

**PHILIPPINE POSTAL CORPORATION**  
**STATEMENT OF FINANCIAL POSITION**

December 31, 2014

(With comparative figures as of December 31, 2013)

(In Philippine Peso)

	Notes	2014	(as restated) 2013
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6	1,723,579,650	7,462,227,654
Trade and other receivables, net	7	3,027,486,776	4,327,250,861
Inventories	8	959,305,249	938,417,028
Prepaid expenses and other current assets	9	54,343,086	66,183,937
Total Current Assets		5,764,714,761	12,794,079,480
<b>Non-Current Assets</b>			
Investments	10	476,302,147	476,302,147
Property and equipment, net	11	4,282,196,000	3,416,315,625
Other noncurrent assets	12	110,047,161	184,557,381
Total Non-Current Assets		4,868,545,308	4,077,175,153
<b>TOTAL ASSETS</b>		<b>10,633,260,069</b>	<b>16,871,254,633</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Trade and other payables	13	4,688,268,054	9,198,727,867
Deferred credits	14	38,349,794	44,798,222
Trust liabilities	15	757,958,365	6,083,141,092
Total Current Liabilities		5,484,576,213	15,326,667,181
<b>Noncurrent Liabilities</b>			
Loans payables - domestic	16	98,159,664	120,365,578
Other long-term liabilities	17	533,848,919	513,421,760
Total Non-Current Liabilities		632,008,583	633,787,338
<b>TOTAL LIABILITIES</b>		<b>6,116,584,796</b>	<b>15,960,454,519</b>
<b>EQUITY</b>		<b>4,516,675,273</b>	<b>910,800,114</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>10,633,260,069</b>	<b>16,871,254,633</b>

See accompanying Notes to Financial Statements.

**PHILIPPINE POSTAL CORPORATION**  
**STATEMENT OF COMPREHENSIVE INCOME**  
For the year ended December 31, 2014  
(With comparative figures for the year ended December 31, 2013)  
(In Philippine Peso)

	Notes	2014	(as restated) 2013
<b>REVENUE</b>			
Mail services income	22	2,831,268,996	2,599,768,333
Postal payment services	23	529,250,604	556,541,120
Logistics services	24	48,808,969	8,124,356
Retail services	25	41,150,953	19,036,704
Other income	26	80,897,621	54,056,768
		<b>3,531,377,143</b>	<b>3,237,527,281</b>
<b>OPERATING EXPENSES</b>			
Cost of goods sold		11,155,444	3,057,232
Personal services	27	1,792,964,079	1,682,407,331
Maintenance and other operating expenses	28	732,217,382	696,068,416
International mail exchange expenses	29	514,427,774	442,183,461
		<b>3,050,764,679</b>	<b>2,823,716,440</b>
<b>INCOME FROM OPERATIONS</b>		<b>480,612,464</b>	<b>413,810,841</b>
<b>OTHER INCOME/(EXPENSES)</b>			
Depreciation	30	(54,785,701)	(28,155,232)
Valuation allowances	31	(16,000,706)	(76,725)
Gain/(loss) on foreign exchange		7,657,960	(1,166,865)
Gain on sale or disposal of assets		1,276,294	225,558
Interest income		5,324,894	3,021,774
Miscellaneous income		257,973	106,962
Other expenses	32	(18,502,137)	(64,015,367)
		<b>(74,771,423)</b>	<b>(90,059,895)</b>
<b>FINANCE COST</b>			
Interest expense		(51,193,905)	(42,989,564)
Bank Charges		(662,108)	(192,627)
		<b>(51,856,013)</b>	<b>(43,182,191)</b>
<b>PROFIT BEFORE INCOME TAX</b>		<b>353,985,028</b>	<b>280,568,755</b>
Provision for income tax		(106,195,508)	
<b>PROFIT BEFORE SUBSIDY</b>		<b>247,789,520</b>	<b>280,568,755</b>
Subsidy from National Government		623,953,988	657,911,026
Subsidy Expenses		(370,071,155)	(349,519,245)
		<b>253,882,833</b>	<b>308,391,781</b>
<b>NET PROFIT AFTER SUBSIDY</b>		<b>501,672,353</b>	<b>588,960,536</b>

See accompanying Notes to Financial Statements.

**PHILIPPINE POSTAL CORPORATION**  
**STATEMENT OF CHANGES IN EQUITY**

For the year ended December 31, 2014

(With comparative figures for the year ended December 31, 2013)

(In Philippine Peso)

	Note	2014	2013
<b>PAID UP CAPITAL</b>			
Balance at beginning of the year		2,541,183,522	3,721,707,570
Additions / (deductions)		844,621,759	(1,180,524,048)
Balance at end of the year		3,385,805,281	2,541,183,522
<b>REVALUATION SURPLUS</b>			
	19		
Balance at beginning of the year		1,375,663,415	-
Additions		199,543,705	1,375,663,415
Balance at end of the year		1,575,207,120	1,375,663,415
<b>DONATED CAPITAL</b>			
Balance at beginning of the year		5,834,725	-
Additions/(deductions)		(5,617,625)	5,834,725
Balance at end of the year		217,100	5,834,725
<b>APPRAISAL CAPITAL</b>			
	20		
Balance at beginning of the year		421,161,578	1,575,207,120
Additions (deductions)		27,756,720	(1,154,045,542)
Balance at end of the year		448,918,298	421,161,578
<b>DEFICIT</b>			
Balance at beginning of the year		(3,433,043,125)	(2,859,055,510)
Adjustments		276,404,447	-
Adjusted beginning balance		(3,156,638,678)	(2,859,055,510)
Prior period adjustments		1,761,493,800	(786,060,819)
Net income		247,789,520	280,568,755
Subsidy income		623,953,988	657,911,026
Subsidy expenses		(370,071,155)	(349,519,245)
Other adjustments -bad accounts			(376,887,332)
Balance at end of the year		(893,472,525)	(3,433,043,125)
<b>TOTAL EQUITY</b>		<b>4,516,675,274</b>	<b>910,800,115</b>

See accompanying Notes to Financial Statements.

**PHILIPPINE POSTAL CORPORATION**  
**STATEMENT OF CASH FLOWS**  
For the year ended December 31, 2014  
(With comparative figures for the year ended December 31, 2013)  
(In Philippine Peso)

	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	3,782,073,812	2,525,789,077
Interest received	5,324,894	2,935,836
Subsidy from National Government	1,291,040,988	1,173,548,026
Gain on sale of disposed assets	1,276,294	225,558
Remittances received from postal payment trust fund		
Postal payment services	2,952,142,116	1,246,913,552
Premium/bills payment	1,154,930,304	886,680,608
Conditional cash transfers	4,152,662,500	15,497,109,900
Cash Provided by Operating Activities	13,339,450,908	21,333,202,557
<b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>		
Cash paid to and in behalf of employees	2,900,927,095	2,402,587,365
Cash paid to suppliers	2,056,273,014	561,479,218
Cash paid to PPSB	40,000,000	40,000,000
Payment of Dividend	-	10,000,000
Purchase of property and equipment	62,506,959	180,889,588
Remittances paid in postal payment trust fund		
Postal payment services	3,056,514,138	1,316,099,513
Premium/bills payment	1,089,917,021	861,970,900
Conditional cash transfers	9,189,192,187	10,947,669,256
Cash Used in Operating Activities	18,395,330,414	16,320,695,840
Net Cash (Used In) / Provided by Operating Activities	(5,055,879,506)	5,012,506,717
<b>CASH OUTFLOWS FROM FINANCING ACTIVITIES</b>		
Payment of loan	22,558,567	64,176,556
Interest paid	51,193,905	42,989,564
Cash Used in Financing Activities	73,752,472	107,166,120
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	7,657,960	(1,166,865)
<b>EFFECTS OF NET ADJUSTMENTS - BEGINNING BALANCE RECLASSIFICATION</b>	(616,673,985)	132,107,087
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(5,738,648,003)	5,036,280,819
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	7,462,227,653	2,425,946,835
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	1,723,579,650	7,462,227,654

See accompanying Notes to Financial Statements.

**PHILIPPINE POSTAL CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
(In Philippine Peso)

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**1. CORPORATE INFORMATION**

Philippine Postal Corporation (PPC) is created by virtue of Republic Act No. 7354, otherwise known as the "Postal Services Act of 1992", which took effect on 3 April 1992. It transformed the then Postal Services Office (PSO) from a Bureau into a Government-owned and Controlled Corporation (GOCC).

The Corporation is mandated to perform the following functions and responsibilities:

- a. To provide for the collection, handling, transportation, delivery, forwarding, returning and holding of mails, parcels, and like materials, throughout the Philippines, and, pursuant to agreements entered into, to and from foreign countries;
- b. To determine and dispose of, in a manner it deems most advantageous, with law and settled jurisprudence, confiscated or non-mailable mail matters, prohibited articles, dead letters and undelivered mails, except the sale of prohibited drugs, dangerous materials, and other banned articles as defined by law;
- c. To plan, develop, promote, and operate a nationwide postal system with a network that extends or makes available, at least ordinary mail service, to any settlements in the country.

On January 2, 2012, PPC implemented Office Order No. 12-01 integrating the usual fourteen (14) regions into nine (9) postal areas excluding the Central Office which is considered as postal area.

PPC is a member of the Universal Postal Union (UPU) of the United Nations. It is part of the global network of Post Offices which operates under the principles of "one single territory" and "freedom of transit."

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**2. STATEMENT OF COMPLIANCE WITH IFRS**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The accompanying financial statements have been prepared on a going concern basis, which contemplate the realization of assets and settlement of liabilities in the normal course of business.

The accounting policies adopted in the preparation of financial statements have been prepared on a consistent basis.

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### 3. SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of Accounting**

The financial statements of the Company have been prepared on the historical cost basis, and are presented in Philippine pesos, which is the Company's functional and presentation currency.

Foreign currency transactions (i.e. international money order or international mail remunerations) are translated into the functional currency. For transactions on international mail remunerations, the monetary unit being used in the preparation and settlement of accounts is the Special Drawing Right (SDR), converted to dollar and to peso (presentation currency). International Money Order transactions are measured in dollar and translated into the peso currency.

Furthermore, the preparation of the financial statements requires management use of certain critical accounting estimates and the exercise of its judgment in the process of applying the Company's accounting policies.

The significant accounting policies and practices of the Company are set forth to facilitate the understanding of the financial statements.

#### *Use of the New PPC Chart of Accounts effective CY 2013*

The Corporation introduced a new PPC Chart of Accounts for uniformity in recording financial transactions.

#### *Introduction and Adoption of the Standard Formats for Financial Statements, Journals and General Ledgers*

- a. Facilitate consolidation of monthly financial reports
- b. Data are readily available for analysis and reconciliation

#### *Adoption of the Central Office - Area Accounting*

To strengthen the recognition of and accounting for all interoffice transactions in both Central Office and Area Office.

#### **Cash and Cash Equivalents**

The Cash and Cash Equivalents consist of cash on hand, cash balances with banks and cash invested in money market instruments.

*Cash in Bank* accounts were re-classified from Current and Savings Account to Cash in Bank-Corporate and Cash in Bank-Trust accounts.

*Cash in Bank-Corporate* account consists of General Fund and Operating Fund in local and foreign currencies maintained in current and savings accounts.

Cash and cash equivalents include "unrestricted cash" (International Accounting Standard 1, par. 66) which are readily available in the payment of current obligations. Only Corporate cash and cash equivalents fall under this classification.

*Cash in Bank-Trust* accounts (local and foreign currencies) are maintained in current and savings accounts and represents money order remittances and other collections for bills payments due to designated payees, i.e. Conditional Cash Transfer (CCT) beneficiaries, PhilHealth, Bayad Center, Dalsey, Hillblom and Lynn Airways (DHL) and Joint Venture.

### **Receivables and Allowance for Bad Debts**

Receivables are stated at net realizable values. Allowance for Bad Debts are set up following the aging method for trade receivables and amount of receivable less benefits/claims for non-trade receivables. Receivables from Foreign Postal Administrations are offset against the payables to the same Foreign Postal Administrations under the Universal Postal Union rules and regulations and bilateral agreements.

A change in accounting estimate based on collection experience was effected for the year ended 31 December 2014 and the following percentages based on the age of receivables are the basis for recognizing bad debt expense:

One day to 60 days	1%
61 days to 180 days	2%
181 days to one year	3%
More than one year	5%
10 years or more	100%

International Accounts Receivables are accounted for in SDR (Special Drawing Right) and translated at USD rate to peso equivalent at the end of the accounting period. The treatment of International Accounts Receivables on mail remunerations is governed by Universal Postal Union regulations and bilateral agreements between designated operators. Offsetting of receivables against payables is allowed and there is no provision for bad debts.

### **Inventories**

Inventories are valued at cost and is determined using the first in first out method. Items with serviceable life of more than one year but small enough to be considered as equipment are treated as inventories upon acquisition and as expense upon issuances (COA Circular No. 2005-002 dated 14 April 2005).

### **Property and Equipment**

Property (except Land) and Equipment are initially measured at cost less any subsequent accumulated depreciation, amortization and impairment losses. The cost of an asset consists of its purchase price and costs directly attributable to bringing the asset to its working condition for its intended use.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company. All other subsequent expenditures are recognized as expenses in the period in which those are incurred.



An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of Property and Equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of income in the year the item is derecognized.

On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to accumulated profits.

Gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of comprehensive income.

Depreciation is computed on the *straight-line method*. A residual value equivalent to ten percent (10%) of the acquisition cost is deducted before dividing the same by the estimated useful life prescribed in COA Circular No. 2003-007 dated 11 December 2003.

#### **Land**

**Land** includes lots appraised in 1994 and recorded in the Books as part of the Paid-up Capital of the National Government, and lots acquired after 1992. These lots include donated lots covered with deed of donation whether absolute or with condition. These are valued at their appraised cost which is also the deemed cost.

By virtue of Republic Act No.7354, creating the Philippine Postal Corporation, all real and personal properties which upon the effectivity of this Act are vested in, or owned by, the Postal Services Office and its predecessor Bureau of Posts are transferred to the Corporation without need of conveyance, transfer or assignment. The appraised value determined by Asian Appraisal Company, Inc. in 1994 is the deemed cost of the assets transferred to PPC.

In addition, Proclamation No. 690, s. 2013 dated November 26, 2013 granted ownership of the lot where the Postal Bank Main Office is located in favor of the Republic of the Philippines-Philippine Postal Savings Bank, Inc. Said lot is part of the Paid-up Capital of the National Government to PPC.

Land acquired after 1994 are recorded at cost which is generally the fair market value.

**Recognition.** On 22 January 2015, the PPC Board of Directors adopted Board Resolution No. 2015-007 "adopting as a matter of policy the recognition of the value of donated lots covered by absolute deed of donations and those subject to conditions as assets in the books of the corporation for calendar year 2014 and in succeeding years."

A physical inventory of the lots of PPC is now being undertaken to determine the actual status of donated lots in preparation to their titling. Likewise, funds was allotted for the titling of lots.



**Valuation.** Land experiences significant and volatile changes in fair value, thus necessitating revaluation when the fair value is materially different from the carrying amount.

In September–October 2012, all lots classified as “Land” were reappraised by Asian Appraisal Company, Inc. The fair value of land at the date of appraisal is adopted as basis for uniform valuation in conformity with “Philippine Accounting Standard 16 - Items within a class of property, plant and equipment are revalued simultaneously to avoid selective revaluation of assets and the reporting of assets in the financial statements as a different date”.

#### **Revaluation Surplus.**

The increase in the land’s carrying amount as a result of a revaluation is accumulated in equity under the heading of revaluation surplus.

#### **Accrued Expenses**

This represents amount due to various service providers/suppliers (utilities, supplies for operations, mail messengers/contractors) for services provided / goods purchased in the course of the corporation's operations.

#### **Income and Expenses**

**Income** encompasses both revenue and gains. Revenue arises in the ordinary activities of the corporation and is referred to by a variety of different names including sales, fees, interests, dividends and rent. Gain represent other items that meet the definition of income and may, or may not, arise in the course of the ordinary activities. Gains include , for example, those arising on the disposal of non-current assets.

Revenue is recognized when an increase in future economic benefits *related* to an increase in asset or a decrease of a liability has arisen that can be measured reliably. The requirement that revenue should be earned is the procedure normally adopted in practice for recognizing income.

Effective CY 2013, the income of the corporation are classified based on the nature of service under the following main classifications:

- Mail Services Revenue ;
- Postal Payment Services Revenue ;
- Logistics(cumbersome);
- Retail Services; and
- Other Income

**Expenses** encompasses losses as well as those expenses that arise in the course of the ordinary activities. Losses may, or may not arise in the course of ordinary activities, for example, those resulting from disasters such as fire and flood, as well as those arising on the disposal of noncurrent assets.

Expenses are recognized when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

Expenses are recognized in the statement of comprehensive income under the principle of matching of costs with revenue.

Expenses are classified under the following main accounts:

- Operating Expenses
  - Cost of Goods Sold
  - Personal Services
  - Maintenance and Other Operating Expenses
  - International Mail Exchange Expenses
- Other Expenses
- Financial Expenses

### **Subsequent Events**

The Company identifies subsequent events as events that occurred after the date of Statement of Financial Position but before the date when the financial statements were authorized for issue. Any subsequent events that provide additional information about the Company's financial position at the balance sheet date are reflected in the financial statements.

Events that are not adjusting events are disclosed in the notes to the financial statements when material.

### **Provisions and Contingencies**

Provisions are recognized as liabilities (assuming that a reliable estimate can be made) because they are present obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. The amount of liability is presented in the financial statements.

### **Retained Earnings**

In year 2012, PPC generated a net income of P 46,810,079 and pursuant to R.A. 7656, the PPC Board of Directors declared dividend for CY 2012 to the National Government, which is fifty percent (50%) of its net income or P 23,405,040. PPC remitted the amount of P10 million to the Bureau of Treasury in March 13, 2013 and in a letter dated 15 March 2013 addressed to the Undersecretary of the Department of Finance, requested that the remaining balance of P 13,405,040 will be used to implement its Five-Year Medium Term Plan aimed at attaining financial viability and competitiveness.

The Corporation did not declare dividends for CY 2013 & CY2014. In 23 May 2014, PhilPost requested the Secretary of Department of Finance exemption from remittance of the unremitted dividend for CY 2012 and the dividend for CY 2013 in view of Section 5(f) of the Implementing Rules and Regulations of Republic Act 7656 which allow GOCCs with net income but with negative retained earnings to request for exemption. Another letter dated 12 February 2015 requesting for exemption from remittance of the CY 2014 dividend was submitted to the Department of Finance.

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## **4. EXEMPTION FROM TAXES, CUSTOMS AND TARIFF DUTIES**

The Corporation is exempt from all direct and indirect taxes, customs duties, fees, imports and tariff duties, compensating taxes, wharfage fees and other charges and from restrictions on the importation of equipment, machineries, spare parts, accessories, and other materials, including supplies and services used directly in the operations of the Postal System not obtainable locally on favorable terms.

All obligations entered into by the Corporation and any income derived therefrom, including those contracted with private international banking and financial institutions are exempt from all taxes on both principal and interest. The Corporation is also exempt from the payment of capital gains tax, local government imposts and fees after December 31, 1997. Further, the Corporation may offset the full value of capital investments not otherwise funded by the National Government against any income tax due for the same period.

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**5. STATEMENT OF CASH POSITION INCLUDES ACCOUNTS TERMED AS “ FOR RECON” ACCOUNTS IN THE FINANCIAL STATEMENTS**

Upon its incorporation in 1992, PPC continued using the Postal Services Office (PSO) books of accounts, thus, the unreconciled/unaccounted balances of then Postal Services Office (PSO) were carried over to the PPC books of accounts. In 1996, the unreconciled amounts were further increased due to non-reconciliation of balances for lack of supporting documents, as a result of the fire that completely destroyed accounting records.

In December 1999, the corporation engaged the services of an independent auditing firm which recommends for the set-up of temporary accounts (Contingent Assets, Contingent Liabilities and Contingent Capital Suspense account) to record the balances of the PSO accounts which remained dormant and other unreconciled /unaccounted balances of the PPC books as of December 31, 1998. The temporary accounts were presented in the financial statements from CYs 2000 to 2004.

In 2005, the Contingent Assets, Contingent Liabilities and Contingent Capital Suspense Accounts were written-off from the Central Office Books while in some Regional Books, the balances were transferred to the Due to Central Office account. However, the balances of these accounts were restored in 2006 and reclassified to “bad accounts”. Since 2006 until 2012, the net differences of the assets and liabilities classified as “bad accounts” were closed to Retained Earnings.

The separation of the account balance to Good and Bad accounts was in compliance to Memorandum Circular No. 0703 dated June 15, 2007 – *Guidelines to Follow for Certain Accounts to Clean Up the Balance Sheets*, a joint memorandum issued both by PPC-OAPMG for Administration and Finance and the COA. The purpose is to reflect in the “good” financial statements, the “most likely” true worth of the corporation pending disposition and other COA actions on the “Bad” accounts.

For CY 2013, to address the “prior years’ balances for reconciliation” and to establish the balances to start with, memo-guidelines dated March 11, 2013 was issued relative to the following:

- a. Opening a new set of Books (General Ledger beginning balances) for all accounts that are properly supported. These new balances, upon consolidation, will present the corporation’s financial position as of January 01, 2013.
- b. Maintenance of the old set of Books separately containing the unsubstantiated balances subject for adjustment once the accounts are validated and properly supported.

## 6. CASH AND CASH EQUIVALENTS

This account consists of the following

	2014	(as restated) 2013
<b>Corporate fund:</b>		
Cash - collecting officers - corporate	191,042,395	186,747,533
Cash - disbursing officers - revolving fund	49,490,072	50,257,865
Petty cash fund	1,347,545	3,065,976
Payroll fund	50,571,194	79,458,847
Short-term investments	246,272,017	500,000
Cash in bank - corporate	399,529,837	1,280,982,414
<b>Sub total</b>	<b>938,253,060</b>	<b>1,601,012,635</b>
<b>Trust fund:</b>		
Cash - collecting officers - trust - manual money order	20,977,868	16,978,680
Cash - collecting officers - trust - ePMO	533,893	113,932
Cash - Collecting Officers - Trust - PhilHealth	6,907,080	4,273,561
Cash - collecting officers - trust - Bayad Center	38,337,810	47,674,211
Cash - collecting officers - trust - consignment	467,176	566,449
Cash - disbursing officers - trust - manual MO	725,569	725,569
Cash - disbursing officers - trust - CCT	47,514,816	4,936,116,099
Cash - disbursing officers - trust - PDIC	892,859	2,927,300
Cash - disbursing officers - trust - SCI	34,729,100	-
Cash in bank - trust - ePMO	4,723,094	-
Cash in bank - trust - manual MO/PhilHealth	465,409,433	681,708,088
Cash in bank - trust - Bayad Center	109,675,277	77,004,394
Cash in bank - trust - consignment	8,427,411	2,936,782
Cash in bank - trust - CCT	15,199,357	65,570,338
Cash in bank - trust - international money order	9,665,102	16,285,577
Cash in bank - trust - joint venture	13,151,788	8,334,039
Cash in bank - trust - manual MO/PhilHealth - BDO		
PhP Instl.	2,504,656	-
Cash in bank - trust - manual MO/PhilHealth - LBP		
PhP PDIC	153,518	-
Cash in bank - trust - SCI	413,700	-
Cash in bank - trust - PhilHealth	4,917,083	-
<b>Sub total</b>	<b>785,326,590</b>	<b>5,861,215,019</b>
<b>Total cash and cash equivalents</b>	<b>1,723,579,650</b>	<b>7,462,227,654</b>

*Cash, collecting officers* are cash on hand of Postmasters, Cashiers and other designated Collecting Officers.

*Cash, disbursing officers* represents unutilized funds on hand of designated disbursing officers for payment of authorized official expenditures.

*Petty cash fund* represents revolving funds that are less than P100,000 which are issued to designated disbursing officers.

*Payroll fund* represents cash advances granted to designated disbursing officers for payment of salaries, wages, allowances and other similar expenses in payroll format.

*Short term investments* refers to time deposits with a term of three months or less.

## 7. TRADE AND OTHER RECEIVABLES, NET

This account consists of the following:

	2014	(as restated) 2013
<b>Receivables - trade</b>		
Receivable - trade	375,881,498	506,713,460
Receivable - mail remunerations	569,611,295	1,546,307,471
Receivable - postal payment remittances	91,053,621	79,588,350
Receivables from joint venture partners	84,666,404	67,386,036
<b>Total</b>	<b>1,121,212,818</b>	<b>2,199,995,317</b>

*Accounts receivable, trade* refers to the amount due from customers arising from services rendered, trading/business transactions or sale of postage/philatelic items/PPC's products including postage charge account (PCA) from bulk mail clients. This consists of the following:

	2014	(as restated) 2013
Accounts receivable, trade	518,565,240	517,306,910
Allowance for bad debts, trade	(142,683,742)	(10,593,450)
	<b>375,881,498</b>	<b>506,713,460</b>

*Accounts receivable, designated operators* pertains to the amount due from designated operators (DOs) arising from the services rendered to deliver all inbound international mail matters and postal payment remittances to the addressees. This consists of the following:

	2014	(as restated) 2013
<b>Receivables - mail remunerations</b>		
Accounts receivable, designated operators	569,611,295	1,809,128,181
Allowance for foreign exchange adjustments, designated operators	-	(262,820,710)
	<b>569,611,295</b>	<b>1,546,307,471</b>
<b>Receivables - postal payment services</b>		
Accounts receivables, designated operators	98,442,514	83,180,070
Allowance for foreign exchange adjustments	(7,388,893)	(3,591,720)
	<b>91,053,621</b>	<b>79,588,350</b>

*Receivables-mail remunerations* consists of receivables already accepted by the various designated operators which are still outstanding as of December 31, 2014 and receivables billed during the year presented for acceptance by the designated operators.

Receivables - postal payment services refers to charges to designated operators for inbound postal remittances.

*Receivable from Joint Venture* - the balance represents the collectibles from FILMETRIX, a partner of Joint Venture. A joint venture agreement was entered into by and between PPC and FILMETRIX Corporation for the use of the latter's facilities in data capture of Social Security System (SSS) identification cards. Under said agreement, PPC gets a share of 13.33 percent from the total payments by SSS.

	2014	(as restated) 2013
<b>Other receivables</b>		
Due from directors, officers and employees	64,436,981	98,743,192
Due from NGAs, GOCCs, SUCs and LGUs	1,223,041,329	1,633,793,408
Rental receivable	9,116,855	9,967,179
Accounts receivable, non-trade	329,057,540	98,377,533
Due from subsidiaries	222,850,420	222,850,420
Receivables - disallowances/charges	47,343,271	46,802,597
Advances to officers and employees	10,427,562	16,721,215
<b>Total</b>	<b>1,906,273,958</b>	<b>2,127,255,544</b>

*Due from Directors, Officers and Employees* includes shortages of accountable officers who are no longer in the service or the whereabouts were unknown.

*Due from National Government Agencies, etc.* includes the following:

Particulars	Amount (in PhP)
Terminal leave benefits of employees when they were still under the defunct Bureau of Post based on leave credits and salaries of employees as of December 31, 1993 The above amount was already requested by PPC with the Department of Budget and Management (DBM). The unprogrammed appropriations the National Government (BG) for CY 2015 includes the amount of P472,485,000.00 to cover the terminal leave of retired employees	687,100,869.54
Billed service fees (partial) to DSWD for CCT payout services	181,747,406.00
Delivery fees for logistics services to the Department of Foreign Affairs	14,142,222.00
Delivery fees for logistics services to the Department of Budget and Management	12,811,469.00
<b>Total</b>	<b>895,801,966.54</b>

*Rental Receivables* - this includes rental fees generated from leasing the corporation's buildings and related facilities to Philippine Postal and Savings Bank, Inc. (PPSBI), Commission on Election (COMELEC) and SMART Communications.



*Other Receivables* pertain to claim for utility bills such as water and electric consumption by the SMART Communications, COMELEC AND TELECOM.

*Due from Subsidiaries* were claims by PPC from the following subsidiaries in payment of their various expenses:

Due From Subsidiary Account	Amount
Provident Fund Office (PFO)	22,083,888
Philippine Postal Savings Bank (PPSB)	2,598,179
Philippine Postal Realty and Development Corporation (PPRDC)	1,753,674
Philippine Postal Leasing and Financing Corporation (PLFC)	194,443,300
Philippine Postal Institute Foundation, Incorporated (PPIFI)	57,525
Philippine Postal Mail Management Corporation (PPMMC)	1,913,854
<b>Total</b>	<b>222,850,420</b>

- *Provident Fund Office* expenditures for salaries/bonuses of PPC employees detailed at PFO and other operational expenses.
- *Phil. Postal Savings Bank* for rentals in year 2006, health insurance premiums in September - December 1988 and janitorial services from January 1997 - March 1997 and equipment under Letter of Credit dated December 13, 1994.
- *PhilPost Realty & Devt. Corp.* for compensation and bonuses for the period 1996 - 1997 of PPC employees detailed at said office.
- *PhilPost Leasing & Financing Corp.* for compensation, bonuses and other allowances of detailed PPC.
- *PhilPost Institute Foundation, Inc.* for health insurance premiums and cost of accountable forms.
- *PhilPost Mail Management Corp.* for cost of accountable forms.

However, only the Provident Fund Office and the Philippine Postal Bank are existing and operational while the other subsidiaries are no longer existing. Moreover, the amount due from these subsidiaries are subject for reconciliation.

*Advances to Officers and Employees* include balances of cash advances granted to officers and employees for special and time-bound undertaking. Some of the accountable officers or employees are no longer in the service.

## 8. INVENTORIES

Inventories are valued using the first-in, first-out method and it consists of the following:

	2014	(as restated) 2013
Merchandise inventory	61,354,029	64,406,356
Supplies and materials inventory	144,091,645	135,127,477
Accountable forms inventory	732,203,062	716,063,436
Gas, oil and lubricants inventory	3,560,717	3,705,685
Spare parts inventory - motor vehicles	15,082,053	15,964,830



	2014	(as restated) 2013
Spare parts inventory - metered machines	49,107	49,107
Spare parts inventory - office & it equipment	926,177	918,838
Construction materials inventory	2,038,459	2,181,299
<b>Total</b>	<b>959,305,249</b>	<b>938,417,028</b>

## 9. PREPAID EXPENSES AND OTHER CURRENT ASSETS

This account consists of the following:

	2014	(as restated) 2013
Prepaid Expenses		
Prepaid Rent	30,880	30,880
Prepaid Insurance	3,652,997	1,548,571
	3,683,877	1,579,451
Deferred Charges	17,171,160	38,845,897
Other current assets		
Guaranty Deposits	3,333,591	2,502,111
Creditable Withholding Tax	20,513,296	-
Input Tax	9,641,162	23,256,478
<b>Total prepaid expenses and other current assets</b>	<b>54,343,086</b>	<b>66,183,937</b>

*Deferred charges* are amount paid in advance in a perfected contract for the purchase of goods or services.

*Guaranty deposits* are amount deposited as security deposits during the duration of the contract, subject for refund upon fulfillment of the obligation.

## 10. INVESTMENTS

This account consists of the following:

	Amount
Philippine Postal Savings Bank (PPSB)	468,913,475
Provident Fund Office (PFO)	5,000,000
Golden Kris Security and General Services, Inc.	999,517
MERALCO/PLDT	849,850
Others	539,305
	<b>476,302,147</b>

PhilPost subscribed with the Philippine Postal Savings Bank a total share amounting to P500 million. Share amounting to P420 million were paid while P80 million worth of shares are unpaid. The unpaid shares is recorded as payable in the books while it is recognized by PPSB as receivables from PPC.

Using the equity method, the unrecorded increase in investment with PPSB is P 31.24 M based on the net income/loss of PPSB for the period 2009-2013.

The P5 million investment in the PPC Provident Fund Office represents the seed money of the fund.

Golden Kris Security and General Services Inc., is a company supplying manpower to companies that are requiring security and janitorial services to which 15,000 shares of stocks at P100 par value per share or a total of P1,500,000.00 were owned by PPC. However, this company is no longer operational for more than five years.

The stock certificates of Meralco is in the name of the Department of Transportation and Communication and, the shares of stocks were acquired with the funds of the then Bureau of Post.

## 11. PROPERTY AND EQUIPMENT

Movement of the property and equipment is as follows:

	land and Land Improvements	Building and Building Improvements	Furniture, Fixture and Equipment	Motor Vehicles	IT Equipment and Software	Philatelic Items and Library Books	Total
<b>COST</b>							
1-Jan-14	1,777,957,043	1,201,537,300	1,121,038,291	170,975,367	321,912,366	1,691,847	4,595,112,214
Additions		3,337,627	72,399,900	41,184,789	15,911,983	256,976	133,091,275
Adjustment	772,938,979	(19,130,962)	(17,599,552)	77,583,253	(2,070,990)	-	811,720,728
Disposal							-
<b>31-Dec-14</b>	<b>2,550,896,022</b>	<b>1,185,743,965</b>	<b>1,175,838,639</b>	<b>289,743,409</b>	<b>335,753,359</b>	<b>1,948,823</b>	<b>5,539,924,217</b>
<b>ACCUMULATED DEPRECIATION</b>							
1-Jan-14	10,825,150	612,038,077	450,609,597	76,379,061	27,701,016	1,243,688	1,178,796,589
Adjustments	(2,159,626)	(9,796,456)	(11,374,498)	50,618,943	(3,142,436)	-	24,145,927
Provisions	347,573	20,580,702	10,977,176	16,328,222	6,552,028	-	54,785,701
<b>31-Dec-14</b>	<b>9,013,097</b>	<b>622,822,323</b>	<b>450,212,275</b>	<b>143,326,226</b>	<b>31,110,608</b>	<b>1,243,688</b>	<b>1,257,728,217</b>
Net Carrying Amount, as restated 31-Dec-14	2,541,882,925	562,921,642	725,626,364	146,417,183	304,642,751	705,135	4,282,196,000
Net Carrying Amount, as restated 31-Dec-13	1,767,131,893	589,499,223	670,428,694	94,596,306	294,211,350	448,159	3,416,315,625

*Property and equipment* includes all existing assets and facilities transferred from the defunct Bureau of Posts and thereafter the then Postal Service Office to the Philippine Postal Corporation (PPC) pursuant to Sec. 9(b) of R.A. 7354. The property and equipment are carried at costs, except for land and buildings which are carried in the books at appraised values determined by an independent appraiser, Asian Appraisal Company, Inc., on 15 September 1994.

## Land

The *Land* account consists of the following:

· lots with title	38
· lots with absolute deed of donation	343
· donated lots with conditions	107
· lots without documents	76
· others(proclaimed)	7

Previous year's land account includes titled lots only .However, on January 22, 2015, the PPC Board of Directors adopted Board Resolution No. 2015-007 "adopting as a matter of policy the recognition of the value of donated lots covered by absolute deed of donations and those subject to conditions as assets in the books of the corporation for calendar year 2014 and in succeeding years."

Land existing at the time of corporatization and appraised in 1994 were considered as part of the paid-up capital of the national government. Their appraised value was adopted as the deemed cost. Among the lots appraised in 1994 are lots presently used as the site of Post Office, however, there are no available documents to show how these lots were acquired.

The increase in the lands carrying amount as a result of a revaluation is accumulated in equity under the heading of revaluation surplus.

## 12. OTHER ASSETS

This account consists of fully depreciated vehicles in Central Office presented at their salvage value which were reclassified from Property and Equipment-Motor Vehicles to Other Assets account.

Fully depreciated assets which are still operational are classified as Other Assets unless the same shall be revalued.

	2014	(as restated) 2013
Other Assets	110,047,161	184,557,381

### 13. TRADE AND OTHER PAYABLES

This account consists of the following:

	2014	(as restated) 2013
Due From Central Office	2,460,524,649	1,571,557,173
Due From Area 03 - Mega Manila (MEGA)	1,745,598,345	866,078,917
Due From Area 02 - Northwestern Luzon (NWLA)	762,950,512	409,578,235
Due From Area 04 - Southern Luzon (SLA)	677,127,746	362,792,478
Due From Area 07 - Eastern Mindanao (EMA)	613,031,808	355,543,941
Due From Area 05 - Central And Eastern Visayas (CEVA)	507,292,677	203,307,177
Due From Area 06 - Western Visayas (WEVA)	398,399,175	184,858,437
Due From Area 08 - Central Mindanao (CEMA)	351,456,493	176,862,773
Due From Area 01 - Northeastern Luzon (NELA)	348,361,362	200,773,245
Due From Area 09 - Western Mindanao (WEMA)	313,400,525	143,921,559
Due To BIR - Withholding Tax On Compensation	8,761,778	11,276,149
Due To BIR - Documentary Tax	2,369	-
Output Tax	-	(1,377,431)
Investment In Area 01 - Northeastern Luzon (NELA)	-	42,009,652
Investment In Area 02 - Northwestern Luzon (NWLA)	-	(158,698,764)
Investment In Area 03 - Mega Manila (Mega)	-	(1,282,677,301)
Investment In Area 04 - Southern Luzon (SLA)	-	24,093,654
Investment In Area 05 - Central And Eastern Visayas (CEVA)	-	(94,349,188)
Investment In Area 06 - Western Visayas (WEVA)	-	(54,196,775)
Investment In Area 07 - Eastern Mindanao (EMA)	-	(163,362,650)
Investment In Area 08 - Central Mindanao (CEMA)	-	43,383,138
Investment In Area 09 - Western Mindanao (WEMA)	-	56,528,964

	2014	(as restated) 2013
Accounts Payable, Designated		
Operators - Postal Payment		
Remittances	(36,535)	(21,010)
Longevity Benefits Payable	(441,500)	(80,000)
Due To Pag-Ibig	(3,306,696)	(5,190,495)
Due To BIR - Final Withholding Tax	(5,807,585)	(2,858,566)
Due To Bir - Value-Added Tax (VAT)	(6,360,232)	(5,271,770)
Due To PhilHealth	(8,954,130)	(9,299,556)
Due To BIR - Expanded Withholding Tax (EWT)	(31,679,552)	(33,087,174)
Other Loan Deductions - For Recon	(49,727,367)	(154,430,273)
Other Payables - Retirement Incentives	(79,023,205)	(667,087,373)
Accounts Payable - Trade	(85,615,389)	(95,935,816)
Corporate Income Tax Payable	(111,238,508)	(3,030,992)
Due To GSIS	(166,346,044)	(213,940,793)
Due To Area 08 - Central Mindanao (CEMA)	(305,805,739)	(133,938,438)
Due To Officers And Employees	(311,102,785)	(634,197,530)
Due To Area 06 - Western Visayas (WEVA)	(416,356,155)	(161,380,751)
Due To NGAs, GOCCs, SUCs and LGUs	(473,130,998)	(442,009,447)
Due To Area 01 - Northeastern Luzon (NELA)	(487,475,175)	(353,999,097)
Accrued Expenses	(498,396,368)	(322,094,107)
Due To Area 05 - Central And Eastern Visayas (CEVA)	(501,111,099)	(230,917,071)
Due To Area 04 - Southern Luzon (SLA)	(512,248,222)	(339,789,619)
Accounts Payable, Designated		
Operators - Mail Remunerations	(537,698,966)	(2,305,851,040)
Due To Area 07 - Eastern Mindanao (EMA)	(629,119,352)	(227,599,293)
Terminal Leave Benefits Payable	(677,785,127)	(2,089,042,065)
Due To Area 02 - Northwestern Luzon (NWLA)	(950,234,328)	(375,043,247)
Due To Central Office	(2,022,493,278)	(1,234,744,961)
Due To Area 03 - Mega Manila (Mega)	(3,830,400,261)	(1,505,255,898)
Due To Area 09 - Western Mindanao (WEMA)	(173,280,897)	(83,840,128)
Area Equity	-	(466,694,740)
<b>Total</b>	<b>(4,688,268,054)</b>	<b>(4,688,268,054)</b>

*Accounts Payable -Designated Operators- Mail remunerations* refers to amount due to designated operators for services rendered to deliver all outbound international mail matters.

This amount includes charges by designated operator that were already accepted by PhilPost but remained unpaid as of December 31, 2014 and or charges presented for acceptance by PhilPost.

*Accounts Payable-Designated Operators-Postal payment remittances* refers to amount due to designated operators for all outbound money order remittances.

*Due to NGAs, GOCCs, LGUs* includes the amount of P 373 million for auditing services for the years 1995 to 2014.

*Other Payables, Retirement incentive* - the amount represents the unclaimed retirement incentive of employees who retired under Executive Order No. 366.

*Terminal Leave payable* - the balance represents the unpaid terminal leave benefits of retired employees as of December 31, 2014. Previous year's balance includes terminal leave benefits of both retired and existing employees.

#### 14. DEFERRED CREDITS

This account consists of the following:

	2014	(as restated) 2013
Other Deferred Credits - Remunerations	839,330	1,051,363
Deposits On Private Metered Machines	15,616,309	16,911,421
Deposits On Domestic Mail Services		1,390,693
Guaranty Deposits Payable	11,430,555	15,637,193
Performance/ Bidders/ Bail Bonds Payable	10,463,600	9,807,552
	<b>38,349,794</b>	<b>44,798,222</b>

*Deferred Credits* includes remunerations on remittances to lending entities.

*Deposits on Private metered machines* corresponds to amount collected in advance in private metered machine loading.

*Deposits on Domestic Mail Services* pertains to amount paid on bulk purchase of stamps. Effective CY 2014, it is recognized as outright revenue.

*Guaranty Deposits/Performance/Bidders/Bail Bonds Payable* pertains to cash received which is refundable upon fulfillment of the obligation by the depositor

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**15. TRUST LIABILITIES**

This account consists of the following:

	2014	(as restated) 2013
Trust Liabilities - DMO	601,838,612	1,085,562,943
Trust Liabilities - Conditional Cash Transfers Program	64,043,690	5,004,362,003
Trust Liabilities - Joint Venture	57,060,806	34,299,628
Trust Liabilities - SCI	35,518,200	
Trust Liabilities - Inbound IMO	30,262,538	30,642,309
Trust Liabilities - Premiums/ Bills Payments Collections - Provident Fund	27,328,912	27,366,112
Trust Liabilities - Inbound Intl ePMO	20,178,002	
Trust Liabilities - Premiums/ Bills Payments Collections - Consignment	2,818,208	910,870
Trust Liabilities - Premiums/ Bills Payments Collections - PDIC	2,159,284	
Trust Liabilities - Premiums/ Bills Payments Collections - DHL	660,514	782,436
Trust Liabilities - Domestic EPMO	433,886	103,441
Trust Liabilities - Outbound EPMO	(422,318)	(113,424)
Trust Liabilities - Premiums/ Bills Payments Collections - Bayad Center	(11,323,842)	1,573,338
Trust Liabilities - Premiums/ Bills Payments Collections - Philhealth	(72,598,127)	(102,348,564)
<b>Total Trust Liabilities</b>	<b>757,958,365</b>	<b>6,083,141,092</b>

This account pertains to amounts held in trust like the amount posted by various remitters/senders received locally; remittances received from other postal administrations; bills payment collections and cash received from partner agencies for the distribution/delivery to their designated beneficiaries or payees such as Conditional Cash Transfer (CCT), Bayad Center, Philippine Health Insurance Corporation (PhilHealth) etc..

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**16. LOANS PAYABLE – DOMESTIC**

This account consists of the following:

	2014	(as restated) 2013
Loans Payable - Domestic	98,159,664	120,365,578



Loans payable to PPSB (taken out from PDIC) represents loans availed by Philpost Leasing and Financing Corporation, (PLFC) which was assumed by PPC on July 2002 as a guarantor and was offset against the payable of PPC to PLFC. On December 11, 2006, the Philippine Postal Savings Bank took out the PDIC loan. Monthly amortization of PPC has been offset against rentals of PPSB starting February 2007. In addition, 9 properties amounting to P 167.072 M were given as collateral in September 2009.

The Corporation availed a new loan from PPSB under PN#DHO-006-08 dated July 31, 2008 to take out PPC's obligations from DBP amounting to P28,025,884.78.

A P20 M loan with PPSB was guaranteed by Philippine Amusement and Gaming Corporation (PAGCOR) in a tri-partite agreement and thru a hold-out deposit to enable Philpost to enhance its IT capability for its money remittance system.

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## 17. OTHER LONG TERM LIABILITIES

This includes the outstanding GSIS Premium arrearages under the Memorandum of Agreement (MOA) between PPC and GSIS; Provident Fund Premium arrearages per Memorandum of Agreement between PPC and Provident Fund Office, and the unpaid subscription of Postal Savings Bank (PSB) capital stocks, details as follows:

	2014	(as restated) 2013
Government Service Insurance System - GSIS	372,745,526	311,931,197
Provident Fund Office - PFO	81,103,396	81,490,563
Philippine Postal and Savings Bank - PPSB	80,000,000	120,000,000
<b>Total</b>	<b>533,848,922</b>	<b>513,421,760</b>

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## 18. AUTHORIZED CAPITAL STOCK

Under Section 9 of R.A. 7354 or the Postal Services Act of 1992, the Corporation shall have an authorized capital stock of P10 Billion Pesos (P10,000,000,000) divided into 45 Million Class "A" shares to be subscribed by the Government and 55 Million Class "B" shares to be subscribed by private entities with par value of one hundred pesos (P100) each.

The Paid-up capital of the National Government was restated in the current year with the rebooking of untitled lots (considered as part of the paid-up capital of the national government) that were excluded in the Land account in CY2013.

As of now, no concrete step has yet been taken by the Privatization Management Office to effect privatization of PhilPost.

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## 19. REVALUATION SURPLUS

This pertains to the increase in the book value of titled lots or a result of the reappraisal conducted by the Asian Pearl Appraisal in October 2012.

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## 20. APPRAISAL CAPITAL

*Appraisal capital* represents the accumulated amount of appraisal increases as determined by independent appraisers who were hired to conduct appraisal of PPC's fixed assets. Appraisal increase is the amount by which the appraised value exceeds the book value of fixed assets and is added to the carrying value of fixed assets.

The last appraisal was conducted in 2009 and 2010 for selected lots only and recorded at their new appraisal values, details as follows:

Location Lots	Appraisal Report September 1994	Reappraisal 2009/2010	Reappraised Value 2012 Increase/(Decrease)
BIR Road, Quezon City	141,020,000	634,590,000	493,570,000
CMEC, Pasay City	-	1,005,730,000	1,005,730,000
Regional Offices	33,071,400	108,978,520	75,907,120
Appraisal Increase	174,091,400	1,749,298,520	1,575,207,120

In 2012 another appraisal was conducted. The Appraisal Increase of prior years was closed to the latest appraisal. However, the amount of Appraisal Capital of P420 million remained in the books of Area 3 (Mega Manila).

The exclusion of donated lots and other lots without certificates of title as asset resulted in the decrease of the Paid-up Capital. Part of Paid-up Capital are the lots that were appraised in 1994 consisting of lots with certificates of title, donated lots (absolute or conditional), purchased, acquired thru proclamation order or conditional donation and acquired by other modes.

Donated capital consists of lands with titles that were not part of the paid in capital, thus, not taken up in the books. The increase in the carrying amount of the lot (with title) over the initial cost (paid in capital) was also treated as Revaluation Surplus in the Central office Books.

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## 21. OPERATING REVENUE

This account is composed of the following:

	2014	2013
Mail services	2,831,268,996	2,599,768,333
Postal payment services	529,250,604	556,541,120
Logistics services	48,808,969	8,124,356
Retail services	41,150,953	19,036,704
Other income	80,897,621	54,056,768
	3,531,377,143	3,237,527,281

## 22. MAIL SERVICE INCOME

This account is composed of the following:

ACCOUNT NAME	2014	2013
Domestic ems - documents	14,228,637	19,272,398
Domestic ems - merchandise	14,972,541	17,010,029
Domestic express pouch	5,789,233	8,250,532
Domestic registered mails	197,700,151	185,536,161
Domestic registered mails with return card	159,463,756	204,135,807
Domestic subscriptions with mail indicia	4,819,545	3,493,828
Domestic ordinary mails	673,175,316	731,953,047
Domestic ordinary mails with proof of delivery	108,075,908	47,428,546
Domestic priority mails	20,519,869	25,740,957
Domestic books	1,009,754	617,278
Domestic printed matters and magazines	25,522,678	8,284,833
Business reply envelope (bre)	978,689	981,569
Unaddressed mails	853,977	342,148
Fax mails	54,501	447,952
Domestic air parcel	15,588,475	14,179,244
Domestic cod parcel	403,466	440,442
Intl ems - documents	137,109,058	124,499,676
Intl ems - merchandise	563,681,271	378,475,662
Intl registered letters	34,221,691	33,037,909
Intl registered letters with advice of receipt	24,619,544	24,666,916
Intl registered printed matters	1,079,559	2,351,477
Intl registered printed matter with advice of receipt	3,954,438	3,372,679
Intl postcards	4,196,941	3,421,208
Intl letters	85,731,174	90,115,501
Intl letters - special delivery	17,711,675	16,600,230
Intl books	1,397,388	1,219,555
Intl printed matter	5,372,699	6,227,740
Intl business reply service (ibrs)	142,965	1,312,003
Intl ordinary parcel	108,297,743	104,444,771
Intl registered small packet	20,094,730	17,153,950
Intl registered small packet with advice of receipt	11,638,336	14,313,779
Intl ordinary parcel with advice of receipt	63,537,503	68,063,502
Direct mail income	13,147,597	17,123,015
Ems delivery income	226,776,498	177,811,981
Terminal dues income - recorded items	156,827,082	160,389,046
Inward land rate income	53,994,537	47,106,438
Internal air conveyance income	-	29,599
Direct access/entry income	10,110,711	8,543,266
Handling and storage fee	274,935	823,701
Presentation to customs fee	56,128,581	37,867,739

ACCOUNT NAME	2014	2013
Packaging services	1,071,568	1,738,232
Miscellaneous Income - 2nd Class Mails	616,180	464,852
Miscellaneous income - mail bag	360,710	97,436
Miscellaneous income - valuation fees	2,026,069	3,025,681
	<b>2,847,277,679</b>	<b>2,612,412,315</b>
Less: discounts on mailing services	<b>16,008,683</b>	<b>12,643,982</b>
	<b>2,831,268,996</b>	<b>2,599,768,333</b>

### 23. POSTAL PAYMENT SERVICES

This account is composed of the following:

ACCOUNT NAME	2014	2013
Domestic Postal Money Order Service Fees	11,711,678	12,076,475
Domestic E-Postal Money Order Service Fees	49,017	71,618
Commission On Collections - Philhealth	2,907,901	2,886,464
Commission On Collections - Bayad Center	2,379,555	1,182,914
Commission On Collections - Philam	-	62,177
Delivery Service Fees - PMO	1,936,736	2,190,179
Delivery Service Fees - CCT	108,519,004	180,111,991
Delivery Service Fees - LCTC	71,250	164,650
Delivery Service Fees - Senior Citizen	55,970	481,630
Delivery Service Fees - PDIC	3,933,538	3,550,969
Delivery Service Fees - I-Remit	30,135	1,197,833
Delivery Service Fees - Save The Children	1,517,250	56,800
Delivery Service Fees - MIWD	20,070	-
Outbound Intl E-Postal Money Order Service Fees	7,250	867,820
Postal ID Fees	213,549,131	238,141,659
Income From Joint Venture	19,765,766	15,889,260
Inbound Intl Postal Money Order Service Fees	95,331	641,328
Miscellaneous Income - Rush Processing Fees	124,633,282	87,703,215
Miscellaneous Income - Lamination Fees	4,834,378	5,500,556
Miscellaneous Income - Lamination Commission	1,644,418	3,550,443
Miscellaneous Income - Ordinary Processing Fees	26,529,305	139,500
Miscellaneous Income - MCWD Service Commission Fees	169,994	73,639
Miscellaneous Income - Postal ID Delivery Fee	4,889,645	-
	<b>529,250,604</b>	<b>556,541,120</b>

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## 24. LOGISTICS SERVICES

This account is composed of the following:

	2014	2013
Cumbersome Cargoes	48,808,969	8,124,356

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## 25. RETAIL SERVICES

This account is composed of the following:

	2014	2013
Philatelic sales	40,114,605	17,119,543
PhilPost products sales	1,036,348	1,917,161
	41,150,953	19,036,704

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## 26. OTHER INCOME

This account is composed of the following:

	2014	2013
Franchising and accreditation fees	883,545	172,450
Collect-on-delivery commission	1,632,449	775,328
Commission on consignment sales	595,248	1,437,882
Rent income	23,940,838	15,336,592
Lock box rental	8,513,695	8,383,050
Miscellaneous income - permit fees	492,607	251,541
Miscellaneous income - certification/ authentication/ revalidation fees	31,339,616	7,914,149
Miscellaneous income - photo service fees	221,165	1,013,956
Miscellaneous income - photo service commission	22,265	25,740
Miscellaneous income - ticketing office commission	38,136	204,202
Miscellaneous income - mobile autoloading commission	18,855	593,528
Miscellaneous income - parking fees	257,650	166,315
Miscellaneous income - service fees	7,152,704	16,124,820
Miscellaneous income - penalties	757,256	270,091
Miscellaneous income - cancelled PID fees	97,354	6,957
Miscellaneous income - photo ID commission fees	332,527	189,918
Miscellaneous income - annual fees/charge account	174,771	28,379
Miscellaneous income - photocopy service fees	173,677	168,823

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	2014	2013
Miscellaneous income - return cards	-	500
Miscellaneous income - documentary stamps	222,533	186,708
Miscellaneous income - sale of waste materials	75,172	46,959
Miscellaneous income - pre-qualification fee	13,477	12,546
Miscellaneous income - photo id service fees	884,945	746,334
Miscellaneous income - phlpost box	3,057,136	-
	<b>80,897,621</b>	<b>54,056,768</b>

## 27. PERSONAL SERVICES

This account is composed of the following:

	2014	2013
Salaries And Wages - Regular	1,076,994,129	1,005,333,706
Salaries And Wages - Contractual	204,969	7,281,366
Personnel Economic Relief Allowance (PERA)	136,923,594	123,834,649
Representation Allowance (RA)	7,422,194	7,791,930
Transportation Allowance (TA)	7,337,439	7,686,453
Clothing/Uniform Allowance	28,175,817	28,808,593
Productivity Enhancement Incentive (PEI)	27,478,000	30,108,400
Performance-Based Bonus	120,000,000	60,372,113
Honoraria	14,100	58,553
Longevity Pay	1,206,500	3,056,500
Overtime Pay	8,961,349	8,088,136
Cash Gift	29,433,798	28,432,858
Year End Bonus	92,084,590	88,889,895
Night Differential Pay	1,544,814	1,456,699
Per Diems	3,315,000	4,962,100
Special Counsel Allowance	47,250	80,000
Letter Carrier's Allowance	13,792,329	10,927,163
Life And Retirement Insurance Contributions	130,983,961	121,914,360
Pag-Ibig Contributions	6,975,297	7,113,873
PhilHealth Contributions	12,667,625	12,252,096
Employees Compensation (EC) Contributions	6,973,597	6,506,582
Retirement Benefits	-	729,070
Terminal Leave Benefits	80,427,727	116,722,236
	<b>1,792,964,079</b>	<b>1,682,407,331</b>

Terminal leave (TL) benefits represents value for accrued/allowable leave credits for 2013 (all employees) that is allowable 30 days less number of days utilized based on current salary rate. Other bonuses and allowances represent Gasoline Allowance and other benefits.

## 28. MAINTENANCE AND OTHER OPERATING EXPENSES

This account is composed of the following:

	2014	2013
Travelling Expenses - Local	49,331,406	57,227,755
Travelling Expenses - Foreign	12,151,489	9,487,866
Training Expenses	15,515,670	10,075,699
Scholarship Expenses	147,688	24,000
Supplies And Materials Expenses	60,019,087	51,745,510
Accountable Forms Expenses	8,878,724	6,393,944
Gasoline, Oil And Lubricants Expenses	53,153,319	51,955,913
Water Expenses	11,713,771	15,466,805
Electricity Expenses	45,677,146	46,902,656
Postage And Deliveries	-	480
Telephone Expenses - Landline	7,970,293	8,725,003
Telephone Expenses - Mobile	783,017	948,614
Internet Expenses	10,339,090	5,742,307
UPU Membership Dues And Fees	4,781,216	2,747,968
Awards And Indemnities	50,787	154,900
Advertising And Marketing Expenses	14,194,182	2,614,611
Rent Expenses	42,327,303	25,709,911
Representation Expenses	17,829	-
Domestic Conveyance Expenses	48,101,625	40,369,130
Storage Expenses	424	15,759
Subscription Expenses	108,695	115,440
Leasing Costs	3,829,974	2,004,928
Legal Expenses	9,600	54,696
Auditing Services	33,044,830	29,093,744
Consultancy Services	15,072,219	13,444,443
General Services	56,146,769	147,203,456
Janitorial Services	11,783,382	10,718,062
Security Services	39,796,049	27,622,977
Manpower Services	152,455,966	88,258,648
Repairs And Maintenance - Buildings	13,556,931	6,930,620
Repairs And Maintenance - Leasehold Improvements - Buildings	35,714	32,738
Repairs And Maintenance - Equipment	1,104,086	1,008,707
Repairs And Maintenance - Furniture And Fixtures	101,260	24,054
Repairs And Maintenance - It Equipment And Software	1,300,149	153,011
Repairs And Maintenance - Motor Vehicles	6,328,759	5,206,788
Extraordinary Expenses	634,345	663,828



	2014	2013
Miscellaneous Expenses	964,909	1,406,584
Taxes, Duties And Licenses	1,098,699	1,046,144
Fidelity Bond Premiums	1,074,114	802,949
Insurance Expenses	3,064,742	1,307,140
Fines And Penalties	25,049	398,416
Gender And Development Expenses	3,877,560	20,000
BOD Reimbursable Expenses	1,649,436	1,959,395
Loss Of Assets	-	20,280,503
Documentary Stamp Expenses	79	2,314
	<b>732,217,382</b>	<b>696,068,416</b>

## 29. INTERNATIONAL MAIL EXCHANGE EXPENSES

This account is composed of the following:

	2014	2013
Outbound Intl Postal Payment Charges, Imo Delivery Expense	1,899	16,954
Ems Delivery Expenses	192,736,603	145,291,084
Terminal Dues Expenses – Recorded Items	42,290,093	36,320,769
Inward Land Rate Expenses	-	363,026
Sea Rate Expenses	47,982,153	64,299,420
Intl Conveyance Expenses - Air	203,675,875	185,058,920
Intl Conveyance Expenses - Surface	27,739,137	10,833,288
	<b>514,427,774</b>	<b>442,183,461</b>

## 30. DEPRECIATION

This account is composed of the following

ACCOUNT NAME	2014	2013
Depreciation - Land Improvements	347,574	385,745
Depreciation - Buildings	20,580,702	18,898,547
Depreciation - Equipment	10,602,445	2,408,398
Depreciation - Furniture And Fixtures	374,731	310,019
Depreciation - It Equipment	6,552,028	2,947,548
Depreciation - Motor Vehicles	16,328,221	3,204,975
	<b>54,785,701</b>	<b>28,155,232</b>

### 31. VALUATION ALLOWANCE

This account is composed of the following

	2014	2013
Provision For Forex Adjustments On Receivables - Mail	-	16,164
Remunerations	16,000,706	60,561
Bad Debt Expense	16,000,706	76,725

### 32. OTHER EXPENSES

This account is composed of the following

ACCOUNT NAME	2014	2013
Other M00E - Meetings/Dialogues	10,960,993	12,710,018
Other M00E - Salo-Salo Program	389,525	434,992
Other M00E - Phlpost Anniversary Celebration	100,414	110,886
Other M00E - Phlpost Christmas Celebration	167,189	119,869
Other M00E - Donations To Organizations	622,624	3,866,737
Other M00E - Real Properties Titling	3,779	10,629,262
Other M00E - Professional License Renewal	1,714,154	11,665,078
Other M00E - Pre Qualification Advertising	615,122	171,545
Other M00E - Rat Plan Expense	2,093,304	4,174,425
Other M00E - Appraisal	16,071	-
Other M00E - Others	1,818,962	6,600,755
Loss On CCT	-	13,531,800
	18,502,137	64,015,367

### 33. ADJUSTMENT IN BALANCE SHEET

Account Balances which could not be substantiated.

Certain asset and liability accounts were presented at amounts net of account balances which accumulated prior to corporatization and which could not be substantiated. The balance sheet is presented net of these account balances. Postage stamps inventory, for example, reflect the face value instead of printing cost; Due from Officers and Employees includes incomplete or unliquidated payroll; Receivables/Disallowances includes accountabilities/shortages of absconded employees; Land includes book-up value of properties without titles; Accounts Payable include excess certification or booked-up payables without corresponding disbursement vouchers. These accounts are subject to verification, validation and necessary adjustment in the books. Accounts to be written off will

be requested to the Commission on Audit. Break down of these accounts which could not be substantiated are as follows:

ACCOUNT NAME	DEBIT	CREDIT
Cash - collecting officers - corporate - for recon	94,029,497	-
Cash - collecting officers - trust - manual MO- for recon	7,581,928	-
Cash - disbursing officers - corporate - for recon	48,401,982	-
Cash - disbursing officers - trust - manual MO - for recon	725,569	-
Petty cash fund - for recon	190,020	-
Payroll fund - for recon	33,928,176	-
Cash in bank - corporate - for recon	-	177,437,045
Cash in bank - trust - manual MO/PhilHealth - for recon	710,475,392	-
Cash in bank - trust - Bayad Center - for recon	-	475
Cash in bank - trust - joint venture - for recon	4,060	-
Accounts receivable, trade - for recon	3,011,718	-
Due from directors, officers and employees - for recon	49,302,969	-
Due from NGAs, GOCCs, SUCs and LGUs - for recon	209,385,380	-
Rental receivable - for recon	844,481	-
Accounts receivable, non-trade - for recon	93,698,168	-
Due from area 07 - eastern mindanao (EMA) - for recon	1,477,538	-
Due from subsidiaries - for recon	193,616	-
Receivables - disallowances/charges - for recon	36,988,180	-
Advances to officers and employees - for recon	344,385	-
Receivables from joint venture partners - for recon	159,713	-
Merchandise inventory - for recon	13,233,825	-
Supplies and materials inventory - for recon	109,644,733	-
Accountable forms inventory - for recon	691,165,105	-
Gas, oil and lubricants inventory - for recon	1,528,849	-
Spare parts inventory - motor vehicles - for recon	8,273,986	-
Prepaid rent - for recon	2,000	-
Prepaid insurance - for recon	6,957	-
Deferred charges - for recon	572,044	-
Guaranty deposits - for recon	85,826	-
Investment in stocks - for recon	187,180	-

ACCOUNT NAME	DEBIT	CREDIT
Land - for recon	9,241,376	-
Land improvements - for recon	6,974,544	-
Buildings - for recon	111,728,298	-
Equipment - for recon	5,574,003	-
Furniture and fixtures - for recon	717,340,945	-
It equipment and software - for recon	241,559,108	-
Philatelic museum items and library books - for recon	1,100	-
Motor vehicles - for recon	10,973,321	-
Other assets - for recon	93,106,059	-
Accumulated depreciation - land improvements - for recon	-	2,462,973
Accumulated depreciation - buildings - for recon	-	3,589,203
Accumulated depreciation - equipment - for recon	-	3,507,815
Accumulated depreciation - furniture and fixtures - for recon	1,694,961	-
Accumulated depreciation - it equipment and software - for recon	-	502,038
Accumulated depreciation - motor vehicles - for recon	-	3,346,361
Accounts payable - trade - for recon	-	17,037,737
Due to officers and employees - for recon	-	131,757,530
Accrued expenses - for recon	-	814,154,542
Due to BIR - withholding tax on compensation - for recon	4,721,339	-
Due to BIR - value-added tax (VAT) - for recon	77,666	-
Due to BIR - expanded withholding tax (EWT) - for recon	1,634,655	-
Due to BIR - final withholding tax - for recon	-	117,860
Due to GSIS - for recon	-	10,352,287
Due to Pag-Ibig - for recon	4,205,668	-
Due to PhilHealth - for recon	-	540,349
Due to NGAs, GOCCs, SUCs and LGUs - for recon	-	58,349,845
Other loan deductions - for recon	-	87,613,327
Due to central office - for recon	496,927,234	-
Due to area 01 - northeastern luzon (NELA) - for recon	-	150,365,284
Due to area 03 - mega manila (Mega) - for recon	-	1,974,770,976
Guaranty deposits payable - for recon	-	49,038
Deposits on domestic mail services - for recon	-	3,642
Other deferred credits - remunerations - for recon	-	1,026,943

ACCOUNT NAME	DEBIT	CREDIT
Trust liabilities - premiums/ bills payments collections - PhilHealth - for recon	-	2,273,902
Trust liabilities - DMO - for recon	-	572,416,375
Paid-up capital - for recon	174,838,717	-
Donated capital - for recon	-	17,100
Retained earnings - for recon	15,650,378	-
	<b>4,011,692,648</b>	<b>4,011,692,648</b>

### 34. OTHER MATTERS

#### a. Tax Subsidies

The National Government thru the Fiscal Incentives Review Board is subsidizing the Value Added Tax and the Income Tax/Minimum Corporate Income Tax (MCIT) of the Corporation. In 2013 and 2012, the Fiscal Incentive Review Board (FIRB) granted the following tax subsidies:

	2014	2013
Tax liability on		
Minimum Corporate Income Tax	-	13,165,673
Value Added Tax	<b>322,953,988</b>	343,745,353
	<b>322,953,988</b>	356,911,026

The amount of tax subsidy was recorded based on the Certificate of Entitlement to Subsidy Nos. 0164 issued by FIRB on December 23, 2014. The corresponding Special Allotment Release Order No.BMB-F-14-0027081 dated December 29, 2014 was released by the Department of Budget and Management. Upon recommendation of the Commission on Audit, Subsidy expense was taken up in the books representing output tax payable to the Bureau of Internal Revenue.

#### b. Reimbursement of foregone Revenue from Franking Mail Privileges for CY 2012

The foregone revenue from franking mail privileges for CY 2012 was reimbursed by the National Government under SARO No. BMB-F-14-0008199 dated June 20, 2014 amounting to P301 million with the corresponding Notice of Cash Allocation No. BMB-F-14-0007526 which was credited to the BTR's MDS Sub-Account No. 2001-90167-3 which in turn, was credited to the account of PPC in July 4, 2014.

Foregone revenue from franking mail privileges for CY 2014 amounted to P523.679 million. These were authorized under several administrative issuances and are granted to several government offices such as COMELEC, Office of the President, Supreme Court, Senate, Congress, etc.

c. **PPC stood as Guarantor/Surety to various PLFC Loans as follows :**

	Amount
BPI/FEBTC/AASSF	250,722
Banco de Oro	189,525
Allied Banking Corp	44,218
Provident Fund	3,289
<b>Total</b>	<b>487,754</b>

The BPI as successor-in-interest of FEBTC as substituted by Avenue Asia Special Situations Fund III LP and Allied Banking Corp. have already filed collection cases that are now pending in court. PPC put up as defense that (1) PPC cannot act as surety under its charter and (2) the surety agreement were signed by persons not authorized by PPC.

d. **Implementation of Rationalization Plan or EO 366**

Executive Order 366. On 04 October 2004, Executive Order (EO) 366 was issued, *"Directing a Strategic Review of the Operations and Organizations of the Executive Branch and Providing Options and Incentives for Government Employees who may be affected by the Rationalization of the Functions and Agencies of the Executive Branch"*.

The EO called for agencies of the Executive Branch to come up with a Rationalization Plan to improve the quality and efficiency of government service delivery, improving agency performance through the rationalization of its service delivery and support systems as well as its organizational structure and staffing.

**HIGHLIGHTS OF THE RATIONALIZATION PLAN IN CHRONOLOGICAL EVENTS**

DATE	PARTICULAR	NUMBER OF POSITIONS
22 July to October 1993	Board Resolution No.93-74 and 93-115 approving the PhilPost OSSP	21,255
10 February 1994	Board Board Resolution No. 94-24, modified the 1 <sup>st</sup> OSSP and was submitted to the CSC but not submitted to DBM for approval	18,702
15 December 2000	PhilPost submitted new re-engineered OSSP which DBM approved but was not implemented due to some concerns by PhilPost	13,972
04 October 2004	EO366 was issued directing the rationalization of government offices	
03 January 2005	PhilPost Committee to undertake EO 366 was created	
19 December 2006	Approval of PhilPost Rational Plan thru Board Resolution No. 2006-128	13,816
05 January 2007	Rational Plan submission to DBM	

DATE	PARTICULAR	NUMBER OF POSITIONS
22 January 2009	CICT Secretary endorsed PhilPost Rational Plan to DBM	
02 September 2011	PMG Ma. Josefina M. Dela Cruz reconstituted the CMT and proposed some modifications	
27 October 2011	Board Resolution No. 2011-153, authorizing the PMG to prepare and submit to DBM the proposed new	7,676
04 November 2011	Submitted to DBM and OP the proposed new OSSP	
23 March 2012	PhilPost /DBM agreement on OSSP	7,043
29 October 2012	GCG approved the Rationalization Plan	7,043
01 January 2013	Implementation of Rationalization Plan	

Out of the total plantilla positions, 3,259 regular employees and 150 casuals retired from the service. The total requirements for payment of their incentives were subsidized by the National Government with a total amount of P1.182 billion and recorded in the books as a receivable from the NGAs. The first half was released by the Department of Budget and Management, (DBM) under SARO No. BMB-F-13-0004590 with the corresponding Notice of Cash Allocation No. BMB-F-13-0007536 dated April 25, 2013 with a total amount of P515.637 million. Last December 27, 2013, the DBM approved the clearance for the balance of P667.087 million and included in the 2014 Budget. Unfortunately, on 24 January 2014, DBM issued SARO No. BMB-F-14-0000283 and NCA No. BMB-F-14-0001350 for the purpose.

The National Government subsidy to PPC for the payment of retirement incentive benefits of employees affected by the Rationalization Program, pursuant to EO No. 366 in the amount of P 667,087,000 was covered by NCA No. B-F-14-0001350 dated January 24, 2014 with corresponding SARO No. BMB-F-14-0000283 dated January 24, 2014.

**e. Fire insurance claim with the GSIS**

PPC has a pending Fire Insurance claim in the amount P10,076,147.85 with GSIS arising from the damages caused to the former Philippine Postal and Savings Bank (PPSB) building by the fire incident in July 14, 2011.

**f. Supplementary information under Revenue Regulation 15-2010**

The Bureau of Internal Revenue has released a new revenue regulation dated November 25, 2010 amending regulations no. 21-2002 setting forth the following additional disclosures on notes to financial statements.

**Taxes, duties and licenses paid or accrued during the year:**

VAT output tax

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



Qtr	Sales	Output Tax	Purchases	Input Tax	Subsidy Received
1st	652,148,161	78,257,779	226,193,250	27,143,190	51,114,589
2nd	679,090,546	81,490,865	67,313,858	8,077,663	73,413,203
3rd	781,154,163	93,738,500	91,947,391	11,033,687	82,704,813
4th	1,103,542,706	132,425,125	139,197,842	16,703,741	115,721,384
	<b>3,215,935,575</b>	<b>385,912,269</b>	<b>524,652,342</b>	<b>62,958,281</b>	<b>322,953,988</b>

	Vatable	Zero-rated	VAT Exempt	Total
REVENUE	3,215,935,575	329,958,689		3,545,894,264
RATE	12%			
<b>OUTPUT VAT</b>	<b>385,912,269</b>			<b>385,912,269</b>

<b>Balance, January 1</b>		23,256,478
Purchase of Goods and services		49,342,966
Claimed		
1st	27,143,190	
2nd	8,077,663	
3rd	11,033,687	
4th	16,703,741	62,958,281
<b>Balance, December 31</b>		<b>9,641,162</b>

Summary of Expenses subject to withholding tax for CY 2014:

- a. Monthly remittance return of income tax withheld on compensation (1601C)

CY2014	TAX WITHHELD	TAX REMITTED
JAN	6,541,863.43	6,541,863.43
FEB	6,429,614.80	6,429,614.80
MAR	6,711,199.60	6,711,199.60
APR	6,615,988.35	6,615,988.35
MAY	6,604,866.40	6,604,866.40
JUN	6,832,809.34	6,832,809.34
JUL	6,670,387.48	6,670,387.48
AUG	6,653,807.49	6,653,807.49
SEP	6,577,959.88	6,577,959.88
OCT	6,529,386.82	6,529,386.82
NOV	6,688,975.17	6,688,975.17
DEC	7,075,065.49	7,075,065.49
<b>TOTAL</b>	<b>79,931,924.25</b>	<b>79,931,924.25</b>

Summary of Expenses subject to withholding tax for CY 2014:

- b. Monthly remittance return of creditable income taxes withheld expanded (1601E)

CY2014	TAX WITHHELD	TAX REMITTED
JAN	927,141.77	927,141.77
FEB	1,093,104.83	1,093,104.83
MAR	871,429.84	871,429.84
APR	984,250.90	984,250.90
MAY	821,365.37	821,365.37
JUN	909,707.14	909,707.14
JUL	1,147,632.76	1,147,632.76
AUG	1,268,236.26	1,268,236.26
SEP	999,668.18	999,668.18
OCT	864,342.72	864,342.72
NOV	1,194,959.10	1,194,959.10
DEC	1,221,476.73	1,221,476.73
<b>TOTAL</b>	<b>12,303,315.60</b>	<b>12,303,315.60</b>

- c. Monthly remittance return of value-added tax and other percentage taxes withheld (1600)

CY2014	TAX WITHHELD	REMITTED
JAN	879,921.73	879,921.73
FEB	1,135,984.88	1,135,984.88
MAR	684,390.12	684,390.12
APR	1,429,325.39	1,429,325.39
MAY	468,911.88	468,911.88
JUN	937,921.15	937,921.15
JUL	2,359,888.20	2,359,888.20
AUG	1,371,401.74	1,371,401.74
SEP	996,078.28	996,078.28
OCT	749,528.87	749,528.87
NOV	1,399,847.85	1,399,847.85
DEC	1,684,760.51	1,684,760.51
<b>TOTAL</b>	<b>14,097,960.60</b>	<b>14,097,960.60</b>

Other taxes and licenses

An analysis on the Company's other taxes and licenses and permit fees paid or accrued during the year is as follows:

	2014
BIR annual registration	500
Permit fees - LTO	1,098,199
	<b>1,098,699</b>