-Dec. 2026	
B.S. Hotel and Restaurant Management	Level 3 RA	Dec. 2021-Dec. 2026	
B.S. Pharmacy	Level 3 RA	Dec. 2021-Dec. 2026	
B.S. Nursing	Level 3 RA	Dec. 2021-Dec. 2026	
B.S. Information Technology	Level 2 R111stR A	Nov. 2019-Nov. 2024	
Bachelor of Elementary Education	Level 2	Dec. 2021-Dec. 2026	
CEU-MAKATI			
B.S. Hotel and Restaurant Management	Level 2 RA1stRA	Aug. 2018-Aug. 2023	PACUCO A
B.S. Tourism Management	Level 2	Aug. 2018-Aug. 2023	
B.S. Business Administration	Level 2	Aug. 2018-Aug. 2023	
B.S. Computer Science	Level 2	March 2019-March 2024	
B.S. Psychology	Level 2	Nov. 2019-Nov. 2024	
B.S. Medical Technology	Level 2	Nov. 2019-Nov. 2024	

B.S. Pharmacy	Level 2	Nov. 2019-Nov. 2024
B.S. Nursing	Level 2	Nov. 2019-Nov. 2024
Doctor of Dental Medicine	Level 2	Oct. 2021-Oct. 2026
B.S. Information Technology	Level 2	Oct. 2021-Oct. 2026

To build further its status as an institution of higher learning, the University continues to bring its academic standards at par with internationally recognized certifying bodies.

CEU successfully earned the AUN-QA Certification for the sixteen programs based on the AUN-QA criteria: expected learning outcomes, program specification, program structure and content, teaching and learning approach, student assessment, academic staff quality, support staff quality, student quality and support, facilities and infrastructure, quality enhancement, output. The programs with AUN-QA certification are BS Biology, BS Pharmacy, Doctor of Dental Medicine, BS International Tourism and Travel Management, BS International Hospitality Management, BS Business Administration, BA Communication and Media, and BS Medical Technology. BS Nursing, Doctor of Optometry, BS Nutrition and Dietetics, BS Psychology, Bachelor of Music, BS in Social Work. Bachelor of Science in Information Technology and Bachelor of Science in Cosmetic Science.

The University entered into a 25-year lease contract with Philtrust Bank on July 29, 2004. The lease covers the use of Philtrust Bank's land, building and improvements thereon located at 259-263 Sen. Gil Puyat Avenue and Malugay Street, Makati City. The lease commenced on January 1, 2005 for the operation of the CEU-Makati Extension Campus for school year 2005-2006.

CEU complies with environmental laws. Its buildings are inspected regularly by the Office of the Mayor of Manila for sanitation and other safety measures, and the University pays the corresponding regulatory fees.

Contribution of Product Services to Revenues

	2021-2022	2022-2023	2023-2024
Liberal Arts	5,926,557	6,156,992	6,206,615
Science	19,962,244	56,114,745	66,657,691
ACS/AMT	48,362,003	31,221,851	50,093,417
Dentistry	134,821,298	202,408,740	262,469,464
Education	1,098,601	1,837,174	1,261,954
Medical Technology	86,470,597	112,993,946	134,444,273
Music	1,375,676	1,992,231	1,977,664
Nursing	84,519,076	90,653,887	128,951,137

Nutrition/HE/Tourism/HRM	24,934,936	42,233,697	47,084,479
Optometry	39,793,829	37,257,594	48,509,221
Pharmacy	65,939,257	74,715,904	84,133,001
Social Work	2,131,953	2,405,948	3,111,109
Graduate School	18,580,870	10,212,366	13,855,635
Law	6,253,046	5,956,192	6,803,267
Medicine	21,234,384	16,731,489	18,119,359
CEIS and CELP	114,827,868	163,048,805	155,132,120
TOTAL	676,232,195	855,941,560	1,028,810,407

Tuition Fee Increase

There was no tuition increase from SY 2020-2021 to SY 2021-2022 in consideration of the COVID 19 Pandemic. In fact, there were some fees that were reduced because of the temporary cessation on on-campus classes. For SY 2022-2023, a 5% increase in tuition fee and other school fees was collected from the incoming first year students only. For SY 2023-2024, a 5% increase in tuition and other school fees was collected from the students in the second year and higher years.

Effect of Government Regulation with Respect to Increase in Tuition Fees

The Commission on Higher Education (CHED) promulgates guidelines to be followed by Higher Educational Institutions (HEIs) intending to increase their tuition and other fees. The guidelines provide, among others:

“A Certificate of Intended Compliance (COIC) stating that (70%) of the proceeds to be derived from the tuition fee increase shall be used for the payment of the salaries, wages, allowances and other benefits of its teaching and non-teaching personnel and other staff x x x.

“The 20% shall go to the improvement of the following:

1. Modernization of buildings
2. Equipment
3. Libraries
4. Laboratories
5. Gymnasium and similar facilities and
6. Payment of other cost of operations

Only 10% is left for return on investment.”

The University has consistently distributed 70% of the incremental increase in tuition fees to its employees on a semestral basis. The 70% increase in tuition fees is distributed in the form of the benefit known as incremental proceeds, employee development programs, and other benefits.

The University regularly spends on capital expenditures to improve its facilities. These expenditures are sourced from internally-generated funds and generally exceed the allotted 20% of the tuition fee increase for the year.

Except for competition from other schools and universities, the rising cost of goods and materials and adverse economic situation which can affect operational costs and enrollment figures, there are no other major risks involved in the business of the University.

Item 2. Properties

CEU's main campus site, which houses 13 buildings, is located on a two-hectare prime real estate in Mendiola, Manila. Its campus in Malolos, Bulacan is located on a seven-hectare property along McArthur Highway.

The properties in Manila campus are covered by TCT Nos. 11919, 69761, 76251, 76252, 76253, 92437, 99602 and 171233. The Malolos property is covered by TCT No. T87162.

The University has no property that is subject to any mortgage, lien or encumbrance.

In connection with the establishment of CEU-Makati Campus, the University has been leasing the Philtrust Bank Building since 2004 for ₱2M fixed rental per month for 25 years plus a percentage of the annual income for its CEU-Makati, Gil Puyat Campus. As part of the University's expansion program for CEU-Makati Campus, the University purchased in 2006 the Seaboard Centre Condominium Project located at Esteban Street, Legaspi Village, Makati City. The University is currently working on the consolidation of these titles.

CEU complies with environmental laws. Its buildings are inspected regularly by the Manila, Malolos, and Makati LGU respectively for sanitation and other safety measures, and the University pays the corresponding regulatory fees.

Item 3. Legal Proceedings

CEU is not a party nor is any of the University's principal properties subject to any substantial legal proceeding that could be expected to have a material adverse effect on the results of its operations.

Item 4. Submission of Matters to a Vote of Security Holders

There were no matters submitted to a vote of security holders during the fourth quarter of the fiscal year covered by this report.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer’s Common Equity and Related Stockholder Matters

Market Price of and Dividends on Registrant’s Common Equity and Related Stockholder Matters

Market Information

The University’s common equity is traded at the Philippine Stock Exchange. Following are the high and low prices for each quarter within the last two (2) fiscal years:

		High	Low
Fiscal Year Ended 2023		High	Low
June 1, 2022 – August 31, 2022	First Quarter	☒ 6.95	☒ 6.50
Sept. 1, 2022 – Nov. 30, 2022	Second Quarter	7.99	6.01
Dec. 1, 2022 – February 28, 2023	Third Quarter	8.00	6.12
March 1, 2023 – March 31, 2023	Fourth Quarter	8.70	6.53
Fiscal Year Ended 2024		High	Low
June 1, 2023 – August 31, 2023	First Quarter	☒ 8.70	☒ 7.11
Sept. 1, 2023 – Nov. 30, 2023	Second Quarter	9.05	7.62
Dec. 1, 2023 – February 28, 2024	Third Quarter	8.81	8.02
March 1, 2024 – March 31, 2024	Fourth Quarter	8.99	8.00

The closing price per share of the University’s common shares as of August 30, 2024 (last trade was August 30, 2024) was ☒13.50.

Holder

As of August 30, 2024, the latest data obtainable as of the making of this report, there are 1,010 common shareholders. The name of the top twenty (20) shareholders and the number of shares and the percentage of total shares outstanding held by each are as follows:

Stockholder	Number of Common Shares Held	Percentage of Total Shares (5)
1. USAUTOOCO, Inc.	126,620,891	34.0000
2. PCD Nominee Corp. – Filipino/Others	61,159,096	16.4223
3. U.S. Automotive Co., Inc.	85,650,096	22.9986
4. Jose M. Tiongco	13,439,614	3.6088
5. Corazon M. Tiongco	10,115,904	2.7163
6. Erlinda T. Galeon	9,252,982	2.4846
7. Natalia Maria De Vera	9,186,138	2.4666
8. Security Bank Corporation TA# 1090	8,072,299	2.1676
9. Alvin Anton C. Ong	1,344,308	0.3610
10. Maria Concepcion I. Donato	994,465	0.2670

11. Emma de Santos Oboza	758,190	0.2036
12. Alicia de Santos Villarama	758,190	0.2036
13. Estate of Trinidad V. Javellana	713,666	0.1916
14. Manuel M. Paredes	650,107	0.1746
15. Amado R. Reyes	650,107	0.1746
16. Ma. Alexa J. Intengan	634,621	0.1704
17. Leland &/or Melita Villadolid	560,523	0.1505
18. Angelo A.S. Suntay	453,186	0.1217
19. Valery C. Virata	387,206	0.1040
20. Emilio C. Yap III	353,833	0.0950

There are no transactions that relate to an acquisition, business combination or other reorganization which will affect the amount and percentage of shareholdings of any of the University's directors, officers (as a group) or any person owning more than 5% of the University's outstanding capital stock

Dividends

Dividends declared for the three most recent fiscal years, i.e., Fiscal Year ended May 31, 2022, Fiscal Year ended May 31, 2023, and Fiscal Year ended May 31, 2024 are as follows:

Fiscal Year Ended May 31, 2022

Cash dividend amounting to .40 per share was declared on July 30, 2021 in favor of stockholders of record as of August 27, 2021, paid on September 22, 2021.

Fiscal Year Ended May 31, 2023

Cash dividend amounting to .60 per share was declared on May 26, 2023 in favor of stockholders of record as of June 30, 2023, paid on July 25, 2023.

Cash dividend amounting to .60 per share was declared on September 30, 2022 in favor of stockholders of record as of November 11, 2022, paid on December 7, 2022.

Fiscal Year Ended May 31, 2024

Cash dividend amounting to 1.20 per share was declared on 31 May 2024 in favor of stockholders of record as of 11 July 2024, paid on 05 August 2024.

Dividends shall be declared only from retained earnings.

There are no restrictions that limit the ability to declare dividends on common equity.

Recent Sales of Unregistered or Exempt Securities

The University did not sell any unregistered or exempt securities in the past three (3) years.

Item 6. Management 's Discussion and Analysis or Plan of Operation Financial Performance (2023-2024; 2022-2023; 2021-2022)

Tuition and Other School Fees increased by 28.50% from the previous year's ₱1,847,171,734 to this year's ₱2,373,589,778 as compared to last year's increase by 43.32% to ₱1,847,171,734 from ₱1,288,803,199. This account consists of Tuition Fees, Other Fees, and Income from Other School Services. Other fees included fees for electricity, registration materials, miscellaneous classroom expenses, laboratory materials, health services fees, library fees and development fees. Income from Other School Services comprised of fees for diploma and certificates, transcript of records, entrance examinations and various collections for specific items or activities. Other Revenues pertaining to rental income amounted to ₱13,227,724 which is a decrease of 20% from previous year's total of ₱10,953,501 as compared to an increase of 127.47% in 2023 from ₱4,815,310 in 2022. Interest income was reported at ₱32,265,250 in 2024, ₱14,739,965 in 2023, and ₱3,102,887 in 2022. No Other Income was reported as of May 31, 2024, with ₱4,000 as of May 31, 2023 which is a decrease from ₱322,060 in 2022.

The total revenues from contracts with customers increased to ₱2,400,221,353 from ₱1,880,318,123 in 2023 and from ₱1,301,696,641 in 2022 while Costs and Expenses were reported at ₱1,762,579,013 in 2024, ₱1,500,235,664 in 2023 and ₱1,180,482,250 in 2022.

For the fiscal year ended May 31, 2022, the academic calendar of the University was revised and the completion of the academic year was moved from May 2022 (fiscal year ended May 31, 2022) to June (covered by fiscal year ending May 31, 2023). This is due to the offering of the programs by the learning block affected by the health breaks imposed by the City Government.

Net income of the University as of May 31, 2024 increased to ₱616,981,545 from ₱396,019,517 in 2023 and from ₱119,052,481 in 2022. For the fiscal year 2023-2024 the University has increased in the number of total students. A 5% increase in the tuition fees and other school fees of first year students was implemented in School Year 2022-2023. In addition there are no more rebates in the miscellaneous fees as the hybrid class modality was implemented. For SY 2023-2024, a 5% increase in tuition and other school fees was collected from the students in second year and higher years.

The extension of classes due to a health break implemented by the city government had an effect on the net income reported for Fiscal Year 2022 and 2023 with the deferred tuition fees and contract liabilities which will be recognized as revenue in June 2022 (fiscal year ending May 31, 2023) and in June 2023 (fiscal year ending May 31, 2024).

Financial Condition (2023-2024; 2022-2023; 2021-2022)

The University reported a healthy cash position as of May 31, 2024. Cash and cash equivalents were at ₱788,628,149 as compared to last year's balance of ₱790,973,671 and May 31, 2022 balance of ₱480,047,725. Also, in fiscal year 2024 was a ₱450,000,000 Investment in Securities and Other Instruments. Tuition and other receivables were at ₱308,104,679 this year as compared with ₱347,621,304 in 2023 and ₱286,584,422 in 2022. The University's receivables consist of tuition receivables, interest receivables, and employee and lessee receivables. There are no receivables from

unconsolidated subsidiaries or related parties.

Inventories, consisting of materials, uniforms and supplies, were at ₪31,923,660. Other current assets, which consist largely of Advances to Suppliers and Prepayments, stood at ₪103,613,684.

The current assets of the University as of fiscal year ended May 31, 2024 were ₪1,682,270,172 as compared to ₪1,250,860,782 in 2023 and ₪957,799,560 for May 31, 2022.

Property and Equipment were reported at ₪6,530,816,984 from ₪5,739,500.53 in 2023 and ₪5,721,282,796 in 2022.

Total non-current assets were at ₪6,713,301,408 and Total Assets were at ₪8,395,571,580 at the end of the fiscal year.

Accounts payable and other current liabilities increased to ₪736,094,461 from ₪650,395,722 in 2023 and ₪530,611,109 for May 31, 2022. Deferred revenues were reported this year at ₪35,755,839. Dividends payable were at ₪592,029,196 compared to ₪346,614,015 last year and ₪116,979,801 on May 31, 2022. Total current liabilities were at ₪1,406,735,176 at fiscal year end.

Total noncurrent liabilities as of May 31, 2024 increased to ₪820,067,256 from last year's ₪790,552,282 and ₪809,411,783 in 2022. Because schools are allowed to claim 10% of their capital assets as an advanced tax credit, they can no longer claim the depreciation on these capital assets as tax deduction. Instead, the unamortized portion of these tax credits are lodged under deferred tax liability, and is amortized yearly in congruence with the depreciation of the capital assets. Deferred tax liabilities were at ₪535,706,593.

Upon adoption of PFRS 16 on April 1, 2019, the University recognized right-of-use asset and lease liability. The Lease Liability - net of current portion for 2024 was at ₪116,038,550 and was at ₪131,452,782 in 2023 and ₪147,451,415 in 2022. Retirement liability refers to the portion of the Retirement Fund that needs to be funded over the course of the expected working lives of the employees. As of May 31, 2024, retirement liability was at ₪157,336,740.

The University's stockholder's equity stood at ₪6,168,769,148 as of May 31, 2024 compared to ₪5,338,126,160 as of May 31, 2023 and ₪5,389,626,957 as of May 2022.

Change in Academic Year and Financial Reporting Period

The University implemented a change in the academic year (i.e from June ending March to August ending May of each year). This started in August 2019 and was reported under the fiscal year ended March 31, 2020. This change in the academic year had an effect on the net income reported for Fiscal Year 2020 due to the non-inclusion of April and May 2020 realized tuition and other fees, as well as related expenses, which were reported under Fiscal Year 2021.

The University also implemented the approved change in its financial reporting period from April ending March to June ending May of each year because of the change in its academic year.

Last 19 November 2020, the Securities and Exchange Commission approved the amended

By-Laws of the University. The amended By-Laws provided for the following changes:

1. Change in fiscal year from 01 April - 31 March of the following year to 01 June - 31 May of the following year;
2. Change in the date of the Annual Stockholders' Meeting from every fourth Tuesday of July to every fourth Friday of October.

Because of the change in fiscal year, CEU was audited twice for fiscal year 2020-2021, in order to include the interim period which consist of 01 April 2021 to 31 May 2021.

Financial Performance (Short-term period April 1 to May 31, 2021)

Tuition and Other School Fees were reported at ₪200,231,715 for the two-month period ended May 31, 2021 as compared to the total ₪1,129,208,087 for the year ended March 2021 and ₪1,314,456,816 for the year ended March 2020. This account consists of Tuition Fees, Other Fees, and Income from Other School Services. Other fees are fees for electricity, registration materials, miscellaneous classroom expenses, laboratory materials, health services fees, library fees and development fees. Income from Other School Services consisted of fees for diploma and certificates, transcript of records, entrance examinations and various collections for specific items or activities. Other Revenues reported in May 2021 pertain to rental income amounted to ₪592,733. Other revenues such as rental income and donation income amounting to ₪2,301,090 in March 2021 and ₪35,019,895 in March 2020 were reported separately in the financial statements. Interest income was reported at ₪552,858 in May 2021 and ₪3,565,698 for the year ended March 2021, and ₪4,717,701 in March 2020.

The total revenues from contracts with customers amounted ₪201,011,389 while the Operating Expenses were reported at ₪160,956,700 for the interim period ended May 31, 2021.

Net income of the University was ₪41,529,541 for the interim period ended May 31, 2021 and ₪155,256,227 for the year ended March 31, 2021 and ₪66,934,583 in 2020.

Financial Condition (May 31, 2021 and March 31, 2021)

The University's Cash and cash equivalents were at ₪480,047,725 as compared to the balance of ₪510,858,969 in March 2021 and ₪349,589,928 in March 2020. Tuition and other receivables were at ₪227,090,993 as compared to ₪344,984,005 in March 2021 and ₪322,195,587 in 2020.. The University's receivables consist of tuition receivables, interest receivables, and employee and lessee receivables (classified as Other Receivables). There are no receivables from unconsolidated subsidiaries or related parties.

Inventories, consisting of materials, uniforms and supplies, were at ₪14,446,174. Other current assets, which consist largely of Advances to Suppliers, Creditable withholding Taxes and Prepayments stood at ₪69,867,587.

The current assets of the University as of May 31, 2021 were ₪791,452,479 compared to ₪930,952,678 as of fiscal year ended March 31, 2021 and ₪743,573,521 for March 31, 2020.

Property and Equipment were reported at ₪4,916,351,509 from ₪4,924,380,695 in March 2021 and ₪4,999,659,087 in 2020.

Total non-current assets were at ₪5,151,796,971 and Total Assets were at ₪5,943,249,450 at the end of May 31, 2021.

Accounts payable and other current liabilities decreased to ₪439,335,804 from ₪544,991,642 in March 2021 and from ₪572,226,528 in 2020. No Deferred revenues were reported in May 2021 because the academic year was already completed. Dividends payable were at ₪108,618,157 compared to ₪109,015,657 in March 2021 and ₪105,755,874 in 2020. Total current liabilities were at ₪562,230,634 at the end of the interim period.

Total noncurrent liabilities as of May 31, 2021 decreased to ₪789,706,206 from ₪800,104,280 in March 2021 and ₪791,861,056 in 2020... Because schools are allowed to claim 10% of their capital assets as an advanced tax credit, they can no longer claim the depreciation on these capital assets as tax deduction. Instead, the unamortized portion of these tax credits are lodged under deferred tax liability, and is amortized yearly in congruence with the depreciation of the capital assets. Deferred tax liabilities were at ₪394,229,305.

. Upon adoption of PFRS 16 on April 1, 2019, the University recognized right-of-use asset and lease liability. The Lease Liability - net of current portion for May 2021 was at ₪162,564,562. Retirement liability refers to the portion of the Retirement Fund that needs to be funded over the course of the expected working lives of the employees. As of May 2021, retirement liability was at ₪219,492,741.

The University's stockholder's equity stood at ₪4,591,312,610 as of May 31, 2021 compared to ₪4,537,989,892 as of March 2021 and ₪4,434,328,320 as of March 2020.

Key Performance Indicators

Key	2024	2023	2022	Interim	Manner of Computation	Significance
Revenue Growth	28.50%	43.32%	14.13%	-82.27%	Difference between current and last year's tuition and other school fees divided by last year's revenues	Measures Revenue growth
Return on Revenue	26%	21%	9%	21%	Net income divided by Tuition and other school fees	Shows how much profit is derived from every pesos of tuition and other school fees
Dividend Pay-out Ratio	72%	113%	125%	-	Dividends divided by net income	Indicates how earnings support dividend payment
Return on Equity	11%	7%	2%	1%	Net profit divided by average total stockholders' equity	Measures extent of profit earned
Return on Assets	8%	6%	2%	1%	Net profit divided by average total assets	Measures use of assets to generate income

Liquidity

The University relies on internally generated cash to fund its working capital needs, capital expenditures and cash dividends. It can satisfy the cash requirements and has no plan to raise additional funds.

Cash flows provided by operating activities were at ₱820,905,002 for fiscal year ended May 31, 2024 as compared to cash flows provided by operating activities at ₱590,751,938 for fiscal year ended May 31, 2023 and ₱267,078,425 for fiscal year ended May 31, 2022.

Cash used in investing activities was at ₱595,385,224 during the fiscal year ended May 31, 2024 as compared to cash used in investing activities of ₱122,372,645 during the fiscal year ended May 31, 2023 and ₱17,865,723 during the fiscal year ended May 31, 2022.

Cash used in financing activities was at ₱227,949,599 during the fiscal year. This was primarily used for the payment of dividends. Cash used for financing activities was ₱242,995,566 during the fiscal year ended May 31, 2023 and ₱168,354,116 for the fiscal year ended May 31, 2022.

Segment Reporting

The University operates in four geographical segments – Mendiola, Malolos, Makati-Gil Puyat and Makati-Legaspi campus. The financial information on the operations of these segments are disclosed in terms of segment assets, segment property and equipment (net), segment liabilities, segment revenues, operating expenses and net income/loss.

The segment report is included in the financial statements under Note 20.

Known Trends

Effect of Government Regulation with Respect to Increase in Tuition Fees

The Commission on Higher Education (CHED) promulgates guidelines to be followed by Higher Education Institutions (HEIs) intending to increase their tuition and other fees. Notable among them follows:

“A Certificate of Intended Compliance (COIC) stating that (70%) of the proceeds to be derived from the tuition fee increase shall be used for the payment of the salaries, wages, allowances and other benefits of its teaching and non-teaching personnel and other staff xxx.

“The 20% shall go to the improvement of the following:

1. Modernization of buildings
2. Equipment
3. Libraries
4. Laboratories
5. Gymnasium and similar facilities and
6. Payment of other costs of operations.

“Only 10% is left for return on investment

Education Trends

For school years 2018-2019 and 2017-2018, the University registered downward trends in enrollment due to the K-12 program of the government. This downward trend was exacerbated in the school year 2019-2020 due to the free tuition program of the government, which caused a lot of potential enrollees to enroll in State Universities and Colleges instead. For the school year 2020-2021, there was a notable decrease in enrollment. After a survey conducted by the University, the decrease was due to the COVID 19 pandemic. For the school years 2022-2023, and 2023-2024 there was an increase in enrollment as the University intensified its admission process and implemented changes in the teaching and learning modalities.

Key Variable and Other Qualitative and Quantitative Factors

Currently, there are no known trends, events, or uncertainties that have a material impact on the University's liquidity.

The Registrant does not know of any event that will trigger any direct or contingent financial obligation that may be material to the company, including default or acceleration of an obligation.

There are no known material off-balance sheet transactions, arrangements, or obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

As the University went back to its onsite operations as a result of the lifting of COVID Restrictions and resumption of face to face classes, CEU will continue with its facilities improvement.

All income is derived from the normal course of operations and through interest income on money market placements. There are no significant elements of income or loss.

Material changes from FY 2023 to FY 2024 include an increase of 27.61% in total revenues which resulted from the increase of 28.50% in tuition and other school fees and increase of 20.76% in rental income for the fiscal year. During FY 2022 and 2021, rebates were applied to certain miscellaneous fees due to online classes in this period of pandemic. Starting FY 2023, said rebates were no longer applied as there had been a shift to hybrid class modality. For costs and expenses, there was an increase of 17.07% in cost of services resulting from increase in cost of manpower, light and water, cost of student uniforms, rental, office supplies, library, sports and academic development, expenses for co-curricular activities and professional fees. General and administrative expenses posted an increase of 20.19% due to increases in janitorial and security services, repairs and maintenance, provision for credit losses and insurance expenses. On other income and expenses, a material increase of 118.9% in interest income was reported due to higher deposits and placements and higher interest rates. Interest expense arising from lease liability due to the adoption of PFRS 16 on April 1, 2019 was reported this fiscal year at ₱8.0 million with a 9.96% decrease from previous year. There was a decrease of 97.89% in foreign currency exchange gains reported this fiscal year because of lower foreign currency placements and exchange rates. The loss on retirement of assets increased at 681.12% due to the value of condemned furniture and equipment.

These material changes resulted in an increase of 55.80% in net income after tax. This resulted from an increase in enrollment and higher rates of tuition fee and other school fees. Another factor to a higher income this fiscal year is the deferral of revenues for the month of June 2023 from the 2nd semester of SY 2022-2023 which was due to extension of the academic year when health break was implemented by the city government. This deferral was realized and recorded as income this fiscal year 2024.

New Accounting Standards

The University presented its consolidated financial statements to comply with accounting principles generally accepted in the Philippines (Philippine GAAP) as set forth in Philippine Financial Reporting Standards (PFRS). New and revised accounting standards, consisting of Philippine Accounting Standards (PAS) and PFRS became effective for financial reporting purposes.

The consolidated financial statements include the financial statements of the University, Centro Escolar University Hospital, Inc. (the Hospital), a wholly owned subsidiary, Centro Escolar Las Pinas (CELPI) and Centro Escolar Integrated School (CE-IS) (collectively referred to as the Group).

Subsidiary is consolidated when control is transferred to the Group and ceases to be consolidated when control is transferred out of the Group. Control is presumed to exist when the University owns more than 50% of the voting power of an entity unless in exceptional cases, it can be clearly demonstrated that such ownership does not constitute control. The consolidated financial statements are prepared using uniform accounting policies for the like transactions and other events in similar circumstances. All intercompany balances and transactions, intercompany profits and unrealized gains and losses have been eliminated in the consolidation.

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except that the Group has adopted the following new accounting pronouncements effective in 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the financial statements of the Group.

- **Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies***

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies; and
- Adding guidance on how entities apply the concept of materiality in making decisions about

accounting policy disclosures.

- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to PAS 12, *International Tax Reform-Pillar Two Model Rules*

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Group's consolidated financial statements.

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

Effective beginning on or after January 1,

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*

Deferred effectivity

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

The Group continues to assess the impact of the above new and amended accounting standards and interpretations effective subsequent to May 31, 2024 on the Group's financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the financial statements when these amendments are adopted.

The Registrant has no knowledge of any seasonal aspects that had a material effect on the financial condition or results of the operations.

Item 7. Financial Statement

The audited financial statements and supplementary schedules to the financial statements duly submitted to BIR* are attached as Exhibit 1 hereto.

Item 8. Changes in and Disagreements with External Accountants on Accounting and Financial Disclosure

1. External Audit Fees and Services

Audit Fees and Related Fees

The appointment of Sycip, Gorres, Velayo and Co. (SGV) as external auditor of the University for the fiscal year ending May 31, 2024 was approved by the stockholders during the annual meeting on October 27, 2023.

In compliance with Securities Regulation Code (SRC) Rule 68, Ms. Djole S. Garcia was designated as partner in-charge from FY 2018 to FY 2023 while Ms. Josephine Adrienne A. Abarca and Mr. Christian Lauron were designated as partner in-charge in FY 2016 to FY 2017 and FY 2014 to FY 2015 respectively.

For FY 2023-2024, the partner in -charge is Mr. Bryan Chrisnel M. Baes.

In 2023, 2022 and 2021, the University paid ₱1,195,700, ₱1,087,000 and ₱1,048,100 respectively, VAT exclusive, to Sycip, Gorres, Velayo and Co. (SGV) for the audit of the University's annual financial statements, as well as assistance in the preparation of the annual income tax returns.

In May 2021, the University paid ₱366,560, VAT exclusive, to Sycip, Gorres, Velayo and Co. (SGV) for the audit of the University's two-month period ended May 31, 2021 interim financial statements, as well as assistance in the preparation of the annual income tax returns.

There is no other assurance and related services by the external auditor that are reasonably related to the performance of the audit or review of the University financial statements.

Tax Fees

In 1 May 2023 the Audit Committee unanimously approved the engagement of the SGV Business Tax Services Division to handle the BIR Final Assessment Notice matter of Centro Escolar Las Pinas Inc., one of the University's subsidiaries. In the pre-concurrence, the committee declared that said engagement does not constitute an unmanageable independence threat. This engagement is on-going.

Other Fees

On 21 July 2023 the Audit Committee unanimously approved the engagement of the SGV Business Tax Services Division to study and submit a report which documents all processes and analyses for the transfer pricing policies and documentation of the University for taxable year 2022-2023.

Audit Committee Pre-approval Policy

CEU's Audit Committee is composed of the Chairman, Dr. Emil Q. Javier, (Lead Independent Director) and members, Mr. Lope M. Yuvienco (independent director), Dr. Alejandro C. Dizon and Committee Secretary Atty. Sergio F. Apostol.

The Audit Committee is required to pre-approve all audit and non-audit services rendered and approve the engagement fees and other compensation to be paid to the external auditor.

The Audit Committee found the services and fees for external audit reasonable and approved the same following a conference with the external auditors and the University's financial officers to clarify the scope, extent and details of the audit.

Changes in and Disagreements with External Accountants on Accounting and Financial Disclosure

There was no change in nor disagreement with External Accountants on accounting and financial disclosures.

PART III. CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the University

Directors and Executive Officers

	Name	Age	Citizenship	Positions	Term of Office	Directorship Held in Other Companies
1	Basilio C. Yap	75	Filipino	Chairman of the Board – April 25, 2014	Yearly	Chairman, President & Director – U.S. Automotive Co., Inc., USAUTOCO, Inc., Philtrust Realty Corporation, Manila Prince Hotel, Cocusphil Development Corporation, U.N. Properties Development Corporation and Seebreeze Enterprises <ul style="list-style-type: none"> - Chairman Emeritus – Philtrust Bank - Chairman, Manila Hotel Corporation - Chairman, Manila Bulletin Publishing Corporation - Chairman, CEU Hospital, Inc. and Centro Escolar Las Pinas, Inc.

2	Ma. Cristina D. Padolina	78	Filipino	Director - July 25, 2006 President/Chief Academic Officer - Aug. 18, 2006	Yearly	<ul style="list-style-type: none"> - Professor Emeritus, University of the Philippines, Los Baños - Director, Centro Escolar University Hospital, Inc. - Vice Chairman & President, Centro Escolar Las Pinas, Inc.
3	Lope M. Yuvienco	80	Filipino	Director 21 March 2023	Yearly	<ul style="list-style-type: none"> Independent Director, AXA Philippines and Charter Ping An Insurance Corporation Director, Centro Escolar University

4	Emil Q. Javier	83	Filipino	Director - July 10, 2002	Yearly	<ul style="list-style-type: none"> - Trustee, Asia Rice Foundation, Head Advisor, Biotech Coalition of the Phils., - - Academician, National Academy of Science & Technology (Phil) - Board Member, International Service for the Acquisition of Agri-Biotech Applications (South East Asia Center) - Chairman, Coalition for Agricultural Modernization of the Phils. - Chairman, Nutrition Center of the Philippines - Director: CEU Hospital, Inc. Del Monte Pacific Ltd. Centro Escolar Las Pinas, Inc. - Member, Advisory Com. Japan International Coop. Agency, Phils.
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5	Benjamin C. Yap	78	Filipino	Director - July 22, 2014	Yearly	<ul style="list-style-type: none"> - President and Chairman, Benjamin Favored Son, Inc., - Chairman, House of Refuge - Director, USAUTOCO, Inc - Director, Manila Hotel Corp.
6	Alejandro C. Dizon	64	Filipino	Director - Aug. 31, 2007	Yearly	<ul style="list-style-type: none"> - Vice President – Quality & Patient Safety & Chief Quality Officer; St. Lukes Medical Center - Active Consultant, General Surgery, Institute of Surgery, St. Lukes Medical Center - Fellow and President, Philippine College of Surgeons - Fellow, American College of Surgeons - Examiner & Member, Chairman Board of Directors & Governors, Philippine Board of Surgery, - Asst. Professor, UERMMMC Department of Surgery College of Medicine
7	Emilio C. Yap III	53	Filipino	Director - Sept. 1, 2009	Yearly	<ul style="list-style-type: none"> - Chairman, Manila Prime Holdings - Director, Manila Bulletin Corporation, Manila Hotel, Philtrust Bank and US Automotive Co., Inc.
8	Corazon M. Tiongco	75	Filipino	Director - July 25, 2000 Assistant Treasurer since Aug. 12, 2005	Yearly	<ul style="list-style-type: none"> - Director, Centro Escolar University Hospital, Inc. - Director, Centro Escolar Integrated School, Inc.

9	Johnny C. Yap	52	Filipino	Director - Oct. 26, 2007	Yearly	- Vice Chairman & Treasurer, Euromed Laboratories Philippines, Inc. - Director, Philtrust Bank - Director, Las Piñas College - Chairman, Café France Corp.
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Executive Officers Who Are Not Directors

	Name	Age	Citizen ship	Position	Term of Office	Directorship Held in Other Companies
1	Sergio F. Apostol	89	Filipino	Corporate Secretary - Feb. 26, 2010	Yearly	- Chairman, Kaytrix Agri- Aqua Corp. - Director, Manila Hotel
2	Cesar F. Tan	70	Filipino	Treasurer - April 17, 2006 Asst. Corp. Sec. - Oct. 1, 2009	Yearly	- Treasurer, Centro Escolar University Hospital, Inc., Centro Escolar Integrated School, Inc., Centro Escolar Las Piñas, Inc.
3	Jayson O'S. Ramos	43	Filipino	University Legal Counsel - July 2017 Compliance Officer – July 2019 Data Privacy Officer - March 2020	Yearly	None
4	Maria Clara Perlita Erna V. Yabut	58	Filipino	VP-Research & Evaluation – Jan. 29, 2010 AVP- Research & Evaluation - Aug. 18, 2006 Head, EDP Department – Aug. 1, 2001	Yearly	None
5	Teresa R. Perez	62	Filipino	Senior VP - Academics - October 22, 2021 VP- Academic Affairs - Jan. 29, 2010 AVP- Academic Affairs - July 25, 2008 Acting AVP-Academic Affairs - July 27, 2007	Yearly	- Vice President, Centro Escolar Integrated School, Centro Escolar Las Piñas, Inc.
5	Pearly P. Lim	60	Filipino	VP-Makati Campus - August, 2013	Yearly	Vice President and Dean of Studies, Centro Escolar

						University-Makati
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6	Rhoda C. Aguilar	51	Filipino	University Registrar - July 25, 2014 Acting University Registrar – June 1, 2013	Yearly	None
7	Ma. Flordeliza L. Anastacio	64	Filipino	VP-Malolos Campus - July 25, 2014 -Officer-in-Charge, CEU Malolos - November, 2013	Yearly	None
8	Carlito B. Olaer	60	Filipino	VP-Student Affairs – July 30, 2010 Acting AVP- Student Affairs, Student Affairs Office - since July 25, 2008 OIC, Student Affairs Office – - since May 3, 2008	Yearly	None
9	Ma. Rolina S. Servitillo	57	Filipino	VP-Administration & Accounting – Jan. 2017	Yearly	- Vice President, Centro Escolar Integrated School, Centro Escolar Las Piñas, Inc., Centro Escolar University Hospital, Inc.
10	Jericho P. Orlina	58	Filipino	AVP- Business Affairs – Jan. 2017	Yearly	AVP, Centro Escolar University Hospital, Inc.
11	Bella Marie L. Fabian	61	Filipino	AVP-Administration – Jan. 2017	Yearly	None
12	Bernardita T. Traje	63	Filipino	Assistant Controller – Aug. 18, 2006 Assistant Treasurer – March 8, 1995 to Aug. 18, 2006	Yearly	None

Significant Employees

All employees are expected to make reasonable contributions to the success of the business of the University. There is no “significant employee” as defined in Part IV(A)(2) of the SRC Rule 12 (i.e., a person who is not an executive officer of the registrant but who is expected to make a significant contribution to the business).

Deans

	Name*	Position*	Directorship Held in Other Companies
1.	Josue N. Bellosillo	Dean	None
2.	Charito M. Bermido	Dean	None
3.	Elena C. Borromeo	Dean	None
4.	Julieta Z. Dungca	Dean	None
5.	Mary Iodine S. Lacanienta	Dean	None
6.	Ma. Rita D. Lucas	Dean	None
7.	Maria Donnabelle U. Dean	Dean	None
8.	Rosemarie I. So	Dean	None
9.	Christine S. Tinio	Dean	None
10.	Cecilia G. Uncad	Dean	None
11.	Elvira L. Urgel	Dean	None
12.	Dr. Erna V. Yabut	Dean (OIC)	None

Assistant Deans

	Name	Position*	Directorship Held in Other Companies
1.	Lumpas, Ricardo S.	Assistant Dean	None
2.	Naranjilla, Marian Almyra S.	Assistant Dean	None
3.	Aileen C. Patron	Assistant Dean	None

Associate Deans

	Name	Position*	Directorship Held in Other Companies
1.	Alex J. Bienvenido Alip, Jr.	Associate Dean	None
2.	Josephine Carnate	Associate Dean	None
3.	Rita Linda V. Jimeno	Associate Dean	None

Academic Department Heads

	Name	Position*	Directorship Held in Other Companies
1.	Elisa B. Ayo	Head	None
2.	Jonathan P. Catapang	Head	None
3.	Dorothea C. Dela Cruz	Head	None
4.	Arlene S. Opina	Head	None
5.	Imelda R. Romero	Head	None
6.	Ruth R. Santos	Head	None

Program Heads 2

	Name	Position*	Directorship Held in Other Companies
1.	Maria Carmen S. Dizon	Program Head	None
2.	Regina A. Jazul	Program Head	None
3.	Roy Raian A. Joson	Program Head	None
4.	Mae Angeline M. Lontoc	Program Head	None
5.	Rowena E. Mercado	Program Head (Acting)	None
6.	Ricky R. Rosales	Program Head	None
7.	Carmen P. Sanchez	Program Head	None
8.	Cresencia M. Santos	Program Head	None

9.	Maricar A. Veranga	Program Head	None
10.	Shirley S. Wong	Program Head	None

Non-Teaching Department Heads

	Name	Position*	Directorship Held in Other Companies
1.	Maria Corazon L. Andoy	Head	None
2.	Salvacion M. Arlante	Head	None
3.	Rouella M. Baluyut	Administrative Officer	None
4.	Cecilia C. Catahan	Head	None
5.	Josephine M. De Leon	Head (Acting)	None

6.	Ma. Eleanor C. Espinas	Head	None
7.	Rommel N. Jotic	Head	None
8.	Frederick R. Llanera	Head	None
9.	Rosario Donalyne L. Manigbas	Head	None
10.	Juana Rosa F. Martinez	Head	None
11.	Ivan Perry B. Mercado	Campus Registrar-	None
12.	Teresita S. Mijares	Head	None
13.	Roland P. Ordañez	Head	None
14.	Eufrecina Jean DR. Ramirez	Head	None

15.	Benjamin M. Roman	Head	None
16.	Cynthia S. Sarmineto	Campus Registrar	None
17.	Engr. Ronie U. Siniguian	Head	None
18.	Maria Corazon C. Tiongco	Head	None
19.	Bernardita T. Traje	Head	None
20.	Ma. Cecilia L. Yu	Head	None

Assistant Heads

	Name	Position*	Directorship Held in Other Companies
1.	Noel V. Aguilar	Asst. Head	None

2.	Ma. Jesusa M. Laurio	Asst. Head	None
3.	Avelina R. Raqueño	Asst. Head (Acting)	None
4.	Nelia PL. Sacopon	Asst. Head	None

Family Relationships

Mr. Basilio C. Yap and Mr. Benjamin C. Yap are relatives within the second degree of consanguinity, Dr. Emilio C. Yap III and Dr. Johnny C. Yap are relatives within the second degree of consanguinity. Mr. Basilio C. Yap and Mr. Benjamin C. Yap who are relatives within the second degree of consanguinity and Dr. Emilio C. Yap III and Dr. Johnny C. Yap who are also within the second degree of consanguinity are relatives within the third degree of consanguinity.

Involvement in Certain Legal Proceedings

The University is not aware of any legal proceedings in the past five (5) years to date involving its directors and officers which are material to the evaluation of the ability and integrity of any director or officer of the University.

No director or officer has been convicted by final judgment during the last five (5) years up to the present of any offense punishable by Philippine laws or by the laws of any other country.

Likewise, the University has no knowledge of pending legal proceedings against any of its directors or executive officers involving: (a) any bankruptcy petition filed by or against any business of which its directors or executive officers is subject; or (b) any judgment or decree permanently or temporarily limiting or suspending their involvement in any type of business, securities, commodities or banking activities; or, (c) any violation of a securities or commodities law or regulation and the judgment has not been reversed, suspended or vacated.

Item 10. Executive Compensation

Salaries and Benefits of Executive Officers

Name and Position	Fiscal Year	Aggregate Annual Salary as a group	Aggregate Bonus as a group	Other Annual Compensation	Total Compensation as a group
PRES. PADOLINA	2022-2023 2023-2024 2024-2025	11,645,33.49	1,520,419.35	N/A	13,165,752.84
VP YABUT					
VP PEREZ					
VP ANASTACIO					
VP OLAER					

All Officers and Directors as a Group

Name and Position	Fiscal Year	Annual Salary	Bonus	Other Annual Compensation	Total Compensation
All Officers and Directors As a Group	2022-2023 2023-2024 2024-2025***	}			☒ 35,943,018.72
					☒ 31,754,550.55
					☒ 31,754,550.55

***Figures are estimated amounts.

The Directors do not receive compensation for services provided as a director other than reasonable per diem for attendance at meetings of the Board or any of its committees.

There are no bonuses, profit sharing stock options warrants, rights of other compensation plans or arrangements with directors or officers that will result from their resignation, retirement, termination of employment or change in the control of the University.

The duties and responsibilities of the elected corporate officers are specified in the University's By-laws and/or Manual of Corporate Governance.

Other officers whose duties and responsibilities are set by Management are considered regular employees of the University.

There are no outstanding warrants or options held by the University's President, executive officers and directors.

Item 11. Security Ownership of Certain Beneficial Owners and Management

1. Security Ownership of Certain Record and Beneficial Owners

Owners of record of more than 5% of the University's shares of stock as of August 30, 2024, the latest obtainable data as of the preparation of this report, were as follows:

Title of Class	Name & Address of Record Owner & Relationship w/ Issuer	Name of Beneficial Owner & Relationship w/ Record Owner	Citizenship	Number of Shares held	Percent (%)
Common	USAUTOOCO, Inc. 1000 UN Ave., Ermita, Manila Authorized Representative- Basilio C. Yap Relationship to Registrant - Stockholder	USAUTOOCO, Inc Authorized Representative – Basilio C. Yap Position - President	Filipino	126,620,891	34.00
Common	U.S. Automotive Co., Inc. 1000-1046 U.N. Ave. cor. San Marcelino Ermita, Manila Authorized Representative Basilio C. Yap Relationships to Registrant – Stockholder	U.S. Automotive, Co., Inc. Authorized Representative Basilio C. Yap Position – President	Filipino	85,650,0963	22.99
Common	PCD Nominee Corp. – Filipino	Alejandro C. Dizon Beneficial Owner	Filipino	70,349,3212	18.89
Aggregate Number of Shares and Percentage of All Beneficial/Record Owners as a Group				232,618,106	62.46%

³During the stockholders' meeting on July 27, 2004, the stockholders approved the grant of annual medical allowance and related bonuses to the members of the Board of Directors.

The proxy designated by the Board of Directors votes for the corporation.

2. Security Ownership of Management

Owners of record of CEU shares among Management as of August 30, 2024, the latest obtainable data as of the preparation of this report, are as follows:

Title of Class	Directors	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Basilio C. Yap	1001 (d)	Filipino	0.0003
Common	Ma. Cristina D. Padolina	38,316 (d)	Filipino	0.0102
Common	Lope M. Yuvienco*	100 (d)	Filipino	Nil
Common	Emil Q. Javier*	1 (d)	Filipino	Nil
Common	Benjamin C. Yap	800 (d)	Filipino	0.0002
Common	Alejandro C. Dizon**	50,033,412 (d)	Filipino	13.4348
Common	Emilio C. Yap III	353,833 (d)	Filipino	0.0925
Common	Corazon M. Tiongco	10,115,904 (d)	Filipino	2.7163
Common	Johnny C. Yap	1,000 (d)	Filipino	0.0002
Total				16.25%
				60,544,367 (d)

Title of Class	Officers	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Ma. Cristina D. Padolina	38,316 (d)	Filipino	0.0102
Common	Cesar F. Tan	19,735 (d)	Filipino	0.0052
Common	Pearly P. Lim	2,366 (d)	Filipino	0.0006
Common	Ma. Flordeliza L. Anastacio	1,302 (d)	Filipino	0.0003
Common	Maria Clara Perlita Erna V. Yabut	4,000 (d)	Filipino	0.0010
Common	Teresa R. Perez	3,226 (d)	Filipino	0.0040
Common	Corazon M. Tiongco	10,115,904 (d)	Filipino	2.7163

Common	Bernardita T. Traje	753 (d)	Filipino	0.0001
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-	Ma. Rolina S. Servitillo	(d)	0	Filipino	0
-	Carlito B. Olaer	(d)	0	Filipino	0
-	Rhoda C. Aguilar	(d)	0	Filipino	0
-	Jericho P. Orlina	(d)	0	Filipino	0
-	Bella Marie L. Fabian	(d)	0	Filipino	0
-	Jayson O'S. Ramos	(d)	0	Filipino	0
Total (excluding shares of Ma. Cristina D. Padolina, and Corazon M. Tiongco 31,382 (d))					0.0110
Aggregate Number of Shares and Percentage of All Security Ownership of Management as a Group 60,544,367 (d)					16.25%

To the best knowledge of the University, the above lists include shares beneficially owned by the directors and officers.

Item 12. Certain Relationship and Related Transactions

The University entered into a 25-year lease contract with Philtrust Bank on July 29, 2004. The lease covers the use of Philtrust Bank's land, building and improvements thereon located at 259-263 Sen. Gil Puyat Avenue and Malugay Street, Makati City. The lease commenced on January 1, 2005 for the operation of the CEU-Makati Extension Campus for the school year 2005-2006. Lease of the building from Philtrust Bank Building is for the exclusive purpose of maintaining and operating an extension campus in Makati City, and to conduct therein all such activities necessary to provide adequate educational instruction and other services to its students, including authorized extra-curricular activities.

The consideration for the lease was principally based on the valuation of the property by Asian Appraisal, Inc. and on the financial advisory by Buenaventura, Echauz and Partners. Except for the respective parties' covenants under said lease contract between CEU and Philtrust Bank, there is no further contractual or other commitment resulting from the arrangement that would pose any risk or contingency. There are no other parties involved in this transaction.

The University, in line with its expansion program and for marketing purposes, avails of advertising services of Manila Bulletin Publishing Corporation. The terms of said advertising transactions are based on terms similar to those offered to non-related parties.

For a more detailed discussion on related party transactions, please see the Notes on the attached Audited Financial Statements for fiscal year ending May 31, 2023.

*Independent Director

**Dr. Alejandro C. Dizon has 51,837 shares registered in his name in addition to 49,981,575 shares lodged with PCD Nominee Corporation.

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

The University has complied with the provisions of its Manual on Corporate Governance. Continuous monitoring is being done by the Compliance Officer, Audit Committee, President and Chief Financial Officer and Internal Auditor to assure compliance.

On 18 November 2023 the Board of Directors and identified key officers of CEU attended a seminar on Corporate Government conducted by the Institute of Corporate Directors.

CEU adheres to governance principles and best practices to attain its objectives. A system has been established to monitor and evaluate the performance of the University and its Management and CEU is committed. The University is committed to consistently abide by and ensure improved compliance with the requirements of good corporate governance.

CEU is not aware of any acts of its Directors, top management, middle managers, employees, or any acts of omission that may be considered as a deviation from the company's Code of Corporate Governance.

Committed to continuous improvement, CEU undertakes to regularly review its existing policies and practices and update the same when warranted.

PART V – EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

<u>Exhibits</u>	Sustainability Report
Exhibit 1	Consolidated Financial Statements and Schedules: 1. 31 May 2024
Exhibit 2	Quarterly Report (SEC Form 17-Q) (Please refer to the SEC Form 17-Q previously filed with the SEC.)

Reports on SEC Form 17-C:

(Please refer to the SEC Form 17-C previously filed with the SEC for the following disclosures.)

	Integrated Annual Corporate Governance Report
	Results of Annual Stockholders' Meeting
	Results of Organizational Meeting

Item 15. CEU Sustainability Report for Fiscal Year 01 Junel 2023 to 31 May 2024

Contextual Information

Company Details

Name of Organization:	Centro Escolar University
Location of Headquarters:	9 Mendiola Street San Miguel Manila
Location of Operations:	Philippines
Report Boundary:	Philippines
Legal entities (e.g. subsidiaries) included in this report* -	None for the meantime, but the Board of Directors will explore including CEU's subsidiaries in future reports
Business Model, including Primary Activities, Brands, Products, and Services	– Educational Institution
Reporting Period	Fiscal Year ending beginning 01 June 2022 – 31 May 2023
Highest Ranking Person responsible for this report:	Vice Chairman

*If you are a holding company, you could have an option whether to report on the holding company only or include the subsidiaries. However, please consider the principle of materiality when defining your report boundary.

Materiality Process:

In determining which topics are material and will be included in the initial Sustainability Report to be submitted by CEU, the University Management adopted the “Stakeholders Areas of Concern” approach wherein the various stakeholders of the University are identified, and the topics deemed material for these stakeholders are matched.

The following stakeholders are identified:

- **Stockholders**
- **Government**
- **Management**
- **Employees, including the employees' union**
- **Students**
- **Alumni**
- **Communities**

The foregoing stakeholders were then matched and after which, the management has identified the following topics as the most material and shall be reported in its Sustainability Report.

1. Economic Performance

- **Direct Economic Value Generated and Distributed**

2. Social

- **Employee Management**
 - ☐ **Employee hiring and benefits**
 - ☐ **Employee training and development**
 - ☐ **Labor management relations**
 - ☐ **Workplace Conditions, etc.**
 - ☐ **Relationship with community**
 - ☐ **Data Security**

The determination of the above-listed topics as material does not necessarily mean that the other topics will be disregarded; the management will include these topics in future reports.

Economic

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	2,413,449,077	PHP

Direct economic value distributed:		
a. Operating costs	1,762,579,013	PHP
b. Employee wages and benefits	919,095,133	PHP
c. Payments to suppliers, other operating costs	843,483,880	PHP
d. Dividends given to stockholders and interest payments to loan providers	455,898,648	PHP
e. Taxes given to government	22,874,506	PHP
f. Investments to community (e.g. donations, CSR)		

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
---	----------------------------------	---------------------

<p>CEU, being an Institution of Higher Learning, provides quality education that prepares an individual to be the best in one's chosen field. The direct economic impact of the University is its accomplishment of its task in providing a steady stream of professionals in allied health services such as Dentists, Optometrists, Pharmacists, Nurses, Medical Technologists, Nutritionists, and other professionals.</p>	<p>Government, Community, Students, Alumni</p>	<p>Recent shifts in the educational system have resulted in a temporary but substantial “speed bump” that needs to be hurdled by all Private Educational Institutions in the country.</p> <p>The most notable “speed bump” is the COVID19 Pandemic which caused a huge shift in instruction.</p> <p>As of this report, the University has resumed its on site operations, but at the same time introduced the Onsite +, Hybrid, and Full Online modalities.</p> <p>CEU during the pandemic easily coped with the shift to online classes with its readiness to hold online classes which were already being developed as early as 2014.</p>
<p>Direct economic value is distributed as a result of the operations of the University through the payment of taxes, payments to suppliers and salaries to employees.</p>	<p>Employees, Suppliers, Environment</p>	<p>The University has systems in place to ensure the timely fulfillment of these obligations.</p>

What are the risk/s identified?	Which stakeholders are	Management Approach
---------------------------------	------------------------	---------------------

	affected?	
<p>The economic condition currently affecting all the citizens of the country also tends to affect their choices when it comes to career and educational choices.</p> <p>The current hurdle, the various levels of community quarantine imposed by the government because of COVID19 will inevitably result in a reduction in the University's direct economic value.</p>	<p>Management, Employees, Suppliers, Government</p>	<p>The University has developed and will continue to develop courses of action that are designed to eliminate and/or minimize the effect of these risks.</p> <p>Examples of these are the various online courses offered by the University under the "Onsite +" modality to enable its students to continue with their studies.</p>

What are the opportunities identified?	Which stakeholders are affected	Management Approach
<p>Health awareness has increased and hence, an increase in the demand for Health Professionals</p>	<p>Government, Community, Students, Alumni</p>	<p>The University will continue increasing and improving its capability in fulfilling its role as a Higher Education Institution.</p>

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
------------	----------	-------

<p>The management has decided to defer reporting on this topic for the meantime. A mechanism will be set in place to be able to supply the necessary information next time.</p>		%
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What is the impact and where does it occur? What is the organization's involvement in the impact?	What stakeholders are affected?	Management Approach
<p>The service provided by the University and to a certain extent its operations is affected by the timely services rendered by its suppliers and service provided, as well as the quality of the supplies delivered.</p>	<p>Suppliers/Employees/ Management/Students</p>	<p>The University has a rating system for suppliers in order to ensure that there will be no interruptions in the supply chain.</p> <p>The University likewise has an internal procurement policy and computerized procurement system that ensures timely requests and payment.</p>

What are the risks identified?	Which stakeholders are affected	Management Approach
--------------------------------	---------------------------------	---------------------

<p>The service provided by the University and to a certain extent its operations is affected by the timely services rendered by its suppliers and service provided, as well as the quality of the supplies delivered.</p>	<p>Suppliers/Employees/ Management/Students</p>	<p>The University currently have the following policies designed to avoid or minimize the risk:</p> <ul style="list-style-type: none"> - Supplier accreditation - Identification of back up suppliers - Continuous performance evaluation of suppliers.
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What are the opportunity/ies identified?	Which stakeholders are affected?	Management Approach
<p>Technology keeps on evolving and better supplies and materials are getting more and more accessible.</p>	<p>Students, Suppliers</p>	<p>The University management encourages innovation proposals that would lead to the use of the state of the art technology and materials necessary for the fulfillment by the University of its duty to provide quality and relevant education. This program helps expose the University to the latest technology that may be used and or acquired by the latter.</p>

Anti-corruption

Training on Anti-Corruption Policies and Procedures

Disclosure	Quantity	Units
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Percentage of employees to whom the organization's anti corruption policies and procedures have been communicated to.	100	%
Percentage of business partners whom the organization's anti-corruption policies and procedures have been communicated to	<p>NA – The current policies are limited internally but management will explore involving external suppliers in these trainings and orientations.</p> <p>As part of its corporate governance improvement program, the University plans to institute a more concrete and comprehensive anti-corruption program. Once implemented, further details of this will be reported.</p>	%
Percentage of directors and management that have received anti-corruption training	100	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
As an educational institution, CEU observes the values "Scientia y virtud" or "Science and Virtue", and shall never tolerate corruption in its affairs.	Management, employees, investors, suppliers, students, alumni.	<p>The University has its Code of Ethics for Management. It also adopts the respective Codes of Ethics of the various professionals the University employs.</p> <p>As an educational institution, corruption shall never be tolerated in</p>

		CEU.
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What are the risks identified?	Which stakeholders are affected?	Management Approach
Corrupt practices have somewhat become deeply ingrained in society	Management, employees, investors, suppliers, students, alumni.	CEU will do its role as an educational institution in curbing corruption and in making a difference in society.

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Opportunity to further strengthen the University's anti corruption policies and the existence of various support groups that advocate against corruption.	Management, Government, Students	The University will explore participating in the various support groups advocating against corruption.

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>No impact identified because of the existence of zero cases as disclosed above.</p> <p>The university will revisit this for the succeeding periods.</p>		

What are the risks identified?	Which stakeholders are affected?	Management Approach
<p>No impact identified because of the existence of zero cases as disclosed above.</p> <p>The University will revisit this for the succeeding periods.</p>		

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<p>No impact identified because of the existence of zero cases as disclosed above.</p> <p>The University will revisit this for the succeeding periods.</p>		

ENVIRONMENT

**Nota Bene: The University is currently in the process of institutionalizing an enterprise wide compliance system that includes the introduction of measures towards environmental sustainability and reporting. The Topic on Environment shall be included in the subsequent reports to be submitted by the University.*

Resource Management

Energy consumption within the organization

Disclosure	Quantity	Units
Energy Consumption – renewable resources		
Energy Consumption - Gasoline	<p>The University is currently finalizing its revised environmental protection plan. The University will include these in its future reports</p>	
Energy Consumption - Diesel		
Energy Consumption – LPG		
Energy Consumption - Electricity		

Reduction of energy consumption

Disclosure	Quantity	Units
Energy Consumption – renewable resources		N/A for now
Energy Consumption - Gasoline	The University will include it in its future reports	
Energy Consumption - Diesel		
Energy Consumption – LPG		
Energy Consumption - Electricity		

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>No significant impact determined for the meantime.</p> <p>The university will revisit this and discuss the matter in its future reports.</p>		

What are the risks identified?	Which stakeholders are affected?	Management Approach

No significant impact determined for the meantime.
 The university will revisit this and discuss the matter in its future reports.

What are the opportunities identified?	Which stakeholders are affected?	Management Approach
<p>No significant impact determined for the meantime. The university will revisit this and discuss the matter in its future reports.</p>		

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	<p>The University will include it in its future reports</p>	
Water consumption		
Water recycled and reused		

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
---	----------------------------------	---------------------

No significant impact determined for the meantime.
 The university will revisit this and discuss the matter in its future reports.

What are the risks identified?	Which stakeholders are affected?	Management Approach
--------------------------------	----------------------------------	---------------------

No significant impact determined for the meantime.
 The university will revisit this and discuss the matter in its future reports.

What are the opportunities identified?	Which stakeholders are affected?	Management Approach
--	----------------------------------	---------------------

No significant impact determined for the meantime.
 The university will revisit this and discuss the matter in its future reports.

Material used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume <ul style="list-style-type: none"> · Renewable · Non-renewable 	<p>The University has its “May pera sa basura” program where reusable materials are collected and sold. A system will be institutionalized in order to quantify the results of this project and will be included in future reports.</p> <p>The University also instituted a “no single use plastic” policy for its canteen concessionaires.</p>	

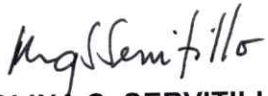
SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereto duly authorized, in the City of Manila on _____.

By:


MA. CRISTINA D. PADOLINA
Principal Executive Officer


CESAR F. TAN
Principal Financial Officer


MA. ROLINA S. SERVITILLO
Principal Operation Officer

SUBSCRIBED AND SWORN TO before me this SEP 27 2024 day of _____ affiants exhibiting to me their respective Philippine Passport Numbers, as follows:

NAME	PASSPORT	DATE ISSUED	PLACE OF ISSUE
Ma. Cristina D. Padolina	P8185164B	Nov. 16, 2021	DFA, San Pablo
Cesar F. Tan	P9759990A	Nov. 29, 2018	Manila
Ma. Rolina S. Servitillo	P6233461B	Feb. 5, 2021	DFA, Malolos

ATTY. GARY CAMITAN AURE
NOTARY PUBLIC, ROLL NO. 60777
PTR No. 1527767 Issued on Jan. 2, 2024 until Dec. 31, 2024 Manila
MSP License No. 14589 Issued on Feb. 2, 2015
Commission No. 2023-018 Issued on Nov. 2, 2023 Effective Jan. 1, 2023 Until Dec. 31, 2024 Manila
MCLE No. VII-0001648 Issued on Nov. 20, 2019 Valid Until April 14, 2025 Pasig City
Office Address: L2F1 Upper Ground Floor, Burgundy Transpacific Place,
2444 A. Taft Avenue, Malate, Manila 1004

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Book No. CNSV 1
Series of 2024.

STATEMENT OF MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of Centro Escolar University (CEU) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended May 31, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

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

SyCip, Gorres, Velayo & Co., the independent auditors, appointed by the stockholders has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.

Signed this 24th day of September , 2024.


BASILIO C. YAP
 Chairman

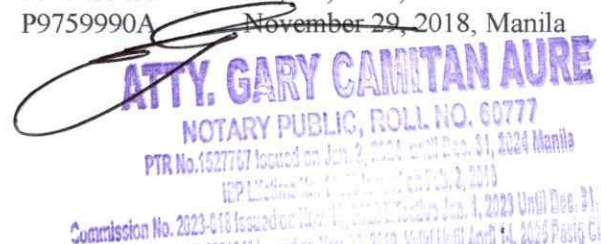

MA. CRISTINA D. PADOLINA
 President/Vice Chairman


CESAR F. TAN
 Treasurer

SUBSCRIBED AND SWORN TO before me this SEP 30 2024 day of 2024, 2024, affiants exhibiting to me their respective Philippine Passports as follows.

	<u>Passport No.</u>	<u>Date and Place of Issue</u>
BASILIO C. YAP	P4011351B	November 29, 2019, Manila
MA. CRISTINA D. PADOLINA	P3754596A	July 22, 2017, Manila
CESAR F. TAN	P9759990A	November 29, 2018, Manila

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 Book No. CLXVI
 Series of 2024


ATTY. GARY CAMITAN AURE
 NOTARY PUBLIC, ROLL NO. 60777
 PTR No. 1627767 Issued on Jun. 2, 2024 until Dec. 31, 2024 Manila
 Commission No. 2023-018 Issued on Dec. 1, 2023 until Dec. 31, 2024 Manila



ASEAN University Network (AUN) Quality Assurance certified: Biology, Business Administration, Communication and Media***, Dentistry*, International Hospitality Management**, International Tourism and Travel Management*, Medical Technology**, Nursing*, Nutrition and Dietetics*, Optometry*, Pharmacy* and Psychology* • CHED Center of Excellence in Teacher Education • CHED Center of Development in Business Administration • CHED Center of Development in Optometry • HIGHEST LEVEL of accreditation, LEVEL IV, by PACUCOA as certified by FAAP: Biology*, Business Administration***, Dentistry*, Education (Elementary and Secondary)*, Liberal Arts (Communication and Media and Political Science)***, Medical Technology*, Nutrition and Dietetics*, Pharmacy*, Psychology***, Master of Arts*, Master of Business Administration*, and Master of Science* • HIGHEST LEVEL of accreditation, LEVEL III, by PAASCU: Nursing* and Social Work***
 *CEU Manila Campus only **All CEU Campuses ***CEU Manila and CEU Malolos Campuses only

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

P	W	1	0	9	3				
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COMPANY NAME

C	E	N	T	R	O		E	S	C	O	L	A	R		U	N	I	V	E	R	S	I	T	Y		A	N	D
S	U	B	S	I	D	I	A	R	I	E	S																	

PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)

9		M	E	N	D	I	O	L	A		S	T	R	E	E	T	,		S	A	N		M	I	G	U	E	L	,
M	A	N	I	L	A																								

Form Type

A	C	F	S
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Department requiring the report

C	R	M	D
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Secondary License Type, If Applicable

N	A
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COMPANY INFORMATION

Company's Email Address corporate@ceu.edu.ph	Company's Telephone Number 8735-5991	Mobile Number 09279276089
No. of Stockholders 1,009	Annual Meeting (Month / Day) 4th week of October	Fiscal Year (Month / Day) 5/31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person Cesar F. Tan	Email Address cftan@ceu.edu.ph	Telephone Number/s 8735-5991	Mobile Number 09279276089
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CONTACT PERSON'S ADDRESS

9 Mendiola Street, San Miguel, Manila

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

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



INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Centro Escolar University
9 Mendiola Street
San Miguel, Manila

Opinion

We have audited the consolidated financial statements of Centro Escolar University (the “University”) and its subsidiaries (the “Group”), which comprise the consolidated statements of financial position as at May 31, 2024 and 2023, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended May 31, 2024, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at May 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended May 31, 2024, in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (the “Code of Ethics”) together with the ethical requirements that are relevant to our audit of the consolidated 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



Adequacy of Allowance for Expected Credit Losses

The Group applies the simplified approach in calculating expected credit loss (ECL). Under this approach, the Group establishes a provision matrix that is based on its historical credit loss experience and adjusted for forward-looking factors and the economic environment. Allowance for credit losses and the provision for credit losses as of and for the year ended May 31, 2024 amounted to ₱131.02 million and ₱40.82 million, respectively. The use of the ECL model is significant to our audit as it involves the exercise of significant management judgment. Key areas of judgment include: segmenting the Group's credit risk exposures; defining default; determining assumptions to be used in the ECL model such as timing and amounts of expected net recoveries from defaulted accounts; and incorporating forward-looking information (called overlays) in calculating ECL.

The disclosures in relation to the allowance for credit losses using the ECL model are included in Notes 2, 3 and 6 to the consolidated financial statements.

Audit Response

We updated our understanding of the methodologies and model used for the Group's different credit exposures and reassessed whether these considered the requirements of PFRS 9 to reflect an unbiased and probability-weighted outcome and the best available forward-looking information.

We (a) assessed the Group's segmentation of its credit risk exposures based on homogeneity of credit risk characteristics; (b) compared the definition of default against historical analysis of accounts and credit risk management policies and practices in place; (c) tested historical loss rates by inspecting historical recoveries and write-offs; (d) compared the classification of outstanding exposures to their corresponding aging buckets; and (e) evaluated the forward-looking information used for overlay through statistical test and corroboration using publicly available information and our understanding of the Group's tuition fee receivable portfolios and industry practices.

Further, we compared the data used in the ECL models, such as the historical aging analysis, and default and recovery data from the source reports to the database and from the database to the loss allowance analysis/models and financial reporting systems. To the extent that the loss allowance analysis is based on credit exposures that have been disaggregated into subsets with similar risk characteristics, we traced or re-performed the disaggregation from source reports to the loss allowance analysis.

We recalculated the impairment provisions.

Impairment Testing of Non-Current Non-Financial Assets

The Group's market capitalization is lower compared to its net assets. This is an impairment indicator that requires an assessment of the recoverable amount of the Group's non-current non-financial assets, particularly its property and equipment and rights-of-use asset. As at May 31, 2024, the carrying value of the Group's property and equipment and right-of-use asset amounted to ₱6,645.74 million representing 79% of the Group's consolidated total assets. The assessment of the recoverable amount of the property and equipment and right-of-use asset requires significant judgment and involves estimation and assumptions about tuition fee rates, number of students and long-term growth rate, as well as discount rate. Hence, such assessment is a key audit matter in our audit.



The disclosures in relation to property and equipment and right-of-use asset are included in Notes 2, 3, 9 and 18 to the consolidated financial statements.

Audit Response

We involved our internal specialist in evaluating the methodology and the assumptions used. These assumptions include tuition fee rates, number of students, long-term growth rate and discount rate. We compared the key assumptions used such as the tuition fee rates and number of students against the historical performance of the cash-generating unit and other relevant external data. We tested the long-term growth rate and the parameters used in the determination of the discount rate against market data and published market information. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive; specifically, those that have the most significant effect on the determination of the recoverable amount of property and equipment and right-of-use asset.

Valuation of Land

The Group accounts for its land classified as property and equipment using the revaluation model. As at May 31, 2024, the carrying value of the Group's land classified as property and equipment amounted to ₱5,094.79 million representing 61% of the Group's consolidated total assets. In addition, for the year ended May 31, 2024, the Group recognized a revaluation gain of ₱736.15 million in other comprehensive income. The valuation of land classified as property and equipment requires the assistance of an external appraiser whose calculations depend on certain assumptions, such as sales and listing of comparable properties registered within the vicinity and adjustments to sales price based on internal and external factors. Thus, we considered the valuation of land as a key audit matter.

The disclosures relating to land classified as property and equipment at revalued amount are included in Notes 2, 3 and 9 to the consolidated financial statements.

Audit Response

We evaluated the competence, capabilities and qualifications of the external appraiser by considering their qualifications, experience and reporting responsibilities. We evaluated the methodology and assumptions used in the valuation of land classified as property and equipment. We assessed the methodology adopted by referencing common valuation models and inspected the relevant information supporting the sales and listings of comparable properties. We also inquired from the external appraiser the basis of adjustments made to the sales price.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended May 31, 2024 but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended May 31, 2024 are expected to be made available to us after the date of this auditor's report.



Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

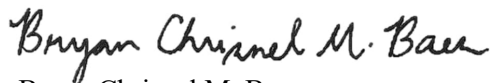
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



The engagement partner on the audit resulting in this independent auditor's report is Bryan Chrisnel M. Baes.

SYCIP GORRES VELAYO & CO.



Bryan Chrisnel M. Baes

Partner

CPA Certificate No. 128627

Tax Identification No. 275-229-188

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-148-2022, November 7, 2022, valid until November 6, 2025

PTR No. 10079899, January 5, 2024, Makati City

September 27, 2024



CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	May 31	
	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 5 and 21)	₱788,628,149	₱790,973,671
Short-term investment (Note 5)	450,000,000	–
Tuition and other receivables (Notes 6 and 21)	308,104,679	347,621,304
Inventories (Note 7)	31,923,660	23,263,835
Other current assets (Note 8)	103,613,684	89,001,972
Total Current Assets	1,682,270,172	1,250,860,782
Non-current Assets		
Property and equipment (Note 9)		
At revalued amount	5,094,787,432	4,358,636,002
At cost	1,436,029,552	1,380,614,051
Right-of-use asset (Note 18)	114,926,220	132,383,367
Goodwill (Note 4)	47,605,695	47,605,695
Other non-current assets (Note 10)	19,952,509	15,934,552
Total Non-current Assets	6,713,301,408	5,935,173,667
TOTAL ASSETS	₱8,395,571,580	₱7,186,034,449
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Note 11)	₱736,094,460	₱650,395,722
Deferred revenue (Notes 13 and 14)	35,755,839	44,347,637
Dividends payable (Note 12)	592,029,196	346,614,015
Current portion of lease liability (Note 18)	15,414,233	15,998,633
Income tax payable	27,441,448	–
Total Current Liabilities	1,406,735,176	1,057,356,007
Non-current Liabilities		
Deferred tax liabilities - net (Note 17)	535,706,593	481,888,222
Lease liability - net of current portion (Note 18)	116,038,550	131,452,782
Retirement liability (Note 16)	157,336,740	163,204,269
Other non-current liability (Note 11)	10,985,373	14,007,009
Total Non-current Liabilities	820,067,256	790,552,282
Total Liabilities	2,226,802,432	1,847,908,289
Equity		
Equity Attributable to Equity Holders of the University		
Capital stock (Note 12)	372,414,400	372,414,400
Additional paid-in capital	664,056	664,056
Retained earnings (Note 12)		
Appropriated	786,000,000	786,000,000
Unappropriated	949,366,405	782,405,069
Revaluation increment on land - net (Notes 9 and 24)	4,101,848,685	3,439,312,398
Remeasurement loss on retirement obligation (Note 16)	(49,918,465)	(50,392,618)
Revaluation reserve on financial assets at FVOCI (Note 10)	(305,301)	(318,979)
Effect of transactions with non-controlling interest (Note 12)	3,613,144	3,613,144
	6,163,682,924	5,333,697,470
Equity Attributable to Non-controlling Interests in Consolidated Subsidiaries	5,086,224	4,428,690
Total Equity	6,168,769,148	5,338,126,160
TOTAL LIABILITIES AND EQUITY	₱8,395,571,580	₱7,186,034,449

See accompanying Notes to Consolidated Financial Statements.



CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	Years Ended May 31		
	2024	2023	2022
REVENUES FROM CONTRACTS WITH CUSTOMERS			
Tuition and other school fees (Note 13)	₱2,373,589,778	₱1,847,171,734	₱1,288,803,119
Miscellaneous fees (Notes 13 and 14)	26,631,575	33,146,389	12,893,522
	2,400,221,353	1,880,318,123	1,301,696,641
OTHER REVENUES			
Rental income (Notes 18 and 21)	13,227,724	10,953,501	4,815,310
	2,413,449,077	1,891,271,624	1,306,511,951
COSTS AND EXPENSES (Note 15)			
Costs of services	1,524,307,396	1,301,993,030	1,052,582,264
General and administrative expenses	238,271,617	198,242,634	127,899,986
	1,762,579,013	1,500,235,664	1,180,482,250
INCOME BEFORE OTHER INCOME AND INCOME TAX			
	650,870,064	391,035,960	126,029,701
OTHER INCOME (EXPENSES)			
Interest income (Note 5)	32,265,250	14,739,965	3,102,887
Interest expense (Notes 17 and 18)	(8,001,368)	(8,886,852)	(11,555,061)
Loss on retirement of assets (Note 9)	(661,740)	(84,717)	(142)
Foreign currency exchange gains (losses) - net	84,299	4,004,234	679,399
Other income - net (Note 6)	–	4,000	322,060
	23,686,441	9,776,630	(7,450,857)
INCOME BEFORE INCOME TAX			
	674,556,505	400,812,590	118,578,844
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 17)			
	57,574,960	4,793,073	(473,637)
NET INCOME			
	₱616,981,545	₱396,019,517	₱119,052,481
Attributable to:			
Equity holders of the University	₱613,858,616	₱392,645,438	₱116,465,874
Non-controlling interests	3,122,929	3,374,079	2,586,607
	₱616,981,545	₱396,019,517	₱119,052,481
Basic/Diluted Earnings Per Share (Note 23)			
	₱1.65	₱1.05	₱0.32

See accompanying Notes to Consolidated Financial Statements.



CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended May 31		
	2024	2023	2022
NET INCOME	₱616,981,545	₱396,019,517	₱119,052,481
OTHER COMPREHENSIVE INCOME (LOSS)			
Items not to be reclassified to profit or loss			
Remeasurement gain on retirement obligation (Note 16)	529,176	1,559,318	53,329,784
Income tax effect (Note 17)	(52,918)	(155,932)	(5,332,978)
	476,258	1,403,386	47,996,806
Change in revaluation reserve on financial assets at FVOCI (Note 10)	13,678	(43,920)	42,120
Revaluation increment on land (Note 9)	736,151,430	–	871,043,000
Income tax effect (Note 17)	(73,615,143)	–	(87,104,300)
	662,536,287	–	783,938,700
TOTAL OTHER COMPREHENSIVE INCOME	663,026,223	1,359,466	831,977,626
TOTAL COMPREHENSIVE INCOME	₱1,280,007,768	₱397,378,983	₱951,030,107
Attributable to:			
Equity holders of the University	₱1,276,882,734	₱394,003,643	₱948,432,190
Non-controlling interests	3,125,034	3,375,340	2,597,917
	₱1,280,007,768	₱397,378,983	₱951,030,107

See accompanying Notes to Consolidated Financial Statements.



CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Years Ended May 31											
	Equity Attributable to Equity Holders of the University									Equity Attributable to Non-controlling Interests in Consolidated Subsidiaries		Total Equity
	Capital Stock (Note 12)	Additional Paid-in Capital	Retained Earnings (Note 12)		Revaluation Increment on Land - net (Notes 9 and 24)	Remeasurement Gain (Loss) on Retirement Obligation (Note 16)	Revaluation Reserve on Financial Assets at FVOCI (Note 10)	Effect of Transactions with Non-controlling Interest (Note 12)	Total	Total	Total	
Appropriated			Unappropriated	Total								
Balances at June 1, 2021	₱372,414,400	₱664,056	₱1,076,000,000	₱579,156,797	₱2,655,373,698	(₱99,780,240)	(₱317,179)	₱2,042,246	₱4,585,553,778	₱5,758,832	₱4,591,312,610	
Net income	-	-	-	116,465,874	-	-	-	-	116,465,874	2,586,607	119,052,481	
Other comprehensive income	-	-	-	-	783,938,700	47,985,496	42,120	-	831,966,316	11,310	831,977,626	
Cash dividends	-	-	-	(148,965,760)	-	-	-	-	(148,965,760)	(3,750,000)	(152,715,760)	
Reversal of appropriation	-	-	(530,000,000)	530,000,000	-	-	-	-	-	-	-	
Appropriation for business expansion	-	-	450,000,000	(450,000,000)	-	-	-	-	-	-	-	
Balances at May 31, 2022	₱372,414,400	₱664,056	₱996,000,000	₱626,656,911	₱3,439,312,398	(₱51,794,744)	(₱275,059)	₱2,042,246	₱5,385,020,208	₱4,606,749	₱5,389,626,957	
Balances at June 1, 2022	₱372,414,400	₱664,056	₱996,000,000	₱626,656,911	₱3,439,312,398	(₱51,794,744)	(₱275,059)	₱2,042,246	₱5,385,020,208	₱4,606,749	₱5,389,626,957	
Net income	-	-	-	392,645,438	-	-	-	-	392,645,438	3,374,079	396,019,517	
Other comprehensive income (loss)	-	-	-	-	-	1,402,126	(43,920)	-	1,358,206	1,260	1,359,466	
Acquisition of non-controlling interest	-	-	-	-	-	-	-	1,570,898	1,570,898	(1,820,898)	(250,000)	
Cash dividends	-	-	-	(446,897,280)	-	-	-	-	(446,897,280)	(1,732,500)	(448,629,780)	
Reversal of appropriation	-	-	(210,000,000)	210,000,000	-	-	-	-	-	-	-	
Balances at May 31, 2023	₱372,414,400	₱664,056	₱786,000,000	₱782,405,069	₱3,439,312,398	(₱50,392,618)	(₱318,979)	₱3,613,144	₱5,333,697,470	₱4,428,690	₱5,338,126,160	
Balances at June 1, 2023	₱372,414,400	₱664,056	₱786,000,000	₱782,405,069	₱3,439,312,398	(₱50,392,618)	(₱318,979)	₱3,613,144	₱5,333,697,470	₱4,428,690	₱5,338,126,160	
Net income	-	-	-	613,858,616	-	-	-	-	613,858,616	3,122,929	616,981,545	
Other comprehensive income	-	-	-	-	662,536,287	474,153	13,678	-	663,024,118	2,105	663,026,223	
Cash dividends	-	-	-	(446,897,280)	-	-	-	-	(446,897,280)	(2,467,500)	(449,364,780)	
Reversal of appropriation (Note 12)	-	-	(125,000,000)	125,000,000	-	-	-	-	-	-	-	
Appropriation for business expansion (Note 12)	-	-	125,000,000	(125,000,000)	-	-	-	-	-	-	-	
Balances at May 31, 2024	₱372,414,400	₱664,056	₱786,000,000	₱949,366,405	₱4,101,848,685	(₱49,918,465)	(₱305,301)	₱3,613,144	₱6,163,682,924	₱5,086,224	₱6,168,769,148	

See accompanying Notes to Consolidated Financial Statements.



CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended May 31		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱674,556,505	₱400,812,590	₱118,578,844
Adjustments for:			
Depreciation and amortization (Notes 9, 10, 15 and 18)	102,780,017	122,132,765	102,511,276
Provision for credit losses (Note 6)	40,818,500	17,934,199	11,863,666
Interest income (Note 5)	(32,265,250)	(14,739,965)	(3,102,887)
Retirement expense (Note 16)	24,390,317	25,593,191	33,754,297
Interest expense (Notes 18 and 19)	8,001,368	8,886,852	11,555,061
Loss on retirement of assets (Note 9)	661,740	84,717	142
Unrealized foreign exchange losses (gains) - net	(84,299)	(4,004,234)	(679,399)
Operating income before changes in operating assets and liabilities	818,858,898	556,700,114	274,481,000
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Tuition and other receivables	(2,108,727)	(78,224,074)	(71,354,990)
Inventories	(8,659,825)	(4,690,030)	(4,127,631)
Other current assets	(20,692,623)	676,938	(20,766,967)
Increase (decrease) in:			
Accounts payable and other current liabilities and contract liabilities	82,948,198	122,890,385	88,756,944
Deferred revenue	(8,591,798)	11,245,966	33,101,671
Net cash generated from operations	861,754,123	608,599,300	300,090,027
Income taxes paid	(43,921,223)	(859,710)	(4,264,403)
Interest received	33,072,102	13,742,958	3,100,782
Contribution to the plan asset (Note 16)	(30,000,000)	(30,730,610)	(30,016,248)
Interest on deficiency taxes paid	-	-	(1,831,733)
Net cash generated from operating activities	820,905,002	590,751,938	267,078,425
CASH FLOWS FROM INVESTING ACTIVITIES			
Availment of short-term investments	(450,000,000)	-	-
Acquisitions of property and equipment (Note 9)	(141,380,945)	(121,873,424)	(17,873,808)
Increase (decrease) in other non-current assets	(4,004,279)	(499,221)	8,085
Net cash used in investing activities	(595,385,224)	(122,372,645)	(17,865,723)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of cash dividends (Note 27)	(203,949,599)	(218,995,566)	(144,354,116)
Payments of leases (Notes 18 and 27)	(24,000,000)	(24,000,000)	(24,000,000)
Cash used in financing activities	(227,949,599)	(242,995,566)	(168,354,116)
EFFECT OF FOREIGN CURRENCY RATE CHANGES ON CASH AND CASH EQUIVALENTS			
	84,299	4,004,234	679,399
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,345,522)	229,387,961	81,537,985
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	790,973,671	561,585,710	480,047,725
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD (Note 5)	₱788,628,149	₱790,973,671	₱561,585,710

See accompanying Notes to Consolidated Financial Statements.



CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

The consolidated financial statements include the financial statements of Centro Escolar University (the “University”) and the following subsidiaries (collectively referred to as the “Group”):

Subsidiary	2024	2023
Centro Escolar University Hospital, Inc. (the “Hospital” or CEUHI)	100.00%	100.00%
Centro Escolar Las Piñas, Inc. (CELPI) (formerly Las Piñas College [LPC])	99.90%	99.90%
Centro Escolar Integrated School, Inc. (CE-IS)	95.80%	95.80%

The University, a publicly listed entity, was organized in the Philippines on June 3, 1907 to establish, maintain and operate an educational institution or institutions for the instruction and training of the youth in all branches of the arts and sciences, offering classes in tertiary level.

In accordance with the Commission on Higher Education (CHED) Memorandum Order No. 32, the University’s Mendiola and Makati campuses were granted autonomous status to be in force and effective from November 15, 2007. By virtue of CHED Memorandum Order No. 7, series of 2021, issued on April 30, 2021, autonomous status of these two campuses were further extended until May 31, 2022.

The University’s Malolos campus was granted autonomous status effective from November 15, 2009 per Resolution Nos. 087-2012 and 148-2012. By virtue of CHED Memorandum Order No. 7, series of 2021, issued on April 30, 2021, autonomous status of Malolos University was further extended until May 31, 2022.

On September 15, 2023, the University applied for the renewal of grant of autonomous or deregulated status pursuant to CMO No. 6, series of 2023, for its three campuses, Makati, Malolos and Mendiola.

By virtue of CHED Memorandum Order No. 7, series of 2024, issued on September 16, 2024, CHED granted autonomous and deregulated status to its three campuses, with a validity of three (3) years from September 16, 2024 to September 15, 2027.

Under this autonomous status, the University is free from monitoring and evaluation of activities of CHED and has the privilege to determine and prescribe curricular programs, among other benefits, as listed in the memorandum order. The three general criteria used by CHED for the selection and identification of institutions which shall receive autonomous status are as follows:

- Institutions established as centers of excellence or centers of development and/or with Federation of Accrediting Agencies of the Philippines Level III Accredited programs;
- With outstanding overall performance of graduates in the government licensure examinations; and
- With long tradition of integrity and untarnished reputation.

The registered principal office of the University is at 9 Mendiola Street, San Miguel, Manila.



The University incorporated the Hospital on June 10, 2008. The primary purpose of the Hospital is to establish, maintain and operate a hospital, medical and clinical laboratories and such other facilities that shall provide healthcare or any method of treatment for illnesses or abnormal physical or mental health in accordance with advancements in modern medicine and to provide education and training facilities in the furtherance of the health-related professions. The registered principal office of the Hospital is at 103 Esteban corner Legaspi Streets, Legaspi Village, Makati City. In January 2016, the Hospital entered into an agreement with Hemotek Renal Center (Hemotek), a dialysis clinic, for the former to provide laboratory examinations to Hemotek patients. As at May 31, 2024, the Hospital is providing laboratory examinations to nine Hemotek Renal Centers.

CELPI was incorporated on June 1, 1975 and is primarily engaged as an educational institution offering a full range of programs from kindergarten to graduate school. The principal place of business of CELPI is at Dr. Faustino Uy Avenue, Pilar Village, Las Piñas City.

CE-IS was incorporated on July 24, 2013 and is a learning institution which offers pre-school, primary and secondary education. The principal place of business of CE-IS is at Km. 44 MacArthur Highway, Longos, Malolos City. In September 2022, the University purchased an additional 1.80% ownership in CE-IS, increasing its ownership from 94.00% to 95.80%.

The consolidated financial statements were approved and authorized for issuance by the University's Board of Directors (BOD) on September 27, 2024.

Change in Academic Year and Fiscal Year

For the fiscal year ended May 31, 2022, the academic calendar of the University changed and the completion of the academic year was moved from May 2022 (fiscal year ended May 31, 2022) to June (fiscal year ended May 31, 2023). This is due to the offering of the programs by learning block affected by the health breaks imposed by the City Governments.

The University intends to modify the academic year starting fiscal period of 2023-2024. The change in the academic year will result in classes commencing in August instead of September for the first semester, while the second semester classes will be held from January to May instead of February to June.

2. **Material Accounting Policy Information**

Basis of Preparation

The consolidated financial statements have been prepared on a historical cost basis, except for land classified under 'Property and equipment' which is measured at revalued amount, and equity investments classified as financial assets at fair value through other comprehensive income (FVOCI) included under 'Other non-current assets'.

The consolidated financial statements are presented in Philippine Peso (₱ or Peso), which is also the Group's functional currency. All values are rounded to the nearest Peso, unless otherwise stated.

Statement of Compliance

The consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs).

Presentation of Consolidated Financial Statements

The Group presents its assets and liabilities in the consolidated 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 trading;
- Expected to be realized within 12 months after the statement of financial position date; or
- Cash or cash equivalent, unless restricted from being exchanged or used to settle a liability for at least 12 months after the statement of financial position date.

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 trading;
- It is due to be settled within 12 months after the statement of financial position date; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the statement of financial position date.

All other liabilities are classified as non-current.

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

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the University and its subsidiaries. Control is achieved when the University is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the University controls an investee if, and only if, the University has:

- Power over the investee (that is, existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the University has less than a majority of the voting or similar rights of an investee, the University considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The University's voting rights and potential voting rights.

The University reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the University obtains control over the subsidiary and ceases when the University loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the University gains control until the date the University ceases to control the subsidiary.



When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with the University's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between entities in the Group are eliminated in full on consolidation.

The financial statements of the subsidiaries were prepared using consistent accounting principles and policies in accordance with PFRSs. The financial statements of CEUHI and CELPI were prepared following a fiscal year end of March 31 while the financial statements of CE-IS were prepared following a fiscal year end of December 31. For consolidation purposes, adjustments to the financial statements of CEUHI, CELPI and CE-IS are recorded to align with the reporting year of the University.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. In such circumstances, the carrying amount of the controlling and non-controlling interests are adjusted by the Group to reflect the changes in its relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the University.

When a change in ownership interest in a subsidiary occurs, which results in loss of control over the subsidiary, the University:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interests;
- Derecognizes the cumulative translation differences recorded in equity;
- Derecognizes the other comprehensive income (OCI) and recycle the same to the profit or loss to retained earnings;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained; and
- Recognizes any surplus or deficit in the consolidated statement of income.

Non-controlling Interests

Non-controlling interests represent the portion of profit or loss and the net assets not held by the University and are presented separately in the consolidated statement of income, consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to the equity holders of the University. Transactions with non-controlling interest are accounted for using the equity concept method, whereby the difference between the consideration and the book value of the share of the net assets acquired is recognized as an equity transaction. Any losses applicable to the non-controlling interests are allocated against the interests of the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except that the Group has adopted the following new accounting pronouncements effective in 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.



Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

The amendments provide guidance and example to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies; and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to PAS 12, *International Tax Reform-Pillar Two Model Rules*

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Group’s consolidated financial statements.

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of Exchangeability*

Deferred effectivity

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

The Group continues to assess the impact of the above new and amended accounting standards and interpretations effective subsequent to May 31, 2024 on the Group’s financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the consolidated financial statements when these amendments are adopted.

Foreign Currency Translation

Transactions denominated in foreign currencies are recorded in Peso based on the exchange rates prevailing at the transaction dates. Foreign currency-denominated monetary assets and liabilities are translated in Peso based on the Bankers’ Association of the Philippines closing rate prevailing at the reporting date in 2024 and 2023, respectively. Foreign exchange differences between rate at transaction date and rate at settlement date or reporting date of foreign currency-denominated monetary assets or liabilities are credited to or charged against profit or loss in the period in which the rates changed. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items



measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of reporting date.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks and the level within the fair value hierarchy.

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term deposits which are highly liquid investments readily convertible to known amounts of cash with original maturities of three months or less from dates of placements and are subject to insignificant risks of changes in value. Cash and cash equivalents are carried at face value in the consolidated statement of financial position.



Short-term Investment

Short-term investment represents investment with original maturity of more than three months but less than one year from date of placement.

Financial Instruments

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

Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, at FVOCI and at fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or which the Group has applied the practical expedient are measured at transaction price determined under PFRS 15, *Revenue from Contracts with Customers*.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets at FVOCI without recycling (equity instruments)
- Financial assets at FVTPL (debt and equity instruments)

Financial assets at amortized cost (debt instruments)

This category is most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective 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 closely payments of principal and interest on the principal amount outstanding.



Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in the consolidated statements of income when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost includes cash in banks and short-term deposits short-term investment, tuition fee and other receivables and refundable security deposits.

Financial assets at FVOCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation*, and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to consolidated statement of income. Dividends are recognized as income in the consolidated statements of income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Group elected to classify irrevocably its investments in quoted equity instruments under this category.

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, and only when:

- the rights to receive cash flows from the asset expires;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement;
- the Group has transferred its rights to receive cash flows from the 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 or asset.

Modification of financial assets

The Group derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in profit or loss, to the extent that an impairment loss has not already been recorded.

The Group considers both qualitative and quantitative factors in assessing whether a modification of financial asset is substantial or not. When assessing whether a modification is substantial, the Group considers the following factors below, among others:

- Change in currency
- Introduction of an equity feature
- Change in counterparty
- If the modification results in the asset no longer considered "solely payment for principal and interest"



The Group also performs a quantitative assessment similar to that being performed for modification of financial liabilities. In performing the quantitative assessment, the Group considers the new terms of a financial asset to be substantially different if the present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10.00% different from the present value of the remaining cash flows of the original financial asset.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the statement of income.

When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of a new financial asset, the modified asset is considered a 'new' financial asset. Accordingly, the date of the modification shall be treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset. The newly recognized financial asset is classified as Stage 1 for ECL measurement purposes, unless the new financial asset is deemed to be originated as credit impaired (POCI).

Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

The Group's debt instruments at amortized cost comprise of cash and cash equivalents, short-term investments and refundable security deposits that are considered to have low credit risk. Hence, it is the Group's policy to measure ECL on such instrument on a 12-month basis applying the low credit risk simplification and based on the PD which is publicly available. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses external credit ratings both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECL.

For tuition fee receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to debtors and the economic environment.

Primary drivers like macroeconomic indicators of qualitative factors such as forward-looking data on inflation rate, unemployment rate and consumer price index were added to the ECL calculation to reach a forecast supported by both quantitative and qualitative data points.



The Group considers a financial asset in default when contractual payments are past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual cash flows in full before considering any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, other financial liabilities carried at amortized cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

Other financial liabilities carried at amortized cost

These are issued financial instruments or their components, which are not designated as at FVTPL and where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to satisfy 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 shares. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

After initial measurement, financial liabilities not qualified and not designated as at FVTPL 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 issuance and fees that are an integral part of the effective interest rate.

This accounting policy applies primarily to the Group's accounts payable and other current liabilities (excluding contract liabilities and statutory payables), dividends payable and lease liability.

Derecognition

A financial liability (or a part of a financial liability) is derecognized when the obligation under the liability is discharged, cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability or a part of it are substantially modified, such an exchange or modification is treated as a derecognition of the original financial liability and the recognition of a new financial liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of income.

Exchange or modification of financial liabilities

The Group considers both qualitative and quantitative factors in assessing whether a modification of financial liabilities is substantial or not. The terms are considered substantially different if the present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10.00% different from the present value of the remaining cash flows of the original financial liability. However, under certain circumstances, modification or exchange of a financial liability may still be considered substantial, even where the present value of the cash flows under the new terms is less than 10.00% different from the present value of the remaining cash flows of the original financial liability. There may be situations where the modification of the financial liability is so fundamental that immediate derecognition of the original



financial liability is appropriate (e.g., restructuring a financial liability to include an embedded equity component).

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. The difference between the carrying value of the original financial liability and the fair value of the new liability is recognized in profit or loss.

When the exchange or modification of the existing financial liability is not considered as substantial, the Group recalculates the gross carrying amount of the financial liability as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR and recognizes a modification gain or loss in profit or loss.

If modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the financial instrument and are amortized over the remaining term of the modified financial instrument.

Offsetting of Financial Instruments

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

Inventories

Inventories are valued at the lower of cost and net realizable value (NRV). NRV is the estimated selling price in the ordinary course of business, less marketing and distribution costs. The cost includes the invoice amount, freight in and other incidental costs and is determined using the first-in, first-out method.

Property and Equipment

Property and equipment, except for land, is carried at cost, less accumulated depreciation and amortization and accumulated allowance for impairment losses. The initial cost of property and equipment comprises its purchase price, including import duties, taxes and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

Land is carried at revalued amount. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Any revaluation surplus, net of tax effect, is presented in OCI, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the consolidated statement of income, in which case, the increase is recognized in the consolidated statement of income. A revaluation decrease is recognized in the consolidated statement of income, except to the extent that it offsets an existing surplus on the same asset presented in OCI. Upon disposal, any revaluation surplus, net of tax effect, relating to the land being sold is transferred to retained earnings.

Construction in progress, included in property and equipment, is stated at cost.

Expenditures incurred after the property and equipment have been put into operations, such as repairs and maintenance and overhaul costs, are normally charged against the consolidated statement of income in the period in which the costs are incurred. In situations where it can be clearly



demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

The useful life and depreciation and amortization method are reviewed at least every reporting date and adjusted prospectively, if appropriate.

Depreciation of property and equipment is computed on a straight-line basis over the following estimated useful lives of the assets:

	Number of Years
Land improvements	10
Building	25 to 50
Furniture, transportation, auxiliary	5
Laboratory equipment	10
Library books	10
Leasehold improvements	10 or lease term whichever is shorter

Construction in progress is not depreciated until such time that the relevant assets are completed and become available for intended use.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the derecognition of the asset by sale (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) and by write off, is recognized under "Miscellaneous fees" and "Loss on retirement/disposal of assets," respectively, in the consolidated statement of income in the year the asset is derecognized.

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share in the recognized amounts of the acquiree's identifiable net assets. Acquisition-related costs incurred are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and financial liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in the consolidated statement of income.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with PAS 39 in the consolidated statement of income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.



When the seller agrees to contractually indemnify the acquirer for the outcome of a contingency or uncertainty related to a specific asset or liability, the acquirer recognizes an indemnification asset with an equivalent amount deducted from the consideration transferred for the business combination. Indemnification asset recognized at the acquisition date continues to be measured on the same basis as the related indemnified item subject to collectability and contractual terms until the asset is collected, sold, cancelled or expires in the post-combination period. The Group measures the indemnification asset on the same basis as the related item, subject to any restrictions in the contractual terms.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in the consolidated statement of income.

After initial recognition, goodwill is measured at cost, less any accumulated impairment losses. For purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating unit (CGU), or group of CGU's, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is allocated should:

- Represent the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- Not be larger than an operating segment determined in accordance with PFRS 8.

When goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill allocated with disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation.

Impairment of Non-financial Assets

An assessment is made at each reporting date whether there is any indication of impairment of non-financial assets, or whether there is any indication that an impairment loss previously recognized for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is calculated at the higher of the asset's or CGU's value-in-use or its fair value less cost to sell. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is assessed as part of the CGU to which it belongs.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or CGU). In determining fair value less cost to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.



An impairment loss is recognized only if the carrying amount of an asset (or CGU) exceeds its recoverable amount. An impairment loss is charged against the consolidated statement of income in the period in which it arises, unless the asset (or CGU) is carried at a revalued amount, in which case, the impairment loss is charged against the revaluation increment of the said asset (or CGU).

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset (or CGU), but not to an amount higher than the carrying amount that would have been determined (net of any depreciation and amortization) had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is credited to current consolidated statement of income, unless the asset (or CGU) is carried at revalued amount, in which case, the reversal of the impairment loss is credited to the revaluation increment of the said asset (or CGU).

The following criteria are also applied in assessing impairment of specific assets:

Property and equipment and right-of-use asset

The carrying values of property and equipment and right-of-use asset are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists and when the carrying values exceed the estimated recoverable amounts, the assets or CGUs are written down to their recoverable amounts.

Goodwill

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of the CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU (or group of CGUs) is less than the carrying amount of the CGU (or group of CGUs) to which goodwill has been allocated, an impairment loss is recognized immediately in the consolidated statement of income. Impairment losses relating to goodwill cannot be reversed for subsequent increases in its recoverable amount in future periods.

Other Assets

Advances to suppliers

Advances to suppliers, included under “Other current assets”, represent amounts paid to suppliers for purchases not yet received as at the reporting date. This is subsequently reversed to an expense account when the goods or services are received.

Prepaid taxes

Prepaid taxes, included under “Other current assets” and “Other non-current assets”, pertains to the tax withheld at source by the Group’s lessees and excess quarterly income tax payments. These are creditable against its income tax liability.

Advances to contractors

Advances to contractors, included under “Other non-current assets”, represent amounts paid to contractors for purchases not yet received as at the reporting date. This is subsequently reversed to an asset account when the goods or services are received.

Software cost

Software cost acquired separately is measured on initial recognition at cost. Following initial recognition, software cost is carried at cost less any accumulated amortization and any accumulated impairment loss. The estimated useful life of software cost is assessed at the individual asset level.



Software cost is amortized over its estimated useful life of three years. Periods and method of amortization for software cost are reviewed annually or earlier when an indicator of impairment exists.

Gain or loss arising from derecognition of software cost is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in profit or loss when the asset is derecognized.

Cost to fulfill the contract

Cost to fulfill the contract, included under “Other current assets”, are initially measured at amounts paid and subsequently recognized as expense upon performance of the related services to the students. The Group amortizes capitalized cost to fulfill a contract to “Expenses for co-curricular activities” under “Cost of services”.

Equity

Capital stock is measured at par value for all shares issued. When the University issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

When the shares are sold at a premium, the difference between the proceeds and the par value is credited to “Additional paid-in capital.” When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received.

Retained earnings represent accumulated earnings of the Group less dividends declared.

Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods, excluding the related taxes. The Group assesses its revenue arrangement against specific criteria in order to determine if it is acting as principal or agent. The Group has concluded that it is acting as principal in its all of its revenue arrangements, except for the sale of books.

Tuition and other school fees, including income from other school services

Tuition and other school fees, including income from other school services except for the sale of books and uniforms, are recognized over time as revenue over the corresponding school term using output method (i.e., time lapsed over the service period such as semester or school year, depending on the curriculum registered). Upon enrollment, students have the option to pay the tuition and other school fees in full or in installment. Tuition and other fees, including income from other school services except for the sale of books and uniforms, to be recognized in the remaining months after statement of financial position date or next school term which are not yet due for collection are deferred and is shown under “Deferred revenue” account in the consolidated statement of financial position.

Sale of books

Income from sale of books are recognized equal to the amount of discount granted to the School by the consignor. The income is recognized upon sale of the books to the students.



Sale of uniforms

Income from sale of uniforms are recognized at a point in time upon delivery of uniforms to the students.

Contract Balances

Receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liability

A contract liability is the obligation to transfer goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs the obligations under the contract. The Group's contract liabilities represent advance collections for culminating and yearbook fees and for revenues expected to be earned on next academic year presented under "Accounts payable and other current liabilities" and will be recognized as revenue when the related services are rendered.

Other Revenues

Interest income

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

Rental income

Rental income arising from leased properties is accounted for on a straight-line basis over the lease terms.

Expense Recognition

Expenses are recognized in the consolidated statement of income when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Expenses are recognized in the consolidated statement of income:

- On the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association 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 consolidated statement of financial position as an asset.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.



Retirement Benefits

The Group operates a defined benefit retirement plan which requires contribution to be made to a separately administered fund.

The cost of providing benefits under the defined benefit retirement plan is actuarially determined using the projected unit credit method.

Retirement expense comprises the following:

- Service cost; and
- Net interest on the retirement liability.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in the consolidated statement of income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by the independent qualified actuary.

Net interest on the retirement liability is the change during the period in the retirement liability that arises from the passage of time which is determined by applying the discount rate based on government bonds to the retirement liability. Net interest on the retirement liability is recognized as an expense or income in the consolidated statement of income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on the retirement liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to the consolidated statement of income in subsequent periods.

The retirement liability is the aggregate of the present value of defined benefit obligation at the reporting date reduced by the fair value of plan assets, adjusted for any effect of limiting a net retirement asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. The fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

Income Taxes

Income tax on income or loss for the year comprises current and deferred tax. Income tax is determined in accordance with Philippine tax laws. Income tax is recognized in the consolidated statement of income, except to the extent that it relates to items recognized directly in equity, in which case, the tax effect is recognized in the consolidated statement of comprehensive income.

Current tax

Current tax assets and current tax liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the statement of financial position date.



Deferred tax

Deferred tax is provided or recognized, using the liability method, for all temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the statement of financial position date.

Deferred tax assets are recognized for all deductible temporary differences and unused net operating loss carryover (NOLCO). Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and NOLCO can be utilized, except:

- a. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- b. In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

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 profits will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- a. When the deferred tax liability arises from the initial recognition of goodwill or 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; or
- b. In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

Deferred income tax assets and liabilities are offset if a legally enforceable right to offset current income tax against current income tax liabilities and the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current income tax liabilities and assets on a net basis or to realize the assets and settle the liabilities simultaneously, on each future period in which significant amounts of deferred income tax assets and liabilities are expected to be settled or recovered. Subsidiaries operating in the Philippines file income tax returns on an individual basis. Thus, the deferred tax assets and deferred tax liabilities are offset on a per entity basis.



Leases

Group as lessor

Leases where the Group does not transfer all the risks and benefits of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and are recognized over the lease term on the same basis as the rental income. Rental income are recognized in the consolidated statement of income on a straight-line basis over the lease term. Contingent rentals are recognized as revenue in the period in which they are earned.

Group as a lessee

The Group assesses at contract inception whether a contract is, or contains, a lease (i.e., if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration).

The Group applies a single recognition and measurement approach for all leases, except for its leases of low-value asset and short-term leases. The Group recognizes lease liability to make lease payments and right-of-use asset representing the right to use the underlying asset.

Right-of-use asset

The Group recognizes right-of-use asset at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use asset is measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liability. The cost of right-of-use asset includes the amount of lease liability recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use asset is depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Right-of-use asset is subject to impairment. Refer to the accounting policies in section *Impairment of Non-financial Assets*.

Lease liability

At the commencement date of the lease, the Group recognizes lease liability measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liability is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liability is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.



Segment Reporting

The Group's operating businesses are organized and managed separately according to the geographic locations, designated as the Group's campuses, with each segment representing a strategic business unit that offers varying courses depending on demands of the market. Financial information on business segments is presented in Note 20.

Basic and Diluted Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing net income attributable to common shareholders of the University by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing net income attributable to common shareholders of the University by the weighted average number of common shares outstanding during the year adjusted for the effects of any dilutive potential common shares.

Provisions

A provision is recognized only when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and, a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Contingencies

Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes to consolidated financial statements when an inflow of economic benefits is probable.

Contingent liabilities are not recognized in the consolidated financial statements but these are disclosed in the notes to consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

Events after the Reporting Date

Post year-end events up to the date of approval of the BOD of the consolidated financial statements that provide additional information about the Group's position reporting date (adjusting events) are reflected in the consolidated financial statements, if any. Post year-end events that are not adjusting events are disclosed in the notes to consolidated financial statements when material

3. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements in compliance with PFRSs requires management to make judgments and estimates that affect the amounts reported in the consolidated financial statements and accompanying notes. Future events may occur which can cause the assumptions used in arriving at those estimates to change. The effects of any changes in estimates will be reflected in the consolidated financial statements as they become reasonably determinable.

Judgments and estimates are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.



Judgments

In the process of applying the Group's accounting policies, management has made the judgments below apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Recognition of tuition and other fees over time

The Group determined that tuition and other fees, the major source of revenue of the Group, are to be recognized over time using the output method on the basis of time lapsed over the service period since it provides a faithful depiction of the Group's performance in transferring control of the services to the students. The fact that another entity would not need to re-perform the service that the Group has provided to date demonstrates that the customer or the student simultaneously receives and consumes the benefits of the Groups' performance as it is performed.

Leases

- Group as lessor
The Group has entered into commercial property leases on its Mendiola, Malolos, Makati and Las Piñas campuses. The Group has determined, based on an evaluation of the terms and conditions of the arrangements (that is, the lease does not transfer ownership of the asset to the lessee by the end of the lease term, the lessee has no option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option is exercisable, and the lease term is not for the major part of the asset's economic life), that it retains all the significant risks and rewards of ownership of these properties. Thus, the leases are classified as operating leases.
- Group as lessee
The Group has entered into a lease on premises it uses for its Makati-Buendia campus. The Group has determined, based on an evaluation of the terms and conditions of the arrangement (that is, the lease does not transfer ownership of the asset to the lessee by the end of the lease term, the lessee has no option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option is exercisable, and the lease term is not for the major part of the asset's economic life), that not all significant risks and rewards of ownership of the properties have been transferred to the Group. Thus, the lease is qualified as in scope of and accounted for in accordance with PFRS 16, *Leases* (see Note 18).

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimation of allowance for expected credit losses

The Group uses the simplified approach in calculating ECLs for tuition fee receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type).

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecasted economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analyzed.



The segmentation of the Group's receivable, identification and definition of default and the assessment of the correlation between historically observed default rates, forecast economic conditions and ECLs are significant estimates. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future.

The carrying values of tuition and other receivables and related allowance for ECL as at May 31, 2024 and 2023 are disclosed in Note 6.

Impairment of property and equipment and right-of-use asset

The Group assesses at each reporting date whether there is any indication that its property and equipment and right-of-use asset are impaired. Determining the fair value of these non-current non-financial assets, which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Group to make estimates and assumptions that can materially affect the consolidated financial statements. Future events could cause management to conclude that these assets are impaired. Any resulting impairment loss could have a material adverse impact on the Group's financial position and financial performance. The preparation of the estimated future cash flows involves significant judgment and estimations. While management believes that the assumptions made are appropriate and reasonable, significant changes in management assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under PFRSs.

As of May 31, 2024 and 2023, the Group's market capitalization is lower compared to the carrying amount of the net assets of the Group. This is considered as an indicator that the Group's property and equipment and right-of-use asset may be impaired as at May 31, 2024 and 2023. Hence, the Group performed impairment analysis as at May 31, 2024 and 2023. The Group's value-in-use calculation involves significant management judgment in the use of assumptions, particularly tuition fee rates, number of students, long-term growth rate and discount rate.

As at May 31, 2024 and 2023, the recoverable amount of the CGU has been determined based on the value-in-use calculation using cash flow projections from the five-year strategic plan for the University. Tuition fee rates and number of students assumed to project revenues were based on approved tuition fee increase and the University's historical data and performance.

The discount rate used for the computation of the net present value is the cost of the equity and was determined by reference to comparable entities. For the year ended May 31, 2024 and 2023, the pre-tax discount rate applied to cash flow projections is 12.78% and 11.32%, respectively. The long-term growth rate to project cash flows beyond the five-year period is 5.00% in 2024.

The carrying values of property and equipment and right-of-use asset as at May 31, 2024 and 2023 are disclosed in Notes 9 and 18, respectively.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. The Group's value-in-use calculation involves significant management judgment in the use of assumptions, particularly the tuition fee rates, number of students, long-term growth rate and the discount rate.

The carrying value of goodwill of the Group is disclosed in Note 4.



Revaluation of land

The fair value of the Group's land at revalued amount was based on a third party appraisal with effective date of valuation of May 31, 2024, using market approach. Key assumptions used by the independent appraiser are disclosed in Note 24.

The revalued amount of land included under "Property and equipment" in the consolidated statement of financial position is disclosed in Note 9.

Retirement liability

The cost of the defined benefit retirement plan and the present value of defined benefit obligation are determined using an actuarial valuation. The actuarial valuation involves making assumptions about employee turnover rates, discount rates, prospective salary increases and mortality rate. Due to the complexity of the actuarial valuation, the underlying assumptions and long-term nature of this plan, such estimates are subject to significant uncertainty. All significant assumptions are reviewed at each reporting date.

The assumed discount rates were determined using the market yields on Philippine government bonds with terms consistent with the expected employee benefit payout as at the reporting date. Future salary increases are assumed for all future years within the duration of the plan and take into account the inflation, seniority, promotion, merit, productivity and other market factors. Employee turnover rates are based on the probability of voluntary separation of service from the University prior to their retirement date. Mortality rate are based on the probability of being deceased prior to retirement.

The present value of defined benefit obligation and details about the significant assumptions used are disclosed in Note 16.

Recognition of deferred income taxes

Deferred tax assets are recognized for all deductible temporary differences and unused NOLCO to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences and unused NOLCO can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The estimates of future taxable income indicate that all temporary differences will be realized in the future.

The Group's recognized and unrecognized deferred tax assets as at May 31, 2024 and 2023 are disclosed in Note 17.

Evaluation of provisions

The Group provides for present obligations (legal or constructive) where it is probable that there will be an outflow of resources embodying economic benefits that will be required to settle said obligations. An estimate of the provision is based on known information at the end of reporting period, net of any estimated amount that may be reimbursed to the Group. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. The amount of provision is being re-assessed at least on an annual basis to consider new relevant information.

The Group is involved in various claims and tax assessments that are normal to its business. Based on the legal grounds of certain claims and assessments, the Group's outstanding provision for probable losses is disclosed in Note 26.



4. Business Combination

On August 24, 2015, the University entered into an agreement with the previous owners of CELPI (the “Sellers”) to purchase their interest in CELPI shares, and real and other properties consisting of parcels of land and buildings and improvements which are owned directly by the Sellers but are used by CELPI.

Accordingly, the University obtained control of CELPI through the execution of the agreements on September 1, 2015 as outlined below.

	Amount
Deed of Absolute Sale for the purchase of parcels of land, buildings and improvements	₱270,200,000
Deeds of Assignment for the purchase of CELPI shares representing 90.00% equity interest	3,600,000
	<u>₱273,800,000</u>

It was also agreed that the University would pay the Sellers the amount of ₱7.34 million to liquidate all liabilities of CELPI, including but not limited to, retirement/separation of all CELPI employees. The acquisition provided the University the opportunity to expand its operations in the southern part of Metro Manila.

The fair values of the identifiable assets and liabilities of CELPI as at the date of acquisition is shown below:

	Fair value recognized on acquisition
Assets	
Cash	₱108,234
Receivables	10,000
Property and equipment	836,314
Other assets	6,650
	<u>961,198</u>
Liabilities	
Accounts payable and accrued expenses	197,496
Advances from officers	2,870,473
	<u>3,067,969</u>
Net liabilities	<u>(₱2,106,771)</u>

In addition to the above identifiable assets and liabilities, the Group recognized the fair value of real and other properties acquired as a result of the business combination amounting to ₱229.46 million and the related deferred tax asset of ₱4.07 million (see Note 18).

The fair values of land and buildings and improvements as at September 1, 2015 have been determined based on the valuation done by a professionally qualified appraiser accredited by the Securities and Exchange Commission (SEC). The fair values of these assets were derived based on sales comparison approach. Under this approach, the fair value of the land was determined considering sales and listings of comparable property in the same area as the land, also taking into account the economic conditions prevailing at the time the valuation was made. The actual sales and listings regarded as comparable are adjusted to account for differences in a property’s location, size and time element. For buildings and improvements, the significant input considered in the valuation



is the reproduction cost, which is the estimated cost to create a virtual replica of the existing structure, employing the same design and similar building materials.

The University has elected to measure the non-controlling interest in CELPI at their proportionate share of CELPI's net identifiable assets.

Goodwill from the acquisition is computed as follows:

Consideration transferred	₱281,140,000
Fair value of net liabilities assumed	2,106,771
Less:	
Fair value of real and other properties acquired	(229,460,339)
Deferred tax asset on excess of acquisition cost over fair value of real and other properties acquired	(4,073,966)
Indemnification asset	(2,106,771)
<u>Goodwill</u>	<u>₱47,605,695</u>

The goodwill arising from the acquisition can be attributed mainly to expected synergies and increase in geographical presence and customer base.

The Sellers have contractually agreed to indemnify the University for all known liabilities until March 31, 2016, and consequently, the University recognized indemnification asset of ₱2.11 million at acquisition date.

Impairment Testing of Goodwill

As at May 31, 2024 and 2023, the carrying amount of goodwill amounted to ₱47.61 million. Management assessed that no impairment losses need to be recognized.

Key assumptions used in the value-in-use (VIU) calculation

As at May 31, 2024 and 2023, the recoverable amount of the CGU has been determined based on a VIU calculation using cash flow projections from the five-year strategic plan for CELPI. Tuition fee rates and number of students assumed to project revenues were based on externally available industry data and the Group's historical data and performance. The discount rate used for the computation of the net present value is the cost of equity and was determined by reference to comparable entities. For the year ended May 31, 2024 and 2023, the pre-tax discount rate applied to cash flow projections is 12.78% and 11.32%. The long-term growth rate to project cash flows beyond the five-year period is 5.00% to calculate the terminal value.

Sensitivity to changes in assumptions

Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the goodwill to materially exceed its recoverable amount.



5. Cash and Cash Equivalents and Short-Term Investment

Cash and Cash Equivalent

This account consists of:

	2024	2023
Cash on hand and in banks (Note 21)	₱212,593,497	₱205,319,882
Cash equivalents (Note 21)	576,034,652	585,653,789
	₱788,628,149	₱790,973,671

Cash in banks earned interest rates ranging from 0.25% to 0.38% and from 0.05% to 0.38% for the years ended May 31, 2024 and 2023, respectively.

Cash equivalents consist of short-term deposits made for varying periods of up to three months depending on the immediate cash requirements of the Group and earned interest rates ranging from 0.43% to 6.50% and from 0.27% to 1.20% for the years ended May 31, 2024 and 2023, respectively.

Interest income from cash in banks and short-term deposits amounted to ₱32.27 million, ₱14.74 million and ₱3.10 million for the years ended May 31, 2024, 2023 and 2022, respectively.

Short-term Investment

Short-term investment represents special savings deposit with maturity of more than three months but not more than one year from dates of placement. As of May 31, 2024, short-term investments amounted to ₱450.00 million and earned interest at annual rate of 6.25% in 2024.

6. Tuition and Other Receivables

This account consists of:

	2024	2023
Tuition fee receivables	₱391,397,697	₱385,874,233
Advances to employees	26,393,413	33,508,868
Nontrade receivables	10,122,287	10,106,090
Accrued rent receivable (Notes 18 and 21)	7,357,103	6,011,592
Accrued interest receivable (Note 21)	238,105	1,153,815
Other receivables	3,611,995	1,164,127
	439,120,600	437,818,725
Less allowance for ECL	131,015,921	90,197,421
	₱308,104,679	₱347,621,304

Tuition fee receivables are non-interest-bearing and are generally on a 120-day term for the University and CELPI and 300-day term for CE-IS.

Advances to employees comprise of non-interest-bearing advances which are collectible through salary deduction and are generally on a 6 to 12-month term.

Recoveries from previously written-off tuition fee receivables amounting to ₱3.72 million for the year ended May 31, 2024 and nil for the years ended May 31, 2023 and 2022 are recorded as part of tuition and other school fees.



The allowance for ECL pertains to the Group's tuition fee receivables and advances to employees, which were impaired through specific identification and collective assessment. The rollforward analysis of allowance for ECL follows:

	2024	2023
Balances at beginning of year		
Tuition fee receivables	₱90,197,421	₱136,905,626
Advances to employees	-	-
	90,197,421	136,905,626
Movements during the year:		
Provision (Note 15)		
Tuition fee receivables	35,636,104	17,934,199
Advances to employees	5,182,396	-
Write-off		
Tuition fee receivables	-	(64,338,497)
Advances to employees	-	-
Reversal of provision		
Tuition fee receivables	-	(303,907)
Advances to employees	-	-
	40,818,500	(46,708,205)
Balances at end of the year		
Tuition fee receivables	125,833,525	90,197,421
Advances to employees	5,182,396	-
	₱131,015,921	₱90,197,421

As at May 31, 2024 and 2023, the aging analysis of tuition and other receivables follows:

	2024					
	Current	Days Past Due			Impaired	Total
		1-30 Days	Over 30 Days	Over 60 Days		
Tuition fee receivables	₱3,097,583	₱-	₱-	₱299,324,946	₱88,975,168	₱391,397,697
Advances to employees	21,211,017	-	-	-	5,182,396	26,393,413
Non-trade receivables	-	-	-	10,122,287	-	10,122,287
Accrued rent receivable	7,357,103	-	-	-	-	7,357,103
Accrued interest receivable	238,105	-	-	-	-	238,105
Other receivables	3,611,995	-	-	-	-	3,611,995
	₱35,515,803	₱-	₱-	₱309,447,233	₱94,157,564	₱439,120,600

	2023					
	Current	Days Past Due			Impaired	Total
		1-30 Days	Over 30 Days	Over 60 Days		
Tuition fee receivables	₱-	₱-	₱-	₱295,676,812	₱90,197,421	₱385,874,233
Advances to employees	33,508,868	-	-	-	-	33,508,868
Non-trade receivables	10,106,090	-	-	-	-	10,106,090
Accrued rent receivable	6,011,592	-	-	-	-	6,011,592
Accrued interest receivable	1,153,815	-	-	-	-	1,153,815
Other receivables	1,164,127	-	-	-	-	1,164,127
	₱51,944,492	₱-	-	₱295,676,812	₱90,197,421	₱437,818,725



7. Inventories

This account consists of:

	2024	2023
Uniforms and outfits	₱27,936,123	₱19,147,003
Supplies	2,432,830	1,750,684
Materials	1,554,707	2,366,148
	₱31,923,660	₱23,263,835

The cost of uniforms and outfits charged to “Cost of services - Uniforms and outfits” amounted to ₱47.61 million, ₱35.99 million and ₱2.35 million for the years ended May 31, 2024 2023, and 2022 respectively (see Note 15).

The cost of materials and supplies charged to “Cost of services - Others” amounted to ₱1.59 million, ₱0.28 million and 0.22 million for the years ended May 31, 2024 2023, and 2022 respectively (see Note 15).

8. Other Current Assets

This account consists of:

	2024	2023
Advances to suppliers	₱92,408,544	₱61,419,915
Cost to fulfill a contract	618,954	618,954
Others	10,586,186	26,963,103
	₱103,613,684	₱89,001,972

Advances to suppliers are advances paid to suppliers for classroom materials and supplies.

Others include advanced payment for insurance, taxes, licenses and library subscription which are amortized over a period of less than one year.

Cost to fulfill a contract includes future expenses paid in advance related to year books, and graduation that is subsequently charged to expenses upon amortization. The rollforward analysis of this account follows:

	2024	2023
Balances at beginning of period	₱618,954	₱2,668,954
Additions	-	-
Amortization (Note 15)	-	(2,050,000)
Balances at end of period	₱618,954	₱618,954

The amortization of the cost to fulfill a contract is charged to “Cost of services - Expenses for co-curricular activities” (see Note 15).



9. Property and Equipment

The composition of and the movements in this account follow:

	2024								Subtotal	Total
	At Cost									
	Land (At Revalued Amount)	Land Improvements	Buildings and Leasehold Improvements	Furniture, Transportation and Auxiliary Equipment	Laboratory Equipment	Library Books	Construction in Progress			
Cost										
Balances at beginning of year	₱4,358,636,002	₱32,002,632	₱1,966,255,235	₱620,894,911	₱420,988,839	₱152,771,292	₱66,892,016	₱3,259,804,925	₱7,618,440,927	
Revaluation of Land	736,151,430	–	–	–	–	–	–	–	736,151,430	
Additions	–	–	1,952,577	90,644,806	37,251,222	11,532,340	–	141,380,945	141,380,945	
Retirement/disposals	–	–	–	(10,139,881)	(12,957,781)	–	–	(23,097,662)	(23,097,662)	
Adjustment	–	–	52,183,831	1,132,910	–	52,275	(53,369,016)	–	–	
Balances at end of year	5,094,787,432	32,002,632	2,020,391,643	702,532,746	445,282,280	164,355,907	13,523,000	3,378,088,208	8,472,875,640	
Accumulated depreciation and amortization										
Balances at beginning of year	–	30,927,692	854,084,339	516,053,518	356,001,730	122,123,595	–	1,879,190,874	1,879,190,874	
Depreciation and amortization (Note 15)	–	287,380	45,878,887	22,780,690	10,323,528	6,693,135	–	85,963,620	85,963,620	
Retirements	–	–	–	(10,138,413)	(12,957,425)	–	–	(23,095,838)	(23,095,838)	
Reclassification	–	–	–	–	–	–	–	–	–	
Balances at end of year	–	31,215,072	899,963,226	528,695,795	353,367,833	128,816,730	–	1,942,058,656	1,942,058,656	
Net book values	₱5,094,787,432	₱787,560	₱1,120,428,417	₱173,836,951	₱91,914,447	₱35,539,177	₱13,523,000	₱1,436,029,552	₱6,530,816,984	



	2023								
	At Cost								
	Land (At Revalued Amount)	Land Improvements	Buildings and Leasehold Improvements	Furniture, Transportation and Auxiliary Equipment	Laboratory Equipment	Library Books	Construction in Progress	Subtotal	Total
Cost									
Balances at beginning of year	₱4,358,636,002	₱32,002,632	₱1,904,471,893	₱586,252,287	₱414,105,422	₱147,356,913	₱66,892,016	₱3,151,081,163	₱7,509,717,165
Additions	–	–	61,783,342	40,576,872	14,098,831	5,414,379	–	121,873,424	121,873,424
Revaluation	–	–	–	–	–	–	–	–	–
Retirements	–	–	–	(5,934,248)	(7,215,414)	–	–	(13,149,662)	(13,149,662)
Transfers	–	–	–	–	–	–	–	–	–
Balances at end of year	4,358,636,002	32,002,632	1,966,255,235	620,894,911	420,988,839	152,771,292	66,892,016	3,259,804,925	7,618,440,927
Accumulated depreciation and amortization									
Balances at beginning of year	–	30,640,314	801,906,867	498,048,314	341,938,229	115,900,645	–	1,788,434,369	1,788,434,369
Depreciation and amortization (Note 15)	–	287,378	52,177,472	23,854,925	21,278,725	6,222,950	–	103,821,450	103,821,450
Retirements	–	–	–	(5,849,721)	(7,215,224)	–	–	(13,064,945)	(13,064,945)
Balances at end of year	–	30,927,692	854,084,339	516,053,518	356,001,730	122,123,595	–	1,879,190,874	1,879,190,874
Net book values	₱4,358,636,002	₱1,074,940	₱1,112,170,896	₱104,841,393	₱64,987,109	₱30,647,697	₱66,892,016	₱1,380,614,051	₱5,739,250,053

Major developments accounted under construction in progress as at May 31, 2023 pertain to construction and renovation of 5-storey building for CE-IS amounting to ₱53.69 million. This was reclassified to other accounts within “Property and equipment” in 2024.

As of May 31, 2024 and 2023, there were no contractual commitments for the acquisition of property, plant and equipment.

For the years ended May 31, 2024 and 2023, the Group retired certain properties with aggregate cost amounting to ₱23.10 million and ₱13.15 million, respectively. Loss on retirement of these properties amounted to ₱661,740, ₱84,717 and ₱142 for the years ended May 31, 2024, 2023 and 2022, respectively.



Land

As at May 31, 2024 and 2023, land at revalued amount consists of:

	2024	2023
Cost		
Balances at beginning and end of year	₱537,177,782	₱537,177,782
Revaluation increment - gross		
Beginning balance	3,821,458,220	3,821,458,220
Revaluation during the year	736,151,430	-
Ending balance	4,557,609,650	3,821,458,220
	₱5,094,787,432	₱4,358,636,002

Based on the Group's policy, the appraisal of its properties is done within three to five years. The latest appraisal was done in May 2024 by a professionally qualified appraiser accredited by the SEC (see Note 24).

Deferred tax liability related to the revaluation surplus amounted to ₱73.62 million, nil and ₱87.10 million for the years ended May 31, 2024, 2023 and 2022, respectively (see Note 17).

Key assumptions used in the VIU calculation

As at May 31, 2024 and 2023, the recoverable amount of the CGU has been determined based on a VIU calculation using five-year cash flow projections. Key assumptions in the VIU calculation of the CGU are most sensitive to the following:

- Future revenues and revenue growth rates (e.g., tuition fee rates and number of students). Cash flow projections based on financial budgets approved by management covering a five-year period.
- Long-term growth rates. Management considered a long-term growth rate of 5.00% to project cash flows beyond the five-year period to calculate the terminal value.
- Discount rates (12.78% for May 31, 2024 and 11.32% for May 31, 2023). The discount rate used for the computation of the net present value is the weighted average cost of capital and was determined by reference to the University's capital structure.

Sensitivity to changes in assumptions

Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of property and equipment to materially exceed its recoverable amount.

10. Other Non-current Assets

This account consists of:

	2024	2023
Advances to contractors	₱11,741,718	₱7,465,313
Prepaid taxes	7,108,198	7,108,198
Refundable security deposits	996,035	1,268,161
Financial assets at FVOCI	106,558	92,880
	₱19,952,509	₱15,934,552

Advances to contractors pertain to advances paid to contractors for planned construction of various facilities. The effect of discounting the refundable security deposits is immaterial.



The University has fully amortized software still in used as at May 31, 2024 and 2023 amounting to ₱8.47 million. The rollforward analysis of this account follows:

	2024	2023
Cost		
Balance at beginning and end of year	₱8,473,000	₱8,473,000
Accumulated amortization		
Balance at beginning of year	8,473,000	7,618,833
Amortization (Note 15)	-	854,167
Balance at end of year	8,473,000	8,473,000
	₱-	₱-

Financial assets at FVOCI investments pertain to the Group's investments in listed shares of stocks and are valued at the closing stock price as at May 31, 2024 and 2023.

Cost of quoted equity investments and dividend income earned during from these investments follow:

	2024	2023	2021
Cost of quoted equity investments	₱411,859	₱411,859	₱411,859
Dividend income	-	9,396	2,160

Movements in carrying value of financial assets at FVOCI investments for the years ended May 31, 2024 and 2023 follow:

	2024	2023
Balances at beginning of period	₱92,880	₱136,800
Fair value gains (losses)	13,678	(43,920)
Balances at end of period	₱106,558	₱92,880

Changes in revaluation reserve on financial assets at FVOCI for the years ended May 31, 2024 and 2023:

	2024	2023
Balances at beginning of year	(₱318,979)	(₱275,059)
Change in revaluation reserve on financial assets at FVOCI	13,678	(43,920)
	(₱305,301)	(₱318,979)



11. Accounts Payable and Other Current Liabilities

This account consists of:

	2024	2023
Accounts payable	₱332,146,329	₱324,199,457
Accrued expenses:		
Employee benefits	162,652,975	110,606,916
Others	150,467,527	9,161,294
Payable to students	38,606,026	42,180,602
Contract liabilities	26,025,656	142,163,006
Deposits	14,149,341	10,584,672
Provision for probable losses (Note 26)	9,353,517	9,353,517
Alumni fees payable	2,693,089	2,146,258
	₱736,094,460	₱650,395,722

Accounts payable are non-interest-bearing and are generally on 30 to 60-day terms.

Accrued expenses include accrued rent pertaining to the unpaid contingent rent to its affiliate, equivalent to 40.00% of the annual income derived from the leased premises (see Note 21).

Other accrued expenses pertain to accrued purchases, accruals for audit fees, janitorial and security services, advertising services and other services.

Payable to students are refunds of miscellaneous fees to students to be applied in the next school year or semester.

As at May 31, 2024, contract liabilities amounting to ₱26.03 million will be recognized as revenue in the following year. Contract liabilities amounting to ₱142.16 million as at May 31, 2023 were recognized as revenue for the year ended May 31, 2024.

As at May 31, 2024 and 2023, other non-current liabilities amounting to ₱10.99 million and ₱14.01 million, respectively, pertain to contract liabilities that are estimated to be recognized as revenue within two to five years.

Deposits include refundable deposits for toga rentals and security deposits on leases.

Alumni fees payable includes graduating students' payments for alumni registration and identification cards which are remitted to the alumni foundation.

12. Equity

Capital Stock

The University's shares are listed and traded in the Philippine Stock Exchange.



Details of capital stock as at May 31, 2024 and 2023 are presented below.

Shares Authorized	Shares Issued and Outstanding	Par Value	Amount
800,000,000	372,414,400	₱1	₱372,414,400

Below is the summary of the University's track record of registration of securities under the Revised Securities Regulation Code (SRC):

Date	Number of Shares	Issue Price
November 10, 1986	305,000	₱100
August 9, 1988	152,500	100
February 23, 1994	297,375	100
September 18, 1995	993,174	100
March 17, 1998	2,237,356	100

As at May 31, 2024 and 2023, the total number of shares registered under the SRC are 372,414,400 shares being held by 1,009 and 1,014 stockholders, respectively.

Cash Dividends

The University's BOD approved the declaration of the following cash dividends:

Date of Declaration	Date of Record	Date of Payment	Amount	Dividend per Share
May 31, 2024	July 11, 2024	August 5, 2024	₱446,897,280	₱1.20
May 26, 2023	June 30, 2023	July 25, 2023	223,448,640	0.60
September 30, 2022	November 11, 2022	December 7, 2022	₱223,448,640	₱0.60
July 30, 2021	August 27, 2021	September 22, 2021	₱148,965,760	₱0.40

As at May 31, 2024 and 2023, the carrying value of dividends payable amounted to ₱592.03 million and ₱346.61 million, respectively.

Retained Earnings

Appropriations of retained earnings are as follows:

Date of Appropriation and Expiration	Remarks/ Projects	Amount
June 28, 2019 - June 27, 2021	On June 28, 2019, the University's BOD approved the re-appropriation of ₱450.00 million for the development of the Malolos campus. These projects include the construction of a 3-storey building for the setting up of a pre-school, elementary and high school in preparation for the K-12 program and to support the five-year development plan for Malolos campus.	₱530,000,000

In addition, the University's BOD approved the appropriation of ₱80.00 million for the construction of the following:

- Eight (8)-storey building in Mendiola Campus;
- Construction of swimming pools and renovation of classroom in Malolos campus; and
- Extension of the expansion projects of the University.



Date of Appropriation and Expiration	Remarks/ Projects	Amount
	The estimated date of completion of the above projects as set by the University is within 2 years.	
	This was unappropriated on June 27, 2021 upon expiration of the appropriation.	
June 23, 2017 - June 22, 2022	<p>On June 23, 2017, the University's BOD approved the expansion projects of the University. These projects include the items enumerated below:</p> <ul style="list-style-type: none"> • Planned construction of a 3-storey building for Science-related courses in CEU Malolos; • Additional investments in CE-IS for construction of building in anticipation of increased number of students in S.Y. 2020-2021; • Additional investment in CELPI for construction of building in anticipation of increased number of students in S.Y. 2020-2021; and • Modernization of CEU Manila campus. <p>The estimated date of completion of the above projects as set by the University is within 5 years.</p>	₱210,000,000
August 28, 2020 - August 27, 2025	<p>On August 28, 2020, the University's BOD approved the detailed expansion program and projects of the University. These projects include the budget for capital expenditures and the following in the Malolos Campus:</p> <ul style="list-style-type: none"> • Planned construction of a 5-storey dormitory for the students, faculty and employees of the University; • Planned construction of a 2-storey building for the School of Dentistry; • Planned construction of a 2-storey building to house a food court with students' area in the ground floor and commercial spaces in the second floor; • Renovation of the Centrodome; • Planned construction of a multi-purpose activity center and swimming pool for use of students; and • Renovation and extension of buildings and various laboratories. <p>The estimated date of completion of the above projects as set by the University is within five years.</p>	₱336,000,000
April 29, 2022 - April 28, 2027	<p>On April 29, 2022, the University's BOD approved the expansion projects of the University. These projects include the items enumerated below:</p> <ul style="list-style-type: none"> • Continuous upgrading of laboratory equipment of all campuses in preparation for full setup of face to face modality of learning. • Construction of 8 storey building in the Manila campus • Construction of road, drainages, and primary metering in the Malolos campus • Construction of multipurpose activity center on the Malugay property for the Makati campus <p>The estimated date of completion of the above projects as set by the University is within 5 years.</p>	₱450,000,000



Date of Appropriation and Expiration	Remarks/ Projects	Amount
August 25, 2023 - May 31, 2024*	On August 25, 2023, the University's BOD approved for the upgrading and procurement of laboratory equipment such as dental chairs, precision instruments, optometry equipment and devices for School Year (S.Y.) 2023-2024.	₱125,000,000

**Appropriated retained earnings amounting to ₱125.00 million was reversed on May 31, 2024, upon expiration of the related appropriation.*

In accordance with Revised SRC Rule 68, Annex 68-D, the University's retained earnings available for dividend declaration as at May 31, 2024 amounted to ₱777.24 million. The University plans to declare dividends in fiscal year 2025.

The consolidated retained earnings include the deficit of the CEUHI amounting to ₱31.70 million and ₱32.06 million as at May 31, 2024 and 2023, respectively.

Effect of Transactions with Non-controlling Interest

In April 2019, the University purchased an additional 4.00% ownership in CE-IS using the advances to CE-IS stockholders amounting to ₱0.50 million. This resulted in a transfer of non-controlling interest to equity reserve amounting to ₱2.04 million.

In September 2022, the University purchased an additional 1.80% ownership in CE-IS using the advances to CE-IS stockholders amounting to ₱0.25 million. This resulted in a transfer of non-controlling interest to equity reserve amounting to ₱1.57 million.

Dividends declared by CE-IS to NCI amounted to ₱2.47 million, ₱1.73 million and ₱3.75 million for the years ended May 31, 2024, 2023 and 2022, respectively.

13. Tuition and Other Fees

This account consists of:

	2024	2023	2022
Tuition fees	₱1,074,477,021	₱855,941,560	₱676,232,195
Other fees	847,870,282	673,031,789	468,812,323
Income from other school services	451,242,475	318,198,385	143,758,601
	₱2,373,589,778	₱1,847,171,734	₱1,288,803,119

Other fees include registration fees, health services fees, library fees, laboratory fees, development fees, practicum fees, internship fees and review fees.

Income from other school services comprise of fees for diploma and certificates, transcript of records, student handbooks, identification cards, entrance, qualifying and special examinations, laboratory materials, application fees for foreign students, uniforms and outfits, and various collections for specific items or activities.



Revenue from contracts with customers for tuition and other fees and miscellaneous fees are as follows:

Timing of Recognition	2024		2023		2022	
	Tuition fees and other school fees	Miscellaneous fees (Note 14)	Tuition fees and other school fees	Miscellaneous fees (Note 14)	Tuition fees and other school fees	Miscellaneous fees (Note 14)
Over time	₱2,292,251,724	₱-	₱1,751,387,904	₱-	₱1,244,406,632	₱4,367,936
Point in time	81,338,054	26,631,575	95,783,830	33,146,389	44,396,487	8,525,586
	₱2,373,589,778	₱26,631,575	₱1,847,171,734	₱33,146,389	₱1,288,803,119	₱12,893,522

Receivables and contract liabilities are disclosed in Notes 6 and 11, respectively.

Deferred tuition fees amounting to ₱35.76 million and ₱44.35 million as at May 31, 2024 and 2023, respectively, pertain to tuition and income from other school services to be recognized as revenue in the remaining months after the statement of financial position date or next school term.

14. Miscellaneous Fees

This account consists of:

	2024	2023	2022
Dental materials	₱4,625,549	₱4,958,709	₱2,519,362
Swimming fees	3,743,096	–	706,060
Locker fees	3,702,152	2,975,670	16,518
Service commissions	2,292,793	111,693	–
Dental pre-board fees	2,005,367	15,801,145	3,386,333
Photograph fees	1,553,237	1,404,767	899,858
Laboratory fees	1,004,690	1,122,057	1,519,731
Professional and continuing education	840,756	3,565,251	1,826,684
Insurance fees	435,606	395,711	–
Handling fees	122,536	193,475	192,840
Others	6,305,793	2,617,912	1,826,136
	₱26,631,575	₱33,146,389	₱12,893,522

Others include income from sale of promotional items, sale of scrap and penalty from students.



15. Costs and Expenses

Cost of Services

This account consists of:

	2024	2023	2022
Salaries and wages	₱529,873,742	₱478,599,148	₱436,221,167
SSS contributions and other employee benefits	389,221,391	379,069,994	348,110,569
Depreciation and amortization (Notes 9, 10 and 18)	103,420,767	122,132,765	102,511,276
Light and water	97,073,631	85,314,313	34,765,654
Rental (Note 18)	91,034,065	6,699,344	-
Library	86,641,393	36,467,249	18,812,195
Uniforms and outfits (Note 7)	47,606,418	35,991,224	2,345,186
Sports and academic development	39,464,169	32,695,415	22,017,425
Expenses for co-curricular activities (Notes 8 and 21)	32,243,240	24,264,542	6,559,653
Retirement expense (Note 16)	24,390,317	25,593,191	33,754,297
Stationery and office supplies	22,064,797	17,096,021	7,478,885
Management information	21,062,863	20,004,364	13,946,552
Professional fees	18,505,579	11,031,330	8,481,419
Affiliation	8,829,606	7,157,425	2,051,260
Laboratory	5,420,238	7,477,661	4,829,643
Directors' and administrative committee	5,061,407	6,643,832	5,647,392
Others	2,393,773	5,755,212	5,049,691
	₱1,524,307,396	₱1,301,993,030	₱1,052,582,264

General and Administrative Expenses

This account consists of:

	2024	2023	2022
Repairs and maintenance	₱57,270,731	₱33,950,105	₱17,520,062
Janitorial and security services	56,248,863	43,626,185	23,200,073
Provision for credit losses (Note 6)	40,818,500	17,934,199	11,863,666
Taxes and licenses	22,874,506	31,694,075	22,554,616
Transportation and communication	20,830,473	35,195,235	26,759,765
Insurance	13,193,708	3,281,415	3,376,109
Clinical expenses	7,146,925	-	-
Advertisement	3,462,745	4,424,547	3,855,702
Entertainment, amusement and recreation	2,421,956	18,915,279	14,629,399
Membership fees and dues	1,777,548	1,565,610	2,421,905
Miscellaneous	12,225,662	7,655,984	1,718,689
	₱238,271,617	₱198,242,634	₱127,899,986

Others mainly consist of expenses incurred for other school expense and donations made by the University for funeral and calamity assistance, among others.



16. Retirement Plan

The University has a funded, non-contributory defined benefit retirement plan which provides for death, disability and retirement benefits for all of its permanent employees. The annual contributions to the retirement plan consist of a payment covering the current service cost for the year plus payments toward funding the unfunded actuarial liabilities. Benefits are based on the employees' years of service and final plan salary.

The fund is administered by two trustee banks under the supervision of the Board of Trustees (BOT) of the plan. The BOT is responsible for the investment strategy of the plan.

In 2015, the University approved a new collective bargaining agreement with its employees with changes in the increments on employee retirement benefits.

CE-IS and CELPI have unfunded defined benefits plans based on the requirements of the Republic Act 7641, Retirement Pay Law, covering all of their eligible officers and employees.

The latest actuarial valuation study of the University and CE-IS were made as at May 31, 2024 while the latest actuarial valuation study of CELPI was made as at March 31, 2024.

The tables below summarize the components of retirement benefit expense recognized in the consolidated statements of income and the funded status and amounts recognized in the consolidated statements of financial position for the retirement plan.

- a. Retirement benefit expense recognized in the consolidated statements of income follows:

	2024	2023
Current service cost	₱14,978,589	₱15,512,494
Net interest cost (income)	9,411,728	10,080,697
Retirement benefit expense	₱24,390,317	₱25,593,191

- b. Movements in net retirement liability (asset) recognized in the consolidated statements of financial position follows:

	2024	2023
Balance at beginning of year	₱163,204,269	₱169,901,006
Retirement benefit expense (Note 15)	24,390,317	25,593,191
Actual contributions	(30,000,000)	(30,730,610)
Remeasurement losses (gains) recognized in OCI (gross of deferred income tax impact)	(257,846)	(1,559,318)
Benefits paid from the Company's operating funds	-	-
Balance at end of year	₱157,336,740	₱163,204,269

- c. Retirement benefits liability (asset) recognized in the consolidated statements of financial position follows:

	2024	2023
Present value of defined benefit obligation	₱366,290,335	₱338,971,591
Fair value of net plan assets	(208,953,595)	(175,767,322)
Retirement benefits liability (asset)	₱157,336,740	₱163,204,269



d. Changes in the present value of defined benefit obligation follows:

	2024	2023
Balance at beginning of year	₱338,971,591	₱329,278,661
Current service cost	14,978,589	15,512,494
Interest cost	20,594,716	20,566,302
Benefits paid	(30,277,664)	(30,629,157)
Benefits paid from the Company's operating funds	-	-
Remeasurements on actuarial losses (gains) from changes in:		
financial assumptions	(4,788,948)	112,350
demographic assumptions	-	-
experience adjustments	26,812,051	4,130,941
Balance at end of year	₱366,290,335	₱338,971,591

e. Changes in the fair value of plan assets follows:

	2024	2023
Balance at beginning of year	₱175,767,322	₱160,108,265
Actual contributions	30,000,000	30,000,000
Interest income	11,182,988	10,485,605
Actuarial gains on returns excluding amount recognized in net interest cost	22,280,949	5,802,609
Benefits paid	(30,277,664)	(30,629,157)
Balance at end of year	₱208,953,595	₱175,767,322

The number of plan members for the University, CE-IS and CELPI are 644, 68, and 42, respectively, as at May 31, 2024 and 610, 77, and 29, respectively, as at May 31, 2023.

Actual return on plan assets as at May 31, 2024 and 2023 amounted to ₱33.46 million and ₱16.29 million, respectively.

The fair value of plan assets as at May 31, 2024 and 2023 follows:

	2024	2023
Long-term investments:		
Debt securities	₱83,015,101	₱81,414,730
Equity securities	93,880,499	68,390,269
Cash and cash equivalents	31,204,986	25,301,724
Loans and receivable	955,867	757,689
Other assets	47,695	48,106
	209,104,148	175,912,518
Liabilities	(150,553)	(145,196)
	₱208,953,595	₱175,767,322

All components of the plan assets do not have quoted prices in an active market, except for equity and debt securities. Cash and cash equivalents are with reputable financial institutions and are deemed to be standard grade.

The plan assets pertain to diversified investments and are not exposed to concentration risk.



The overall investment policy and strategy of the University's defined benefit plan is guided by the objective of achieving an investment return which, together with contributions, ensures that there will be sufficient assets to pay retirement benefits as they fall due while also mitigating the various risks of the retirement plan.

The Group expects to contribute ₱33.44 million to the defined benefit retirement plan in fiscal year 2024-2025.

The cost of defined retirement plan, as well as the present value of defined benefit obligation, is determined using actuarial valuation. The actuarial valuation involves making various assumptions. The principal assumptions used in determining the pension for the defined benefit retirement plan are shown below:

	2024	2023	2022
Discount rates	6.26% to 6.90%	6.54% to 6.70%	6.55% to 6.70%
Future salary increases	2.00% to 3.00%	2.00% to 3.00%	2.00% to 3.00%
Mortality rate	2017 Philippine Intercompany Mortality	2017 Philippine Intercompany Mortality	2017 Philippine Intercompany Mortality
Average expected future years of service	10 to 11	10 to 11	10 to 11
Turnover rate	A scale ranging from 12% at age 18 to 0% at age 60 to 65	A scale ranging from 12% at age 18 to 0% at age 60 to 65	A scale ranging from 12% at age 18 to 0% at age 60 to 65

The sensitivity analysis on the next page has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at the reporting date, assuming all other assumptions were held constant:

	Increase (Decrease) in Defined Benefit Obligation	
	2024	2023
Discount rates		
+1.00%	(₱18,955,085)	(₱20,042,934)
-1.00%	21,368,590	22,514,777
Future salary increases		
+1.00%	24,603,037	24,834,392
-1.00%	(22,310,254)	(22,418,513)

The methods and types of assumptions used in preparing the sensitivity analysis did not change as at May 31, 2024 and 2023.



Shown below is the maturity analysis of the undiscounted benefit payments:

	2024	2023
Less than 1 year	₱52,994,548	₱44,919,484
More than 1 year to 5 years	163,934,011	51,979,786
More than 5 years to 10 years	236,424,227	194,801,814
More than 10 years to 15 years	165,572,258	188,899,310
More than 15 years to 20 years	87,574,904	96,812,447
More than 20 years	237,292,317	213,318,568

17. Income Taxes

All domestic subsidiaries qualifying as private educational institutions are subject to tax under Republic Act No. 8424 (RA 8424), *An Act Amending the National Internal Revenue Code, as amended, and For Other Purposes*, which was passed into law effective January 1, 1998. Title II Chapter IV - Tax on Corporation - Sec 27(B) of the said Act defines and provides that: a “Proprietary Educational Institution” is any private school maintained and administered by private individuals or groups with an issued permit to operate from Department of Education, or CHED, or Technical Education and Skills Development Authority, as the case may be, in accordance with the existing laws and regulations and shall pay a tax of 10.00% on its taxable income. Regular corporations, which include the Hospital, is subject to regular corporate income tax of 30.00%.

President Rodrigo Duterte signed into law on March 26, 2021 the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act to attract more investments and maintain fiscal prudence and stability in the Philippines. Republic Act (RA) 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It takes effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation or April 11, 2021.

The following are the key changes to the Philippine tax law pursuant to the CREATE Act which have continuous impact on the Group:

- Minimum corporate income tax (MCIT) rate is reverted to 2.00% of gross income which was previously reduced from 2.00% to 1.00% effective July 1, 2020 to June 30, 2023.
- Preferential income tax rate for proprietary educational institutions and hospitals, which are nonprofit, is reduced from 10.00% to 1.00% effective July 1, 2020 to June 30, 2023. This is applicable to the University, CELPI and CE-IS. However starting July 1, 2023, the rate also reverted back to the original 10.00% preferential rate.

The provision for (benefit from) income tax consists of:

	2024	2023	2022
Current			
10.00% income tax rate on special corporations	₱77,382,990	₱4,218,908	₱2,358,398
Deficiency income tax	-	-	2,676,423
Deferred	(19,808,030)	574,165	(5,508,458)
	₱57,574,960	₱4,793,073	(₱473,637)



The reconciliation of income before tax computed at statutory income tax rate to provision for income tax in the consolidated statements of income is shown below.

	2024	2023	2022
Statutory provision for income tax - at 10.00% in 2024 and 1.00% in 2023 and 2022	₱67,455,651	₱4,008,126	₱1,185,788
Tax effects of:			
Nondeductible expenses	7,550,570	1,184,460	348,092
Effect of using different tax rate for the set-up of deferred tax expected to reverse subsequent to June 30, 2023 and others	(14,787,229)	(341,106)	(4,658,317)
Interest income subjected to final tax	(2,731,352)	(114,032)	(27,961)
Movement in carryforward benefits of NOLCO and MCIT for which no deferred income tax asset was recognized	87,320	47,703	11,119
Effect of higher tax rate for the Hospital	-	7,922	2,338
Deficiency income tax	-	-	2,676,423
Provision for (benefit from) income tax	₱57,574,960	₱4,793,073	(₱473,637)

The components of the Group's net deferred tax liabilities follow:

	2024	2023
Deferred tax liabilities on:		
Revaluation gain on land	₱455,760,965	₱382,145,822
Undepreciated cost of property and equipment	150,454,876	149,555,112
Advance collection on tuition fee not yet recognized as income during the FY	2,159,371	3,026,006
Unrealized foreign currency exchange gain	370,392	370,392
Cost to fulfill a contract	57,253	57,253
	608,802,857	535,154,585
Deferred tax assets on:		
Retirement liability*	18,714,352	16,294,406
Accrued expenses	28,557,122	13,353,077
Allowance for ECL	10,703,317	9,019,742
Unamortized excess of contribution over the normal cost	6,468,672	6,468,672
Excess of acquisition cost over fair value of net assets acquired from business combination	4,073,966	4,073,966
Nonrefundable contract liability	2,943,195	2,722,213
Difference between the actual lease payments and PFRS 16 related accounts	1,486,150	1,486,150
NOLCO	149,490	14,441
Others	-	-
	73,096,264	53,266,363
Net deferred tax liabilities	₱535,706,593	₱481,888,222

*Net of deferred tax recognized in other comprehensive income (including amounts attributable to non-controlling interest) amounting to ₱5.66 million and ₱5.60 million as at May 31, 2024 and 2023, respectively.



As allowed under RA 8424, being a private educational institution, the Group claims the tax deductions of capital expenditures for tax purposes in the year incurred. The Group recognized deferred tax liability on the undepreciated cost of property and equipment pertains to the remaining cost of property and equipment of the University and CELPI not yet depreciated but was already recognized as tax deduction.

The details of NOLCO which can be claimed in the future by CELPI and the Hospital as credit against the regular corporate income are shown below.

Inception Year	May 31, 2022	Addition	Application	Expiration	May 31, 2023	Expiry Year
2023	₱-	₱557,401	₱-	₱-	₱557,401	2026
2022	515,704	-	-	-	515,704	2025
March 31, 2021	1,364,338	-	-	-	1,364,338	2026
	₱1,880,042	₱557,401	₱-	₱-	₱1,880,042	

On September 30, 2020 the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of “Bayanihan to Recover As One Act” which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss. Hence, the incurred NOLCO of the companies within the Group in taxable year 2021 can be claimed as deduction from the regular taxable income from taxable years 2022 to 2026, in pursuant to the Bayanihan to Recover As One Act.

The details of MCIT which can be claimed in the future by the Hospital used as credit against income tax due are shown below.

Inception Year	May 31, 2022	Addition	Application	Expiration	May 31, 2023	Expiry Year
2022	₱6,857	₱-	₱-	₱-	₱6,857	2025
March 31, 2021	19,735	-	-	-	19,735	2024
2020	9,415	-	-	9,415	-	2023
	₱36,007	₱-	₱-	₱9,415	₱26,592	

As at May 31, 2022 and 2021, the Group did not recognize deferred tax assets on the following temporary differences deemed to be not recoverable:

	2024	2023
NOLCO	₱1,880,042	₱1,880,042
MCIT	26,592	26,592
	₱1,906,634	₱1,906,634

Issuances of Relevant BIR Regulations:

Revenue Regulations 14-2021

To ease the burden of taxation among propriety educational institutions and taking into account the pending Bills in Congress seeking to amend Section 27 (B) of the National Internal Revenue Code (NIRC) of 1997, as amended, the BIR issued Revenue Regulation (RR) 14-2021 on July 28, 2021 to finally clarify the income taxation of schools, the implementation of the provisions regarding propriety educational institution’s tax treatment of RR No. 5-2021 dated April 8, 2021 on the definition of propriety educational institutions, insofar as it includes therein the phrase "which are non-profit", are hereby suspended pending passage of such appropriate legislation.



Revenue Regulations 3-2022

The BIR issued RR 3-2022 clarifying that the preferential corporate income tax rate of 1.00% shall apply to proprietary educational institutions, among others, beginning July 1, 2020 until June 30, 2023. After June 30, 2023, the rate shall revert to the preferential corporate tax rate of 10.00%.

18. Leases

Group as Lessor

The Group leases out portions of its spaces to concessioners which are renewable every two years. Total rent income recognized amounted to ₱13.23 million for the year ended 2024, ₱10.95 million for the year ended May 31, 2024, ₱4.82 million for the year ended May 31, 2022 (see Note 21).

As lessor, future minimum rentals under operating leases are shown below.

	2024	2023	2022
Within 1 year	₱11,145,422	₱11,145,422	₱3,731,366
After 1 year but not more than 5 years	16,990,934	16,990,934	8,256,576
More than 5 years	1,085,027	1,085,027	2,177,630
	₱29,221,383	₱29,221,383	₱14,165,572

Accrued rental payments not yet billed as at May 31, 2024 and 2023 amounted to ₱7.52 million and ₱6.60 million, respectively (see Note 6).

Group as Lessee

On July 29, 2004, the Group entered into a 25-year operating lease, which commenced on January 1, 2005, with Philtrust Bank for the lease of its land in Makati. The contract requires for ₱24.00 million fixed annual rentals plus 40.00% of the annual net income before tax of the Group's Makati-Buendia campus.

The Group recognized right-of-use asset and lease liability. The rollforward analysis of right-of-use asset follows:

	2024	2023
Cost		
Balances at beginning and end of period	₱205,121,481	₱205,121,481
Accumulated Amortization		
Balances at beginning of period	72,738,114	55,280,966
Amortization (Note 15)	17,457,147	17,457,148
Balances at end of period	90,195,261	72,738,114
Net Book Value	₱114,926,220	₱132,383,367



The rollforward analysis of lease liability follows:

	2024	2023
Balances at beginning of period	₱147,451,415	₱162,564,563
Interest expense (Note 19)	8,001,368	8,886,852
Payments	(24,000,000)	(24,000,000)
Balances at end of period	131,452,783	₱147,451,415
Lease liability - current	₱15,414,233	₱15,998,633
Lease liability - non-current	116,038,550	131,452,782
	₱131,452,783	₱147,451,415

The following are the amounts recognized in the consolidated statements of income:

	2024	2023	2022
Amortization expense of right-of-use asset (Note 5)	₱17,457,147	₱17,457,148	₱17,457,147
Interest expense on lease liability (Note 19)	8,001,368	8,886,853	9,723,328
Expenses relating to variable rent (included in cost and expenses)	9,843,354	6,699,344	-
Total amount recognized in consolidated statements of income	₱35,301,869	₱33,043,345	₱27,180,476

Shown below is the maturity analysis of the undiscounted lease payments:

	2024	2023
Within one year	₱24,000,000	₱24,000,000
After 1 year but not more than 5 years	96,000,000	96,000,000
More than 5 years	38,000,000	62,000,000
	₱158,000,000	₱182,000,000

19. Interest Expense

The account consists of the following:

	2024	2023	2022
Interest from lease liability (Note 18)	₱8,001,368	₱8,886,852	₱9,723,328
Interest from deficiency taxes		-	1,831,733
	₱8,001,368	₱8,886,852	₱11,555,061



20. Segment Reporting

The Group operates in geographical segments. Financial information on the operations of these segments are summarized as follows:

As at and for the year ended May 31, 2024									
	Mendiola	Malolos	Makati-Buendia	Makati-Legaspi	Makati-Hospital Legaspi (Pre-operating)	CE-IS	CELPI	Adjustments	Total
Segment assets	₱5,132,477,900	₱1,501,839,116	₱119,578,213	₱650,016,239	₱34,523,384	₱175,420,275	₱61,612,524	₱720,103,929	₱8,395,571,580
Segment liabilities	749,821,060	92,243,967	59,347,954	5,306,501	405,424	31,567,653	8,343,845	1,285,072,529	2,226,802,432
Capital expenditures	71,246,675	39,758,383	11,593,270	-	-	8,957,064	13,188,317	-	144,743,709
Segment revenues	1,6458,177,710	268,443,267	253,592,572	253,592,572	2,410,998	128,420,834	72,485,005	-	2,445,798,626
Expenses	904,623,640	261,336,576	174,020,434	311,770,664	2,045,298	56,216,081	60,199,428	-	1,771,242,121
Depreciation and amortization expense	35,735,714	18,830,549	24,692,620	17,192,716	-	2,231,902	4,096,516	-	102,780,017
Net income (loss)	711,412,520	55,714,186	54,842,078	132,247,637	355,606	69,972,851	8,189,061	(57,574,960)	616,981,545

As at and for the year ended May 31, 2023									
	Mendiola	Malolos	Makati-Buendia	Makati-Legaspi	Makati-Hospital Legaspi (Pre-operating)	CE-IS	CELPI	Adjustments	Total
Segment assets	₱4,527,254,887	₱1,442,900,513	₱250,520,964	₱658,571,180	₱33,479,345	₱164,885,343	₱60,816,522	₱47,605,695	₱7,186,034,449
Segment liabilities	551,987,423	36,884,194	215,103,216	13,236,000	373,797	29,068,526	9,548,627	991,706,506	1,847,908,289
Capital expenditures	63,901,817	869,444	466,471	50,706,055	-	4,447,882	1,481,755	-	121,873,424
Segment revenues	1,207,457,900	195,724,839	245,677,866	81,888,383	1,889,596	123,814,617	53,566,622	-	1,910,019,823
Expenses	947,523,251	175,813,782	228,557,556	55,242,368	1,847,900	52,526,924	47,695,452	-	1,509,207,233
Depreciation and amortization expense	75,461,679	14,592,473	21,524,096	5,546,236	-	1,518,834	3,489,447	-	122,132,765
Net income (loss)	259,220,649	19,911,057	17,120,310	26,646,015	41,696	71,287,693	5,871,170	(4,079,073)	396,019,517

As at and for the year ended May 31, 2022									
	Mendiola	Malolos	Makati-Buendia	Makati-Legaspi	Makati-Hospital Legaspi (Pre-operating)	CE-IS	CELPI	Adjustments	Total
Segment assets	₱4,341,513,874	₱1,432,316,920	₱240,403,989	₱596,981,756	₱33,194,598	₱147,001,798	₱55,825,839	₱47,605,695	₱6,894,844,469
Segment liabilities	444,881,950	19,799,194	216,027,818	7,716,303	613,055	42,059,037	6,081,223	768,038,932	1,505,217,512
Capital expenditures	14,061,659	12,609	111,787	188,876	-	445,800	3,053,077	-	17,873,808
Segment revenues	801,135,987	125,072,995	201,351,551	61,813,573	1,821,121	86,945,085	32,475,985	-	1,310,616,297
Expenses	713,656,642	126,379,241	205,342,817	62,418,076	2,304,057	43,745,540	38,191,080	-	1,192,037,453
Depreciation and amortization expense	50,236,192	11,736,939	23,089,315	12,595,752	-	1,274,395	3,578,683	-	102,511,276
Net income (loss)	87,473,615	(1,306,246)	(3,991,266)	(604,503)	(477,207)	43,199,546	(5,715,095)	473,637	119,052,481



For the years ended May 31, 2024, 2023, and 2022, there were no intersegment revenues and all revenues are made to external customers.

As at May 31, 2024, 2023, and 2022, segment assets for each segment do not include “Goodwill” amounting to ₱47.61 million.

Segment liabilities for each segment do not include the following:

	2024	2023
Deferred tax liabilities - net	₱535,706,593	₱481,888,222
Retirement liability	157,336,740	163,204,269
Dividends payable	592,029,196	346,614,015
	₱1,285,072,529	₱991,706,506

Net income for each segment does not include “Provision for (benefit from) income tax” amounting to ₱57.57 million, ₱4.79 million and ₱0.47 million for the years ended May 31, 2024, 2023, and 2022, respectively.

21. Related Party Transactions

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

Affiliates are entities that are subject to common control.

Transactions with related parties include the following:

Category	As at and for the year ended May 31, 2024		
	Amount/Volume	Outstanding Balance	Nature/Terms and Conditions
<i>PhilTrust Bank</i>			
Cash (Note 5)	₱115,282,975	₱132,764,120	Savings deposit; interest rate ranging from 0.05% to 0.375%
Interest income (Note 5)	249,839		
Short-term deposits (Note 5)	419,042,549	420,770,129	Money market placements at 6 to 53 days with interest ranging from 0.27% to 1.2%
Interest income (Note 5)	26,812,756		
Short-term investment (Note 5)	450,000,000	450,000,000	Special Peso Savings plan at 125 days maturity; interest rate at 6.25%
Rent (Note 11)	31,161,294	7,161,294	Rent of building in Makati; unsecured and non-interest-bearing
<i>Manila Bulletin Publishing Corporation</i>			
Recruitment and placement (Note 15)	390,882		Advertising services; terms vary as to type and frequency of advertisements, unsecured and non-interest-bearing
Expenses for co-curricular activities (Note 15)	32,243,240		
<i>TH Coffee Services Philippine Corp.</i>			
Rental income (Note 18)	798,415	1,655,752	Rental of commercial space; payable the following month, unsecured and non-interest-bearing
<i>Karate Kid Japanese Fastfood</i>			
Rental income (Note 18)	540,000	-	Rental of commercial space; payable the following month, unsecured and non-interest-bearing



Category	As at and for the year ended May 31, 2023		
	Amount/Volume	Outstanding Balance	Nature/Terms and Conditions
<i>PhilTrust Bank</i>			
Cash (Note 5)	₱48,509,504	₱132,764,120	Savings deposit; interest rate ranging from 0.05% to 0.375%
Interest income	228,383	–	
Short-term deposits (Note 5)	273,736,065	582,206,464	Money market placements at 6 to 53 days with interest ranging from 0.27% to 1.2%
Interest income (Note 6)	11,383,181		
Rent (Note 11)	31,161,294	7,161,294	Rent of building in Makati; unsecured and non-interest-bearing
<i>Manila Bulletin Publishing Corporation</i>			
Recruitment and placement (Note 15)	2,847,070	–	Advertising services; terms vary as to type and frequency of advertisements, unsecured and non-interest-bearing
Expenses for co-curricular activities (Note 15)	1,744,654	–	
<i>TH Coffee Services Philippine Corp.</i>			
Rental income (Note 18)	1,933,638	1,655,752	Rental of commercial space; payable the following month, unsecured and non-interest-bearing
<i>Karate Kid Japanese Fastfood</i>			
Rental income (Note 18)	524,250	–	Rental of commercial space; payable the following month, unsecured and non-interest-bearing

Category	As at and for the year ended May 31, 2022		
	Amount/Volume	Outstanding Balance	Nature/Terms and Conditions
<i>PhilTrust Bank</i>			
Cash (Note 5)	₱27,771,387	₱137,661,407	Savings deposit; interest rate ranging from 0.05% to 1.50%
Interest income	237,063	–	
Short-term deposits (Note 5)	72,658,228	314,660,643	Money market placements; varying periods up to three months, interest of such ranges from 0.25% to 1.50%
Interest income (Note 6)	3,412,785	156,032	
Rent (Note 11)	24,000,000	3,021,421	Rent of building in Makati; unsecured and non-interest-bearing
<i>Manila Bulletin Publishing Corporation</i>			
Recruitment and placement (Note 15)	3,030,296	–	Advertising services; terms vary as to type and frequency of advertisements, unsecured and non-interest-bearing
Expenses for co-curricular activities (Note 15)	1,022,708		
<i>TH Coffee Services Philippine Corp.</i>			
Rental income (Note 18)	1,217,892	–	Rental of commercial space; payable the following month, unsecured and non-interest-bearing
<i>Karate Kid Japanese Fastfood</i>			
Rental income (Notes 6 and 18)	12,478	7,284	Rental of commercial space; payable the following month, unsecured and non-interest-bearing

Generally, related party transactions are settled in cash.

Transactions with Retirement Plans

Under PFRSs, certain post-employment benefit plans are considered as related parties. The University's retirement plan is in the form of a trust administered by two trustee banks.

As at May 31, 2024 and 2023, the retirement fund has 8,072,299 shares or 2.16% interest in the University with a fair value of ₱62.88 million and ₱88.79 million, respectively. The total unrealized gain (loss) recognized from these investments amounted to ₱14.98 million and ₱9.02 million for the year ended May 31, 2024 and 2023, respectively.

No limitations and restrictions are provided and voting rights over these shares are exercised by a trust officer.



There are no other transactions by the University or its related parties with the retirement fund for the years ended May 31, 2024 and 2023.

Remuneration of Key Management Personnel

The Group's key management personnel include all management committee officers. The summary of compensation of key management personnel follows:

	2024	2023	2022
Short-term employee salaries and benefits	₱17,020,837	₱16,781,975	₱15,262,667
Post-employment benefits	13,296,060	4,710,411	5,298,825
	₱30,316,897	₱21,492,386	₱20,561,492

There are no agreements between the Group and any of its directors and key officers providing for benefits upon termination of employment, except for such benefits to which they may be entitled under the Group's retirement plan.

Approval Requirements and Limits on the Amount and Extent of Related Party Transactions

The BOD shall approve all material related party transactions before their commencement. Material related party transactions shall be identified taking into account the related party registry. Transactions amounting to ten percent (10.00%) or more of the total assets of the Group that were entered into with an unrelated party that subsequently becomes a related party may be excluded from the limits and approval process requirement.

22. Notes to Consolidated Statements of Cash Flows

Non-cash investing activities pertain to the following:

a. Retirement of assets

For the years ended May 31, 2024, 2023 and 2022, the University retired certain properties with aggregate cost of ₱23.10 million, ₱13.15 million and ₱0.04 million, respectively. Loss on retirement of these properties amounted to ₱0.66 million, ₱0.08 million and ₱142 for the years ended May 31, 2024, 2023 and 2022, respectively. There were no proceeds from sale of property and equipment for the year ended May 31, 2024, 2023 and 2022 (see Note 9).

b. Additional investment in CE-IS

In September 2023, the University purchased an additional 0.18% to CE-IS using the advances to CE-IS stockholders amounting to ₱0.25 million.

23. Basic/Diluted EPS

The income and share data used in the basic/diluted EPS computations are as follows:

	2024	2023	2022
Net income (a)	₱613,858,616	₱392,645,438	₱116,465,874
Weighted average number of outstanding common shares (b)	372,414,400	372,414,400	372,414,400
Basic/diluted earnings per share (a/b)	₱1.65	₱1.05	₱0.31



There were no potential dilutive financial instruments for each of the three years in the period ended May 31, 2024.

24. Fair Value Measurement

The Group uses a hierarchy for determining and disclosing the fair value of its assets and liabilities.

The tables on the next page summarize the carrying amounts and the fair values of the Group's financial and non-financial assets and liabilities as at May 31, 2022, 2023 and 2024.

	2024			
	Carrying Value	Fair Value Measurement Using		Total Fair Value
Quoted Prices in Active Markets (Level 1)		Significant Unobservable Inputs (Level 3)		
Assets measured at fair value:				
Financial assets:				
Financial assets at FVOCI	₱106,500	₱106,500	₱-	₱106,500
Non-financial assets:				
Land classified as Property and equipment under revaluation model	5,094,787,432	-	5,094,787,432	5,094,787,432
	₱5,094,893,932	₱106,500	₱5,094,787,432	₱5,094,893,932

	2023			
	Carrying Value	Fair Value Measurement Using		Total Fair Value
Quoted Prices in Active Markets (Level 1)		Significant Unobservable Inputs (Level 3)		
Assets measured at fair value:				
Financial assets:				
Financial assets at FVOCI	₱92,880	₱92,880	₱-	₱92,880
Non-financial assets:				
Land classified as Property and equipment under revaluation model	4,358,636,002	-	4,358,636,002	4,358,636,002
	₱4,358,728,882	₱92,880	₱4,358,636,002	₱4,358,728,882

The methods and assumptions used by the University in estimating the fair value of the financial and non-financial assets and liabilities are as follows:

Cash and Cash Equivalents, Tuition and Other Receivables, Accounts Payable and Other Current Liabilities (excluding Contract Liabilities and Statutory Obligations), Dividends Payable

Fair values approximate carrying amounts given the short-term nature of these accounts.

Property and Equipment

The tables below summarize the valuation techniques and the significant unobservable inputs used in the valuation of land recorded as property equipment:

	Valuation Techniques	Significant Unobservable Inputs	Range (Weighted Average)
Land	Sales Comparison Approach/Market Approach	<i>Internal factors:</i>	
		Location	+10.00% to -20.00%
		Improvements	+0.00% to -20.00%
		Elevation	+0.00% to +20.00%
		Corner Influence	+0.00% to +5.00%
		Use	-20.00% to +20.00%
		Development	+10.00% to +20.00%
		Size	-20.00% to +20.00%
		Time Element	+0.00%



The range of the prices per square meter used in the valuation is shown below.

	Valuation techniques	Location	Range (Weighted Average)
Land	Sales Comparison	<i>Comparable analysis:</i>	
	Approach/Market	<i>External factor (net price)</i>	
	Approach	Manila - Site 1 and 2	₱110,465 to ₱142,500 per sqm
		Makati - Malugay	₱409,500 to ₱440,426 per sqm
		Makati - Legaspi	₱380,000 to ₱464,894 per sqm
		Malolos, Bulacan	₱13,500 to ₱18,000 per sqm
		Las Piñas	₱35,100 to ₱45,000 per sqm

The description of the valuation technique and inputs used in valuation of the University's land follows:

Market Data Approach	A comparable method where the value of the property is based on sales and listings of comparable property by reducing reasonable comparative sales and listings to a common denominator. This is done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as basis of comparison are situated within the immediate vicinity of the subject property. Comparison would be premised on the factors of location, size and shape of the lot, and time element.
Location	For a tract of land designated for a purpose or site occupied or available for occupancy, one of the key factors in land valuation is the location or area of preference.
Improvements and developments	Renovations in the land including the construction of building and installation of machineries and equipment should not be included in the valuation.
Corner Influence	Enhancement in usefulness accrues to those lots located or near street corners especially in retail business districts.
Use	Includes considerations factored in such as zoning, water and riparian rights, environmental issues, building codes and flood zones.
Elevation	Height of the property above or below a fixed reference point.
Size	Physical magnitude, extent or bulk, relative or proportionate dimensions. The value of the lot varies in accordance to the size of the lots. Basic rule of thumb is the bigger the lot size the lower the value, the smaller the lot size the higher the value.
Time Element	The measured or measurable period during action or condition exist. It is usually associated with the period in which the property can be sold in an open market within reasonable time.

Sensitivity analyses to the significant changes in unobservable inputs are shown below:

- Significant increases (decreases) in the price (per sqm) would result in a significantly higher (lower) fair value measurement.
- Significant factor in the location of the property (e.g., closer to a main road or secondary road) would result in a significantly higher (lower) fair value measurement
- Significant improvements and developments (deterioration) in the location would result in a significantly higher (lower) fair value measurement.
- Significant increases (decreases) in the influence of the corners of the property would result in a significantly higher (lower) fair value measurement.
- Significant change in the use of the property would result in a significant change in fair value measurement.



- Significant increases (decreases) in the elevation of the property would result in a significantly lower (higher) fair value measurement.
- Significant increases (decreases) in the size of the property would result in a significantly lower (higher) fair value (per sqm) measurement.
- Significant increases (decreases) in the period in which the property can be sold in an open market would result in a significantly lower (higher) fair value measurement.

The appraiser considers the highest and best use of the asset which takes into account the use of the asset that is physically possible, legally permissible and financially feasible.

Quoted Equity Securities Classified as Investments at FVOCI

Fair value is based on quoted prices.

25. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise of cash and cash equivalents, and short-term investments. The main purpose of these financial instruments is to fund the Group's operations and capital expenditures. The Group has various other financial instruments such as tuition and other receivables, refundable deposits, equity investments, accounts payable and accrued expenses excluding statutory payables and dividends payable that arise directly from operations.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk and foreign currency risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur financial loss.

The Group's risk management policy to mitigate credit risk on its receivables from students include the refusal of the Group to release pertinent records like examination permit, transcript of records and transfer credentials, if applicable, until the student's account is cleared/paid. As at the reporting date, there are no significant concentrations of credit risk.

As at May 31, 2024 and May 31, 2023, the analysis of financial assets is shown below:

	May 31, 2024			
	Neither Past Due nor Impaired	Past Due	ECL	Net of ECL
Financial assets at amortized cost:				
Cash and cash equivalents*	P788,249,653	P-	P-	P788,249,653
Short-term investment	450,000,000	-	-	450,000,000
Tuition and other receivables				
Tuition fee receivables	3,097,583	388,300,114	(125,267,803)	266,129,894
Advances to employees	26,393,413	-	(5,182,396)	21,211,017
Non-trade receivables	-	10,122,287	-	10,122,287
Accrued rent receivable	7,357,103	-	-	7,357,103
Accrued interest receivable	238,105	-	-	238,105
Other receivables	3,611,995	-	(565,722)	3,046,273
Refundable security deposits	996,035	-	-	996,035
	P1,279,943,887	P398,422,401	(P131,015,921)	P1,547,350,367

* Excluding cash on hand



	May 31, 2023			
	Neither Past Due nor Impaired	Past Due	ECL	Gross of ECL
Loans and receivables:				
Cash and cash equivalents*	₱790,600,171	₱–	₱–	₱790,600,171
Tuition and other receivables				
Tuition fee receivables	–	385,874,233	(90,197,421)	295,676,812
Advances to employees	33,508,868	–	–	33,508,868
Accrued rent receivable	6,011,592	–	–	6,011,592
Accrued interest receivable	1,153,815	–	–	1,153,815
Other receivables	11,270,217	–	–	11,270,217
Refundable security deposits	1,268,161	–	–	1,268,161
Investments at FVOCI	92,880	–	–	92,880
	₱843,905,704	₱385,874,233	(₱90,197,421)	₱1,139,582,516

*Excluding cash on hand

The Group's neither past due nor impaired receivables are high grade receivables which, based on experience, are highly collectible.

As at May 31, 2024 and 2023, the age of the entire Group's past due but not impaired tuition fee receivables is disclosed in Note 6.

Tuition fee receivables

The Group uses a provision matrix to calculate ECL for tuition fee receivables. The provision rates are determined based on the Group's historical observed default rates analyzed in accordance to days past due by grouping of customers based on customer type. The Group adjusts historical default rates to forward-looking default rate by determining the closely related economic factors affecting each customer segment. At each reporting date, the observed historical default rates are updated and changes in the forward-looking estimates are analyzed.

Set out below is the information about the credit risk exposure on the Group's tuition fee receivables using a provision matrix as at May 31, 2024 and 2023.

	May 31, 2024				Total
	Current	Days Past Due			
		< 1 quarter	1 to less 3 quarters	Over 3 quarters	
Estimated tuition fee receivable at default	₱3,097,583	₱243,938,698	₱44,146,990	₱100,214,426	₱391,397,697
Expected credit losses	₱–	₱3,164,718	₱23,742,520	₱86,513,466	₱113,420,704

	May 31, 2023				Total
	Current	Days Past Due			
		< 1 quarter	1 to less 3 quarters	Over 3 quarters	
Estimated tuition fee receivable at default	₱5,157,385	₱177,261,608	₱19,600,421	₱165,623,615	₱367,643,029
Expected credit losses	₱16,672	₱1,983,514	₱178,441	₱127,551,093	₱129,729,719



Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial assets and financial liabilities. Liquidity risk may result from a counterparty failing on repayment of a contractual obligation or inability to generate cash inflows as anticipated.

The Group seeks to manage its liquidity risk to be able to meet its operating cash flow requirements, finance capital expenditures and maturing debts. As an inherent part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. To cover its short-term and long-term funding requirements, the Group intends to use internally generated funds and external financing, if needed.

The maturity profile of the Group's financial assets and financial liabilities as at May 31, 2024 and 2023 based on contractual undiscounted receipts and payments as shown below:

	May 31, 2024					Total
	On Demand	Less than 3 Months	3 to 12 Months	Over 1 Year		
	P378,500	P-	P-	P-	P-	P378,500
Cash on hand						
Financial assets:						
Cash in banks and cash equivalents	212,215,001	576,034,652	-	-	-	788,249,653
Short-term investments	-	-	450,000,000	-	-	450,000,000
Tuition and other receivables:						
Tuition fee receivables	3,097,583	240,773,980	20,404,470	1,853,861	-	266,129,894
Accrued interest receivable	-	238,105	-	-	-	238,105
Others:						
Advances to employees	21,211,017	-	-	-	-	21,211,017
Non-trade receivables	10,122,287	-	-	-	-	10,122,287
Accrued rent receivable	7,357,103	-	-	-	-	7,357,103
Other receivables	3,046,273	-	-	-	-	3,046,273
Refundable security deposits	-	-	-	996,035	-	996,035
Financial assets at FVOCI	-	-	-	106,560	-	106,560
	257,427,764	817,046,737	470,404,470	2,956,456	-	1,547,835,427
Accounts payable and accrued expenses:						
Accounts payable*	313,045,009	-	-	-	-	313,045,009
Accrued expenses	313,120,502	-	-	-	-	313,120,502
Payable to students	38,606,026	-	-	-	-	38,606,026
Deposits	14,149,341	-	-	-	-	14,149,341
Alumni fees payable	2,693,089	-	-	-	-	2,693,089
Lease liability**	-	-	24,000,000	134,000,000	-	158,000,000
Dividends payable	592,029,196	-	-	-	-	592,029,196
	1,273,643,163	-	24,000,000	134,000,000	-	1,441,643,163
Net undiscounted financial assets (liabilities)	(P1,016,215,399)	P817,046,737	P446,404,470	(P131,043,544)	-	P116,192,264

* Excluding statutory payables of P19,101,320

**Including interest to maturity amounting to P26,547,217



	May 31, 2023				
	On Demand	Less than 3 Months	3 to 12 Months	Over 1 Year	Total
Cash on hand	₱373,500	₱–	₱–	₱–	₱373,500
Financial assets:					
Cash in banks and cash equivalents	204,946,382	585,653,789	–	–	790,600,171
Tuition and other receivables:					
Tuition fee receivables	295,676,812	–	–	–	295,676,812
Accrued interest receivable	–	1,153,815	–	–	1,153,815
Others:					
Advances to employees	33,508,868	–	–	–	33,508,868
Non-trade receivables	11,270,217	–	–	–	11,270,217
Accrued rent receivable	6,011,592	–	–	–	6,011,592
Refundable security deposits	–	–	–	92,880	92,880
Financial assets at FVOCI	–	–	–	1,268,161	1,268,161
	551,787,371	586,807,604	–	1,361,041	1,139,956,016
Accounts payable and accrued expenses:					
Accounts payable*	295,915,905	–	–	–	295,915,905
Accrued expenses	24,764,620	76,021,342	–	–	100,785,962
Payable to students	9,323,228	–	–	–	9,323,228
Deposits	10,584,672	–	–	–	10,584,672
Alumni fees payable	2,146,258	–	–	–	2,146,258
Lease liability**	–	–	24,000,000	158,000,000	182,000,000
Dividends payable	108,618,157	–	–	–	108,618,157
	451,352,840	76,021,342	24,000,000	158,000,000	709,374,182
Net undiscounted financial assets (liabilities)	₱100,434,531	₱510,786,262	(₱24,000,000)	(₱156,638,959)	₱430,581,834

* Excluding statutory payables of ₱28,283,552

**Including interest to maturity amounting to ₱34,548,585

The Group relies on internally-generated cash to fund its working capital needs, capital expenditures and cash dividends. The Group will continuously assess its overhead costs to determine opportunities to decrease them. As laid down in the Group's strategic plan, the Group is committed to attain its goal on sound financial position by accomplishing the objectives to implement cost saving measures, increase income of existing revenue generating programs and activities and expand revenue generating activities.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group's principal transactions are carried out in Peso and its exposure to foreign currency risk arises primarily from cash in banks and short-term deposits that are denominated in United States dollar (\$) or USD).

To mitigate the Group's exposure to foreign currency risk related to foreign currency-denominated accounts, management keeps the amount of these assets at a low level.

The following table shows the foreign currency-denominated accounts of the Group as at May 31, 2024 and 2023 in USD:

	2024	2023
Cash in banks	\$20,391	\$14,747
Short-term deposits	119,038	118,575
	\$139,429	\$133,322

In translating the foreign currency-denominated accounts to Peso amounts, the exchange rate used was ₱58.62 to \$1.00 and ₱56.15 to \$1.00 as at May 31, 2024 and 2023, respectively.



The table below demonstrates the sensitivity to a reasonably possible change in the Peso/USD exchange rate, with all other variables held constant, of the Group's net income before tax. There is no impact on the Group's equity.

	2024		2023	
Percentage change in exchange rate	4.40%	-4.40%	7.17%	-7.17%
Effect on net income before tax	₱348,579	(₱348,579)	₱530,109	(₱530,109)

Interest Rate Risk

The Group's exposure to market risk for changes in interest rates is not significant to the consolidated financial statements. The financial instruments of the Group are either non-interest-bearing or has minimal interest rate exposure due to the short-term nature of the account (that is, cash equivalents).

Capital Management

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made to the objectives and policies or processes during the years ended May 31, 2024 and 2023. The Group monitors capital using a debt-to-equity ratio which is debt divided by total equity. Debt includes accounts payable and other current liabilities and lease liability.

The table below shows how the Group computes for its debt-to-equity ratio as at May 31, 2024 and 2023.

	2024	2023
Accounts payable and other current liabilities (Note 12)	₱736,094,461	₱650,395,722
Lease liability (Note 19)	131,452,782	147,451,415
Total debt (a)	₱867,547,243	₱797,847,137
Total equity (b)	₱6,168,769,148	₱5,338,126,160
Debt-to-equity ratio (a/b)	₱0.14:1	₱0.15:1

As of May 31, 2024 and 2023, the Group was able to meet its capital management objectives and was successful in achieving its capital management policies.

26. Provision

The Group has several pending claims and assessments, the expected ultimate outcome of which is based on management's judgment in consultation with its legal counsel. Disclosure of additional details beyond the present disclosures may seriously prejudice the Group's position. Thus, as allowed by PAS 37, only general disclosures were provided.

Outstanding provision for losses for disputed claims and assessments amounted to ₱9.35 million as at May 31, 2024, presented under "Accounts payable and other current liabilities" account (see Note 11).



27. Changes in Liabilities Arising from Financing Activities

Changes in the Group's liabilities arising from financing activities are presented below:

	2024		2023	
	Dividends payable (Note 12)	Lease liability (Note 19)	Dividends payable (Note 12)	Lease liability (Note 19)
Balances at beginning of year	₱346,614,015	₱147,451,415	₱116,979,801	₱162,564,563
Interest expense (Notes 18 and 19)	–	8,001,368	–	8,886,852
Dividend declaration including dividends to NCI (Note 12)	446,897,280	–	448,629,780	–
Cash payments including dividends to NCI (Note 12)	(203,949,599)	(24,000,000)	(218,995,566)	(24,000,000)
	₱589,561,696	₱131,452,783	₱346,614,015	₱147,451,415




INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Centro Escolar University
9 Mendiola Street
San Miguel, Manila

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Centro Escolar University (the "University") and its subsidiaries (the "Group") as at May 31, 2024 and 2023, and for each of the three years in the period ended May 31, 2024, and have issued our report thereon dated September 27, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the University's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Bryan Chrisnel M. Baes
Partner

CPA Certificate No. 128627

Tax Identification No. 275-229-188

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-148-2022, November 7, 2022, valid until November 6, 2025

PTR No. 10079899, January 5, 2024, Makati City

September 27, 2024



CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES

INDEX TO THE SUPPLEMENTARY SCHEDULES

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Annex B: Map Showing the Relationships Between and Among the University and its Subsidiaries, Wherever Located or Registered

Annex C: Supplementary Schedules Required by Annex 68-J

- Schedule A. Financial Assets
- Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
- Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
- Schedule D. Long-term Debt
- Schedule E. Indebtedness to Related Parties
- Schedule F. Guarantees of Securities of Other Issuers
- Schedule G. Capital Stock

Annex B

CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES

**MAP SHOWING THE RELATIONSHIPS BETWEEN AND AMONG THE UNIVERSITY AND ITS SUBSIDIARIES, WHEREVER LOCATED
OR REGISTERED THE MAP SHOWING THE RELATIONSHIPS BETWEEN AND AMONG THE UNIVERSITY AND ITS SUBSIDIARIES**

Annex C

CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-J

Schedule A - Financial Assets
May 31, 2024

Name of Issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the consolidated statement of financial position	Valued based on market quotation at end of reporting period	Loss incurred (Income received)
<i>Investments at FVOCI</i>				
Casino Español de Manila	₱1	₱-	₱-	₱-
PLDT- Common	72	106,558	106,558	13,678
Polymedic General Hospital	80	-	-	-
PLDT- Preferred	9,500	-	-	-
PLDT Comm & Energy Ventures, Inc. (formerly Pilipino Telephone Corp.)	300	-	-	-
Total	₱9,953	₱106,558	₱106,558	₱106,558

Annex C

CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-J

Schedule B - Amounts Receivable from Related Parties which are eliminated during the Consolidation of financial assets
May 31, 2024

Name of Related Companies	Balance at beginning of period	Additions	Deductions		Ending balance	
			Amounts collected	Amounts written off/Offset	Current	Not current
Centro Escolar Las Piñas, Inc.	P3,891,378	P18,117	P-	P-	P3,909,495	P-
Centro Escolar Integrated School, Inc.	229,746,249	63,065,270	-	-	292,811,519	-
Centro Escolar University Hospital, Inc.	13,559,135	455,868	-	-	14,015,003	-
TOTAL	P247,196,762	P63,539,255	P-	P-	P310,736,017	P-

Annex C

CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-J

Schedule C - Intangible Assets - Other Assets
May 31, 2024

Description	Beginning balance	Additions at cost	Charged to cost and expenses	Charged to other accounts	Other changes Additions (deductions)	Ending balance
Goodwill	₱47,605,695	₱-	₱-	₱-	₱-	₱47,605,595
Software	-	-	-	-	-	-
TOTAL	₱47,605,695	₱-	₱-	₱-	₱-	₱47,605,595

Annex C

CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-J

Schedule D - Long-term Debt
May 31, 2024

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount shown under caption "Current portion of Long-term debt" in related consolidated statement of financial position	Amount shown under caption "Long-term Debt" in related consolidated statement of financial position
---------------------------------------	--------------------------------	--	---

As of May 31, 2024, the University does not have long-term debt.

Annex C

CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-J

Schedule E - Indebtedness to Related Parties (Long-Term Loans from Related Companies)
May 31, 2024

Name of Related Companies	Balance at beginning of period	Additions	Deductions		Ending balance	
			Amounts paid	Amounts written off	Current	Not current

As of May 31, 2024, the University does not have long-term loans from related parties.

Annex C

CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-J

Schedule F - Guarantees of Securities of Other Issuers
May 31, 2024

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by persons for which statement is filed	Nature of guarantee
--	---	---	--	---------------------

As at May 31, 2024, the University has no guaranteed securities by other issuers.

Annex C

CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-J

Schedule H - Capital Stock
May 31, 2024

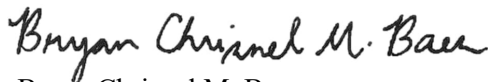
Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under the related statement of financial position caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by		
				Related parties	Directors, officers and employees	Others
Common stock	800,000,000	372,414,400	–	212,270,987	60,575,749	99,567,664

INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Centro Escolar University
9 Mendiola Street
San Miguel, Manila

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Centro Escolar University (the "University") and its subsidiaries (the "Group") as at May 31, 2024 and 2023, and for each of the three years in the period ended May 31, 2024, and have issued our report thereon dated September 27, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the University's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRSs. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at May 31, 2024 and 2023, and for each of the three years in the period ended May 31, 2024, and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Bryan Chrisnel M. Baes

Partner

CPA Certificate No. 128627

Tax Identification No. 275-229-188

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-148-2022, November 7, 2022, valid until November 6, 2025

PTR No. 10079899, January 5, 2024, Makati City

September 27, 2024



CENTRO ESCOLAR UNIVERSITY

SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

Ratio	Formula	2024	2023	2022	2024	2023	2022
Current ratio		2024	2023	2022	1.20:1.00	1.18:1.00	1.38:1.00
	Total Current Assets	₱1,682,270,172	₱1,250,860,782	₱957,799,560			
	Divided by: Total Current Liabilities	1,406,735,176	1,057,356,007	695,805,729			
		1.20	1.18	1.38			
Acid-test ratio		2024	2023	2022	1.10:1.00	1.08:1.00	1.22:1.00
	Total Quick Assets (current assets less inventories and other current assets)	₱1,546,732,828	₱1,138,594,975	₱848,170,132			
	Divided by: Total Current Liabilities	1,406,735,176	1,057,356,007	695,805,729			
		1.10	1.08	1.22			
Solvency ratio		2024	2023	2022	3.77:1.00	3.89:1.00	4.58:1.00
	Total Assets	₱8,395,571,580	₱7,186,034,449	₱6,894,844,469			
	Divided by: Total Liabilities	2,226,802,432	1,847,908,289	1,505,217,512			
		3.77	3.89	4.58			
Debt-to-equity ratio		2024	2023	2022	0.36:1.00	0.35:1.00	0.28:1.00
	Total Liabilities	₱2,226,802,432	₱1,847,908,289	₱1,505,217,512			
	Divided by: Total Equity	6,168,769,148	5,338,126,160	5,389,626,957			
		0.36	0.35	0.28			
Asset-to-equity ratio		2024	2023	2022	1.36:1.00	1.35:1.00	1.28:1.00
	Total Asset	₱8,395,571,580	₱7,186,034,449	₱6,894,844,469			
	Divided by: Total Equity	6,168,769,148	5,338,126,160	5,389,626,957			
		1.36	1.35	1.28			
Interest rate coverage ratio		2024	2023	2022	85.31	46.10	11.26
	Income Before Interest and Tax	₱682,557,873	₱409,699,442	₱130,133,905	times	times	times
	Divided by: Interest Expense	8,001,368	8,886,852	11,555,061			
		85.31	46.10	11.26			
Return on equity		2024	2023	2022	10.00%	7.42%	2.21%
	Net Income	₱616,981,545	₱396,019,517	₱119,052,481			
	Divided by: Total Equity	6,168,769,148	5,338,126,160	5,389,626,957			
		10.00%	7.42%	2.21%			

Ratio	Formula	2024	2023	2022	2024	2023	2022
Return on assets		2024	2023	2022	7.35%	5.51%	1.73%
	Net Income	₱616,981,545	₱396,019,517	₱119,052,481			
	Divided by: Total Assets	8,395,571,580	7,186,034,449	6,894,844,469			
		7.35%	5.51%	1.73%			
Net profit margin		2024	2023	2022	25.56%	20.94%	9.11%
	Net income	₱616,981,545	₱396,019,517	₱119,052,481			
	Divided by: Total Revenue	2,413,449,077	1,891,271,624	1,306,511,951			
		25.56%	20.94%	9.11%			

Centro Escolar University

Parent Company Financial Statements
May 31, 2024 and 2023
and for the Years Ended May 31, 2024,
2023, and 2022

and

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Centro Escolar University

Report on the Audit of the Parent Company Financial Statements

Opinion

We have audited the parent company financial statements of Centro Escolar University (the “University”), which comprise the parent company statements of financial position as at May 31, 2024 and 2023, and the parent company statements of income, parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for each of the three years in the period ended May 31, 2024, and notes to the parent company financial statements, including material accounting policy information.

In our opinion, the accompanying parent company financial statements present fairly, in all material respects, the financial position of the parent company as at May 31, 2024 and 2023, and its financial performance and its cash flows for each of the three years in the period ended May 31, 2024, in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Parent Company Financial Statements* section of our report. We are independent of the University in accordance with the Code of Ethics for Professional Accountants in the Philippines (the “Code of Ethics”) together with the ethical requirements that are relevant to our audit of the parent company 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 Parent Company Financial Statements

Management is responsible for the preparation and fair presentation of the parent company financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company financial statements, management is responsible for assessing the University'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 University or to cease operations, or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing the University's financial reporting process.

Auditor's Responsibilities for the Audit of the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company 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 parent company 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 parent company 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 University'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 University'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 parent company 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 University to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the parent company financial statements, including the disclosures, and whether the parent company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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




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

Report on the Supplementary Information Required under Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic parent company financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 27 to the parent company financial statements is presented for the purpose of filing with the Bureau of Internal Revenue and is not a required part of the basic parent company financial statements. Such information is the responsibility of the management of Centro Escolar University. The information has been subjected to the auditing procedures applied in our audit of the basic parent company financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic parent company financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Bryan Chrisnel M. Baes

Partner

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PTR No. 10079899, January 5, 2024, Makati City

September 27, 2024



CENTRO ESCOLAR UNIVERSITY
PARENT COMPANY STATEMENTS OF FINANCIAL POSITION

	May 31	
	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	₱614,708,491	₱603,236,285
Short-term investments (Note 4)	450,000,000	–
Tuition and other receivables (Note 5 and 20)	276,260,866	567,530,213
Inventories (Note 6)	20,292,024	16,988,361
Other current assets (Note 7)	97,116,557	82,534,938
Total Current Assets	1,458,377,938	1,270,289,797
Non-current Assets		
Investments in subsidiaries (Note 8)	168,661,317	168,661,317
Property and equipment (Note 9)		
At revalued amount	5,094,787,432	4,358,636,002
At cost	1,391,087,974	1,350,155,159
Right-of-use asset (Note 18)	114,926,220	132,383,367
Other non-current assets (Note 10)	19,593,339	15,628,404
Total Non-current Assets	6,789,056,282	6,025,464,249
TOTAL ASSETS	₱8,247,434,220	₱7,295,754,046
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Note 11)	₱712,499,287	₱869,817,892
Deferred revenue (Note 13 and 14)	35,446,899	41,841,713
Dividends payable (Note 12)	588,451,696	343,036,515
Current portion of lease liability (Note 18)	15,414,233	15,998,633
Income tax payable	25,520,126	–
Total Current Liabilities	1,377,332,241	1,270,694,753
Non-current Liabilities		
Deferred tax liabilities - net (Note 17)	539,798,305	486,067,203
Lease liability - net of current portion (Note 18)	116,038,550	131,452,782
Retirement liability (Note 16)	155,043,549	161,309,352
Other non-current liability (Note 11)	10,985,374	14,007,009
Total Non-current Liabilities	821,865,778	792,836,346
TOTAL LIABILITIES	2,199,198,019	2,063,531,099
Equity		
Capital stock (Note 12)	372,414,400	372,414,400
Additional paid-in capital	664,056	664,056
Retained earnings (Note 12)		
Appropriated	786,000,000	786,000,000
Unappropriated	837,966,681	684,480,600
Revaluation increment on land (Notes 9 and 22)	4,101,848,685	3,439,312,398
Remeasurement loss on retirement obligation (Note 16)	(50,352,322)	(50,329,528)
Revaluation reserve on financial assets at FVOCI (Note 10)	(305,299)	(318,979)
Total Equity	6,048,236,201	5,232,222,947
TOTAL LIABILITIES AND EQUITY	₱8,247,434,220	₱7,295,754,046

See accompanying Notes to Parent Company Financial Statements.



CENTRO ESCOLAR UNIVERSITY
PARENT COMPANY STATEMENTS OF INCOME

	Years Ended May 31		
	2024	2023	2022
REVENUES FROM CONTRACTS WITH CUSTOMERS			
Tuition and other school fees (Note 13)	₱2,183,175,699	₱1,677,657,011	₱1,172,976,223
Miscellaneous fees (Notes 13 and 14)	21,959,136	26,943,782	8,395,605
	2,205,134,835	1,704,600,793	1,181,371,828
OTHER REVENUES			
Dividend income (Notes 8 and 10)	56,393,380	39,526,896	58,752,160
Rent income (Notes 18)	12,729,565	10,953,501	4,815,310
	69,122,945	50,480,397	63,567,470
TOTAL REVENUES	2,274,257,780	1,755,081,190	1,244,939,298
COSTS AND EXPENSES (Note 15)			
Costs of services	1,414,114,997	1,213,544,200	981,155,827
General and administrative expenses	223,936,695	185,830,849	115,314,558
	1,638,051,692	1,399,375,049	1,096,470,385
INCOME BEFORE OTHER INCOME (EXPENSES) AND INCOME TAX	636,206,088	355,706,141	148,468,913
OTHER INCOME (EXPENSES)			
Interest income (Note 4)	24,684,109	11,177,062	2,183,348
Interest expense (Notes 17 and 18)	(8,001,368)	(8,886,853)	(11,555,061)
Foreign currency exchange gains (losses) – net	84,299	4,004,234	679,399
Loss on retirement (Note 9)	(661,740)	(565)	(141)
Other income (Note 5)	–	4,000	322,065
	16,105,300	6,297,878	(8,370,390)
INCOME BEFORE INCOME TAX	652,311,388	362,004,019	140,098,523
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 17)	51,928,027	2,469,139	(99,994)
NET INCOME	₱600,383,361	₱359,534,880	₱140,198,517

See accompanying Notes to Parent Company Financial Statements.



CENTRO ESCOLAR UNIVERSITY**PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME**

	Years Ended May 31		
	2024	2023	2022
NET INCOME	₱600,383,361	₱359,534,880	₱140,198,517
OTHER COMPREHENSIVE INCOME (LOSS)			
Items not to be reclassified to profit or loss:			
Change in revaluation reserve on financial asset at FVOCI (Note 10)	13,680	(43,920)	42,120
Revaluation increment on land (Note 9)	736,151,430	–	871,043,000
Income tax effect	(73,615,143)	–	(87,104,300)
	662,536,287	–	783,938,700
Remeasurement gain on retirement obligation (Note 16)	(25,327)	1,986,806	52,958,431
Income tax effect	2,533	(198,681)	(5,295,843)
	(22,794)	1,788,125	47,662,588
TOTAL OTHER COMPREHENSIVE INCOME	662,527,173	1,744,205	831,643,408
TOTAL COMPREHENSIVE INCOME	₱1,262,910,534	₱361,279,085	₱971,841,925

See accompanying Notes to Parent Company Financial Statements.



CENTRO ESCOLAR UNIVERSITY

PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY

	Capital Stock (Note 12)	Additional Paid-in Capital	Retained Earnings (Note 12)		Revaluation Increment on Land (Notes 9 and 22)	Remeasurement Gain (Loss) on Retirement Obligation (Note 16)	Revaluation Reserve on Financial Assets at FVOCI (Note 10)	Total Equity
			Appropriated	Unappropriated				
Balances at June 1, 2021	₱372,414,400	₱664,056	₱1,076,000,000	₱490,610,243	₱2,655,373,698	(₱99,780,241)	(₱317,179)	₱4,494,964,977
Net income	–	–	–	140,198,517	–	–	–	140,198,517
Other comprehensive income	–	–	–	–	783,938,700	47,662,588	42,120	831,643,408
Cash dividends (Note 12)	–	–	–	(148,965,760)	–	–	–	(148,965,760)
Expiration of appropriation (Note 12)	–	–	(530,000,000)	530,000,000	–	–	–	–
Appropriation for business expansion (Note 12)	–	–	450,000,000	(450,000,000)	–	–	–	–
Balances at May 31, 2022	₱372,414,400	₱664,056	₱996,000,000	₱561,843,000	₱3,439,312,398	(₱52,117,653)	(₱275,059)	₱5,317,841,142
Balances at June 1, 2022	₱372,414,400	₱664,056	₱996,000,000	₱561,843,000	₱3,439,312,398	(₱52,117,653)	(₱275,059)	₱5,317,841,142
Net income	–	–	–	359,534,880	–	–	–	359,534,880
Other comprehensive income (loss)	–	–	–	–	–	1,788,125	(43,920)	1,744,205
Cash dividends (Note 12)	–	–	–	(446,897,280)	–	–	–	(446,897,280)
Expiration of appropriation (Note 12)	–	–	(210,000,000)	210,000,000	–	–	–	–
Balances at May 31, 2023	₱372,414,400	₱664,056	₱786,000,000	₱684,480,600	₱3,439,312,398	(₱50,329,528)	(₱318,979)	₱5,232,222,947
Balances at June 1, 2023	₱372,414,400	₱664,056	₱786,000,000	₱684,480,600	₱3,439,312,398	(₱50,329,528)	(₱318,979)	₱5,232,222,947
Net income	–	–	–	600,383,361	–	–	–	600,383,361
Other comprehensive income (loss)	–	–	–	–	662,536,287	(22,794)	13,680	662,527,153
Cash dividends (Note 12)	–	–	–	(446,897,280)	–	–	–	(446,897,280)
Appropriation for business expansion (Note 12)	–	–	125,000,000	(125,000,000)	–	–	–	–
Expiration of appropriation (Note 12)	–	–	(125,000,000)	125,000,000	–	–	–	–
Balances at May 31, 2024	₱372,414,400	₱664,056	₱786,000,000	₱837,966,681	₱4,101,848,685	(₱50,352,322)	(₱305,299)	₱6,048,236,201

See accompanying Notes to Parent Company Financial Statements.



CENTRO ESCOLAR UNIVERSITY
PARENT COMPANY STATEMENTS OF CASH FLOWS

	Years Ended May 31		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱652,311,388	₱362,004,019	₱140,098,523
Adjustments for:			
Depreciation and amortization (Notes 9, 10, 15 and 18)	97,973,901	117,124,486	97,658,200
Dividend income (Notes 8 and 10)	(56,393,380)	(39,526,896)	(58,752,160)
Provision for credit losses (Note 6)	40,706,373	16,747,859	5,740,776
Interest income (Note 4)	(24,684,109)	(11,177,062)	(2,183,348)
Retirement expense (Note 16)	23,708,870	25,020,078	32,918,002
Interest expense (Notes 17 and 18)	8,001,368	8,886,853	11,555,061
Loss on retirement of assets (Note 9)	661,740	565	141
Unrealized foreign exchange losses (gains) - net	(84,299)	(4,004,234)	(679,399)
Operating income before changes in operating assets and liabilities	742,201,852	475,075,668	226,355,796
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Tuition and other receivables	249,779,182	(141,618,931)	(84,183,900)
Inventories	(3,303,664)	(5,432,051)	(1,304,883)
Other current assets	(20,761,723)	(17,620,788)	(716,750)
Increase (decrease) in:			
Accounts payable and other current liabilities and contract liabilities	(160,340,241)	206,856,453	13,350,023
Deferred revenue	(6,394,814)	15,193,559	26,648,154
Net cash generated from (used in) operations	801,180,592	532,453,910	180,148,440
Contribution to the plan asset (Note 16)	(30,000,000)	(30,000,000)	(30,016,248)
Interest received	25,467,900	10,532,520	2,151,853
Interest paid	(8,001,368)	-	-
Income taxes paid, including creditable withholding taxes and deficiency taxes paid	(120,500,068)	(451,267)	(4,674,286)
Net cash from (used in) operating activities	668,147,056	512,535,163	147,609,759
CASH FLOWS FROM INVESTING ACTIVITIES			
Availment of short-term investments	(450,000,000)	-	-
Acquisitions of property and equipment (Note 9)	(122,111,309)	(115,670,469)	(14,374,931)
Dividends received (Notes 8 and 10)	56,393,380	39,526,896	121,027,160
Decrease (increase) in other non-current assets	76,439,512	267,119	(758,257)
Net cash from (used in) investing activities	(439,278,417)	(75,876,454)	105,893,972
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of cash dividends (Note 25)	(201,482,099)	(217,263,066)	(140,604,116)
Payments of leases (Notes 18 and 25)	(15,998,633)	(24,000,000)	(24,000,000)
Cash used in financing activities	(217,480,732)	(241,263,066)	(164,604,116)
EFFECT OF FOREIGN CURRENCY RATE CHANGES ON CASH AND CASH EQUIVALENTS			
	84,299	4,004,234	679,399
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	11,472,206	199,399,877	89,579,014
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	603,236,285	403,836,408	314,257,394
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	₱614,708,491	₱603,236,285	₱403,836,408

See accompanying Notes to Parent Company Financial Statements.



CENTRO ESCOLAR UNIVERSITY

NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

1. Corporate Information

Centro Escolar University (the “University”), a publicly listed entity, was organized in the Philippines on June 3, 1907 to establish, maintain, and operate an educational institution or institutions for the instruction and training of the youth in all branches of the arts and sciences, offering classes in tertiary level.

In accordance with the Commission on Higher Education (CHED) Memorandum Order No. 32, the University’s Mendiola and Makati campuses were granted autonomous status to be in force and effective from November 15, 2007. By virtue of CHED Memorandum Order No. 07 series of 2021 issued on April 30, 2021, autonomous status of these two campuses were further extended until May 31, 2022.

The University’s Malolos campus was granted autonomous status effective from November 15, 2009 per Resolution Nos. 087-2012 and 148-2012. By virtue of CHED Memorandum Order No. 07 series of 2021 issued on April 30, 2021, autonomous status of Malolos campus was further extended until May 31, 2022.

On September 15, 2023, the University applied for the renewal of grant of autonomous or deregulated status pursuant to CMO NO.6 series of 2023 for its three campuses, Makati, Malolos and Mendiola..

By virtue of CHED Memorandum Order No.07 series of 2024, issued on September 16, 2024, CHED granted autonomous and deregulated status to its three campuses, with a validity of three (3) years from September 16, 2024 to September 15, 2027.

Under this autonomous status, the University is free from monitoring and evaluation of activities by the CHED and has the privilege to determine and prescribe curricular programs, among other benefits, as listed in the memorandum order. The three general criteria used by the CHED for the selection and identification of institutions which shall receive autonomous status are as follows:

- a. Institutions established as centers of excellence or centers of development and/or with Federation of Accrediting Agencies of the Philippines Level III Accredited programs;
- b. With outstanding overall performance of graduates in the government licensure examinations; and;
- c. With long tradition of integrity and untarnished reputation.

The registered principal office of the University is at 9 Mendiola Street, San Miguel, Manila.

The parent company financial statements were approved and authorized for issuance by the University’s Board of Directors (BOD) on September 27, 2024.

Change in Academic Year and Fiscal Year

For the fiscal year ended May 31, 2022, the academic calendar of the University changed and the completion of the academic year was moved from May 2022 (fiscal year ended May 31, 2022) to June (fiscal year ended May 31, 2023). This is due to the offering of the programs by learning block affected by the health breaks imposed by the City Governments.



The University intends to modify the academic year starting fiscal period of 2023-2024. The change in the academic year will result to classes commencing in August instead of September for the first semester, while the second semester classes will be held from January to May instead of February to June.

On June 28, 2019, the Board of Directors and Stockholders of the University approved to change the fiscal year of the University from beginning April 1 and ending March 31 to beginning June 1 to ending May 31. The University applied the change of the fiscal year with the Bureau of Internal Revenue (BIR) on October 22, 2020. The University prepared financial statements as at and for the two-month period ended May 31, 2021 to comply with the reportorial requirements of (1) the BIR to file a separate return for the period between the close of the original accounting period and the date designated as the close of the new accounting period and (2) the Securities and Exchange Commission (SEC) to file the financial statements at the end of every fiscal year.

2. Material Accounting Policy Information

Basis of Preparation

The parent company financial statements have been prepared on a historical cost basis, except for land classified as “Property and equipment” that is measured at revalued amount, and equity investments classified as financial assets at fair value through other comprehensive income (FVOCI) included under “Other non-current assets”.

The parent company financial statements are presented in Philippine Peso (₱ or Peso), which is also the University’s functional currency. All values are rounded to the nearest Peso, unless otherwise indicated.

Statement of Compliance

The parent company financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs).

The University also prepares and issues consolidated financial statements with same fiscal year as the parent company financial statements in compliance with PFRSs. These may be obtained at the University’s registered office address and may be accessed through its website at <https://www.ccu.edu.ph/>.

Presentation of Parent Company Financial Statements

The University presents its assets and liabilities in the parent company 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 trading;
- Expected to be realized within 12 months after the reporting date; or
- Cash or cash equivalent, unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

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 trading;



- It is due to be settled within 12 months after the reporting date; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

All other liabilities are classified as non-current.

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

Material Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except that the University has adopted the following new accounting pronouncements effective June 1, 2022. The University has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the financial statements of the University.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

The amendments provide guidance and example to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies; and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to PAS 12, *International Tax Reform - Pillar Two Model Rules*

Foreign Currency Translation

Transactions denominated in foreign currencies are recorded in Peso based on the exchange rates prevailing at the transaction dates. Foreign currency-denominated monetary assets and liabilities are translated in Peso based on the Bankers’ Association of the Philippines (BAP) closing rate prevailing at the reporting date as of May 31, 2024 and 2023. Foreign exchange differences between rate at transaction date and rate at settlement date or reporting date of foreign currency-denominated monetary assets or liabilities are credited to or charged against the parent company statement of income in the period in which the rates changed. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.



Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the University.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The University uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the parent company financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the parent company financial statements on a recurring basis, the University determines whether transfers have occurred between Levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting date.

For the purpose of fair value disclosures, the University has determined classes of assets and liabilities on the basis of the nature, characteristics and risks and the level within the fair value hierarchy as explained above.

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term deposits which are highly liquid investments readily convertible to known amounts of cash with original maturities of three months or less from dates of placements and are subject to insignificant risks of changes in value. Cash and cash equivalents are carried at face value in the parent company statement of financial position.

Financial Instruments

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



Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the University's business model for managing them. With the exception of tuition fee receivables that do not contain significant financing component or for which the University has applied the practical expedient, the University initially measures a financial asset at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or which the University has applied the practical expedient are measured at transaction price determined under PFRS 15, *Revenue from Contracts with Customers*.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The University's business model for managing financial assets refers to how it manages its financial assets to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the University commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets at FVOCI without recycling (equity instruments)
- Financial assets at FVTPL (debt and equity instruments)

Financial assets at amortized cost (debt instruments)

This category is most relevant to the University. The University measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective 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 closely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in the parent company statements of income when the asset is derecognized, modified or impaired.

The University's financial assets at amortized cost includes cash in banks and short-term deposits, tuition fee and other receivables and refundable security deposits.



Financial assets at FVOCI (equity instruments)

Upon initial recognition, the University can elect to classify irrevocably its equity investments as equity investments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as income in the parent company statements of income when the right of payment has been established, except when the University benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

The University elected to classify irrevocably its investments in quoted instruments under this category.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the parent company statement of financial position) when and only when:

- the rights to receive cash flows from the asset expires;
- the University retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement;
- the University has transferred its rights to receive cash flows from the 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 or asset.

Modification of financial assets

The University derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in profit or loss, to the extent that an impairment loss has not already been recorded.

The University considers both qualitative and quantitative factors in assessing whether a modification of financial asset is substantial or not. When assessing whether a modification is substantial, the University considers the following factors, among others:

- Change in currency
- Introduction of an equity feature
- Change in counterparty
- If the modification results in the asset no longer considered “solely payment for principal and interest”

The University also performs a quantitative assessment similar to that being performed for modification of financial liabilities. In performing the quantitative assessment, the University considers the new terms of a financial asset to be substantially different if the present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the present value of the remaining cash flows of the original financial asset.



When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the University recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the parent company statement of income.

When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of a new financial asset, the modified asset is considered a 'new' financial asset. Accordingly, the date of the modification shall be treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset. The newly recognized financial asset is classified as Stage 1 for ECL measurement purposes, unless the new financial asset is deemed to be originated as credit impaired (POCI).

Impairment of financial assets

The University recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the University expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

The University's debt instruments at amortized cost comprise of cash and cash equivalents, short-term investment and refundable security deposits that are considered to have low credit risk. Hence, it is the University's policy to measure ECL on such instrument on a 12-month basis applying the low credit risk simplification and based on the PD which is publicly available. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The University uses external credit ratings both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECL.

For tuition fee receivables, the University applies a simplified approach in calculating ECLs. Therefore, the University does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The University has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to debtors and the economic environment.

Primary drivers like macroeconomic indicators of qualitative factors such as forward-looking data on inflation rate, unemployment rate and consumer price index were added to the ECL calculation to reach a forecast supported by both quantitative and qualitative data points.

The University considers a financial asset in default when contractual payments are past due i.e., when the semester is over. However, in certain cases, the University may also consider a financial asset to be in default when internal or external information indicates that the University is unlikely to receive the outstanding contractual cash flows in full before considering any credit enhancements held by the University. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.



Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, other financial liabilities carried at amortized cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The University's financial liabilities include accounts payable and other current liabilities (excluding contract liabilities and statutory payables), dividends payable and lease liability.

Subsequent measurement

Other financial liabilities carried at amortized cost

These are issued financial instruments or their components, which are not designated as at FVTPL and where the substance of the contractual arrangement results in the University having an obligation either to deliver cash or another financial asset to the holder, or to satisfy 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 shares. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

After initial measurement, financial liabilities not qualified and not designated as at FVTPL 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 issuance and fees that are an integral part of the effective interest rate.

This accounting policy applies primarily to the University's accounts payable and other current liabilities (excluding contract liabilities and statutory payables), dividends payable and lease liability.

Derecognition

A financial liability (or a part of a financial liability) is derecognized when the obligation under the liability is discharged, cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability or a part of it are substantially modified, such an exchange or modification is treated as a derecognition of the original financial liability and the recognition of a new financial liability, and the difference in the respective carrying amounts is recognized in the parent company statement of income.

Exchange or modification of financial liabilities

The University considers both qualitative and quantitative factors in assessing whether a modification of financial liabilities is substantial or not. The terms are considered substantially different if the present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the present value of the remaining cash flows of the original financial liability. However, under certain circumstances, modification or exchange of a financial liability may still be considered substantial, even where the present value of the cash flows under the new terms is less than 10% different from the present value of the remaining cash flows of the original financial liability. There may be situations where the modification of the financial liability is so fundamental that immediate derecognition of the original financial liability is appropriate (e.g., restructuring a financial liability to include an embedded equity component).



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. The difference between the carrying value of the original financial liability and the fair value of the new liability is recognized in profit or loss

When the exchange or modification of the existing financial liability is not considered as substantial, the University recalculates the gross carrying amount of the financial liability as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR and recognizes a modification gain or loss in profit or loss.

If modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the financial instrument and are amortized over the remaining term of the modified financial instrument.

Offsetting of financial instruments

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

Inventories

Inventories are valued at the lower of cost and net realizable value (NRV). NRV is the estimated selling price in the ordinary course of business, less marketing and distribution costs. The cost includes the invoice amount, freight and other incidental costs and is determined using the first-in, first-out method.

Investments in Subsidiaries

A subsidiary is an entity which is controlled by the University.

Control is achieved when the University is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the University controls an investee if, and only if, the University has:

- Power over the investee (that is, existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control to support this presumption and when the University has less than a majority of the voting or similar rights of an investee, the University considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The University's voting rights and potential voting rights.

The University reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.



The investments in subsidiaries are carried in the parent company statement of financial position at cost, less any impairment in value.

Distributions from accumulated profits of the investee are recognized as dividend income from the investments when the right to receive dividends is established.

The difference between the proceeds from the disposal and the carrying amount of the University's investment is recognized in the parent company statement of income.

Property and Equipment

Property and equipment, except for land, is carried at cost less accumulated depreciation and amortization and any accumulated impairment in value. The initial cost of property and equipment comprises its purchase price and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

Land is carried at revalued amount. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Any revaluation surplus, net of tax effect, is presented in other comprehensive income (OCI), except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the parent company statement of income, in which case, the increase is recognized in the parent company statement of income. A revaluation decrease is recognized in the parent company statement of income, except to the extent that it offsets an existing surplus on the same asset presented in OCI. Upon disposal, any revaluation surplus, net of tax effect, relating to the land being sold is transferred to retained earnings.

Construction in progress, included in property and equipment, is stated at cost.

Expenditures incurred after the property and equipment have been put into operations, such as repairs and maintenance and overhaul costs, are normally charged to the parent company statement of income in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

The useful life and depreciation and amortization method are reviewed at least every reporting date and adjusted prospectively, if appropriate.

Depreciation of property and equipment is computed on a straight-line basis over the following estimated useful lives of the assets:

	Number of Years
Land improvements	10
Building	25 to 50
Furniture, transportation, auxiliary	5
Laboratory equipment	10
Library books	10
Leasehold improvements	10 or lease term whichever is shorter

Construction in progress is not depreciated until such time that the relevant assets are completed and become available for intended use.



An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the derecognition of the asset by sale (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) and by write off, is recognized under “Miscellaneous income” and “Loss on retirement/disposal of assets,” respectively, in the parent company statement of income in the year the asset is derecognized.

Impairment of Non-financial Assets

An assessment is made at each reporting date whether there is any indication of impairment of non-financial assets, or whether there is any indication that an impairment loss previously recognized for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the asset’s recoverable amount is estimated. An asset’s recoverable amount is calculated at the higher of the asset’s or cash-generating unit’s (CGU’s) value-in-use or its fair value less cost to sell. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is assessed as part of the CGU to which it belongs.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or CGU). In determining fair value less cost to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

An impairment loss is recognized only if the carrying amount of an asset (or CGU) exceeds its recoverable amount. An impairment loss is charged against the parent company statement of income in the period in which it arises, unless the asset (or CGU) is carried at a revalued amount, in which case, the impairment loss is charged against the revaluation increment of the said asset (or CGU).

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset (or CGU), but not to an amount higher than the carrying amount that would have been determined (net of any depreciation and amortization) had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is credited to current parent company statement of income, unless the asset (or CGU) is carried at revalued amount, in which case, the reversal of the impairment loss is credited to the revaluation increment of the said asset (or CGU).

The following criteria are also applied in assessing impairment of specific assets:

Property and equipment, software and right-of-use asset

The carrying values of property and equipment, software and right-of-use asset are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists and when the carrying values exceed the estimated recoverable amounts, the assets or CGUs are written down to their recoverable amounts.

Other Assets

Advances to suppliers

Advances to suppliers, included under “Other current assets”, represent amounts paid to suppliers for purchases not yet received as at the reporting date. This is subsequently reversed to an expense account when the goods or services are received.



Prepayments

Prepayments, included under “Other current assets”, are initially measured at the amounts paid and subsequently recognized as expense over the period in which the prepayments apply.

Prepaid taxes

Prepaid taxes, included under “Other current assets” and “Other non-current assets”, pertains to the tax withheld at source by the University’s lessees and excess quarterly income tax payments. These are creditable against its income tax liability.

Advances to contractors

Advances to contractors, included under “Other non-current assets”, represent amounts paid to contractors for purchases not yet received as at the reporting date. This is subsequently reversed to an asset account when the goods or services are received.

Software cost

Software cost acquired separately is measured on initial recognition at cost. Following initial recognition, software cost is carried at cost less any accumulated amortization and any accumulated impairment loss. The estimated useful life of software cost is assessed at the individual asset level. Software cost is amortized over its estimated useful life of three years. Periods and method of amortization for software cost are reviewed annually or earlier when an indicator of impairment exists.

Gain or loss arising from derecognition of software cost is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in profit or loss when the asset is derecognized.

Cost to fulfill the contract

Cost to fulfill the contract, included under “Other current assets”, are initially measured at amounts paid and subsequently recognized as expense upon performance of the related services to the students. The University amortizes capitalized cost to fulfill a contract to “Expenses for co-curricular activities” under “Cost of services”.

Equity

Capital stock is measured at par value for all shares issued. When the University issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

When the shares are sold at a premium, the difference between the proceeds and the par value is credited to “Additional paid-in capital.” When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received.

Retained earnings represent accumulated earnings of the University less dividends declared.

Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the University expects to be entitled in exchange for those goods or services, excluding the related taxes. The University assesses its revenue arrangement against specific criteria in order to determine if it is acting as principal or agent. The University has concluded that it is acting as principal in its all of its revenue arrangements, except for the sale of books.



Tuition and other school fees, including income from other school services

Tuition and other school fees, including income from other school services except for the sale of books and uniforms, are recognized over time as revenue over the corresponding school term using output method (i.e., time lapsed over the service period such as semester or school year, depending on the curriculum registered). Upon enrollment, students have the option to pay the tuition and other school fees in full or in installment. Tuition and other fees, including income from other school services except for the sale of books and uniforms, to be recognized in the remaining months after statement of financial position date or next school term which are not yet due for collection are deferred and is shown under “Deferred revenue” account in the parent company statement of financial position.

Sale of books

Income from sale of books are recognized equal to the amount of discount granted to the School by the consignor. The income is recognized upon sale of the books to the students.

Sale of uniforms

Income from sale of uniforms are recognized at a point in time upon delivery of uniforms to the students.

Contract Balances

Receivables

A receivable represents the University’s right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liability

A contract liability is the obligation to transfer goods or services to a customer for which the University has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the University transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the University performs the obligations under the contract. The University’s contract liabilities represent advance collections for tuition and school other fees, culminating, yearbook fees and for revenues expected to be earned until end of the academic year presented under “Accounts payable and other current liabilities” and will be recognized as revenue when the related services are rendered.

Other Revenues

Interest income

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

Rental income

Rental income arising from leased properties is accounted for on a straight-line basis over the lease terms.

Dividend income

Dividend income is recognized when the right to receive the payment is established.

Expense Recognition

Expenses are recognized in the parent company statement of income when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.



Expenses are recognized in the parent company statement of income:

- On the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association 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 parent company statement of financial position as an asset.



Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Retirement Benefits

The University operates a defined benefit retirement plan which requires contribution to be made to a separately administered fund.

The cost of providing benefits under the defined benefit retirement plan is actuarially determined using the projected unit credit method.

Retirement expense comprises the following:

- Service cost; and
- Net interest on the retirement liability.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in the parent company statement of income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by the independent qualified actuary.

Net interest on the retirement liability is the change during the period in the retirement liability that arises from the passage of time which is determined by applying the discount rate based on government bonds to the retirement liability. Net interest on the retirement liability is recognized as an expense or income in the parent company statement of income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on the retirement liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to the parent company statement of income in subsequent periods.

The retirement liability is the aggregate of the present value of defined benefit obligation at the reporting date reduced by the fair value of plan assets, adjusted for any effect of limiting a net retirement asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the University, nor can they be paid directly to the University. The fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

Income Taxes

Income tax on income or loss for the year comprises current and deferred tax. Income tax is determined in accordance with Philippine tax laws. Income tax is recognized in the parent company statement of income, except to the extent that it relates to items recognized directly in equity, in which case, the tax effect is recognized in the parent company statement of comprehensive income.



Current tax

Current tax assets and current tax liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the reporting date.

Deferred tax

Deferred tax is provided or recognized, using the liability method, for all temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward benefits of net operating loss carryover (NOLCO) can be utilized, except:

- a. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- b. In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- a. When the deferred tax liability arises from the initial recognition of goodwill or 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; or
- b. In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

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

Leases

University as lessor

Leases where the University does not transfer all the risks and benefits of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and are recognized over the lease term on the same basis as the rental income. Rental income are recognized in the parent statement of income. Rental income arising are accounted for on a straight-line basis over the lease term.



Contingent rentals are recognized as revenue in the period in which they are earned.

University as a lessee

The University assesses at contract inception whether a contract is, or contains, a lease (i.e., if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration).

The University applies a single recognition and measurement approach for all leases, except for its leases of low-value asset and short-term leases. The University recognizes lease liability to make lease payments and right-of-use asset representing the right to use the underlying asset.

Right-of-use assets

The University recognizes right-of-use asset at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use asset is initially measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liability. The initial cost of right-of-use asset includes the amount of lease liability recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received. Unless the University is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use asset is depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Right-of-use asset is subject to impairment. Refer to the accounting policies in section *Impairment of Non-financial Assets*.

Lease liability

At the commencement date of the lease, the University recognizes lease liability measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the University and payments of penalties for terminating a lease, if the lease term reflects the University exercising the option to terminate.

In calculating the present value of lease payments, the University uses the incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liability is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liability is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment of an option to purchase the underlying asset.

Segment Reporting

The University's operating businesses are organized and managed separately according to the geographic locations, designated as the University branches, with each segment representing a strategic business unit that offers varying courses depending on demands of the market. Financial information on business segments is presented in Note 19.



Provisions

A provision is recognized only when the University has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Contingencies

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

Events after the Reporting Date

Post year-end events up to the date of approval of the BOD of the parent company financial statements that provide additional information about the University's position at reporting date (adjusting events) are reflected in the parent company financial statements, if any. Post year-end events that are not adjusting events are disclosed in the notes to parent company financial statements when material.

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

The preparation of the parent company financial statements in compliance with PFRSs requires management to make judgments and estimates that affect the amounts reported in the parent company financial statements and accompanying notes. Future events may occur which can cause the assumptions used in arriving at those estimates to change. The effects of any changes in estimates will be reflected in the parent company financial statements as they become reasonably determinable.

Judgments and estimates are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

In the process of applying the University's accounting policies, management has made the judgments below apart from those involving estimations, which have the most significant effect on the amounts recognized in the parent company financial statements:

Recognition of tuition and other fees over time

The University determined that tuition and other fees, the major source of revenue of the University, are to be recognized over time using the output method on the basis of time lapsed over the service period since it provides a faithful depiction of the University's performance in transferring control of the services to the students. The fact that another entity would not need to re-perform the service that the University has provided to date demonstrates that the customer or the student simultaneously receives and consumes the benefits of the University's performance as it is performed.



Leases

- University as lessor

The University has entered into commercial property leases on its Mendiola, Malolos and Makati campuses. The University has determined, based on an evaluation of the terms and conditions of the arrangements (that is, the lease does not transfer ownership of the asset to the lessee by the end of the lease term, the lessee has no option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option is exercisable, and the lease term is not for the major part of the asset's economic life), that it retains all the significant risks and rewards of ownership of these properties. Thus, the leases are classified as operating leases.

- University as lessee

The University has entered into a lease on premises it uses for its Makati-Buendia campus. The University has determined, based on an evaluation of the terms and conditions of the arrangement (that is, the lease does not transfer ownership of the asset to the lessee by the end of the lease term, the lessee has no option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option is exercisable, and the lease term is not for the major part of the asset's economic life), that not all significant risks and rewards of ownership of the properties have been transferred to the University. Thus, the lease is qualified as in scope of and accounted for in accordance with PFRS 16, *Leases* (see Note 18).

Estimates and Assumptions

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

Estimation of allowance for expected credit losses

The University uses simplified approach in calculating ECLs for tuition fee receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type).

The provision matrix is initially based on the University's historical observed default rates. The University calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecasted economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analyzed.

The segmentation of the University's receivable, identification and definition of default and the assessment of the correlation between historically observed default rates, forecast economic conditions and ECLs are significant estimates. The University also applied weights to various scenarios in the computation of the allowance for ECL as of May 31, 2024 and 2023 to include the impact of uncertainty. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The University's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future.

The carrying values of tuition and other receivables and allowance for expected credit losses as at May 31, 2024 and 2023 are disclosed in Note 5.

Determination of NRV of inventories

The University's estimates of the NRV of inventories are based on the most reliable evidence available at the time the estimates are made and the amount at which the inventories are expected to be realized. These estimates consider the fluctuations of price or cost directly relating to events



occurring after the end of the period to the extent that such events confirm conditions existing at the balance sheet date. A new assessment is made of NRV in each subsequent period. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is a clear evidence of an increase in NRV because of changes in economic circumstances, the amount of the write-down is reversed so that the new carrying amount is the lower of the cost and the revised NRV.

No write-down of inventories was recognized for the years ended May 31, 2024 and 2023. The carrying value of inventories is disclosed in Note 6.

Estimation of useful lives of property and equipment and right-of-use asset

The useful lives of property and equipment and right-of-use asset are estimated based on the period over which these assets are expected to be available for use. The estimated useful lives of property and equipment and right-of-use asset are reviewed periodically and are updated if expectations differ from previous estimates due to asset utilization, internal technical evaluation, technological and environmental changes and anticipated use of the assets tempered by related industry benchmark information. It is possible that future financial performance could be materially affected by changes in these estimates brought about by changes in factors mentioned. Any reduction in the estimated useful lives of the property and equipment and right-of-use asset and would increase depreciation and amortization expense.

The estimated useful lives of property and equipment and right-of-use asset are discussed in Note 2. There is no change in the estimated useful lives of property and equipment and right-of-use asset as of May 31, 2024 and 2023.

The carrying values of depreciable property, plant and equipment (i.e., excluding land and construction in progress) and right-of-use asset are disclosed in Notes 9 and 18, respectively.

Impairment of property and equipment and right-of-use asset

The University assesses at each balance sheet date whether there is any indication that its property and equipment and right-of-use asset are impaired. Determining the fair value of these non-current non-financial assets, which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the University to make estimates and assumptions that can materially affect the financial statements. Future events could cause management to conclude that these assets are impaired. Any resulting impairment loss could have a material adverse impact on the financial position and financial performance. The preparation of the estimated future cash flows involves significant judgment and estimations. While management believes that the assumptions made are appropriate and reasonable, significant changes in management assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under PFRS.

As of May 31, 2024 and 2023, the University's market capitalization is lower compared with the carrying amount of the net assets of the University. This is considered as an indicator that the University's property and equipment and right-of-use asset may be impaired as of May 31, 2024 and 2023. Hence, the University performed impairment analysis as of May 31, 2024 and 2023. The University's value-in-use calculation involves significant management judgment in the use of assumptions, particularly tuition fee rates, number of students, long-term growth rate and discount rate. The carrying values of property and equipment and right-of-use asset is disclosed in Notes 9 and 18, respectively.



As at May 31, 2024 and 2023, the recoverable amount of the CGU has been determined based on the value-in-use calculation using cash flow projections from the five-year strategic plan for the University. Tuition fee rates and number of students assumed to project revenues were based on approved tuition fee increase and the University's historical data and performance.

The discount rates used for the computation of the net present value is the cost of the equity and was determined by reference to comparable entities. For the year ended May 31, 2024, the pre-tax discount rate applied to cash flow projections is 12.78%. For the year ended May 31, 2023, the pre-tax discount rate applied to cash flow projections is 11.32%. The long-term growth rate for both period to project cash flows beyond the five-year period is nil.

Impairment of investments in subsidiaries

The University assesses impairment on its investments in subsidiaries whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Among others, the factors that the University considers important which could trigger an impairment review on its investments in subsidiaries include the following:

- Deteriorating or poor financial condition;
- Recurring net losses; and
- Significant changes with an adverse effect on the subsidiary have taken place during the period, or will take place in the near future, the technological, market, economic, or legal environment in which the subsidiary operates.

Management assessed that there is no impairment indicator on its investment in subsidiaries as of May 31, 2024 and 2023.

The carrying values of investments in subsidiaries are disclosed in Note 8.

Revaluation of land

The fair value of the University's land at revalued amount was based on a third party appraisal with effective date of valuation of May 31, 2024, using sales comparison approach. Based on comparison of recent sale transactions or offerings of similar properties done by the University as at May 31, 2024, management assessed that there were no significant movements in the fair value of the land from date of last valuation until May 31, 2022. Key assumptions used by the independent appraiser are disclosed in Note 22.

The revalued amount of land included under "Property and equipment" in the parent company statement of financial position is disclosed in Note 9.

Retirement liability

The cost of the defined benefit retirement plan and the present value of defined benefit obligation are determined using an actuarial valuation. The actuarial valuation involves making assumptions about employee turnover rates, discount rates, prospective salary increases and mortality rate. Due to the complexity of the actuarial valuation, the underlying assumptions and long-term nature of this plan, such estimates are subject to significant uncertainty. All significant assumptions are reviewed at each reporting date.

The assumed discount rates were determined using the market yields on Philippine government bonds with terms consistent with the expected employee benefit payout as at reporting date. Future salary increases are assumed for all future years within the duration of the plan and take into account the inflation, seniority, promotion, merit, productivity and other market factors. Employee turnover rates are based on the probability of voluntary separation of service from the University prior to their retirement. Mortality rate are based on the probability of being deceased prior to retirement.



The present value of defined benefit obligation and details about the significant assumptions used are disclosed in Note 16.

Recognition of deferred income taxes

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The estimates of future taxable income indicate that all temporary differences will be realized in the future.

The University has no unrecognized deferred tax assets as of May 31, 2024 and 2023 as disclosed in Note 17.

Evaluation of provisions

The University provides for present obligations (legal or constructive) where it is probable that there will be an outflow of resources embodying economic benefits that will be required to settle said obligations. An estimate of the provision is based on known information at the end of reporting period, net of any estimated amount that may be reimbursed to the University. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. The amount of provision is being re-assessed at least on an annual basis to consider new relevant information.

The University is involved in various claims and tax assessments that are normal to its business. Based on the legal grounds of certain claims and assessments, the University's outstanding provision for probable losses is disclosed in Note 24.

4. Cash and Cash Equivalents and Short-Term Investments

Cash and Cash Equivalent

This account consists of:

	2024	2023
Cash on hand and in banks (Note 20)	₱186,965,705	₱155,375,625
Short-term deposits (Note 20)	427,742,786	447,860,660
	₱614,708,491	₱603,236,285

Cash in banks earned annual interest ranging from 0.25% to 6.25% in 2024 and 0.05% to 0.38% in 2023, and 0.10%.

Cash equivalents consist of short-term deposits made for varying periods of up to three months depending on the immediate cash requirements of the University and earned interest ranging from 0.43% to 6.50% in 2024 and from 0.31% to 1.50% in 2023.

Interest income from cash in banks and short-term deposits amounted to ₱24.52 million and ₱11.18 million in 2024 and 2023, respectively.



Short-Term Investments

Short-term investment represents special savings deposit with maturity of more than three months but not more than one year from dates of placement.

As of May 31, 2024, short-term investments amounted to ₱450.00 million and earned interest at annual rate of 6.25% in 2024.

5. Tuition and Other Receivables

This account consists of:

	2024	2023
Tuition fee receivables	₱349,458,289	₱348,528,993
Advances to subsidiaries (Note 20)	3,319,751	247,196,762
Advances to employees	24,534,389	32,782,196
Accrued rent receivable (Notes 18 and 20)	7,357,103	6,118,905
Accrued interest receivable	178,141	783,791
Advances to Centro Escolar-Integrated School (CE-IS)'s stockholders	500,000	500,000
	385,347,673	635,910,647
Less allowance for ECL	109,086,807	68,380,434
	₱276,260,866	567,530,213

Tuition fee receivables are non-interest-bearing and are generally on a 120-day term.

Advances to employees comprise of non-interest-bearing advances which are collectible through salary deduction and are generally on a 6 to 12-month term.

Recoveries from previously written-off tuition fee receivables amounting to ₱3.72 million for the year ended May 31, 2024 and nil for the years ended May 31, 2023 and 2022, are recorded as part of "Tuition and other school fees".

The allowance for ECL pertains to the University's tuition fee receivables, which were impaired through collective assessment. The rollforward analysis of allowance for ECL is shown below:

	2024	2023
Balances at beginning of year		
Tuition fee receivables	₱68,380,434	₱115,971,068
Advances to employees	-	-
	68,380,434	115,971,068
Movements during the year:		
Provision (Note 15)		
Tuition fee receivables	35,523,977	16,747,859
Advances to employees	5,182,396	-
Write-off		
Tuition fee receivables	-	(64,338,493)
Advances to employees	-	-
	40,706,373	(47,590,634)

(Forward)



	2024	2023
Balances at end of the year		
Tuition fee receivables	₱103,904,411	₱68,380,434
Advances to employees	5,182,396	-
	₱109,086,807	₱68,380,434

As at May 31, 2024 and 2023, the aging analysis of tuition and other receivables follows:

	2024						Total
	Neither Past Due nor Impaired	Past Due but not Impaired			Past Due and Impaired		
		1-30 Days	Over 30 Days	Over 60 Days			
Tuition fee receivables	₱-	₱243,938,699	₱-	₱25,256,936	₱80,262,654	₱349,458,289	
Advances to subsidiaries	3,319,751	-	-	-	-	3,319,751	
Advances to employees	24,534,389	-	-	-	-	24,534,389	
Accrued rent receivable	7,357,103	-	-	-	-	7,357,103	
Advances to CE-IS's stockholders	500,000	-	-	-	-	500,000	
Accrued interest receivable	178,141	-	-	-	-	178,141	
	₱35,889,384	₱243,938,699	₱-	₱25,256,936	₱80,262,654	₱385,347,673	

	2023						Total
	Neither Past Due nor Impaired	Past Due but not Impaired			Past Due and Impaired		
		1-30 Days	Over 30 Days	Over 60 Days			
Tuition fee receivables	₱-	₱262,069,705	₱-	₱21,243,572	₱65,215,716	₱348,528,993	
Advances to subsidiaries	247,196,762	-	-	-	-	247,196,762	
Advances to employees	32,782,196	-	-	-	-	32,782,196	
Accrued rent receivable	6,118,905	-	-	-	-	6,118,905	
Advances to CE-IS's stockholders	500,000	-	-	-	-	500,000	
Accrued interest receivable	783,791	-	-	-	-	783,791	
	₱287,381,654	₱262,069,705	₱-	₱21,243,572	₱65,215,716	₱635,910,647	

6. Inventories

This account consists of:

	2024	2023
Uniforms and outfits	₱17,905,295	₱6,402,635
Materials	1,554,708	2,366,148
Supplies	832,021	8,219,578
	₱20,292,024	₱16,988,361

The cost of uniforms and outfits charged to "Cost of services - Uniforms and outfits" amounted to ₱47.31 million and ₱35.99 million for the years ended May 31, 2024 and 2023, respectively (see Note 15).

The cost of materials and supplies charged under "others" amounted to ₱1.54 million and (₱0.04) million for the years ended May 31, 2024 and 2023, respectively (see Note 15).



7. Other Current Assets

This account consists of:

	2024	2023
Advances to suppliers	₱91,179,129	₱60,190,500
Prepaid expenses	5,318,475	21,725,484
Cost to fulfill a contract	618,954	618,954
	₱97,116,558	₱82,534,938

Advances to suppliers are advances paid to suppliers for classroom materials and supplies. Prepaid expenses include advanced payment for insurance, licenses and library subscription which are amortized over a period of less than one year.

Cost to fulfill a contract includes future expenses paid in advance related to year books and graduation that is subsequently charged to expenses upon amortization. No movement in cost to fulfill a contract this year as the related contract (yearbook) is not yet fulfilled. The rollforward analysis of this account follows:

	2024	2023
Balances at beginning year	₱618,954	₱2,668,954
Additions	-	-
Amortization (Note 15)	-	(2,050,000)
Balances at end of year	₱618,954	₱618,954

The amortization of cost to fulfill a contract is charged to “Cost of services - Expenses for co-curricular activities” (see Note 15).

8. Investments in Subsidiaries

This account consists of the following investments:

	2024	2023
Centro Escolar Las Piñas, Inc. (CELPI)	₱94,161,317	₱94,161,317
The Hospital	62,500,000	62,500,000
CE-IS	12,000,000	11,750,000
	₱168,661,317	₱168,411,317

The University’s ownership percentage follows:

	2024	2023
The Hospital	100.00%	100.00%
CELPI	99.90%	99.90%
CE-IS	95.80%	94.00%

The Hospital

The University incorporated the Hospital on June 10, 2008. Its principal place of business is at 103 Esteban corner Dela Rosa Streets, Legaspi Village, Makati City. In January 2016, the Hospital entered into an agreement with Hemotek, a dialysis clinic for the former to provide laboratory examinations to Hemotek patients.



The primary purpose of the Hospital is to establish, maintain and operate a hospital, medical and clinical laboratories and such other facilities that shall provide healthcare or any method of treatment for illnesses or abnormal physical or mental health in accordance with advancements in modern medicine and to provide education and training facilities in the furtherance of the health-related professions.

CELPI

On September 1, 2015, the University completed its acquisition of 90% of CELPI, and real and other properties consisting of parcels of land and improvements which are owned directly by the previous owners of CELPI (the “Sellers”) but are used by CELPI for a total consideration of ₱281.14 million. In 2018 and 2017, the University made an additional investment in CELPI of ₱19.04 million and ₱23.44 million, respectively. The minority of stockholders of CELPI waived their right of refusal.

CELPI, which was incorporated on June 1, 1975, is primarily engaged as an educational institution offering a full range of programs from Kindergarten to Graduate school. The principal place of business of CELPI is located at Dr. Faustino Uy Avenue, Pillar Village, Las Piñas City.

CE-IS

CE-IS was incorporated on July 24, 2013. Its principal place of business is located at Km 44 MacArthur Highway, Longos, Malolos City.

The primary purpose of CE-IS is to organize, establish, operate, maintain and conduct a progressive institution of high learning of high academic standing which will emphasize cultural development, moral character, including but not limited to courses such as a day care center, nursery, play groups, preparatory, kindergarten, elementary and high school in the cities and province of Bulacan, as well as in other places in the Philippines, in accordance with up-to-date and modern educational theories and methods.

In April 2019, the University acquired an additional 4% ownership from CE-IS amounting to ₱0.50 million.

In September 2022, the University acquired an additional 1.8% ownership from CE-IS amounting to ₱0.25 million (see Note 21).

As at May 31, 2024 and 2023, the outstanding dividends receivable of the University from CE-IS amounted to nil. The University received dividends from CE-IS amounting to ₱56.39 million and ₱39.52 million and ₱58.75 million for each of the three years ended May 31, 2024.



9. Property and Equipment

The composition of and the movements in this account follow:

	2024								Subtotal	Total
	Land (At Revalued Amount)	Land Improvements	Buildings and Leasehold Improvements	Furniture, Transportation and Auxiliary Equipment	Laboratory Equipment	Library Books	Construction in Progress	At Cost		
Cost										
Balances at beginning of year	₱4,358,636,002	₱32,002,632	₱1,961,937,795	₱576,095,467	₱419,326,174	₱149,354,625	₱66,892,016	₱3,205,608,709	₱7,564,244,711	
Revaluation of land	736,151,430	-	-	-	-	-	-	-	736,151,430	
Additions	-	-	-	71,246,674	38,611,449	11,593,270	-	121,451,393	121,451,393	
Retirements	-	-	-	(10,139,881)	(12,957,781)	-	-	(23,097,662)	(23,097,662)	
Reclassifications	-	-	52,183,831	1,132,910	-	52,275	(53,369,016)	-	-	
Balances at end of year	5,094,787,432	32,002,632	2,014,121,626	638,335,170	444,979,842	161,000,170	13,523,000	3,303,962,440	8,398,749,872	
Accumulated depreciation and amortization										
Balances at beginning of year	-	30,927,692	852,831,506	494,910,910	355,705,637	121,077,805	-	1,855,453,550	1,855,453,550	
Depreciation and amortization	-	287,380	45,381,910	16,693,707	11,766,555	6,387,202	-	80,516,754	80,516,754	
Retirements	-	-	-	(10,138,413)	(12,957,425)	-	-	(23,095,838)	(23,095,838)	
Balances at end of year	-	31,215,072	898,213,416	501,466,204	354,514,767	127,465,007	-	1,912,874,466	1,912,874,466	
Net book values	₱5,094,787,432	₱787,560	₱1,115,908,210	₱136,868,966	₱90,465,075	₱33,535,163	₱13,523,000	₱1,391,087,974	₱6,485,875,406	



2023

	At Cost								
	Land (At Revalued Amount)	Land Improvements	Buildings and Leasehold Improvements	Furniture, Transportation and Auxiliary Equipment	Laboratory Equipment	Library Books	Construction in Progress	Subtotal	Total
Cost									
Balances at beginning of year	₱4,358,636,002	₱32,002,632	₱1,901,508,453	₱545,888,226	₱412,716,075	₱143,940,246	₱66,892,016	₱3,102,947,648	₱7,461,583,650
Additions	–	–	60,429,342	36,001,235	13,825,513	5,414,379	–	115,670,469	115,670,469
Retirements	–	–	–	(5,793,994)	(7,215,414)	–	–	(13,009,408)	(13,009,408)
Balances at end of year	4,358,636,002	32,002,632	1,961,937,795	576,095,467	419,326,174	149,354,625	66,892,016	3,205,608,709	7,564,244,711
Accumulated depreciation and amortization									
Balances at beginning of year	–	30,640,312	801,075,623	480,995,673	341,778,792	115,158,821	–	1,769,649,221	1,769,649,221
Depreciation and amortization (Note 15)	–	287,380	51,755,883	19,708,856	21,142,069	5,918,984	–	98,813,172	98,813,172
Retirements	–	–	–	(5,793,619)	(7,215,224)	–	–	(13,008,843)	(13,008,843)
Balances at end of year	–	30,927,692	852,831,506	494,910,910	355,705,637	121,077,805	–	1,855,453,550	1,855,453,550
Net book values	₱4,358,636,002	₱1,074,940	₱1,109,106,289	₱81,184,557	₱63,620,537	₱28,276,820	₱66,892,016	₱1,350,155,159	₱5,708,791,161

Major developments accounted under construction in progress at May 31, 2022 pertains to construction and renovation of 5-storey building for CE-IS amounting to ₱ 65.79 million (nil as of May of May 31, 2023).

For the years ended May 31, 2023 and 2022, the University retired certain properties with aggregate cost of ₱13.01 million and ₱0.04 million, respectively (nil for the two-month period ended May 31, 2021). Loss on retirement of these properties amounted to ₱565 and ₱141 for the years ended May 31, 2023 and 2022, respectively (nil for the two-month period ended May 31, 2021). There were no proceeds from sale of property and equipment for the years ended May 31, 2023 and 2022, and for the two-month period ended May 31, 2021.



Land

As at May 31, 2024 and 2023, land at revalued amounts consists of:

	2024	2023
Cost		
Balances at beginning and end of period	₱537,177,782	₱537,177,782
Revaluation increment - gross		
Beginning balance	3,821,458,220	3,821,458,220
Revaluation during the period	736,151,430	-
Ending balance	4,557,609,650	3,821,458,220
	₱5,094,787,432	₱4,358,636,002

Based on the University's policy, the appraisal of its properties is done within three to five years. The latest appraisal was done in May 2024 by a professionally qualified appraiser accredited by the SEC (see Note 22).

Deferred tax liability related to the revaluation surplus amounted to ₱73.62 million, nil and ₱87.10 as at May 31, 2024, 2023 and 2022, respectively (see Note 17).

Key assumptions used in the value in use (VIU) calculation

As at May 31, 2024 and 2023, the recoverable amount of the CGU has been determined based on a VIU calculation using five-year cash flow projections. Key assumptions in the VIU calculation of the CGU are most sensitive to the following:

- Future revenues and revenue growth rates (e.g., tuition fee rates and number of students). Cash flow projections based on financial budgets approved by management covering a five-year period.
- Long-term growth rates. Management considered a long-term growth rate of 5.00% to project cash flows beyond the five-year period to calculate the terminal value.
- Discount rates (12.78% for May 31, 2024 and 11.32% for May 31, 2023). The discount rate used for the computation of the net present value is the weighted average cost of capital and was determined by reference to the Parent Company's capital structure.

Sensitivity to changes in assumptions

Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of property and equipment to materially exceed its recoverable amount.

10. Other Non-current Assets

This account consists of:

	2024	2023
Advances to contractors	₱11,741,716	₱7,465,313
Prepaid taxes	7,108,199	7,108,199
Refundable security deposits	636,864	962,012
Financial assets at FVOCI	106,560	92,880
	₱19,593,339	₱15,628,404

The effect of discounting the refundable security deposits is immaterial.



Advances to contractors pertain to advances paid to contractors for planned construction of various facilities.

The University has fully amortized software still in used as at May 31, 2024 and 2023 amounting to ₱8.47 million.

Financial assets at FVOCI pertain to the University's investments in listed shares of stocks and are valued at the closing stock price as at May 31, 2024 and 2023.

Cost of quoted equity investments and dividend income earned during from these investments follow:

	2024	2023	2021
Cost of quoted equity investments	₱411,859	₱411,859	₱411,859
Dividend income	-	9,396	2,160

Movements in carrying value of financial assets at FVOCI investments for the years ended May 31, 2024 and 2023 follow:

	2024	2023
Balances at beginning of period	₱92,880	₱136,800
Fair value gains (losses)	13,680	(43,920)
Balances at end of period	₱106,560	₱92,880

Changes in revaluation reserve on financial assets at FVOCI for the years ended May 31, 2024 and 2023:

	2024	2023
Balances at beginning of year	(₱318,979)	(₱275,059)
Change in revaluation reserve on financial assets at FVOCI	13,680	(43,920)
	(₱305,299)	(₱318,979)

11. Accounts Payable and Other Current Liabilities

This account consists of:

	2024	2023
Accounts payable:		
Third parties	₱320,946,826	₱274,350,819
Subsidiaries (Note 20)	22,384,847	259,360,671
Accrued expenses:		
Employee benefits	161,460,070	109,455,305
Others	132,023,344	33,420,991
Payable to students	38,603,759	42,180,602
Contract liabilities:	16,393,915	132,045,196
Deposits	11,009,920	9,874,533
Provision for probable losses (Note 24)	6,983,517	6,983,517
Alumni fees payable	2,693,089	2,146,258
	₱712,499,287	₱869,817,892



Accounts payable are non-interest-bearing and are generally on 30 to 60-day terms.

Accrued expenses include accrued rent pertaining to the unpaid contingent rent to its affiliate equivalent to 40% of the annual income derived from the leased premises (see Note 18).

Accrued expenses - others pertain to accrued purchases, accruals for audit fees, janitorial and security services, advertising services and other services.

Payable to students are refunds of miscellaneous fees to students to be applied to the next school year or semester.

As at May 31, 2024, contract liabilities amounting to ₱16.39 million will be recognized the following year. Contract liabilities amounting to ₱132.05 million as of May 31, 2023 were recognized as revenue for the year ended May 31, 2024.

As at May 31, 2024 and 2023, other non-current liability to ₱10.99 million and ₱13.42 million, respectively, pertains to contract liability that is estimated to be recognized as revenue within two to five years.

Deposits include refundable deposits of students for toga rentals and security deposits on leases.

Alumni fees payable include graduating students' payments for alumni registration and identification cards which are remitted to the alumni foundation.

Alumni fees payable includes graduating students' payments for alumni registration and identification cards which are remitted to the alumni foundation.

12. Equity

Capital Stock

The University's shares are listed and traded in the Philippine Stock Exchange.

Details of capital stock as at May 31, 2024 and 2023 follow:

Shares Authorized	Shares Issued and Outstanding	Par Value	Amount
800,000,000	372,414,400	₱1	₱372,414,400

Shown below is the summary of the University's track record of registration of securities under the Revised Securities Regulation Code (SRC).

Date	Number of Shares	Issue Price
November 10, 1986	305,000	₱100
August 9, 1988	152,500	100
February 23, 1994	297,375	100
September 18, 1995	993,174	100
March 17, 1998	2,237,356	100

As at May 31, 2024 and 2023, the total number of shares registered under the SRC is 372,414,400 shares being held by 1,009 and 1,014 stockholders, respectively.



Cash Dividends

The University's BOD approved the declaration of the following cash dividends:

Date of Declaration	Date of Record	Date of Payment	Amount	Dividend per Share
May 31, 2024	July 1, 2024	August 5, 2024	₱446,897,280	₱1.20
May 26, 2023	June 30, 2023	July 25, 2023	223,448,640	0.60
September 30, 2022	November 11, 2022	December 7, 2022	223,448,640	0.60
July 30, 2021	August 27, 2021	September 22, 2021	148,965,760	0.40

As at May 31, 2024 and 2023, the carrying value of dividends payable amounted to ₱588.41 million and ₱343.04 million, respectively.

Retained Earnings

Appropriations of retained earnings are as follow:

Date of Appropriation and Expiration	Remarks/ Projects	Amount
June 28, 2019 - June 27, 2021	<p>On June 28, 2019, the University's BOD approved the re-appropriation of ₱450.00 million for the development of the Malolos campus. These projects include the construction of a 3-storey building for the setting up of a pre-school, elementary and high school in preparation for the K-12 program and to support the five-year development plan for Malolos campus.</p> <p>In addition, the University's BOD approved the appropriation of ₱80.00 million for the construction of the following:</p> <ul style="list-style-type: none"> • Eight (8)-storey building in Mendiola Campus; • Construction of swimming pools and renovation of classroom in Malolos campus; and • Extension of the expansion projects of the University. <p>The estimated date of completion of the above projects as set by the University is within 2 years.</p> <p>This was unappropriated on June 27, 2021 upon expiration of the appropriation.</p>	₱530,000,000
June 23, 2017 - June 22, 2022	<p>On June 23, 2017, the University's BOD approved the expansion projects of the University. These projects include the items enumerated below:</p> <ul style="list-style-type: none"> • Planned construction of a 3-storey building for Science-related courses in CEU Malolos; • Additional investments in CE-IS for construction of building in anticipation of increased number of students in S.Y. 2020-2021; • Additional investment in CELPI for construction of building in anticipation of increased number of students in S.Y. 2020-2021; and • Modernization of CEU Manila campus. <p>The estimated date of completion of the above projects as set by the University is within 5 years.</p>	₱210,000,000



Date of Appropriation and Expiration	Remarks/ Projects	Amount
August 28, 2020 - August 27, 2025	<p>On August 28, 2020, the University’s BOD approved the detailed expansion program and projects of the University. These projects include the budget for capital expenditures and the following in the Malolos Campus:</p> <ul style="list-style-type: none"> • Planned construction of a 5-storey dormitory for the students, faculty and employees of the University; • Planned construction of a 2-storey building for the School of Dentistry; • Planned construction of a 2-storey building to house a food court with students’ area in the ground floor and commercial spaces in the second floor; • Renovation of the Centrodome; • Planned construction of a multi-purpose activity center and swimming pool for use of students; and • Renovation and extension of buildings and various laboratories. <p>The estimated date of completion of the above projects as set by the University is within five years.</p>	₱336,000,000
April 29, 2022 - April 28, 2027	<p>On April 29, 2022, the University’s BOD approved the expansion projects of the University. These projects include the items enumerated below:</p> <ul style="list-style-type: none"> • Continuous upgrading of laboratory equipment of all campuses in preparation for full setup of face to face modality of learning. • Construction of 8 storey building in the Manila campus • Construction of road, drainages, and primary metering in the Malolos campus • Construction of multipurpose activity center on the Malugay property for the Makati campus <p>The estimated date of completion of the above projects as set by the University is within 5 years.</p>	₱450,000,000
August 25, 2023 - May 31, 2024	<p>On August 25, 2023, the University’s BOD approved for the upgrading and procurement of laboratory equipment such as dental chairs, precision instruments, optometry equipment and devices for School Year (S.Y.) 2023-2024.</p>	₱125,000,000

In accordance with the Revised Securities Regulation Code Rule 68, Annex 68-D, the University’s retained earnings available for dividend declaration as at May 31, 2024 amounted to 527.67 million. The University plans to declare dividends in fiscal year 2025.



13. Revenue from Contracts with Customers

Set out below is the disaggregation of the University's revenue from contracts with customers:

	2024	2023	2022
Tuition fees	P889,505,872	P692,892,755	P561,974,892
Other fees	842,882,269	666,975,331	467,242,730
Income from other school services	450,787,558	317,788,925	143,758,601
	P2,183,175,699	P1,677,657,011	P1,172,976,223

Other fees include registration fees, health services fees, library fees, laboratory fees, development fees, practicum fees, internship fees and review fees.

Income from other school services comprise of fees for diploma and certificates, transcript of records, student handbooks, identification cards, entrance, qualifying and special examinations, laboratory materials, application fees for foreign students, uniforms and outfits, and various collections for specific items or activities.

Revenue from contracts with customers for tuition and other fees and miscellaneous fees are as follows:

Timing of Recognition	2024		2023		2022	
	Tuition fees and other school fees	Miscellaneous fees (Note 14)	Tuition fees and other school fees	Miscellaneous fees (Note 14)	Tuition fees and other school fees	Miscellaneous fees (Note 14)
Over time	P2,106,825,657	P-	P1,599,260,926	P-	P1,135,359,518	P-
Point in time	76,350,042	21,959,136	78,396,085	26,943,782	37,616,705	8,395,605
	P2,183,175,699	P21,959,136	P1,677,657,011	P26,943,782	P1,172,976,223	P8,395,605

Receivables and contract liabilities are disclosed in Notes 5 and 11, respectively.

Deferred tuition fees amounting to P35.45 million and P41.84 million as of May 31, 2024 and 2023, respectively, pertains to tuition and income from other school services to be recognized as revenue in the remaining months after the statement of financial position date or next school term.

14. Miscellaneous Income

This account consists of:

	2024	2023	2022
Dental materials	P4,625,549	P697,083	P611,863
Locker fees	3,702,152	2,975,670	16,518
Dental pre-board fees	2,005,367	15,791,749	3,386,333
Service commissions	1,750,419	111,693	-
Photograph fees	1,533,237	1,404,767	718,765
Professional and continuing education	4,603,852	3,565,251	1,826,684
Insurance fees	435,606	395,711	367,204
Handling fees	122,536	193,475	192,812
Others	3,180,418	1,808,383	1,275,426
	P21,959,136	P26,943,782	P8,395,605



Others include income from sale of promotional items, sale of scrap, penalty from students and swimming fees.

15. Costs and Expenses

This account consists of:

Cost of Services

	2024	2023	2022
Salaries and wages	₱471,788,870	₱428,631,257	₱390,270,094
SSS contributions and other employee benefits	374,055,515	367,527,931	338,274,602
Depreciation and amortization (Notes 9, 10 and 18)	97,973,901	117,124,486	97,658,200
Rental (Note 18)	91,614,815	6,639,344	-
Light and water	91,523,523	81,449,009	32,807,542
Library	85,119,089	36,467,249	18,812,195
Uniforms and outfits (Note 6)	47,307,873	35,991,224	2,340,352
Sports and academic development	32,346,599	28,800,299	20,137,984
Expenses for co-curricular activities (Notes 7 and 20)	24,327,026	18,391,733	4,041,006
Retirement expense (Note 16)	23,708,870	25,020,078	32,918,002
Stationery and office supplies	20,789,013	16,045,549	7,076,816
Management information	20,390,307	19,762,358	13,843,630
Professional fees	15,654,283	7,617,940	6,922,181
Affiliation	8,829,606	7,157,425	2,051,260
Laboratory	3,117,422	6,552,954	4,805,233
Directors' and administrative committee	3,891,408	5,086,832	4,327,392
Others (Note 6)	1,676,877	5,278,532	4,869,338
	₱1,414,114,997	₱1,213,544,200	₱981,155,827

General and Administrative Expenses

	2024	2023	2022
Repairs and maintenance	₱55,068,297	₱31,509,289	₱17,076,229
Janitorial and security services	51,010,096	39,533,080	20,196,810
Provision for ECL (Note 5)	40,706,373	16,747,859	5,740,776
Taxes and licenses	22,167,924	31,001,051	21,969,950
Transportation and communications	19,070,163	33,462,239	25,100,988
Advertisement	6,933,793	4,342,937	3,825,846
Insurance	3,290,482	3,145,056	3,290,145
Entertainment, amusement, and recreation	2,221,030	18,734,138	14,484,742
Membership fees and dues	1,366,699	1,418,965	2,277,967
Others	22,101,838	5,936,235	1,351,105
	₱223,936,695	₱185,830,849	₱115,314,558

Others mainly consists of expenses incurred for other school expense and donations made by the University for funeral and calamity assistance, among others.



16. Retirement Plan

The University has a funded, non-contributory defined benefit retirement plan which provides for death, disability and retirement benefits for all of its permanent employees. The annual contributions to the retirement plan consist of a payment covering the current service cost plus payments toward funding the unfunded actuarial liabilities. Benefits are based on the employees' years of service and final plan salary.

The fund is administered by two trustee banks under the supervision of the Board of Trustees (BOT) of the plan. The BOT is responsible for the investment strategy of the plan.

In 2015 and 2024, the University approved a new collective bargaining agreement with its employees with changes in the increments on employee retirement benefits.

The tables below summarize the components of retirement benefits expense recognized in the statements of income and the funded status and amounts recognized in the statements of financial position for the retirement plan.

- a. Retirement benefits expense recognized in the statements of income follows:

	2024	2023
Current service cost	₱14,384,203	₱15,006,930
Net interest cost (income)	9,324,667	10,013,148
Retirement benefits expense	₱23,708,870	₱25,020,078

- b. Movements in net retirement liability (asset) recognized in the statements of financial position follows:

	2024	2023
Balance at beginning of year	₱161,309,352	₱168,276,080
Retirement benefits expense (Note 15)	23,708,870	25,020,078
Actual contributions	(30,000,000)	(30,000,000)
Remeasurement losses (gains) recognized in OCI (gross of deferred income tax impact)	25,327	(1,986,806)
Benefits paid from the Company's operating funds	-	-
Balance at end of year	₱155,043,549	₱161,309,352

- c. Retirement benefits liability (asset) recognized in the statements of financial position follows:

	2024	2023
Present value of defined benefit obligation	₱363,997,144	₱337,076,674
Fair value of net plan assets	(208,953,595)	(175,767,322)
Retirement benefits liability (asset)	₱155,043,549	₱161,309,352



d. Changes in the present value of defined benefit obligation follows:

	2024	2023
Balance at beginning of year	₱337,076,674	₱328,919,864
Current service cost	14,384,203	15,006,930
Interest cost	20,507,655	20,498,753
Benefits paid	(30,277,664)	(31,164,676)
Benefits paid from the Company's operating funds	-	-
Remeasurements on actuarial losses (gains) from changes in:		
financial assumptions	(4,606,218)	67,080
demographic assumptions	-	-
experience adjustments	26,912,494	3,748,723
Balance at end of year	₱363,997,144	₱337,076,674

e. Changes in the fair value of plan assets follows:

	2024	2023
Balance at beginning of year	₱175,767,322	₱160,643,784
Actual contributions	30,000,000	30,000,000
Interest income	11,182,988	10,485,605
Actuarial gains on returns excluding amount recognized in net interest cost	22,280,949	5,802,609
Benefits paid	(30,277,664)	(31,164,676)
Balance at end of year	₱208,953,595	₱175,767,322

The number of plan members as at May 31, 2024 and 2023 is 644 and 610 respectively.

Actual return on plan assets for the years ended May 31, 2024 and 2023 amounted to ₱33.46 million and ₱16.29 million, respectively.

The fair value of plan assets as at May 31, 2024 and 2023 follows:

	2024	2023
Long-term investments:		
Debt securities	₱83,015,101	₱81,414,730
Equity securities	93,880,499	68,390,269
Cash and cash equivalents	31,204,986	25,301,724
Loans and receivable	955,867	757,689
Other assets	47,695	48,106
	209,104,148	175,912,518
Liabilities	(150,553)	(145,196)
	₱208,953,595	₱175,767,322

All plan assets do not have quoted prices in an active market except, for equity and debt securities. Cash and cash equivalents are with reputable financial institutions and are deemed to be standard grade.

The plan assets pertain to diversified investments and are not exposed to concentration risk.



The overall investment policy and strategy of the University's defined benefit retirement plan is guided by the objective of achieving an investment return which, together with contributions, ensures that there will be sufficient assets to pay retirement benefits as they fall due while also mitigating the various risks of the retirement plan.

The University expects to contribute ₱33.44 million to the defined benefit retirement plan in fiscal year 2024-2025.

The latest actuarial valuation of the plan is as of May 31, 2024. The cost of defined benefit retirement plan, as well as the present value of defined benefit obligation, is determined using actuarial valuation. The actuarial valuation involves making various assumptions.

The principal assumptions used in determining pension for the defined benefit retirement plan are shown below:

	2024	2023
Discount rates	6.77%	6.55%
Future salary increases	3.00%	3.00%
Mortality rate	2017 Philippine Intercompany Mortality	2017 Philippine Intercompany Mortality
Average expected future years of service	11	11
Turnover rate	A scale ranging from 12% at age 18 to 0% at age 65	A scale ranging from 12% at age 18 to 0% at age 65

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at the reporting date, assuming all other assumptions were held constant:

	Increase (Decrease) in Defined Benefit Obligation	
	May 31, 2024	May 31, 2023
Discount rates		
+1.00%	(₱18,883,189)	(₱19,902,569)
-1.00%	21,277,417	22,337,761
Future salary increases		
+1.00%	₱24,507,374	₱24,643,178
-1.00%	(22,234,967)	(22,264,434)

The methods and types of assumptions used in preparing the sensitivity analysis did not change as at May 31, 2024.

Shown below is the maturity analysis of the undiscounted benefit payments:

	2024	2023
Less than 1 year	₱51,737,840	₱43,932,272
More than 1 year to 5 years	163,411,188	151,887,972
More than 5 years to 10 years	235,629,780	194,539,449
More than 10 years to 15 years	164,558,365	188,899,036
More than 15 years to 20 years	86,469,142	96,222,494
More than 20 years	220,412,456	197,061,479



17. Income Taxes

All domestic subsidiaries qualifying as private educational institutions are subject to tax under Republic Act No. 8424, *An Act Amending the National Internal Revenue Code, as amended, and For Other Purposes*, which was passed into law effective January 1, 1998. Title II Chapter IV - Tax on Corporation - Sec 27(B) of the said Act defines and provides that: a “Proprietary Educational Institution” is any private school maintained and administered by private individuals or groups with an issued permit to operate from Department of Education (DepEd), or CHED, or Technical Education and Skills Development Authority (TESDA), as the case may be, in accordance with the existing laws and regulations and shall pay a tax of 10.00% on its taxable income.

President Rodrigo Duterte signed into law on March 26, 2021 the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act to attract more investments and maintain fiscal prudence and stability in the Philippines. Republic Act (RA) 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It takes effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation or April 11, 2021.

The following are the key changes to the Philippine tax law pursuant to the CREATE Act which have an impact on the School:

- Preferential income tax rate for proprietary educational institutions and Schools which are nonprofit is reduced from 10% to 1% effective July 1, 2020 to June 30, 2023.
- Beginning July 1, 2023, the preferential income tax rate for proprietary educational institutions and Schools which are nonprofit is 10%.

The provision for (benefit from) income tax consists of:

	2024	2023	2022
Current			
1% income tax on special corporations	₱71,809,555	₱2,916,203	₱1,893,943
Deficiency income tax	-	-	2,676,423
Deferred	(19,881,528)	(447,064)	(4,670,360)
	₱51,928,027	₱2,469,139	(₱99,994)

The reconciliation of income before tax computed at statutory income tax rate to benefit from income tax in the parent company statements of income is shown below:

	2024	2023	2022
Statutory provision for income tax at 10% in 2024 and 1% in 2023 and 2022	₱65,231,139	₱3,620,040	₱1,400,985
Effect of using different tax rate and others	(12,389,432)	(769,768)	(3,727,550)
Tax effects of:			
Non-deductible expenses*	7,194,069	125,907	159,503
Dividend exempt from income tax	(5,639,338)	(395,269)	(587,522)
Interest income subjected to final tax	(2,468,411)	(111,771)	(21,833)
Deficiency income tax	-	-	2,676,423
Effective provision (benefit from) for income tax	₱51,928,027	₱2,469,139	(₱99,994)

* Includes interest on deficiency taxes in 2019 and 2020 amounting to ₱1,831,733 for the year ended May 31, 2022.



The components of the University's net deferred tax liabilities follow:

	2024	2023
Deferred tax liabilities on:		
Revaluation gain on land	₱455,760,965	₱382,145,822
Undepreciated cost of property and equipment	147,852,379	147,852,379
Advance collection on tuition fee not yet recognized as income during the fiscal year	2,078,977	3,026,006
Unrealized foreign currency exchange gain	370,392	370,392
Cost to fulfill a contract	57,253	57,253
	606,119,966	533,451,852
Deferred tax assets on:		
Retirement liability*	18,544,296	16,109,060
Accrued expenses	27,793,169	13,862,031
Allowance for ECL	9,408,681	6,838,043
Unamortized excess of contribution over the normal cost	6,468,672	₱6,468,672
Nonrefundable contract liabilities	2,620,693	2,620,693
Difference between the actual lease payments and PFRS 16 related accounts	1,486,150	1,486,150
	66,321,661	47,384,649
Net deferred tax liabilities	₱539,798,305	₱486,067,203

* Net of deferred income tax asset from Other Comprehensive Income amounting to ₱5.56 million and ₱5.59 million as at May 31, 2024 and 2023, respectively.

As allowed under RA8424, being a private educational institution, the University claims the tax deductions of capital expenditures for tax purposes in the year incurred. The University recognized deferred tax liability on the undepreciated cost of property and equipment which pertains to the remaining cost of property and equipment not yet depreciated but was already recognized as tax deduction.

Issuances of Relevant BIR Regulations:

Revenue Regulations 14-2021

To ease the burden of taxation among proprietary educational institutions and taking into account the pending Bills in Congress seeking to amend Section 27 (B) of the National Internal Revenue Code (NIRC) of 1997, as amended, the BIR issued Revenue Regulation (RR) 14-2021 on July 28, 2021 to finally clarify the income taxation of schools, the implementation of the provisions regarding proprietary educational institution's tax treatment of RR No. 5-2021 dated April 8, 2021 on the definition of proprietary educational institutions, insofar as it includes therein the phrase "which are non-profit", are hereby suspended pending passage of such appropriate legislation.

Revenue Regulations 3-2022

The BIR issued RR 3-2022 clarifying that the preferential corporate income tax rate of 1.00% shall apply to proprietary educational institutions, among others, beginning July 1, 2020 until June 30, 2023. After June 30, 2023, the rate shall revert to the preferential corporate tax rate of 10.00%.



18. Leases

University as Lessor

The University leases out portions of its spaces to third party and related party concessioners which are renewable every two years. Total rental income recognized amounted to ₱12.73 million, ₱10.95 million and ₱4.81 million for the year ended May 31, 2024, 2023 and 2022, respectively (see Note 20).

As lessor, future minimum rentals under operating leases as at May 31, 2024 and 2023 are shown in the next page.

	2024	2023
Within 1 year	₱11,145,422	₱11,145,422
After 1 year but not more than 5 years	16,990,934	16,990,934
More than 5 years	1,085,027	1,085,027
	₱29,221,383	₱29,221,383

Accrued rental payments not yet billed as of May 31, 2024 and 2023 amounted to ₱7.36 million and ₱6.12 million, respectively (see Note 5).

University as Lessee

On July 29, 2004, the University entered into a 25-year operating lease, which commenced on January 1, 2005, with Philtrust Bank for the lease of its land in Makati. The contract requires for ₱24.00 million fixed annual rentals plus 40.00% of the annual net income before tax of the University's Makati-Buendia campus (variable rent).

The University recognized right-of-use asset for their lease of land. The rollforward analysis of the account in 2023 and 2022 is shown below:

	2024	2023
Cost		
Balances at beginning and end of year	₱205,121,481	₱205,121,481
Accumulated Amortization		
Balances at beginning of year	72,738,114	55,280,967
Amortization (Note 15)	17,457,147	17,457,147
Balances at end of year	90,195,261	72,738,114
Net Book Value	₱114,926,220	₱132,383,367

The rollforward analysis of lease liability follows:

	2024	2023
Balances at beginning of year	₱147,451,415	₱162,564,562
Interest expense	8,001,368	8,886,853
Lease payments	(24,000,000)	(24,000,000)
Balances at end of year	131,452,783	₱147,451,415
Lease liability - current	₱15,414,233	₱15,998,633
Lease liability - non-current	116,038,550	131,452,782
	131,452,783	₱147,451,415



The following are the amounts recognized in the parent company statements of income:

	2024	2023	2022
Amortization expense of right-of-use asset (Note 15)	₱17,457,147	₱17,457,147	₱17,457,147
Interest expense on lease liability	8,001,368	8,886,853	9,723,328
Expenses relating to variable rent (included in cost and expenses)	9,843,354	6,639,344	–
Total amount recognized in parent company statements of income	₱35,301,869	₱32,983,344	₱27,180,475

Shown below is the maturity analysis of the undiscounted lease payments as of May 31:

	2024	2023
Within one year	₱24,000,000	₱24,000,000
After 1 year but not more than 5 years	96,000,000	96,000,000
More than 5 years	38,000,000	62,000,000
	₱158,000,000	₱182,000,000



19. Segment Reporting

The University operates in geographical segments. Financial information on the operations of these segments are summarized as follows:

As at and for the year ended May 31, 2024						
	Mendiola	Malolos	Makati-Buendia	Makati-Legaspi	Adjustments	Total
Segment assets	₱5,976,000,652	₱1,501,839,116	₱119,578,213	₱650,016,239	₱-	₱8,247,434,220
Segment liabilities	759,006,047	92,243,967	59,347,954	5,306,501	1,283,293,550	2,199,198,019
Capital expenditures	71,246,675	39,758,383	11,593,270	-	-	122,598,328
Segment revenues	1,498,629,369	268,443,267	253,592,572	253,592,572	-	2,274,257,780
Expenses	890,924,018	261,336,576	174,020,434	311,770,664	-	1,638,051,692
Depreciation and amortization expense	37,258,016	18,830,549	24,692,620	17,192,716	-	97,973,901
Net income (loss)	461,435,514	55,714,186	54,842,078	80,319,610	(51,928,027.00)	600,383,361

As at and for the year ended May 31, 2023						
	Mendiola	Malolos	Makati-Buendia	Makati-Legaspi	Adjustments	Total
Segment assets	₱4,943,761,389	₱1,442,900,513	₱250,520,964	₱658,571,180	₱-	₱7,295,754,046
Segment liabilities	807,894,619	36,884,194	215,103,216	13,236,000	990,413,070	2,063,531,099
Capital expenditures	63,628,499	869,444	466,471	50,706,055	-	115,670,469
Segment revenues	1,246,975,398	195,724,839	245,677,866	81,888,383	-	1,770,266,486
Expenses	948,648,761	175,813,782	228,557,556	55,242,368	-	1,408,262,467
Depreciation and amortization expense	75,461,681	14,592,473	21,524,096	5,546,236	-	117,124,486
Net income (loss)	298,326,637	19,911,057	17,120,310	26,646,015	(2,469,139)	359,534,880

As at and for the year ended May 31, 2022						
	Mendiola	Malolos	Makati-Buendia	Makati-Legaspi	Adjustments	Total
Segment assets	₱4,682,313,608	₱1,432,316,920	₱240,403,989	₱596,981,756	₱-	₱6,952,016,273
Segment liabilities	622,637,849	19,799,194	216,027,818	7,716,303	767,993,967	1,634,175,131
Capital expenditures	14,061,659	12,609	111,787	188,876	-	14,374,931
Segment revenues	859,885,991	125,072,995	201,351,551	61,813,573	-	1,248,124,110
Expenses	713,885,453	126,379,241	205,342,817	62,418,076	-	1,108,025,587
Depreciation and amortization expense	50,236,194	11,736,939	23,089,315	12,595,752	-	97,658,200
Net income (loss)	146,000,538	(1,306,246)	(3,991,266)	(604,503)	99,994	140,198,517

For the years ended May 31, 2024 and 2023 and for the year ended May 31, 2022, there were no intersegment revenues and all revenues are made to external customers.



Segment liabilities for each segment do not include the following:

	2024	2023	2022
Deferred tax liabilities - net	₱539,798,305	₱486,067,203	₱486,315,586
Retirement liability	155,043,549	161,309,352	168,276,080
Dividends payable	588,451,696	343,036,515	113,402,301
	₱1,283,293,550	₱990,413,070	₱767,993,967

Net income for each segment does not include “Benefit from (Provision for) income tax” amounting to (₱51.93 million), (₱2.47 million) and ₱0.10 million for the year ended May 31, 2024, 2023 and 2022, respectively.

20. Related Party Transactions

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

Affiliates are entities that are subject to common control.

Significant transactions with related parties include the following:

Category	As at and for the year ended May 31, 2024		
	Amount/Volume	Outstanding Balance	Terms and Conditions/Nature
Subsidiaries			
<i>CELPI</i>			
Accounts payable (Note 11)	₱95,445,071	₱334,279,741	Payment for the VAT on purchase of CELPI; non-interest-bearing; payable on demand
Advances to CELPI (Note 5)	88,578,387	318,324,635	Expenses incurred by CELPI; non-interest-bearing; payable on demand
<i>CE-IS</i>			
Accounts payable (Note 11)	737,830	10,476,437	Cash collection of student deposits for Senior High School Program of CE-IS; non-interest-bearing; payable on demand
Advances to CE-IS (Note 5)	155,317	4,046,695	Expenses incurred by CE-IS; non-interest-bearing; payable on demand; not impaired
<i>The Hospital</i>			
Advances to Hospital (Note 5)	532,820	14,091,955	Expenses incurred by Hospital; non-interest-bearing; payable on demand; not impaired
Accounts payable (Note 11)	15,190	10,772,204	Consideration for the purchase of hospital supplies and payment of salaries non-interest-bearing; payable in 3 years
Affiliates			
<i>PhilTrust Bank</i>			
Cash (Note 4)	3,989,774	110,975,454	Savings deposit with interest rate ranging from 0.50% to 0.375%
Interest income	228,383		
Short-term deposits (Note 4)	205,584,345	419,042,549	Money market placements ; varying periods up to three months, interest of such ranges from 0.44% to 5.5%
Interest income	22,424,467		



As at and for the year ended May 31, 2024			
Category	Amount/Volume	Outstanding Balance	Terms and Conditions/Nature
Rent (Note 18)	₱30,639,344	₱16,482,698	Rent of building in Makati unsecured and non-interest bearing
<i>TH Coffee Services Philippine Corp.</i>			
Rent Income (Note 18)	71,429	45,000	Rental of commercial space; payable the following month, unsecured and non-interest bearing
<i>Manila Hotel</i>			
Expenses for co-curricular activities	1,588,344	–	Rental of room and facilities for commencement exercises
<i>Karate Kid Japanese Fast food</i>			
Rent Income (Note 18)	524,250	–	Rental of commercial space; payable the following month, unsecured and non-interest bearing
<i>Manila Bulletin Publishing Corporation</i>			
Advertising, recruitment and placement (Note 15)	5,419,535	–	Advertising services, terms vary as to type and frequency of advertisements, unsecured and non-interest bearing
As at and for the year ended May 31, 2023			
Category	Amount/Volume	Outstanding Balance	Terms and Conditions/Nature
Subsidiaries			
<i>CELPI</i>			
Accounts payable (Note 11)	₱57,623,875	₱238,834,670	Payment for the VAT on purchase of CELPI; non-interest-bearing; payable on demand
Advances to CELPI (Note 5)	53,285,726	229,746,249	Expenses incurred by CELPI; non-interest-bearing; payable on demand
<i>CE-IS</i>			
Accounts payable (Note 11)	1,290,724	9,738,607	Cash collection of student deposits for Senior High School Program of CE-IS; non-interest-bearing; payable on demand
Advances to CE-IS (Note 5)	284,113	3,891,378	Expenses incurred by CE-IS; non-interest-bearing; payable on demand; not impaired
<i>The Hospital</i>			
Advances to Hospital (Note 5)	492,974	13,559,135	Expenses incurred by Hospital; non-interest-bearing; payable on demand; not impaired
Accounts payable (Note 11)	15,190	10,787,394	Consideration for the purchase of hospital supplies and payment of salaries non-interest-bearing; payable in 3 years
Affiliates			
<i>PhilTrust Bank</i>			
Cash (Note 4)	19,969,670	115,734,858	Savings deposit with interest rate ranging from 0.50% to 0.375%
Interest income	228,383		
Short-term deposits (Note 4)	210,732,62	445,793,235	Money market placements ; varying periods up to three months, interest of such ranges from 0.44% to 5.5%
Interest income	8,739,817		
Rent (Note 18)	31,161,294	7,161,294	Rent of building in Makati unsecured and non-interest bearing
<i>TH Coffee Services Philippine Corp.</i>			
Rent Income (Note 18)	1,933,638	1,655,752	Rental of commercial space; payable the following month, unsecured and non-interest bearing



As at and for the year ended May 31, 2023			
Category	Amount/Volume	Outstanding Balance	Terms and Conditions/Nature
<i>Manila Hotel</i>			
Expenses for co-curricular activities	₱1,744,654	₱—	Rental of room and facilities for commencement exercises
<i>Karate Kid Japanese Fast food</i>			
Rent Income (Note 18)	524,250	—	Rental of commercial space; payable the following month, unsecured and non-interest bearing
<i>Manila Bulletin Publishing Corporation</i>			
Advertising, recruitment and placement (Note 15)	2,847,070	—	Advertising services, terms vary as to type and frequency of advertisements, unsecured and non-interest bearing
As at and for the year ended May 31, 2022			
Category	Amount/Volume	Outstanding Balance	Terms and Conditions/Nature
Subsidiaries			
<i>CELPI</i>			
Accounts payable (Note 11)	₱34,327,347	₱181,210,795	Payment for the VAT on purchase of CELPI; non-interest-bearing; payable on demand
Advances to CELPI (Note 5)	38,484,282	176,460,523	Expenses incurred by CELPI; non-interest-bearing; payable on demand
<i>CE-IS</i>			
Accounts payable (Note 11)	80,192,314	8,447,883	Cash collection of student deposits for Senior High School Program of CE-IS; non-interest-bearing; payable on demand
Advances to CE-IS (Note 5)	17,022,228	3,607,265	Expenses incurred by CE-IS; non-interest-bearing; payable on demand; not impaired
<i>The Hospital</i>			
Advances to Hospital (Note 5)	1,014,429	13,066,161	Expenses incurred by Hospital; non-interest-bearing; payable on demand; not impaired
Accounts payable (Note 11)	223,084	10,772,204	Consideration for the purchase of hospital supplies and payment of salaries non-interest-bearing; payable in 3 years
Affiliates			
<i>PhilTrust Bank</i>			
Cash (Note 4)	20,886,390	108,986,433	Savings deposit with interest rate at 0.10% to 0.38%
Interest income	225,650		
Short-term deposits (Note 4)	65,869,503	239,870,443	Money market placements at 6 to 53 days with interest ranging from 2.08% to 3.20%
Interest income	2,363,489		
Rent (Note 18)	24,000,000	3,021,421	Unsecured; rent of building in Makati; payable the following month
<i>TH Coffee Services Philippine Corp.</i>			
Rent Income (Note 18)	1,217,892	1,655,752	Rental of school premises in Mendiola; payable the following month
<i>Karate Kid Japanese Fast food</i>			
Rent Income (Note 18)	12,478	7,284	Rental of school premises in Mendiola; payable the following month
<i>Manila Bulletin Publishing Corporation</i>			
Recruitment and placement (Note 15)	260,407	—	Advertising services, terms vary as to type and frequency



Generally, related party transactions are settled in cash.

Transactions with Retirement Plan

Under PFRSs, certain post-employment benefit plans are considered as related parties. The University's retirement plan is in the form of a trust administered by two trustee banks. Transactions with the retirement fund for 2024 and 2023 are shown in Note 16.

As at May 31, 2024 and 2023, the retirement fund has 8,072,299 shares or 2.16% interest in the University with a fair value of ₱62.88 million and ₱88.79 million, respectively. The total unrealized gain (loss) recognized from these investments amounted to ₱14.98 million and ₱9.02 million for the year ended May 31, 2024 and 2023, respectively.

No limitations and restrictions are provided and voting rights over these shares are exercised by a trust officer.

There are no other transactions by the University or its related parties with the retirement fund for the year ended May 31 2024, and 2023.

Remuneration of Key Management Personnel

The University's key management personnel include all management committee officers. The summary of compensation of key management personnel follows:

	2024	2023	2022
Short-term employee salaries and benefits	₱14,295,348	₱13,165,753	₱13,892,502
Post-employment benefits	13,296,060	4,710,411	5,298,825
	₱27,591,408	₱17,876,164	₱19,191,327

There are no agreements between the University and any of its directors and key officers providing for benefits upon termination of employment, except for such benefits to which they may be entitled under the University's retirement plan.

Approval Requirements and Limits on the Amount and Extent of Related Party Transactions

The Board of Directors shall approve all material related party transactions before their commencement. Material related party transactions shall be identified taking into account the related party registry. Transactions amounting to ten percent (10%) or more of the total assets of the University that were entered into with an unrelated party that subsequently becomes a related party may be excluded from the limits and approval process requirement.

21. Notes to Parent Company Statements of Cash Flows

Non-cash investing activities pertain to the following:

a. Retirement of assets

For the years ended May 31, 2024, 2023 and 2022, the University retired certain properties with aggregate cost of ₱23.09 million, ₱13.01 million and ₱0.04, respectively. Loss on retirement of these properties amounted to ₱0.66 million, ₱565 and ₱141 for the years ended May 31, 2024, 2023 and 2022, respectively. There were no proceeds from sale of property and equipment for the year ended May 31, 2024, 2023 and 2022.



b. Additional investment in CE-IS

In September 2022, the University purchased an additional 1.8% to CE-IS using the advances to CE-IS stockholders amounting to ₱0.25 million.

22. Fair Value Measurement

The University uses a hierarchy for determining and disclosing the fair value of its assets and liabilities (see accounting policy on Fair Value Measurement).

The tables below summarize the carrying amounts and the fair values of the University's financial and non-financial assets as at May 31.

	2024			
	Carrying Value	Fair Value Measurement Using		Total Fair Value
		Quoted Prices in Active Markets (Level 1)	Significant Unobservable Inputs (Level 3)	
Assets measured at fair value:				
Financial assets:				
Financial assets at FVOCI	₱106,560	₱106,560	₱–	₱106,560
Non-financial assets:				
Land classified as Property and equipment under revaluation model	5,094,787,432	–	5,094,787,432	5,094,787,432
	₱5,094,893,992	₱106,560	₱5,094,787,432	₱5,094,893,992

	2023			
	Carrying Value	Fair Value Measurement Using		Total Fair Value
		Quoted Prices in Active Markets (Level 1)	Significant Unobservable Inputs (Level 3)	
Assets measured at fair value:				
Financial assets:				
Financial assets at FVOCI	₱92,880	₱92,880	₱–	₱92,880
Non-financial assets:				
Land classified as Property and equipment under revaluation model	4,358,636,002	–	4,358,636,002	4,358,636,002
	₱4,358,728,882	₱92,880	₱4,358,636,002	₱4,358,728,882

The methods and assumptions used by the University in estimating the fair value of the financial and non-financial assets and liabilities are as follows:

Cash and Cash Equivalents, Tuition and Other Receivables, Refundable Deposits, Accounts Payable and Other Current Liabilities (excluding Contract Liabilities and Statutory Obligations), Dividends Payable

Fair values approximate carrying amounts given the short-term nature of these accounts.

Lease Liability

The fair value of lease liabilities has been calculated by discounting the expected future cash flows at the prevailing interest rates for instruments with similar maturities.



Property and Equipment

The tables below summarize the valuation techniques and the significant unobservable inputs used in the valuation of land recorded as property and equipment.

	Valuation Techniques	Significant Unobservable Inputs	Range (Weighted Average)
Land	Sales Comparison Approach/Market Approach	<i>Internal factors:</i> Location Improvements Elevation Corner Influence Use Development Size Time Element	+10.00% to -20.00% +0.00% to -20.00% +0.00% to +20.00% +0.00% to +5.00% -20.00% to +20.00% +10.00% to +20.00% -20.00% to +20.00% +0.00%

The range of the prices per square meter used in the valuation is shown below:

	Valuation techniques	Location	Range (Weighted Average)
Land	Sales Comparison Approach/Market Approach	<i>Comparable analysis:</i> <i>External factor (net price)</i> Manila - Site 1 and 2 Makati - Malugay Makati - Legaspi Malolos, Bulacan Las Piñas	₱110,465 to ₱142,500 per sqm ₱409,500 to ₱440,426 per sqm ₱380,000 to ₱464,894 per sqm ₱13,500 to ₱18,000 per sqm ₱35,100 to ₱45,000 per sqm

The description of the valuation technique and inputs used in valuation of the University's land follows:

Market Data Approach	A comparable method where the value of the property is based on sales and listings of comparable property by reducing reasonable comparative sales and listings to a common denominator. This is done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as basis of comparison are situated within the immediate vicinity of the subject property. Comparison would be premised on the factors of location, size and shape of the lot, and time element.
Location	For a tract of land designated for a purpose or site occupied or available for occupancy, one of the key factors in land valuation is the location or area of preference.
Improvements and developments	Renovations in the land including the construction of building and installation of machineries and equipment should not be included in the valuation.
Road Frontage	Enhancement in usefulness accrues to those lots located or near street corners especially in retail business districts.
Use	Includes considerations factored in such as zoning, water and riparian rights, environmental issues, building codes and flood zones.
Size	Physical magnitude, extent or bulk, relative or proportionate dimensions. The value of the lot varies in accordance to the size of the lots. Basic rule of thumb is the bigger the lot size the lower the value, the smaller the lot size the higher the value.



Time Element The measured or measurable period during action or condition exist. It is usually associated with the period in which the property can be sold in an open market within reasonable time.

Sensitivity analyses to the significant changes in unobservable inputs are shown below:

- Significant increases (decreases) in the price (per sqm) would result in a significantly higher (lower) fair value measurement.
- Significant factor in the location of the property (e.g., closer to a main road or secondary road) would result in a significantly higher (lower) fair value measurement
- Significant improvements and developments (deterioration) in the location would result in a significantly higher (lower) fair value measurement.
- Significant increases (decreases) in the influence of the corners of the property would result in a significantly higher (lower) fair value measurement.
- Significant increases (decreases) in the use of the property would result in a significantly lower (higher) fair value measurement.
- Significant increases (decreases) in the size of the property would result in a significantly lower (higher) fair value (per sqm) measurement.
- Significant increases (decreases) in the period in which the property can be sold in an open market would result in a significantly lower (higher) fair value measurement.

The appraiser considers the highest and best use of the asset which takes into account the use of the asset that is physically possible, legally permissible and financially feasible.

Quoted Equity Securities Classified as Investments at FVOCI

Fair value is based on quoted prices.

23. Financial Risk Management Objectives and Policies

The University's principal financial instruments comprise of cash and cash equivalents. The main purpose of these financial instruments is to fund the University's operations and capital expenditures. The University has various other financial instruments such as tuition and other receivables, accounts payable and other current liabilities excluding statutory payables and dividends payable that arise directly from operations.

The main risk arising from the University's financial instruments are credit risk, liquidity risk and foreign currency risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur financial loss.

The University's risk management policy to mitigate credit risk on its receivables from students include the refusal of the University to release pertinent records like examination permit, transcript of records and transfer credentials, if applicable, until the student's account is cleared/paid. As at reporting date, there are no significant concentrations of credit risk.



As at May 31, 2024 and 2023, the analysis of financial assets follows:

	2024			
	Neither Past Due nor Impaired	Past Due	ECL	Net of ECL
Financial assets at amortized cost				
Cash and cash equivalents*	₱614,411,991	₱–	₱–	₱614,411,991
Short-term investments	450,000,000	–	–	450,000,000
Tuition and other receivables:				
Tuition fee receivables	–	349,458,289	(103,904,411)	245,553,878
Advances to subsidiaries	3,319,751	–	–	3,319,751
Advances to employees	24,534,389	–	(5,182,396)	19,351,993
Accrued rent receivable	7,357,103	–	–	7,357,103
Accrued interest receivable	178,141	–	–	178,141
Advances to CE-IS's stockholders	500,000	–	–	500,000
Refundable deposit	636,864	–	–	636,864
	₱1,100,938,239	₱349,458,289	(₱109,086,807)	₱1,341,309,721

*Excluding cash on hand.

	2023			
	Neither Past Due nor Impaired	Past Due	ECL	Net of ECL
Financial assets at amortized cost				
Cash and cash equivalents*	₱602,954,785	₱–	₱–	₱602,954,785
Tuition and other receivables:				
Tuition fee receivables	–	348,528,993	(68,380,434)	280,148,559
Advances to subsidiaries	247,196,762	–	–	247,196,762
Advances to employees	32,782,196	–	–	32,782,196
Accrued rent receivable	6,118,905	–	–	6,118,905
Accrued interest receivable	783,791	–	–	783,791
Advances to CE-IS's stockholders	500,000	–	–	500,000
Refundable deposit	962,012	–	–	962,012
	₱891,298,451	₱348,528,993	(₱68,380,434)	₱1,171,447,110

*Excluding cash on hand.

The University's neither past due nor impaired receivables are high grade receivables which, based on experience, are highly collectible.

The age of the entire University's past due but not impaired tuition fee receivables is disclosed in Note 5.

Tuition fee receivables

The University uses a provision matrix to calculate ECL for tuition fee receivables. The provision rates are determined based on the University's historical observed default rates analyzed in accordance to days past due by grouping of customers based on customer type. The University adjusts historical default rates to forward-looking default rate by determining the closely related economic factors affecting each customer segment. At each reporting date, the observed historical default rates are updated and changes in the forward-looking estimates are analyzed.



Set out below is the information about the credit risk exposure on the University's tuition fee receivables using a provision matrix:

	May 31, 2024				
	Current	Days Past Due			Total
		< 1 quarter	1 to less 3 quarters	Over 3 quarters	
Estimated tuition fee receivable at default	P-	P243,938,698	P-	P105,519,590	P349,458,288
Expected credit losses	P-	P18,597,157	P-	P8,963,850	P27,561,007

	May 31, 2023				
	Current	Days Past Due			Total
		< 1 quarter	1 to less 3 quarters	Over 3 quarters	
Estimated tuition fee receivable at default	P-	P283,313,277	P-	P65,215,716	P348,528,993
Expected credit losses	P-	P3,164,718	P-	P65,215,716	P68,380,434

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial assets and liabilities. Liquidity risk may result from a counterparty failing on repayment of a contractual obligation or inability to generate cash inflows as anticipated.

The University seeks to manage its liquidity risk to be able to meet its operating cash flow requirements, finance capital expenditures and maturing debts. As an inherent part of its liquidity risk management, the University regularly evaluates its projected and actual cash flows. To cover its short-term and long-term funding requirements, the University intends to use internally generated funds and external financing, if needed.

The maturity profile of the University's financial assets and liabilities as at May 31, 2024 and 2023 based on contractual undiscounted payments follows:

	2024				
	On Demand	Less than 3 Months	3 to 12 Months	Over 1 Year	Total
Cash on hand	P296,500	P-	P-	P-	P296,500
Financial assets:					
Cash in banks and cash equivalents	186,669,205	427,742,786	-	-	614,411,991
Short-term investments	-	-	450,000,000	-	450,000,000
Tuition fee and other receivables:					
Tuition fee receivable	-	245,553,878	-	-	245,553,878
Advances to subsidiaries	3,319,751	-	-	-	3,319,751
Advances to employees	19,351,993	-	-	-	19,351,993
Accrued rent receivable	7,357,103	-	-	-	7,357,103
Accrued interest receivable	-	178,141	-	-	178,141
Advances to CE-IS's stockholders	500,000	-	-	-	500,000
Refundable security deposits	-	-	-	636,864	636,864
Financial assets at FVOCI	-	-	-	106,560	106,560
	217,494,552	673,474,805	450,000,000	743,424	1,341,712,781
Financial liabilities:					
Accounts payable and accrued expenses:					
Accounts payable*	327,395,091	-	-	-	327,395,091
Accrued expenses	139,006,883	161,460,070	-	-	300,466,953
Payable to students	38,603,759	-	-	-	38,603,759
Deposits	11,009,920	-	-	-	11,009,920
Alumni fees payable	2,693,089	-	-	-	2,693,089
Lease liability**	-	-	24,000,000	158,000,000	182,000,000
Dividends payable	588,451,696	-	-	-	588,451,696
	1,107,160,438	161,460,070	24,000,000	158,000,000	1,450,620,508
Net undiscounted financial assets (liabilities)	(P889,665,886)	P512,014,735	P426,000,000	(P157,256,576)	(P108,907,727)

*Excluding statutory payables of P15,936,582



	2023				Total
	On Demand	Less than 3 Months	3 to 12 Months	Over 1 Year	
Cash on hand	₱281,500	₱-	₱-	₱-	₱281,500
Financial assets:					
Cash in banks and cash equivalents	155,094,125	447,860,660	-	-	602,954,785
Tuition fee and other receivables:					
Tuition fee receivable	-	280,148,559	-	-	280,148,559
Advances to subsidiaries	247,196,762	-	-	-	247,196,762
Advances to employees	32,782,196	-	-	-	32,782,196
Accrued rent receivable	6,118,905	-	-	-	6,118,905
Accrued interest receivable	-	783,791	-	-	783,791
Advances to CE-IS's stockholders	500,000	-	-	-	500,000
Refundable security deposits	-	-	-	962,012	962,012
Financial assets at FVOCI	-	-	-	92,880	92,880
	441,973,488	728,793,010	-	1,054,892	1,171,821,390
Financial liabilities:					
Accounts payable and accrued expenses:					
Accounts payable*	494,236,857	-	-	-	494,236,857
Accrued expenses	33,420,991	109,455,305	-	-	142,876,296
Payable to students	42,180,602	-	-	-	42,180,602
Deposits	9,874,533	-	-	-	9,874,533
Alumni fees payable	2,146,258	-	-	-	2,146,258
Lease liability**	-	-	24,000,000	158,000,000	182,000,000
Dividends payable	343,036,515	-	-	-	343,036,515
	924,895,756	109,455,305	24,000,000	158,000,000	1,216,351,061
Net undiscounted financial assets (liabilities)	(₱482,922,268)	₱619,337,705	(₱24,000,000)	(₱156,945,108)	(₱44,529,671)

Excluding statutory payables of ₱39,474,633

The University relies on internally-generated cash to fund its working capital needs, capital expenditures and cash dividends. The University will continuously assess its overhead costs to determine opportunities to decrease them. As laid down in the University's strategic plan, the University is committed to attain its goal on sound financial position by accomplishing the objectives to implement cost saving measures, increase income of existing revenue generating programs and activities and expand revenue generating activities.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The University's principal transactions are carried out in Peso and its exposure to foreign currency risk arises from cash in banks and short-term investments that are denominated in US dollar (\$ or USD).

To mitigate the University's exposure to foreign currency risk related to foreign currency-denominated accounts, management keeps the amount of these assets at a low level.

The following table shows the foreign currency-denominated accounts of the University as at May 31, 2024, and 2023 in USD:

	2024	2023
Cash in banks	\$20,391	\$14,747
Short-term investments	119,080	118,575
	\$139,471	\$133,322

In translating the foreign currency-denominated accounts to Peso amounts, the exchange rate used was ₱58.62 to \$1.00 and ₱56.15 to \$1.00 as at May 31, 2024 and 2023, respectively.



The following table demonstrates the sensitivity to a reasonably possible change in the Peso/USD exchange rate, with all other variables held constant, of the University's net income before tax. There is no impact on the University's equity.

	2024		2023	
Percentage change in exchange rate	4.40%	(4.40%)	7.17%	-7.17%
Effect on net income before tax	359,375	(359,375)	₱530,109	(₱530,109)

Interest Rate Risk

The University's exposure to market risk for changes in interest rates is not significant to the parent company financial statements. The financial instruments of the University are either non-interest-bearing or has minimal interest rate exposure due to the short-term nature of the account (for example, cash equivalents).

Capital Management

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

The University manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the University may adjust dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made to the objectives, policies or processes during the years ended May 31, 2024 and 2023.

The University monitors capital using a debt-to-equity ratio which is debt divided by total equity. Debt includes accounts payable and other current liabilities and lease liability.

The following table shows how the University computes for its debt-to-equity ratio as at May 31, 2023, and 2022:

	2024	2023
Accounts payable and other current liabilities (Note 11)	₱712,499,309	₱869,817,892
Lease liability (Note 18)	131,452,782	147,451,415
Total debt (a)	843,952,091	₱1,017,269,307
Total equity (b)	6,048,236,180	₱5,232,222,947
Debt-to-equity ratio (a)/(b)	₱0.14:1	₱0.19:1

As of May 31, 2023, and 2022, the University was able to meet its capital management objectives and was successful in achieving its capital management policies.

24. Provision

The University has several pending claims and assessments, the expected ultimate outcome of which is based on management's judgment in consultation with its legal counsel. Disclosure of additional details beyond the present disclosures may seriously prejudice the Group's position. Thus, as allowed by PAS 37, only general disclosures were provided.

Outstanding provision for losses for disputed claims and assessments amounted to ₱6.98 million as at May 31, 2024 and 2023, presented under "Accounts payable and other current liabilities" account (see Note 11).



25. Changes in Liabilities Arising from Financing Activities

Changes in the University's liabilities arising from financing activities are presented below:

	2024		2023		2022	
	Lease liability (Note 18)	Dividends payable (Note 12)	Lease liability (Note 18)	Dividends payable (Note 12)	Lease liability (Note 18)	Dividends payable (Note 12)
Balances at beginning of year	₱147,451,415	₱343,036,515	₱162,564,562	₱113,402,301	₱176,841,234	₱105,040,657
Interest expense (Notes 18 and 19)	8,001,368		8,886,853	–	9,723,328	–
Dividend declaration (Note 12)		446,897,280	–	446,897,280	–	148,965,760
Cash payments (Note 12)	(24,000,000)	(201,482,099)	(24,000,000)	(217,263,066)	(24,000,000)	(140,604,116)
Balances at end of year	131,452,783	588,451,696	₱147,451,415	₱343,036,515	₱162,564,562	₱113,402,301

26. Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the University does not expect that the future adoption to have a significant impact on its parent financial statements.

Effective beginning on or after January 1, 2024 (FY 2025)

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7, *Disclosure: Supplier Finance Arrangements*

Effective beginning on or after January 1, 2025 (FY 2026)

- Amendments to PFRS 17, *Insurance Contracts*

On December 15, 2021, the FSRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the International Accounting Standards Board.

- Amendments to PAS 21, *Lack of exchangeability*

Deferred effectivity

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

The University continues to assess the impact of the above new and amended accounting standards and interpretations effective subsequent to May 31, 2024 on the University's financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the financial statements when these amendments are adopted.



27. Supplementary Tax Information Under Revenue Regulations (RR) No. 15-2010

In compliance with the requirements set forth by RR No. 15-2010, set out below are the information on taxes and licenses paid or accrued for the fiscal year ended May 31, 2024:

Value-added tax (VAT)

Output VAT

The University has VAT-exempt sales/receipts amounting to ₱1.76 billion pursuant to Section 109 of the Tax Code, as amended, which provides that educational services rendered by private educational institutions duly accredited by the DepEd, the TESDA and CHED, and those rendered by government educational institutions shall be exempt from VAT.

While the University is a non-VAT registered entity engaged in a business as educational institution, the University paid or accrued output VAT amounting to ₱8.36 million based on the amount reflected in the sales of uniform, rental of facilities/lockers and sale of scrap materials of ₱69.70 million.

Input VAT

The amount of input VAT claimed for the fiscal year ended May 31, 2024 follows:

Balance at June 1, 2023	₱-
Current year's domestic purchases/payments:	(6,999,483)
	<u>(6,999,483)</u>
Claims for tax credit/refund and other adjustments	(6,999,483)
Balance at May 31, 2024	<u><u>₱-</u></u>

Withholding Taxes

The amount of withholding taxes paid for the fiscal year ended follows:

Withholding taxes on compensation and benefits	₱53,579,107
Expanded withholding taxes	9,494,963
Final withholding taxes	-
	<u><u>₱63,074,070</u></u>

Other Taxes and Licenses

For the fiscal year ended May 31, 2024, other taxes and licenses of the University consist of:

Business permits	₱17,298,961
Real property taxes	764,516
BIR Annual registration	392,197
Other taxes, permits and fees	3,712,250
	<u><u>₱22,167,924</u></u>

Tax Contingencies

The University does not have tax cases, preliminary investigations, litigations and/or prosecution in courts of bodies outside the BIR.

