



**Cultural Center of the Philippines**  
SENTRONG PANGKULTURA NG PILIPINAS

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL STATEMENTS**

The Management of the Cultural Center of the Philippines (CCP) is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended December 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 misstatements, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the CCP'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 CCP or cease operations, or has no realistic alternative but to do so.

The Board of Trustees is responsible for overseeing the CCP's financial reporting process.

The Board of Trustees reviews and approves the financial statements, including the schedules attached therein, and submits the same to the stakeholders and other users.

The Commission on Audit has examined the financial statements of the CCP in accordance with the International Standards of Supreme Audit Institutions, and in its report to the Board of Trustees, has expressed its opinion on the fairness of presentation upon completion of such audit.

  
**JOSE VICTOR M. GAITE**  
VICE PRESIDENT FOR ADMINISTRATION

February 19, 2025  
Date signed

  
**KAYE C. TINGA**  
President

February 19, 2025  
Date signed

  
**JAIME C. LAYA**  
Chairman of the Board

February 19, 2025  
Date signed



**CULTURAL CENTER OF THE PHILIPPINES**  
**STATEMENTS OF FINANCIAL POSITION**  
**As at December 31, 2024 and 2023**  
(in Philippine Peso)

	Notes	2024	2023 (As Restated)
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6	218,528,060	239,841,068
Financial assets	7	981,421,925	626,879,226
Receivables - net	8	77,680,740	39,077,102
Inventories	9	5,537,328	4,900,065
Other current assets	12.1	89,684,819	111,468,708
<b>Total Current Assets</b>		<b>1,372,852,872</b>	<b>1,022,166,169</b>
<b>Non-Current Assets</b>			
Financial assets	7	110,138,161	106,030,031
Investment property	10	284,127,056	284,127,056
Property, plant and equipment - net	11	1,272,587,425	1,159,252,578
Intangible Assets	12.2	640,714	640,714
Deferred tax asset	12.3	-	1,362,868
Other non- current assets	12.4	77,933	77,933
<b>Total Non- Current Assets</b>		<b>1,667,571,289</b>	<b>1,551,491,180</b>
<b>TOTAL ASSETS</b>		<b>3,040,424,161</b>	<b>2,573,657,349</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Financial liabilities	13	155,972,899	192,735,159
Inter-agency payables	14	20,018,826	25,816,959
Trust liabilities	15	187,284,301	170,270,037
Deferred credits/unearned income	16	69,533,053	67,977,840
Other payables	17	15,117,855	15,117,855
<b>TOTAL LIABILITIES</b>		<b>447,926,934</b>	<b>471,917,850</b>
<b>NET ASSETS (Total Assets Less Total Liabilities)</b>		<b>2,592,497,227</b>	<b>2,101,739,499</b>
<b>NET ASSETS/EQUITY</b>			
Government equity	18	1,584,502,488	1,584,502,488
Accumulated surplus/(deficit)	19	1,007,994,739	517,237,011
<b>TOTAL NET ASSETS/EQUITY</b>		<b>2,592,497,227</b>	<b>2,101,739,499</b>

The notes on pages 11 to 54 form part of these financial statements.

**CULTURAL CENTER OF THE PHILIPPINES**  
**STATEMENTS OF FINANCIAL PERFORMANCE**  
For the Years Ended December 31, 2024 and 2023  
(in Philippine Peso)

	Note	2024	2023 (As Restated)
<b>REVENUE</b>			
Service and business income	20	213,502,848	219,916,739
Shares, grants and donations	21	1,281,033	2,019,352
<b>Total Revenue</b>		<b>214,783,881</b>	<b>221,936,091</b>
<b>CURRENT OPERATING EXPENSES</b>			
Personnel services	22	213,530,900	217,785,482
Maintenance and other operating expenses	23	386,801,968	456,457,582
Direct cost	24	1,138,462	303,550
Financial expenses	25	1,286,778	1,052,794
Non-cash expenses	26	38,900,349	41,030,222
<b>Total Current Operating Expenses</b>		<b>641,658,457</b>	<b>716,629,630</b>
<b>SURPLUS/(DEFICIT) FROM OPERATIONS</b>		<b>(426,874,576)</b>	<b>(494,693,539)</b>
Other non-operating income	27.1	6,324,917	2,211,711
Gains	27.2	4,070,302	2,299,251
Losses	27.3	(2,422,888)	(1,038,790)
		<b>7,972,331</b>	<b>3,472,172</b>
<b>DEFICIT BEFORE TAX</b>		<b>(418,902,245)</b>	<b>(491,221,367)</b>
Income tax expense	28	(8,247,611)	(14,824,016)
<b>DEFICIT AFTER TAX</b>		<b>(427,149,856)</b>	<b>(506,045,383)</b>
Net assistance/subsidy	29	756,119,530	499,604,844
<b>NET SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>328,969,674</b>	<b>(6,440,539)</b>

The notes on pages 11 to 54 form part of these financial statements.

**CULTURAL CENTER OF THE PHILIPPINES**  
**STATEMENTS OF CHANGES IN NET ASSETS/EQUITY**  
**For the Years Ended December 31, 2024 and 2023**  
(in Philippine Peso)

	Surplus/ (Deficit) Note 19	Government Equity Note18	Total
<b>BALANCE AS AT JANUARY 1, 2023</b>	515,968,148	1,584,502,488	2,100,470,636
<b>ADJUSTMENTS:</b>			
Add/(Deduct):			
Prior year adjustments		-	-
<b>RESTATED BALANCE AS AT JANUARY 1, 2023</b>	<b>515,968,148</b>	<b>1,584,502,488</b>	<b>2,100,470,636</b>
<b>Changes in Net Assets/Equity for CY 2023</b>			
Add/(Deduct):			
Surplus/(Deficit) for the period, as restated	(6,440,539)	-	(6,440,539)
Prior year adjustments	7,709,402		7,709,402
<b>RESTATED BALANCE AS AT DECEMBER 31, 2023</b>	<b>517,237,011</b>	<b>1,584,502,488</b>	<b>2,101,739,499</b>
<b>Changes in Net Assets/Equity for CY 2024</b>			
Add/(Deduct):			
Surplus/(Deficit) for the period	328,969,674		328,969,674
Prior year adjustments	161,788,054		161,788,054
<b>BALANCE AS AT DECEMBER 31, 2024</b>	<b>1,007,994,739</b>	<b>1,584,502,488</b>	<b>2,592,497,227</b>

The notes on pages 11 to 54 form part of these financial statements.

**CULTURAL CENTER OF THE PHILIPPINES**  
**STATEMENTS OF CASH FLOWS**  
For the Years Ended December 31, 2024 and 2023  
(in Philippine Peso)

	Note	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash Inflows</b>			
Subsidy received from the national government		756,813,000	508,094,885
Collection of rent		142,311,168	152,413,961
Collection of prior years' receivables		10,585,772	6,910,728
Collection of operating and service income		8,994,497	14,692,763
Collection of miscellaneous income		4,623,527	2,199,294
Collection of ticket sales and refundable violation deposits		6,371,336	2,382,490
Collection of funds received various for CCP projects		1,902,752	8,063,772
Collection of guaranty deposit		12,918,455	-
<b>Total Cash Inflows</b>		<b>944,520,507</b>	<b>694,757,893</b>
Prior year's adjustments		149,710,770	15,358,196
<b>Adjusted cash inflows</b>		<b>1,094,231,277</b>	<b>710,116,089</b>
<b>Cash Outflows</b>			
Payment of miscellaneous liabilities & deferred credits		(8,439,867)	(2,176,481)
Remittance of taxes withheld		(8,358,235)	(8,622,207)
Remittance of contributions withheld		(8,002,306)	(3,556,674)
Purchase of inventories		(4,181,970)	(1,809,480)
Prepayments		(4,376,186)	(8,805,026)
Advances		(24,773,011)	(14,853,043)
Payment of funds received various for CCP projects		(1,108,442)	-
Payment of prior year's expenses/payables		(78,718,868)	(84,178,151)
Payment of maintenance and other operating expenses		(318,244,138)	(350,875,134)
Payment of personnel services		(213,036,922)	(182,516,607)
<b>Total Cash Outflows</b>		<b>(669,239,945)</b>	<b>(657,392,803)</b>
<b>Net Cash Provided by (Used in) Operating Activities</b>		<b>424,991,332</b>	<b>52,723,286</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Cash inflows</b>			
Termination of short term investment		21,427,000	79,071,000
Income from investments		32,266,785	19,718,575
<b>Total Cash Inflows</b>		<b>53,693,785</b>	<b>98,789,575</b>
Purchase of short term investment		(347,588,037)	(37,999,511)
Purchase/rehabilitation/construction of property, plant and equipment		(152,410,088)	(79,142,091)
<b>Total Cash Outflows</b>		<b>(499,998,125)</b>	<b>(117,141,602)</b>
<b>Net Cash Provided (Used in) Investing Activities</b>		<b>(446,304,340)</b>	<b>(18,352,027)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Net Cash Provided (Used in) Financing Activities</b>		-	-
<b>Net Increase (Decrease) in Cash and Cash Equivalent</b>		<b>(21,313,008)</b>	<b>34,371,259</b>
<b>CASH AND CASH EQUIVALENTS, Beginning of Year</b>		<b>239,841,068</b>	<b>205,469,809</b>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b>6</b>	<b>218,528,060</b>	<b>239,841,068</b>

The notes on pages 11 to 54 form part of these financial statements.

**CULTURAL CENTER OF THE PHILIPPINES**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**For the Year Ended December 31, 2024**  
(in Philippine Peso)

<b>Particulars</b>	<b>Budgeted Amounts</b>		<b>Actual Amounts on Comparable Basis</b>	<b>Difference (Final Budget and Actual)</b>
	<b>Original</b>	<b>Final</b>		
<b>Receipts</b>				
Rental income	68,400,000	68,400,000	140,534,327	(72,134,327)
Operating and service income	51,666,000	51,666,000	24,667,198	26,998,802
Parking fees	28,300,000	28,300,000	105,000	28,195,000
Interest income	20,000,000	20,000,000	48,196,323	(28,196,323)
Miscellaneous income	102,000	102,000	6,324,917	(6,222,917)
Subsidy income from government	1,445,683,000	1,216,829,000	756,813,000	460,016,000
<b>Total Receipts</b>	<b>1,614,151,000</b>	<b>1,385,297,000</b>	<b>976,640,765</b>	<b>408,656,235</b>
<b>Payments</b>				
Personnel services	352,179,000	251,854,761	213,530,900	38,323,861
Maintenance and other operating expenses	594,924,000	496,997,744	386,801,968	110,195,776
Capital outlay	667,048,000	636,444,495	33,455,012	602,989,483
<b>Total Payments</b>	<b>1,614,151,000</b>	<b>1,385,297,000</b>	<b>633,787,880</b>	<b>751,509,120</b>
<b>Net Receipts/Payments</b>	<b>-</b>	<b>-</b>	<b>342,852,885</b>	<b>(342,852,885)</b>

The notes on pages 11 to 54 form part of these financial statements.

**CULTURAL CCP OF THE PHILIPPINES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*(All amounts in Philippine Peso, unless otherwise stated)*

**1. GENERAL INFORMATION/ENTITY PROFILE**

The financial statements of the Cultural CCP of the Philippines (Filipino: *Sentrong Pangkultura ng Pilipinas*, or CCP) were authorized for issue on February 19, 2025 as shown in the Statement of Management's Responsibility for Financial Statements signed by Mr Jose Victor M, Vice President for Administration, Ms. Kaye C. Tinga, President and Dr. Jaime C. Laya, the Chairperson of the Board of Trustees.

The CCP is located at the CCP Complex, Roxas Boulevard, Pasay City, with a total land area of 608,569 square meters. It was created in 1966 through Executive Order No. 30 and formally inaugurated on September 8, 1969, as a trust for the benefit of the people for the purpose of preserving and promoting Philippine culture in all its varied aspects. As a Government Owned and/or Controlled Corporation (GOCC), the CCP through the years, has evolved into a premier Philippine institution for culture and the arts.

The CCP initially served as the CCP for performing arts showcasing the best in Filipino creativity and artistry notably in theater, music and dance. It expanded its reach in 1987 by becoming the coordinating CCP for artistic and cultural activities and continued to function as such for the next ten years.

Upon the establishment of the National Commission for Culture and the Arts, the CCP assumed a new role and became the CCP for the performing arts which seeks to catalyze cultural and artistic development by encouraging, nurturing, conserving, showcasing and disseminating Filipino creativity and artistic experience as well as continue to provide world-class programs, services and facilities. It has also become the prime mover in the establishment of regional arts and culture organizations.

The CCP nurtures and promotes artistic excellence, Filipino aesthetics and identity, and cultural values towards a humanistic global society.

**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

**2.1 Statement of compliance with International Public Sector Accounting Standards**

The financial statements have been prepared in compliance with the International Public Sector Accounting Standards (IPSASs), formerly Philippine Public Sector Accounting Standards (PPSASs), prescribed for adoption by the Commission on Audit (COA) through COA Resolution No. 2014-003 dated January 24, 2014. PPSASs were renamed to IPSASs per COA Resolution No. 2020-01 dated January 9, 2020.

The accounting policies have been consistently applied throughout the year presented.

## **2.2 Preparation of financial statements**

The CCP's financial statements have been prepared on the basis of historical cost, unless stated otherwise. The Statement of Cash Flows is prepared using the direct method.

The financial statements are presented in Philippine Peso, the CCP's functional and presentation currency and amounts are rounded off to the nearest peso, unless otherwise stated.

The preparation of financial statements in compliance with the adopted IPSASs requires the use of certain accounting estimates. It also requires the entity to exercise judgment in applying the entity's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effects are disclosed in Note 3.18.

## **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **3.1 Basis of accounting**

The CCP's financial statements are prepared on an accrual basis in accordance with IPSASs.

### **3.2 Financial instruments**

#### **a. Financial assets**

##### **i. Initial recognition and measurement**

Financial assets within the scope of IPSAS 29 *Financial Instruments: Recognition and Measurement* are classified as financial assets at fair value through surplus or deficit, held to maturity investments, loans and receivables or available-for-sale financial assets, as appropriate. The CCP determines the classification of its financial assets at initial recognition.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the CCP commits to purchase or sell the asset.

The CCP's financial assets include: cash and cash equivalents, quoted and unquoted financial instruments, derivative financial instruments, trade and other receivables, loans and other receivables.

##### **ii. Subsequent measurement**

The subsequent measurement of financial assets depends on their classification.

### 1. Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading and financial assets designated upon initial recognition at fair value through surplus or deficit. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets at fair value through surplus or deficit are carried in the Statement of Financial Position at fair value with changes in fair value recognized in surplus or deficit.

### 2. Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the CCP has positive intention and ability to hold it to maturity.

After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

### 3. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

### iii. Derecognition

The CCP derecognizes a financial asset or where applicable, a part of a financial asset or part of the CCP of similar financial assets when:

1. the contractual rights to the cash flows from the financial asset expired or waived; and
2. the CCP has transferred its contractual rights to receive the cash flows of the financial assets, or retains the contractual rights to receive the cash flows of the financial assets but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement that

meets the conditions set forth in IPSAS 29 *Financial Instruments: Recognition and Measurement*; and either the entity has:

- transferred substantially all the risks and rewards of ownership of the financial asset; or
- neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset, but has transferred the control of the asset.

#### **iv. Impairment of financial assets**

The CCP assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include the following indicators:

1. The debtors or a group of debtors are experiencing significant financial difficulty;
2. Default or delinquency in interest or principal payments;
3. The probability that debtors will enter bankruptcy or other financial reorganization; and
4. Observable data indicates a measurable decrease in estimated future cash flows (e.g., changes in arrears or economic conditions that correlate with defaults).

#### **v. Financial assets carried at amortized cost**

For financial assets carried at amortized cost, the CCP first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the CCP determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future

expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in surplus or deficit. Receivables together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or transferred to the CCP. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. The request for write-off of accounts is based on the guidelines prescribed in COA Circular No. 2016-005 dated December 19, 2016. If a future write-off is later recovered, the recovery is credited in surplus and deficit.

**b. Financial liabilities**

**i. Initial recognition and measurement**

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit, or loans and borrowings, as appropriate. The entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

The CCP's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings, and financial guarantee contracts.

**ii. Subsequent measurement**

The measurement of financial liabilities depends on their classification.

**1. Financial liabilities at fair value through surplus or deficit.**

Financial liabilities at fair value through surplus or deficit include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through surplus or deficit.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term.

This category includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by IPSAS 29.

Gains or losses on liabilities held for trading are recognized in surplus or deficit.

## 2. Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

### iii. Derecognition

A financial liability is derecognized when the obligation under the liability expires or is discharged or cancelled.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in surplus or deficit.

### c. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

### d. Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

### e. Derivative financial instruments

#### i. Initial recognition and subsequent measurement

The CCP uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to surplus or deficit. The CCP does not apply hedge accounting.

### **3.3 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash in bank, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

### **3.4 Receivables**

Receivables are recognized at their face value minus allowance for doubtful accounts.

The allowance for doubtful accounts is provided for identified potentially uncollectible receivables using the following estimates:

Accounts aged more than five (5) years	=	80 per cent
Accounts aged more than three (3) years to five (5) years	=	50 per cent
Accounts aged more than two (2) years to three (3) years	=	30 per cent
Accounts aged more than one (1) year to two (2) years	=	20 per cent
Accounts aged one (1) year or less	=	10 per cent

### **3.5 Inventories**

Inventory is measured at cost upon initial recognition. To the extent that inventory is received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the CCP.

### **3.6 Investment property**

Investment property is measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment property is measured using the cost model and is depreciated over its estimated useful life.

Investment property is derecognized either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of derecognition.

Transfers are made to or from investment property only when there is a change in use.

The CCP uses the cost model for the measurement of investment property after initial recognition.

### **3.7 Property, plant and equipment**

#### **a. Recognition**

An item is recognized as Property, plant, and equipment (PPE) if it meets the characteristics and recognition criteria as a PPE.

The characteristics of a PPE are as follows:

- i. tangible items;
- ii. are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- iii. are expected to be used during more than one reporting period.

An item of a PPE is recognized as an asset if:

- i. it is probable that future economic benefits or service potential associated with the item will flow to the entity;
- ii. the cost or fair value of the item can be measured reliably; and
- iii. The cost is at least P50,000.00.

#### **b. Measurement at recognition**

An item recognized as a PPE is measured at cost.

A PPE acquired through a non-exchange transaction is measured at its fair value as at the date of acquisition.

The cost of the PPE is the cash price equivalent or, for the PPE acquired through non-exchange transaction, its cost is its fair value as at recognition date.

Cost includes the following:

- i. Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- ii. Expenditure that is directly attributable to the acquisition of the items; and
- iii. Initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired, or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

**c. Measurement after recognition**

After recognition, all PPE, with the exception of land, are stated at cost less accumulated depreciation and impairment losses.

When significant parts of the PPE are required to be replaced at intervals, the CCP recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major repair/replacement is done, its cost is recognized in the carrying amount of the PPE as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognized as expenses in surplus or deficit as incurred.

**d. Depreciation**

Each part of an item of the PPE with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognized as an expense unless it is included in the cost of another asset.

i. Initial recognition of depreciation

Depreciation of an asset begins when it is available for use such as when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

For simplicity and to avoid proportionate computation, the depreciation is for one month if the PPE is available for use on or before the 15th of the month. However, if the PPE is available for use after the 15th of the month, depreciation is for the succeeding month.

ii. Depreciation method

The straight-line method of depreciation is adopted unless another method is more appropriate for the entity's operation.

iii. Estimated useful life

The CCP uses the life span of the PPE prescribed by COA in determining the specific estimated useful life for each asset based on its experience, as follows:

Building and structures	- 30 years
Medical equipment	- 10 years
Furniture and fixtures	- 10 years
Machineries	- 10 years
Motor vehicles	- 7 years
Office equipment	- 5 years
Library books	- 5 years

iv. Residual value

The CCP uses a residual value equivalent to at least five percent (5%) of the cost of the PPE.

**e. Impairment**

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

**f. Derecognition**

The CCP derecognizes items of the PPE and/or any significant part of an asset upon disposal or when no future economic benefits or service potential is expected from its continuing use. 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 asset) is included in the surplus or deficit when the asset is derecognized.

**3.8 Leases**

**The CCP as a lessor (Operating lease)**

Leases in which the CCP does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term. Rent received from an operating lease is recognized as income on a straight-line basis over the lease term. Contingent rents are recognized as revenue in the period in which they are earned.

The depreciation policies for the PPE are applied to similar assets leased by the entity.

**3.9 Changes in accounting policies and estimates**

The CCP recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

The CCP recognizes the effects of changes in accounting estimates prospectively through surplus or deficit.

The CCP corrects material prior period errors retrospectively in the first set of financial statements authorized for issue after their discovery by:

- a. Restating the comparative amounts for prior period(s) presented in which the error occurred; or
- b. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

### **3.10 Foreign currency transactions**

Transactions in foreign currencies are initially recognized by applying the spot exchange rate between the functional currency and the foreign currency at the transaction date.

At each reporting date:

- a. Foreign currency monetary items are translated using the closing rate;
- b. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- c. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences arising (a) on the settlement of monetary items, or (b) on translating monetary items at rates different from those at which they are translated on initial recognition during the period or in previous financial statements, are recognized in surplus or deficit in the period in which they arise, except as those arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation.

### **3.11 Revenue from non-exchange transactions**

#### **a. Recognition and measurement of assets from non-exchange transactions**

An inflow of resources from a non-exchange transaction, other than services in-kind, that meets the definition of an asset are recognized as an asset if the following criteria are met:

- It is probable that the future economic benefits or service potential associated with the asset will flow to the entity; and
- The fair value of the asset can be measured reliably.

An asset acquired through a non-exchange transaction is initially measured at its fair value as at the date of acquisition.

#### **b. Recognition of revenue from non-exchange transactions**

An inflow of resources from a non-exchange transaction recognized as an asset is recognized as revenue, except to the extent that a liability is also recognized in respect of the same inflow.

As the CCP satisfies a present obligation recognized as a liability in respect of an inflow of resources from a non-exchange transaction recognized as an asset, it reduces the carrying amount of the liability recognized and recognizes an amount of revenue equal to that reduction.

**c. Measurement of revenue from non-exchange transactions**

Revenue from non-exchange transactions is measured at the amount of the increase in net assets recognized by the entity, unless a corresponding liability is recognized.

**d. Measurement of liabilities on initial recognition from non-exchange transactions**

The amount recognized as a liability in a non-exchange transaction is the best estimate of the amount required to settle the present obligation at the reporting date.

**e. Taxes**

Taxes and the related fines and penalties are recognized when collected or when these are measurable and legally collectible. The related refunds, including those that are measurable and legally collectible, are deducted from the recognized tax revenue.

**f. Fees and fines not related to taxes**

The CCP recognizes revenue from fees and fines, except those related to taxes, when earned and the asset recognition criteria are met. Deferred income is recognized instead of revenue if there is a related condition attached that would give rise to a liability to repay the amount.

Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

**g. Gifts and donations**

The CCP recognizes assets and revenue from gifts and donations when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Goods in-kind are recognized as assets when the goods are received, or there is a binding arrangement to receive the goods. If goods in-kind are received without conditions attached, revenue is recognized immediately. If conditions are attached, a liability is recognized, which is reduced and revenue recognized as the conditions are satisfied.

On initial recognition, gifts and donations including goods in-kind are measured at their fair value as at the date of acquisition, which are ascertained by reference to an active market, or by appraisal. An appraisal of the value of an asset is normally undertaken by a member of the valuation profession who holds a recognized and relevant professional qualification. For many assets, the fair values are ascertained by reference to quoted prices in an active and liquid market.

**h. Transfers**

The CCP recognizes an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset, except those arising from services in-kind.

**i. Services in-kind**

Services in-kind are not recognized as asset and revenue considering the complexity of the determination of and recognition of asset and revenue and the eventual recognition of expenses.

**j. Transfers from other government entities**

Revenue from non-exchange transactions with other government entities and the related assets are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the CCP and can be measured reliably.

**3.12 Revenue from exchange transactions**

**a. Measurement of revenue**

Revenue is measured at the fair value of the consideration received or receivable.

**b. Rendering of services**

The CCP recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labor hours incurred to date as a percentage of total estimated labor hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

**c. Sale of goods**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the CCP.

**d. Interest income**

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

**e. Dividends**

Dividends or similar distributions are recognized when the CCP's right to receive payments is established.

**f. Rental income**

Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease terms and included in revenue.

**g. Royalties**

Royalties are recognized as they are earned in accordance with the substance of the relevant agreement.

**3.13 Budget information**

The annual budget is prepared on a cash basis and is published on the government website.

A separate Statement of Comparison of Budget and Actual Amounts (SCBAA) is prepared since the budget and the financial statements are not prepared on a comparable basis. The SCBAA is presented showing the original and final budget and the actual amounts on a comparable basis to the budget. Explanatory comments are provided in the notes to the annual financial statements.

**3.14 Impairment of non-financial assets**

**a. Impairment of cash-generating assets**

At each reporting date, the CCP assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the CCP estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and 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.

Where the carrying amount of an asset or the cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the CCP estimates the asset's or cash-generating unit's recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last

impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in surplus or deficit.

#### **b. Impairment of non-cash-generating assets**

The CCP assesses at each reporting date whether there is an indication that a non-cash-generating asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the CCP estimates the asset's recoverable service amount. An asset's recoverable service amount is the higher of the non-cash-generating asset's fair value less costs to sell and its value in use.

Where the carrying amount of an asset exceeds its recoverable service amount, the asset is considered impaired and is written down to its recoverable service amount. The CCP classifies assets as cash-generating assets when those assets are held with the primary objective of generating a commercial return. Therefore, non-cash-generating assets would be those assets from which the CCP does not intend (as its primary objective) to realize a commercial return.

#### **3.15 Related parties**

The CCP regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the CCP, or vice versa. Members of key management are regarded as related parties.

#### **3.16 Service concession arrangements**

The CCP analyzes all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the CCP recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price.

In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise - any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the CCP also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

#### **3.17 Employee benefits**

The employees of CCP are members of the Government Service Insurance System (GSIS), which provides life and retirement insurance coverage. The CCP recognizes the undiscounted amount of short-term employee benefits, like salaries, wages, bonuses, allowance, etc., as expense unless capitalized, and as a liability after deducting the amount paid.

### **3.18 Measurement uncertainty**

The preparation of financial statements in conformity with IPSASs requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenue and expenses during the period. Items requiring the use of significant estimates include the useful life of a capital asset, estimated employee benefits, rates for amortization, impairment of assets, liability for contaminated sites, etc.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

## **4. PRIOR PERIOD ADJUSTMENTS**

### **4.1 Due to prior period errors**

Prior period errors include over-setup of receivables, restoration of cash due to stale checks, recognition of miscellaneous income from unutilized fund of certain projects, writing off of other payables (dormant), over/under setup of payables due to variance in actual payment of expenses and other correction of errors in the financial statements that were reported for a prior period in *Note 19*.

## **5. RISK MANAGEMENT OBJECTIVES AND POLICIES**

The CCP is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risks
- Operational risk

This note presents information about the CCP's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and its management of capital.

### **5.1 Risk management framework**

The CCP Board has overall responsibility for the establishment and oversight of the CCP's risk management framework. The Board is expected to establish and institute adequate control mechanisms for good governance in CCP.

Generally, the maximum risk exposure of financial assets and financial liabilities is the carrying amount of the financial assets and financial liabilities as shown in the Statements of Financial Position, as summarized below.

	Note	2024	2023 (As Restated)
<b>Financial assets</b>			
Cash and cash equivalents	6	218,528,060	239,841,068
Financial assets	7	1,091,560,086	732,909,257
Receivables	8	77,680,740	39,077,102
		<b>1,387,768,886</b>	<b>1,011,827,427</b>
<b>Financial liabilities</b>			
Financial liabilities	13	155,972,899	192,735,159
Inter-agency payables	14	20,018,826	25,816,959
Trust liabilities	15	187,284,301	170,270,037
		<b>363,276,026</b>	<b>388,822,155</b>

## 5.2 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the CCP. The CCP has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or security deposit where appropriate as a means of mitigating the risk of financial loss from defaults. The CCP defines counterparties as having similar characteristics if they are related entities.

Also, the CCP manages its credit risk by depositing its cash with the Land Bank of the Philippines (LBP), an authorized government depository bank.

The carrying amount of financial assets recognized in the financial statements represents the CCP's maximum exposure to credit risk.

### a. Credit risk exposure

The table in the page shows the gross maximum exposure to credit risk of the CCP as at the years ended December 31, 2024 and 2023, without considering the effects of credit risk mitigation techniques.

	Note	2024	2023 (As Restated)
<b>Financial assets</b>			
Cash and cash equivalents	6	218,528,060	239,841,068
Financial assets	7	1,091,560,086	732,909,257
Receivables*	8	103,963,293	66,896,892
		<b>1,414,051,439</b>	<b>1,039,647,217</b>

\*Receivables at gross of allowance for impairment amounting to P26,282,553 and P27,819,790 for the years ended December 31, 2024 and 2023, respectively.

### b. Management of credit risk

The management of credit risk is covered by the Risk Management Committee. The Accounting Division and the Budget and Treasury Division of the Agency are in charge of controlling, monitoring and collecting payments of all the receivables due from employees, tenants and clientele. Receivables from employees consist of overpayment of salaries due to leave without pay, excess usage of airtime charges over the set limit, personal calls, etc. and are collected through payroll deductions. Status of outstanding receivables is

summarized monthly in a schedule and is submitted together with the financial reports to COA. Should there be no payments received, the Accounting Division follows up either through phone calls or write demand letters for collection until settled. Other concerns or issues, if any, are referred to the Legal Department or Audit Committee for appropriate action.

**c. Settlement risk**

The CCP's activities may give rise to risk at the time of settlement of transactions and trades. Settlement risk is the risk of loss due to the failure of a company to honor its obligations to deliver cash, securities or another asset as contractually agreed.

For certain types of transactions, the CCP mitigates this risk by conducting settlements through a settlement/clearing agent to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligation. Settlement limits form part of the credit approval/limit monitoring process described earlier. Acceptance of settlement risk on free settlement requires transaction specific or counterparty specific approval from the Risk Committee.

**d. Risk concentration of the maximum exposure to credit risk**

Concentrations arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions, concentrations indicate the relative sensitivity of the CCP's performance to developments affecting a particular industry or geographical location. Such credit risk concentrations, if not properly managed, may cause significant losses that could threaten the CCP's financial strength and undermine public confidence.

**e. Aging analysis**

An aging analysis of the CCP's receivables as at the years ended December 31, 2024 and 2023 is as follows:

	<b>2024</b>	<b>2023 (As Restated)</b>
Outstanding receivables: *		
Current accounts	36,049,594	3,078,150
Past due accounts:		
1 – 30 days past due	361,311	3,695,054
31 – 60 days past due	152,019	5,012,314
over 60 days past due	67,400,369	55,111,374
	<b>103,963,293</b>	<b>66,896,892</b>

*\*Receivables at gross of allowance for impairment amounting to P26,282,553 and P27,819,790 for the years ended December 31, 2024 and 2023, respectively.*

**f. Impairment assessment**

The CCP recognizes impairment losses based on the results of the specific/individual and collective assessment of its credit exposures. Impairment has taken place when there is a presence of known difficulties in the servicing of cash flows by counterparties,

infringement of the original terms of the contract has happened, or when there is an inability to pay principal or interest overdue beyond a certain threshold. These and the other factors constitute observable events and/or data that meet the definition of an objective evidence of impairment.

The two methodologies applied by the CCP in assessing and measuring impairment include: (1) specific/individual assessment; and (2) collective assessment. Under specific/individual assessment, the CCP assesses each individual significant credit exposure for any objective evidence of impairment, and where such evidence exists, accordingly calculates the required impairment.

Among the items and factors considered by the CCP when assessing and measuring specific impairment allowances are: (a) the timing of the expected cash flows; (b) the projected receipts or expected cash flows; (c) the going concern of the counterparty's business; (d) the ability of the counterparty to repay its obligations during financial crises; (e) the availability of other sources of financial support; and (f) the existing realizable value of collateral. The impairment allowances, if any, are evaluated as the need arises, in view of favorable or unfavorable developments.

With regard to the collective assessment of impairment, allowances are assessed collectively for losses on receivables that are not individually significant and for individually significant receivables when there is no apparent or objective evidence of individual impairment.

A particular portfolio is reviewed on a periodic basis, in order to determine its corresponding appropriate allowances. The collective assessment evaluates and estimates the impairment of the portfolio in its entirety even though there is no objective evidence of impairment on an individual assessment.

Impairment losses are estimated by taking into consideration the following deterministic information: (a) historical losses/write offs; (b) losses which are likely to occur but has not yet occurred; and (c) the expected receipts and recoveries once impaired.

### **5.3 Liquidity risk**

Liquidity risk is the risk that the CCP might encounter difficulty in meeting obligations from its financial liabilities.

#### **a. Management of liquidity risk**

The CCP's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the CCP's reputation.

The CCP maintains a portfolio of short-term liquid assets, largely made up of short-term liquid investment securities, loans and advances to the CCP and other facilities, to ensure that sufficient liquidity is maintained within the CCP.

## **b. Exposure to liquidity risk**

The liquidity risk is the adverse situation when the CCP encounters difficulty in meeting unconditionally the settlement of its obligations at maturity. Prudent liquidity management requires that liquidity risks are identified, measured, monitored and controlled in a comprehensive and timely manner. Liquidity management is a major component of the corporate-wide risk management system. Liquidity planning takes into consideration various possible changes in economic, market, political, regulatory and other external factors that may affect the liquidity position of the CCP.

The liquidity management policy of the CCP is conservative in maintaining optimal liquid cash funds to ensure capability to adequately finance its mandated activities and other operational requirements at all times. The CCP's funding requirements are generally met through any or a combination of financial modes allowed by law that would give the most advantageous results. Senior Management is actively involved in the Executive Committee headed by the Vice President for Administration with the Managers of all departments. The total liabilities of the CCP are due and demandable within 12 months as at December 31, 2024.

## **5.4 Market risks**

Market risk is the risk that changes in the market prices, such as interest rate, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's issuer's credit standing) will affect the CCP's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

### **a. Management of interest rate risk**

The management of interest rate risk against interest gap limits is supplemented by monitoring the sensitivity of the CCP's financial assets and liabilities to various standard and non-standard interest rate scenarios.

## **5.5 Operational risks**

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the CCP's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the CCP's operations and are faced by all business entities.

The CCP's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the CCP's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of control to address operational risk is assigned to Senior Management within each business unit. This responsibility is supported by the development of overall standards for the management of operational risk in the following areas:

- Requirement for appropriate segregation of duties, including the independent authorization of transaction
- Requirement for the reconciliation and monitoring of transactions
- Compliance with regulatory and other legal requirements
- Documentation of controls and procedures
- Requirements for the periodic assessment of operational risk faced, and the adequacy of control and procedures to address the risk identified
- Requirements for the reporting of operational losses and proposed remedial action
- Development of contingency plans
- Training and professional development
- Ethical and business standards
- Risk mitigation, including insurance where this is effective

Compliance with corporate standards/processes is supported by a program of periodic reviews undertaken by Internal Audit or the Quality Management System Team Auditors. The results of Internal Audit reviews are discussed with Management of the CCP, with summaries to the Audit Committee and Senior Management of the CCP.

## 6. CASH AND CASH EQUIVALENTS

This account consists the following:

	<b>2024</b>	<b>2023</b>
Cash on hand	9,460,626	246,621
Cash in bank- local currency	198,025,231	229,436,855
Cash in bank- foreign currency	4,430,801	4,206,950
Cash equivalents	6,611,402	5,950,642
	<b>218,528,060</b>	<b>239,841,068</b>

Cash on hand consists of undeposited collections of Cash collecting officers and Petty cash fund. Cash in bank-local currency consists of current accounts while cash in bank - foreign currency is the savings account for dollar accounts maintained at the LBP.

## 7. FINANCIAL ASSETS

This account consists the following:

	<b>2024</b>			<b>2023</b>		
	<b>Current</b>	<b>Non-current</b>	<b>Total</b>	<b>Current</b>	<b>Non-current</b>	<b>Total</b>
Financial assets -						
held to maturity	939,906,405	-	939,906,405	587,261,281	-	587,261,281
Other investments	41,515,520	110,138,161	151,653,681	39,617,945	106,030,031	145,647,976
	<b>981,421,925</b>	<b>110,138,161</b>	<b>1,091,560,086</b>	<b>626,879,226</b>	<b>106,030,031</b>	<b>732,909,257</b>

**a. Financial assets - held to maturity**

This account consists of money market placements with the LBP maturing beyond 90 days but within one year from date of placement.

**b. Financial assets - other investments**

This account includes Investment in time deposit maturing beyond 90 days but within one year from date of placement, as well as the value of shares of stocks, stated at cost, acquired by the CCP from mining, oil and industrial companies/enterprises.

**7.1 Current - financial assets**

<b>Current Financial Assets As at December 31, 2024</b>			
	<b>Held to maturity</b>	<b>Other investments</b>	<b>Total</b>
Beginning balance as at January 1, 2024	587,261,281	39,617,945	626,879,226
Add: New placement/roll over	347,588,037	-	347,588,037
Interest income, net of fees and taxes	26,484,087	37,899	26,521,986
Foreign exchange gain	-	1,859,676	1,859,676
<b>Total</b>	<b>961,333,405</b>	<b>41,515,520</b>	<b>1,002,848,925</b>
Less: Investments terminated/collected	(21,427,000)	-	(21,427,000)
Foreign exchange loss	-	-	-
<b>Balance as at December 31, 2024</b>	<b>939,906,405</b>	<b>41,515,520</b>	<b>981,421,925</b>

<b>Current Financial Assets As at December 31, 2023</b>			
	<b>Held to maturity</b>	<b>Other investments</b>	<b>Total</b>
Beginning balance as at January 1, 2023	587,261,281	39,617,945	626,879,226
New placement	-	-	-
<b>Total</b>	<b>587,261,281</b>	<b>39,617,945</b>	<b>626,879,226</b>
Less: Investments sold/collected	-	-	-
<b>Balance as at December 31, 2023</b>	<b>587,261,281</b>	<b>39,617,945</b>	<b>626,879,226</b>

**8. RECEIVABLES**

This account consists the following:

	<b>2024</b>	<b>2023 (As Restated)</b>
Loans and receivables accounts- net	26,239,441	14,663,531
Lease receivable – net	15,812,023	13,426,254
Inter- agency receivables	4,598,283	5,140,760
Other receivables	31,030,993	5,846,557
	<b>77,680,740</b>	<b>39,077,102</b>

## 8.1 Loans and receivables accounts

	<b>2024</b>	<b>2023</b> <b>(As Restated)</b>
Accounts receivable	19,853,590	13,295,421
Allowance for impairment- accounts receivable	(7,055,112)	(6,272,023)
<b>Net value - accounts receivable</b>	<b>12,798,478</b>	<b>7,023,398</b>
Interest receivable	13,441,570	7,640,523
Allowance for impairment - interest receivable	(607)	(390)
<b>Net value - interest receivable</b>	<b>13,440,963</b>	<b>7,640,133</b>
	<b>26,239,441</b>	<b>14,663,531</b>

### a. Accounts receivable

Accounts receivable account consists of unpaid ticket sales, theater rentals, sponsorship fees, theater subscriptions and other receivables arising from the operations of the CCP.

### b. Interest receivable

This account represents the amount of interest earnings due from financial assets as at year-end.

## 8.2 Lease receivable

	<b>2024</b>	<b>2023</b> <b>(As Restated)</b>
Operating lease receivable	32,055,698	31,535,615
Allowance for impairment - operating lease receivable	(16,243,675)	(18,109,361)
<b>Net value - operating lease receivable</b>	<b>15,812,023</b>	<b>13,426,254</b>

This account represents the unpaid rentals, maintenance and utilities due from the concessionaires of the CCP.

## 8.3 Inter-agency receivables

	<b>2024</b>	<b>2023</b> <b>(As Restated)</b>
Due from National Government Agencies	3,857,320	4,399,797
Due from Local Government Units	550,000	550,000
Due from Government Corporations	190,963	190,963
	<b>4,598,283</b>	<b>5,140,760</b>

### a. Due from national government agencies

This account includes receivables from Department of Tourism, Bureau of Internal Revenue, Procurement Services and Philippine High School for the Arts.

**b. Due from government corporations**

The bulk of this account represents receivables from the GSIS, Home Development Mutual Fund and Philippine Health Insurance Corporation (PhilHealth) representing over-remittance of premiums and loan amortizations and insurance claims for the CCP's motor vehicles. It also includes the receivable of P50,000.00 from Bangko Sentral ng Pilipinas representing its share in the cost of road upkeep for 1981.

**8.4 Other receivables**

	<b>2024</b>	<b>2023</b> <b>(As Restated)</b>
Receivables - disallowances/charges	3,202,536	3,202,535
Due from non-government organizations/people's organizations	26,105,321	1,227,658
	<b>29,307,857</b>	<b>4,430,193</b>
Due from officers and employees	89,873	255,958
Allowance for impairment - other receivables	-	-
Net value - due from officers and employees	<b>89,873</b>	<b>255,958</b>
Other receivables	4,616,422	4,598,422
Allowance for impairment - other receivables	(2,983,159)	(3,438,016)
Net value - other receivables	<b>1,633,263</b>	<b>1,160,406</b>
	<b>31,030,993</b>	<b>5,846,557</b>

**a. Receivables - disallowances/charges**

This account represents Notices of Disallowance issued by COA on various payments made by the CCP. In 2010 and 2021, the CCP had exerted effort and sent demand letters to the concerned officers and employees. Some of the demand letters were not served because the whereabouts of the respondents were unknown.

**b. Due from non-government organizations/people's organizations**

This account represents amounts granted to Non-Government Organizations/People's Organizations for special purpose/time-bound undertakings/projects.

**c. Due from officers and employees**

This consists of cash advances granted for travel, purchase of supplies and materials and some incidental expenses in connection with CCP productions.

**d. Other receivables**

Lodged under this account are receivables/advances as follows:

	<b>2024</b>	<b>2023</b> <b>(As Restated)</b>
Agencies/corporations	3,231,418	3,373,310
Advances	636,605	636,605
Employees	415,762	255,870
Individuals	300,506	300,506
Vicor Music Corporation	32,131	32,131
Total	4,616,422	4,598,422
Allowance for impairment - other receivables	(2,983,159)	(3,438,016)
	<b>1,633,263</b>	<b>1,160,406</b>

Other receivables - agencies/corporations represent pledges and sponsorship support of various agencies, corporations or companies for the various projects that they undertook and the consumption of the utilities of the CCP.

Other receivables - advances represent advances made by the CCP on the projects/programs with funding coming from different government agencies and private entities, until such time that the approved funding is released to the CCP.

Other receivables – Vicor Music Corporation (VMC) corresponds to the unpaid balance on the P5 million loan granted to VMC by the CCP in February 1984 which was left unsettled after VMC’s privatization in October 1993.

## 8.5 Aging analysis of receivables

	<b>Total</b>	<b>Current</b>	<b>Past Due</b>		
			<b>&gt;30 days</b>	<b>30-60 days</b>	<b>&gt;60 days</b>
Accounts receivable	19,853,590	3,999,916			15,853,674
Interest receivable	13,441,570	13,441,570			
Lease receivable	32,055,698	7,793,108	361,311	152,019	23,749,260
Inter-agency receivables	4,598,283				4,598,283
Other receivables	34,014,152	10,815,000			23,199,152
	<b>103,963,293</b>	<b>36,049,594</b>	<b>361,311</b>	<b>152,019</b>	<b>67,400,369</b>

## 9. INVENTORIES

	<b>2024</b>	<b>2023</b> <b>(As Restated)</b>
<b>Inventory held for sale</b>		
Carrying amount, January 1	8,218,208	7,062,456
Additions/Acquisitions during the year	1,225,976	1,459,302
Expensed during the year	(1,138,461)	(303,550)
Impairment loss on inventories	(4,686,668)	(4,686,668)
<b>Carrying amount, December 31</b>	<b>3,619,055</b>	<b>3,531,540</b>
<b>Inventory held for consumption</b>		
Carrying amount, January 1	1,368,525	1,368,525
Additions/Acquisitions during the year	2,955,994	-
Expensed during the year	(2,406,246)	-
<b>Carrying amount, December 31</b>	<b>1,918,273</b>	<b>1,368,525</b>
	<b>5,537,328</b>	<b>4,900,065</b>

Regular purchases of office supplies for stock are recorded under the Inventory account and issuances thereof are recorded based on the Report of Supplies Issuances. Inventory held for sale account is composed of all publications that are being sold by CCP which includes the Encyclopedia of Philippine Arts, Ani Series, and others.

## 10. INVESTMENT PROPERTY

This account consists of parcels of land and buildings held for income generation. This account consists the following:

### As at December 31, 2024

	Land	Building and other structures	Total
Carrying amount, January 1, 2024	240,382,163	43,744,893	284,127,056
Additions/Acquisitions	-	-	-
<b>Total</b>	<b>240,382,163</b>	<b>43,744,893</b>	<b>284,127,056</b>
Depreciation	-	-	-
<b>Carrying amount, December 31, 2024</b>	<b>240,382,163</b>	<b>43,744,893</b>	<b>284,127,056</b>

	Land	Building and other structures	Total
Gross Cost	240,382,163	437,442,792	677,824,955
Accumulated depreciation	-	(393,697,899)	(393,697,899)
<b>Carrying amount, December 31, 2024</b>	<b>240,382,163</b>	<b>43,744,893</b>	<b>284,127,056</b>

### As at December 31, 2023 (As restated)

	Land	Building and other structures	Total
Carrying amount, January 1, 2023	240,382,163	50,991,813	291,373,976
Additions/Acquisitions	-	-	-
<b>Total</b>	<b>240,382,163</b>	<b>50,991,813</b>	<b>291,373,976</b>
Depreciation	-	(7,246,920)	(7,246,920)
<b>Carrying amount, December 31, 2023</b>	<b>240,382,163</b>	<b>43,744,893</b>	<b>284,127,056</b>

## 11. PROPERTY, PLANT AND EQUIPMENT

This account consists the following:

### As at December 31, 2024

	Land	Land improvement	Infrastructure assets	Building and other structures	Machinery & equipment	Total
Carrying amount, January 1, 2024	572,606,387	36,520,175	21,708,917	141,253,206	387,163,893	1,159,252,578
Additions/Acquisitions	-	-	-	2,828,358	149,581,730	152,410,088
<b>Total</b>	<b>572,606,387</b>	<b>36,520,175</b>	<b>21,708,917</b>	<b>144,081,564</b>	<b>536,745,623</b>	<b>1,311,662,666</b>
Reclassification to proper accounts	-	(4,017,939)	-	9,642,031	(6,811,614)	(1,187,522)

	Land	Land improvement	Infrastructure assets	Building and other structures	Machinery & equipment	Total
Depreciation	-	(1,713,706)	(1,498,126)	(5,633,592)	(29,042,295)	(37,887,719)
<b>Carrying amount, December 31, 2024</b>	<b>572,606,387</b>	<b>30,788,530</b>	<b>20,210,791</b>	<b>148,090,003</b>	<b>500,891,714</b>	<b>1,272,587,425</b>

	Land	Land improvement	Infrastructure assets	Building and other structures	Machinery & equipment	Total
<b>Gross Cost</b>	<b>572,606,387</b>	<b>129,687,705</b>	<b>33,291,688</b>	<b>396,666,835</b>	<b>777,893,474</b>	<b>1,910,146,089</b>
Accumulated depreciation	-	(98,899,175)	(13,080,897)	(248,576,832)	(277,001,760)	(637,558,664)
<b>Carrying amount, December 31, 2024</b>	<b>572,606,387</b>	<b>30,788,530</b>	<b>20,210,791</b>	<b>148,090,003</b>	<b>500,891,714</b>	<b>1,272,587,425</b>

#### As at December 31, 2023 (Restated)

	Land	Land improvement	Infrastructure assets	Building and other structures	Machinery & equipment	Total
<b>Carrying amount, January 1, 2023</b>	<b>572,606,387</b>	<b>33,416,362</b>	<b>23,207,043</b>	<b>146,671,824</b>	<b>363,626,960</b>	<b>1,139,528,576</b>
Additions/Acquisitions	-	-	-	-	-	-
<b>Total</b>	<b>572,606,387</b>	<b>33,416,362</b>	<b>23,207,043</b>	<b>146,671,82</b>	<b>363,626,960</b>	<b>1,139,528,576</b>
Reclassification to proper accounts	-	5,037,854	-	4,210,659	48,903,798	58,152,311
Depreciation	-	(1,934,041)	(1,498,126)	(9,629,277)	(25,366,865)	(38,428,309)
<b>Carrying amount, December 31, 2023</b>	<b>572,606,387</b>	<b>36,520,175</b>	<b>21,708,917</b>	<b>141,253,20</b>	<b>387,163,893</b>	<b>1,159,252,578</b>

	Land	Land improvement	Infrastructure assets	Building and other structures	Machinery & equipment	Total
<b>Gross Cost</b>	<b>572,606,387</b>	<b>133,705,644</b>	<b>33,291,688</b>	<b>379,884,888</b>	<b>635,123,358</b>	<b>1,754,611,965</b>
Accumulated depreciation	-	(97,185,469)	(11,582,771)	(238,631,682)	(247,959,465)	(595,359,387)
<b>Carrying amount, December 31, 2023</b>	<b>572,606,387</b>	<b>36,520,175</b>	<b>21,708,917</b>	<b>141,253,206</b>	<b>387,163,893</b>	<b>1,159,252,578</b>

### 11.1 Land

The CCP has a total of 625,171 square meters of land. The reclaimed area which was assigned to the CCP pursuant to Presidential Decree (PD) Nos. 15 and 774, dated October 5, 1972 and August 22, 1975, respectively, already excluded the following: (1) land area occupied by the Philippine International Convention CCP - this was sold to the Bangko Sentral ng Pilipinas; (2) land area covering Philcite - this was transferred to the Philippine National Bank; and (3) land areas covering the Philippine Plaza Hotel, Gloriamaris Restaurant, and the Tahanang Pilipino - these were transferred to the GSIS in settlement of the CCP's outstanding obligations.

The land where the Manila Film CCP (MFC) is situated was assigned to the CCP by the Public Estates Authority (PEA) in 1985 pursuant to Letter of Instruction No. 1411. This was considered as partial payment for the obligations of PEA, now the Philippine Reclamation Authority, to the National Government (NG) and as contribution of the NG to the CCP.

In 2015, the Department of Public Works and Highways - South Manila District Engineering Office implemented the National Road Lighting Program Package 7 (civil works) project wherein it undertook the installation of lamp posts/street lamps along the following road sections:

- Folk Arts Theater (FAT) Access road
- PICC FAT Main road
- PICC FAT Perimeter road
- Spine road
- MFC Main Road
- MFC Access road

The CCP upon acceptance and recognizing in its books of accounts the transfer of the completed project in 2016 commits to secure and undertake the repair and maintenance of the road network.

In 2018, the CCP, in connection with its Complex Development Plan and joint venture purposes, commissioned an independent appraisal company to determine the current value of CCP land. The said appraisers submitted a valuation of CCP land which amounted to P122,600 per square meter.

## **11.2 Buildings and other structures**

The CCP owns buildings and structures, including a water reservoir and conduits with a carrying amount of P148.090 million.

## **11.3 Machinery and equipment**

The Machinery and equipment account has a carrying amount of P500.892 million. It includes Office equipment, Information and communication technology equipment, Communication equipment, Technical and scientific equipment, Other machinery and equipment (Firefighting equipment and accessories), Transportation equipment (Motor vehicles), Furniture, fixtures and books, Heritage assets (Works of arts and archeological specimens), Other property, plant and equipment (Other social services, Hand tools, Musical instruments, Building accessories, Others, Other assets-others) and Construction in progress (Infrastructure assets, Buildings and other structures, Furniture and fixtures).

## **12. OTHER CURRENT AND NON-CURRENT ASSETS**

### **12.1 Other current assets**

	<b>2024</b>	<b>2023 (As Restated)</b>
Advances	778,467	1,502,434
Prepayments	82,148,972	104,225,083
Deposits	6,529,870	5,513,681
Other assets	227,510	227,510
<b>Total</b>	<b>89,684,819</b>	<b>111,468,708</b>

Major portion of this account represents unexpired insurance premiums on policies covering the CCP's property, the unexpired portion of the prepaid taxes withheld on interest on money market placements with government banks, and advances made for goods and services. Also included under this account are guaranty deposits, taxes withheld by suppliers and prior year's input taxes accrued by the CCP. Beginning the second quarter of 2019, upon consultation and clarification with the Bureau of Internal Revenue (BIR), all expenses funded by a subsidy were no longer subjected to input tax and is recognized as expense of the CCP. This is in compliance with the provision of BIR Revenue Circular No. 16-2005, Section 4.110-4.

## 12.2 Intangible asset

This account consists solely of a web based integrated library system amounting P0.641 million.

## 12.3 Deferred tax asset

This account represents the payment of Minimum Corporate Income Tax remitted to the BIR for the Taxable Year 2021-2022.

## 12.4 Other non-current assets

This account is used to recognize assets not falling under any of the specific asset accounts used in the books of accounts of the CCP.

## 13. FINANCIAL LIABILITIES

This account consists the following:

	<b>2024</b>	<b>2023 (As Restated)</b>
Payables	154,795,074	191,784,964
Tax refunds payable	629,894	421,713
Other financial liabilities	547,931	528,482
	<b>155,972,899</b>	<b>192,735,159</b>

### 13.1 Payables

This account represents accrued expenses classified as follows:

	<b>2024</b>	<b>2023 (As Restated)</b>
Accounts payable	138,899,784	156,998,451
Due to officers and employees	15,895,290	34,786,513
	<b>154,795,074</b>	<b>191,784,964</b>

#### a. Accounts payable

The Accounts payable account is composed of the following:

- Accrued liabilities committed and budgeted expenses for goods and services that were already provided to the CCP but were not yet paid because invoices and other supporting documents for payments were not yet presented.
- Unliquidated obligations/vouchers represent unpaid amounts to suppliers and service providers for various goods already delivered and services rendered as at December 31, 2024.

**b. Due to officers and employees**

The Due to officers and employees account is used to recognize incurrence of liability to officers and employees for salaries, benefits and other emoluments including authorized expenses paid in advance by the officers and employees.

**13.2 Tax refunds payable**

Tax refunds payable account is used to recognize an amount refundable to taxpayers for excess amount paid/withheld. As at December 31, 2024, the balance represents unclaimed tax refunds of resigned/retired employees pending the completion of their clearances/documents required for terminal pay. Tax refunds payable amounts to P629,894 and P421,713 for the years ended December 31, 2024 and 2023, respectively.

**13.3 Other financial liabilities**

Other financial liabilities account is used to recognize the transactions under the Investment Management Account. Other financial liabilities amount to P547,931 and P528,482 for the years ended December 31, 2024 and 2023, respectively.

**14. INTER-AGENCY PAYABLES**

This account consists the following:

	<b>2024</b>	<b>2023 (As Restated)</b>
Due to BIR	9,672,481	10,805,920
Due to GSIS	2,020,476	179,122
Due to Pag-IBIG	25,705	7,901
Due to PhilHealth	52,552	-
Income tax payable	8,247,612	14,824,016
<b>Total</b>	<b>20,018,826</b>	<b>25,816,959</b>

**14.1 Due to BIR**

Included in this account are taxes such as income tax, expanded tax, final tax, and value added tax withheld by the CCP for remittance to the BIR. The CCP regularly remits its taxes withheld in compliance with BIR regulations.

## 14.2 Due to GSIS, Pag-IBIG, PhilHealth

These accounts consist of unremitted deductions from the salaries of officers and employees for life and retirement insurance premiums, optional insurance, salary, policy policy and real estate loans, medical and estate insurance and premiums.

These accounts consist of unremitted deductions from the salaries of officers and employees for life and retirement insurance premiums, optional insurance, salary, policy and real estate loans, medical and estate insurance and premiums.

## 15. TRUST LIABILITIES

This account consists the following:

	2024	2023 (As Restated)
Trust liabilities	84,995,639	85,269,635
Guaranty/security deposits payable	39,684,241	26,791,199
Customer's deposits payable	62,604,421	58,209,203
	<b>187,284,301</b>	<b>170,270,037</b>

### 15.1 Trust liabilities

The Trust liabilities account represents collections from different government and private entities for various projects of the CCP which aim to awaken the consciousness of the Filipino people to our cultural heritage.

It also includes funds entrusted to the CCP as custodian by different entities to finance various cultural projects. Likewise, included was the fund received from the Bureau of the Treasury in 2009 for the settlement of liability of the Republic of the Philippines to Republic Real Estate Corporation (RREC) amounting to P41.790 million. In 2009, the Court of Appeals (CA) issued a decision allowing the NG and the CCP to consign the said funds with the courts. A Motion for Execution of the said CA Decision was already filed by the CCP with trial court, but was denied. In June 2016, the Petition for Review filed by RREC was denied upholding the CA's Decision in 2009 and Resolution in 2013.

### 15.2 Guaranty/security deposits payable

The account represents liability arising from the receipt of a cash bond to guarantee the performance of the contract/court order.

### 15.3 Customer's deposits payable

This account represents liability arising from cash received for theater violations deposits, deposits of producers for production expenses, deposits from concessionaires, and other various deposits (i.e., rental and utility deposits) which are refundable to the depositors.

It also includes collection of ticket sales of lessee-produced shows collected by the CCP which were not yet remitted to the producers.

## 16. DEFERRED CREDITS/UNEARNED INCOME

This account consists the following:

	<b>2024</b>	<b>2023</b> <b>(As Restated)</b>
Other deferred credits	64,258,548	63,516,840
Unearned revenue/income	5,274,505	4,461,000
	<b>69,533,053</b>	<b>67,977,840</b>

The account includes income collected but not yet recognized as revenue by the CCP at the end of the accounting period.

Other deferred credits amounting to P53,900,000 refers to the Black Box Theatre that was recognized as part of the Building account instead of Income from donation due to no acceptance report.

Furthermore, decrease in unearned revenue represents the adjustment due to reclassification to its proper accounts.

## 17. OTHER PAYABLES

This account includes stale checks and other liabilities not falling under any specific liability account.

Dividends payable amounting to P15.118 million was recognized pursuant to Section 3 of Republic Act (RA) No. 7656 or the Dividend Law which states that all GOCC shall declare and remit at least fifty percent (50%) of their annual net earnings as cash, stock, or property dividends to the NG. Total net earnings of the CCP in the year 2019 amounted to P30.236 as per income tax return.

## 18. GOVERNMENT EQUITY

Government equity amounting to P1.585 billion pertains to the equity contribution of the NG for the CCP.

This account consists of the vast parcels of reclaimed land where the CCP Complex is situated, the initial capitalization of the CCP, property donated to the CCP such as the MFC building and its appurtenances, audio film recording system, motorcycles, musical instruments, and other equipment. Also included are the construction cost of the FAT and the cost of the furniture, fixtures and equipment contained and/or installed therein.

## 19. ACCUMULATED SURPLUS/(DEFICIT)

<b>Accumulated surplus, January 1, 2023, As Restated</b>	515,968,148
Add/(deduct)	
Surplus/(Deficit) for the period, as restated	(6,440,539)
Prior year adjustments	7,709,402
<b>Accumulated surplus, December 31, 2023, As Restated</b>	<b>517,237,011</b>

Add/(deduct)	
Surplus/(Deficit) for 2024	328,969,674
Prior Year adjustments	161,788,054
<b>Accumulated surplus, December 31, 2024</b>	<b>1,007,994,739</b>

This account represents the accumulated net earnings/losses of the CCP, including that of the Philippine Plaza Hotel when it was still a division of the CCP until December 31, 1988.

Prior Year adjustments pertain to the Subsidy from NG for previous years. This includes the Congressional Initiative 2019 and 2020, amounting to P7.134 million for the Philippine Arts and Culture Promotion. Additionally, P157.204 million was allocated for the Restoration/Rehabilitation of CCP Main Building, while the remaining balance of P2.5 million pertains to other adjustments.

## 20. SERVICE AND BUSINESS INCOME

This account consists the following:

	2024	2023 (As Restated)
<b>Service Income</b>		
Other service income	2,408,573	3,991,702
<b>Total Service Income</b>	<b>2,408,573</b>	<b>3,991,702</b>
<b>Business Income</b>		
Rent/lease income	140,534,327	123,859,641
Income from printing and publication	1,971,982	669,737
Landing and parking fees	105,000	29,387,688
Theater operating revenue	15,267,367	20,492,865
Interest income	48,196,323	34,589,442
Seaport system fees	3,469,463	5,069,857
Seminar/training fees	470,827	620,998
Sales revenue	591,628	1,161,315
Fines and penalties - business income	487,358	68,494
Admission fees	-	5,000
<b>Total Business Income</b>	<b>211,094,275</b>	<b>215,925,037</b>
	<b>213,502,848</b>	<b>219,916,739</b>

## 21. SHARES, GRANTS AND DONATIONS

	2024	2023 (As Restated)
Income from grants and donation in cash	1,281,033	269,352
Income from grants and donation in kind	-	1,750,000
	<b>1,281,033</b>	<b>2,019,352</b>

## 22. PERSONNEL SERVICES

This line item consists the following:

	<b>2024</b>	<b>2023</b> <b>(As Restated)</b>
Salaries and wages	135,455,777	137,886,998
Other compensation	42,998,091	42,932,849
Personnel benefit contributions	20,079,560	19,494,775
Other personnel benefits	14,997,472	17,470,860
	<b>213,530,900</b>	<b>217,785,482</b>

### 22.1 Salaries and wages

	<b>2024</b>	<b>2023</b> <b>(As Restated)</b>
Salaries and wages - regular	133,269,609	136,005,085
Salaries and wages - casual/contractual	2,186,168	1,881,913
	<b>135,455,777</b>	<b>137,886,998</b>

### 22.2 Other compensation

	<b>2024</b>	<b>2023</b> <b>(As Restated)</b>
Year - end bonus	11,342,401	11,559,572
Mid - year bonus	10,827,034	11,398,587
Personnel economic relief allowance (PERA)	5,309,506	5,632,149
Representation allowance (RA)	2,815,750	2,573,920
Transportation allowance (TA)	2,959,750	2,468,250
Clothing/uniform allowance	1,576,000	1,416,000
Cash gift	1,112,750	1,179,750
Productivity incentive allowance	1,101,500	1,145,000
Overtime and night pay	540,893	747,314
Subsistence allowance	207,907	208,157
Laundry allowance	3,600	5,150
Longevity pay	175,000	25,000
Other bonuses and allowances	5,026,000	4,574,000
	<b>42,998,091</b>	<b>42,932,849</b>

### 22.3 Personnel benefit contributions

	<b>2024</b>	<b>2023</b> <b>(As Restated)</b>
Retirement and life insurance premiums	16,174,568	16,356,365
PhilHealth contributions	3,236,509	2,576,110
Pag-IBIG contributions	402,283	280,800
Employees compensation insurance premiums	266,200	281,500
	<b>20,079,560</b>	<b>19,494,775</b>

## 22.4 Other personnel benefits

	<b>2024</b>	<b>2023</b> <b>(As Restated)</b>
Other personnel benefits	10,057,180	12,047,440
Terminal leave benefits	4,940,292	5,423,420
	<b>14,997,472</b>	<b>17,470,860</b>

## 22.5 Employees future benefits

The permanent employees of the CCP contribute to the GSIS in accordance with RA No. 8291. The GSIS administers the plan, including payment of pension benefits to employees to whom the act applies. Social insurance (life and retirement) benefits are mandatory defined contribution plans fixed at nine percent of the basic salaries of regular government employees.

## 23. MAINTENANCE AND OTHER OPERATING EXPENSES

This line item consists the following:

	<b>2024</b>	<b>2023</b> <b>(As Restated)</b>
General services	86,463,188	86,585,356
Utility expenses	28,867,694	34,363,215
Professional services	25,653,628	21,799,863
Taxes, insurance premiums and other fees	14,233,245	9,394,109
Supplies and materials expenses	6,692,327	15,224,885
Repairs and maintenance	6,111,642	6,180,501
Communication expenses	4,286,091	4,337,904
Training and scholarship expenses	1,570,095	1,424,104
Survey, research, exploration and development expenses	1,612,446	920,448
Travelling expenses	264,398	349,305
Other maintenance and operating expenses	211,047,214	275,877,892
	<b>386,801,968</b>	<b>456,457,582</b>

### 23.1 General services

	<b>2024</b>	<b>2023</b> <b>(As Restated)</b>
Other general services	30,224,889	29,759,301
Security services	34,142,810	34,713,230
Janitorial services	19,163,840	20,552,530
Environment/Sanitary services	2,931,649	1,560,295
	<b>86,463,188</b>	<b>86,585,356</b>

Other general services comprise engineering services, preventive maintenance, and services of theater crews.

### 23.2 Utility expenses

	<b>2024</b>	<b>2023</b> <b>(As Restated)</b>
Electricity expenses	19,596,750	26,063,215
Water expenses	9,270,944	8,300,000
	<b>28,867,694</b>	<b>34,363,215</b>

### 23.3 Professional services

	<b>2024</b>	<b>2023</b> <b>(As Restated)</b>
Auditing services	3,000,651	3,185,407
Other professional services	22,652,977	18,614,456
	<b>25,653,628</b>	<b>21,799,863</b>

### 23.4 Taxes, insurance premiums and other fees

	<b>2024</b>	<b>2023</b> <b>(As Restated)</b>
Insurance expenses	4,478,917	2,395,016
Taxes, duties and licenses	9,685,638	6,983,998
Fidelity bond premiums	68,690	15,095
	<b>14,233,245</b>	<b>9,394,109</b>

### 23.5 Supplies and materials expenses

	<b>2024</b>	<b>2023</b> <b>(As Restated)</b>
Other supplies and materials expenses	1,228,442	4,096,036
Office supplies expenses	2,410,100	3,258,336
Fuel, oil and lubricants expenses	1,077,174	1,256,615
Semi-expendable furniture, fixtures and books expenses	690,831	953,689
Semi-expendable machinery and equipment expenses	1,209,470	5,577,610
Accountable forms expenses	10,000	24,240
Drugs and medicines expenses	45,200	58,359
Medical, dental and laboratory supplies expenses	21,110	-
	<b>6,692,327</b>	<b>15,224,885</b>

### 23.6 Repairs and maintenance

	<b>2024</b>	<b>2023</b> <b>(As Restated)</b>
Repairs and maintenance - buildings and other structures	3,215,247	3,315,440
Repairs and maintenance - land improvements	487,671	129,914
Repairs and maintenance - machinery and equipment	1,399,292	2,028,002
Repairs and maintenance - transportation equipment	703,969	414,854
Repairs and maintenance - other PPE	111,730	234,567
Repairs and maintenance - furniture and fixtures	193,733	57,724
	<b>6,111,642</b>	<b>6,180,501</b>

### 23.7 Communication expenses

	<b>2024</b>	<b>2023</b> <b>(As Restated)</b>
Telephone expenses	1,706,284	2,121,311
Internet subscription expenses	2,571,991	2,216,488
Postage and courier services	7,816	105
	<b>4,286,091</b>	<b>4,337,904</b>

### 23.8 Training and scholarship expenses

This account represents the training such as CCP Annual Strategic Planning and Team Building, SAPADAPPA Workshop, training on Supervisory Development Program Course 1, 45th GACPA Annual National Convention and various workshops. The Training and scholarship expenses amounting to P1.570 million and P1.424 million for the years ended December 31, 2024 and 2023, respectively.

### 23.9 Survey, research, exploration and development expenses

This account represents the payment made to The All-Asian Centre for Enterprise Development Inc. as a 3rd Party Research Group to conduct CCP Customer Satisfaction Survey amounting to P1.612 million.

### 23.10 Travelling expense

	<b>2024</b>	<b>2023</b> <b>(As Restated)</b>
Traveling expenses-local	177,209	241,613
Traveling expenses-foreign	87,189	107,692
	<b>264,398</b>	<b>349,305</b>

### 23.11 Other maintenance and operating expenses

	<b>2024</b>	<b>2023</b> <b>(As Restated)</b>
Production expense	190,252,032	253,593,444
Other maintenance and operating expenses	6,368,453	5,642,962
Subscription expenses	1,079,248	623,470
Rent/lease expenses	10,602,134	10,447,015
Representation expenses	1,771,395	928,322
Donations	-	3,056,778
Printing and publication expenses	339,691	498,500
Advertising, promotional and marketing expenses	585,269	1,027,017
Membership dues and contributions to organizations	48,992	60,384
	<b>211,047,214</b>	<b>275,877,892</b>

Production expenses comprise artists fees, support programs for professional dancers, and innovation/subsistence grants provided to various projects to promote and conserve culture and arts. The projects include but are not limited to Cinemalaya, Virgin Labfest, and Pasinaya.

## 24. DIRECT COST

This account represents the cost of items under the merchandise inventory that were sold and/or given as complimentary copies or gifts by the CCP. Cost of sales amounts to P1.138 million and P303,550 for the years ended December 31, 2024 and 2023, respectively.

## 25. FINANCIAL EXPENSES

This account consists the following:

	<b>2024</b>	<b>2023</b> <b>(As Restated)</b>
Management supervision/trusteeship fees	470,190	448,625
Bank charges	22,183	-
Other financial charges	794,405	604,169
	<b>1,286,778</b>	<b>1,052,794</b>

## 26. NON-CASH EXPENSES

This account consists the following:

	<b>2024</b>	<b>2023</b> <b>(As Restated)</b>
Depreciation	37,887,719	38,428,309
Impairment loss on receivables	1,012,630	2,601,913
	<b>38,900,349</b>	<b>41,030,222</b>

## 27. OTHER NON-OPERATING INCOME, GAINS AND LOSSES

### 27.1 Other non-operating income

This account pertains to sale of waste materials and unserviceable assets, reprocessing fees of stale checks, and royalty fees for CCP various publications. Miscellaneous income amounts to P6.325 million and P2.212 million for the years ended December 31, 2024 and 2023, respectively.

### 27.2 Gains

	<b>2024</b>	<b>2023</b> <b>(As Restated)</b>
Gain on foreign exchange (forex)	1,825,001	290,744
Gain from changes in fair value of financial instruments	2,245,301	2,008,507
	<b>4,070,302</b>	<b>2,299,251</b>

### 27.3 Losses

	2024	2023 (As Restated)
Loss on foreign exchange (forex)	-	(749,438)
Loss from changes in fair value of financial instruments	(2,422,888)	(289,352)
	<b>(2,422,888)</b>	<b>(1,038,790)</b>

### 28. INCOME TAX EXPENSE

This account represents the estimated income tax payable of the CCP for the taxable year 2024 to be paid on or before April 15 of the following year.

Service and business income	148,127,349
Other non-operating income	-
Total Revenue	148,127,349
Less:	
Cost of Sales	227,692
Total Gross Income	147,899,657
Less: Taxable expenses	
Personnel services	53,382,725
Maintenance and other operating expenses	50,744,081
Non-cash expenses	10,782,405
Total taxable expenses	114,909,211
<b>Net taxable income/(loss)</b>	<b>32,990,446</b>
<b>Income Tax Expense (25%)</b>	<b>8,247,611</b>
<b>Minimum Corporate Income Tax (2% of Gross Income)</b>	<b>2,957,993</b>

### 29. NET ASSISTANCE/SUBSIDY

This account represents the total amount of subsidies from the NG and other agencies decreased by the financial assistance granted to Resident Companies on a yearly basis.

	2024	2023 (As Restated)
Subsidy from national government	756,813,000	508,094,885
Subsidy from other national government agencies	41,530	39,742
Less: Financial assistance to Non-Government Organization (NGO)/Civil Society Organization (CSO)	(735,000)	(8,529,783)
	<b>756,119,530</b>	<b>499,604,844</b>

*\*The Resident Companies of the CCP includes NAMCYA, Ballet Philippines, Tanghalang Pilipino, Philippine Madrigal Singers, Philippine Ballet Theatre and Ramon Obusan Folkloric Group.*

### 30. NON-CASH INCOME

During the year, the CCP has received non-cash sponsorship from various companies and organizations in support of its arts programs and activities. These consist of but not limited to media mileage (TV, online, social media, and collaborative community

engagement), outdoor advertising, video production equipment, transportation, complimentary vouchers, and other giveaways amounting to P20.348 million.

### 31. RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

	2024	2023 (As Restated)
Surplus/(Deficit) for the period	328,969,674	(6,440,539)
Non-cash income/expenses:		
Depreciation expense	37,887,719	38,428,309
Impairment loss from receivable and inventory	1,012,630	2,601,913
Income from donation in kind	-	(1,750,000)
Interest income from investment	(48,196,323)	(34,589,442)
Gain from changes in fair value of financial instruments	(2,245,301)	(2,008,507)
Loss from changes in fair value of financial instruments	2,422,888	289,352
Gain on foreign exchange	(1,825,001)	(290,744)
Loss on foreign exchange	-	749,438
Increase in receivables	(38,603,638)	(1,735,873)
Increase in inventories	(637,263)	(1,155,752)
Decrease/(increase) in other current assets	21,783,889	(1,316,986)
Increase/(decrease) in financial liabilities	(36,762,260)	2,053,257
Decrease in inter-agency payables	(5,798,133)	(5,377,281)
Increase/(decrease) in trust liabilities	17,014,264	(3,089,387)
Increase in deferred credits/unearned income	1,555,213	5,392,954
Prior year adjustments	148,412,974	60,962,574
<b>Net cash flow from operating activities</b>	<b>424,991,332</b>	<b>52,723,286</b>

### 32. RELATED PARTY TRANSACTIONS

#### 32.1 Related party transactions

The CCP does not have dealings with related parties involving transfer of resources and obligations.

#### 32.2 Key management personnel

The key management personnel of the CCP are the Principal Officers, consisting of the President, Vice Presidents for Administration and Finance and the Artistic Sectors. The Governing Body consists of members appointed by the President of the Philippines.

### 33. BUDGET INFORMATION IN FINANCIAL STATEMENTS

The original budget reflected in the SCBAA for the year ended December 31, 2024 is the proposed Corporate Operating Budget (COB) for the year 2024 and was submitted to the Department of Budget and Management (DBM) for review/evaluation while the final budget is the amount as approved by DBM on March 27, 2024. The proposed/original

COB is prepared considering: (1) the CCP's various programs, projects and activities in pursuance of its mandate; (2) the projected revenues and other sources of income to finance and support these programs; (3) actual expenses on previous years; and (4) effects of inflation. Aside from the COB, the CCP had received subsidy appropriated for the implementation of programs.

Changes between the original and final budget are due to the following:

- a. The CCP's revenue target for Calendar Year (CY) 2024 amounted to P168.468 million as submitted and approved by the DBM. Actual revenue recognized for the year amounted to P219.908 million.
- b. The approved budget amount of P1.385 billion was sourced from the CCP's corporate fund, current year's subsidy, Tobacco inspection fee and prior year's continuing appropriation.
- c. Material differences between the actual expenses as against the budget pertained to the following:
  - Personnel services – The CCP implemented the approved Tier 1 level of Governance Commission on GOCCs CPCS during the year. The balance pertained to unfilled positions as of the reported year.
  - Maintenance and other operating expenses – favorable results of P51.106 million was achieved from the cost-cutting measures as well as the effect of the deferment of projects due to the proposed rehabilitation of CCP Main Building.
  - Capital outlay – to be collected in the succeeding years since the release of the funds from the DBM for Capital outlay items are dependent upon the submission of billing statements, contracts and purchase orders.

#### **34. SUPPLEMENTARY TAX INFORMATION UNDER REVENUE REGULATION NO. 15-2010**

Revenue Regulation (RR) No. 21-002 prescribing additional procedural and/or documentary requirements in connection with the preparation and submission of financial statements accompanying income tax returns was amended under RR No. 15-2010. The amendment that became effective on December 28, 2010 requires the inclusion in the notes to financial statements, information on taxes, duties and licenses fees paid or accrued during the year in addition to what is required under the IPSASs and such other standards and/or conventions.

Below is the additional information required by RR No. 15-2010. This information is presented for purposes of filing with the BIR and is not a required part of the basic financial statements.

### 34.1 Value added tax (VAT)

Details of the CCP's net revenues/receipts and output VAT declared in the CCP's VAT returns filed are as follows:

<b>Particulars</b>	<b>2024</b>	<b>2023</b>
Sales of services	142,624,158	157,236,206
Sale to Government	-	294,794
Total Gross Receipts	142,624,158	157,531,000
<i>Less: VAT exempt sales</i>	-	-
Total Vatable Gross Receipts	142,624,158	157,531,000
Multiply by: Tax Rate	12%	12%
<b>Total Output Tax for the year</b>	<b>17,114,899</b>	<b>18,903,720</b>

<b>Particulars</b>	<b>2024</b>	<b>2023</b>
Output VAT declared for the year	17,114,898	18,903,720
Less: Balance of input VAT at the end of the year	53,627	-
Value Added Tax Payable for the year	17,061,271	18,903,720
<i>Less: VAT Payments for the current year</i>		
1st Quarter	3,894,854	4,059,296
2nd Quarter	4,241,500	5,061,378
3rd Quarter	2,749,491	4,376,171
VAT withheld on sales to government	-	13,511
<b>VAT Payable (4<sup>th</sup> Quarter 2024)</b>	<b>6,175,426</b>	<b>5,393,364</b>

### 34.2 Taxes and licenses

This includes all other taxes, local and national, including licenses and permit fees lodged under the 'Taxes, insurance premiums and other fees' account under the 'Maintenance and Other Operating Expenses' section in the Statement of Financial Performance.

	<b>Amount Paid</b>
National	9,404,324
Local	40,715
BIR annual registration fee	500
	<b>9,445,539</b>

### 34.3 Withholding taxes

The amount of withholding taxes paid/accrued for the year amounted to:

#### a. Withholding tax on compensation

<b>Withholding tax on Compensation</b>	<b>2024</b>
Total Withheld tax for the year	14,247,535
Less: Payments made from January to November	12,578,121
Withholding Tax Still Due and Payable	1,669,414

**b. Expanded withholding tax**

<b>Expanded Withholding Tax</b>	<b>2024</b>
Total Withheld tax for the year	16,112,469
Less: Payments made from January to November	11,808,138
Withholding Tax Still Due and Payable	4,304,331

**c. Final withholding tax**

<b>Final Withholding Tax</b>	<b>2024</b>
Total Withheld tax for the year	2,089,351
Less: Payments made from January to November	1,815,244
Withholding Tax Still Due and Payable	274,107

**d. Withholding taxes – percentage**

<b>Withholding Taxes - Percentage</b>	<b>2024</b>
Total Withheld tax for the year	3,192,858
Less: Payments made from January to November	2,231,404
Withholding Tax Still Due and Payable	961,454

**e. Withholding taxes – vat**

<b>Withholding Taxes - VAT</b>	<b>2024</b>
Total Withheld tax for the year	12,563,177
Less: Payments made from January to November	10,140,166
Withholding Tax Still Due and Payable	2,423,011

**35. COMPLIANCE WITH GSIS LAW, REPUBLIC ACT (RA) NO. 8291**

The CCP complied with Section 14.1 of RA No. 8291 which provides that each government agency shall remit directly to the GSIS the employees' and government agency's contributions within the first 10 days of the calendar month following the month to which the contributions apply. For CY 2024, the CCP collected and remitted the employees' premium contributions and employer's shares in the amount of P28.514 million and P26.014 million, respectively.

**36. COMPLIANCE WITH GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS) and PAG-IBIG LAWS**

The CCP is compliant with GSIS guidelines on the collections and remittances of GSIS contributions pursuant to RA No. 8291, otherwise known as the GSIS Act of 1997. For CY 2024, the CCP remitted the monthly contributions for life and retirement in the total amount of P26.014 million.

The CCP is also compliant with Rule VII, Section 3 of the Implementing Rules and Regulations of RA No. 9679 in the collection and remittance of contributions to the Pag-IBIG Fund. For CY 2024, the CCP remitted the monthly contributions for Pag-IBIG Premium in the total amount of P1.421 million

**37. INSURANCE OF GOVERNMENT PROPERTIES WITH THE GSIS**

The CCP complied with the law and regulations on the insurance of all insurable assets as required under RA No. 656, otherwise known as the “Property Insurance Law”, as amended by PD No. 245 dated July 13, 1973. In CY 2024, the CCP insured its properties totaling P544.981 million with the GSIS, as presented below.

<b>Property Insured</b>	<b>Amount Insured</b>	<b>Premium Paid</b>
Building	465,618,885	3,659,001
Visual arts	73,178,500	527,565
Vehicles	6,183,850	100,758
	<b>544,981,235</b>	<b>4,287,324</b>