



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, 2025 and 2024, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as Management determines is necessary to enable the preparation 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 18, 2026

Date signed

KAYE C. TINGA
President

February 18, 2026

Date signed

JAIMÉ C. LAYA
Chairman of the Board

February 18, 2026

Date signed



CULTURAL CENTER OF THE PHILIPPINES
STATEMENTS OF FINANCIAL POSITION
As at December 31, 2025 and 2024
(in Philippine Peso)

	Notes	2025	2024 (As Restated)
ASSETS			
Current Assets			
Cash and cash equivalents	6	253,156,188	218,528,060
Financial assets	7	809,299,425	981,421,926
Receivables - net	8	140,389,033	243,188,133
Inventories	9	3,748,806	5,537,328
Other current assets	12.1	176,527,837	86,150,631
Total Current Assets		1,383,121,289	1,534,826,078
Non-Current Assets			
Financial assets	7	116,085,007	110,138,161
Investment property	10	284,127,056	284,127,056
Property, plant and equipment - net	11	1,625,798,977	1,270,970,003
Intangible assets	12.2	640,714	640,714
Other non- current assets	12.3	77,933	77,933
Total Non- Current Assets		2,026,729,687	1,665,953,867
TOTAL ASSETS		3,409,850,976	3,200,779,945
LIABILITIES			
Current Liabilities			
Financial liabilities	13	183,615,924	281,080,700
Inter-agency payables	14	35,111,657	26,194,252
Trust liabilities	15	250,742,515	187,734,301
Deferred credits/unearned income	16	10,377,737	63,357,627
Other payables	17	-	13,033,985
TOTAL LIABILITIES		479,847,833	571,400,865
NET ASSETS (Total Assets Less Total Liabilities)		2,930,003,143	2,629,379,080
NET ASSETS/EQUITY			
Government equity	18	1,584,502,488	1,584,502,488
Accumulated surplus/(deficit)	19	1,345,500,655	1,044,876,592
TOTAL NET ASSETS/EQUITY		2,930,003,143	2,629,379,080

The notes on pages 11 to 55 form part of these financial statements.

CULTURAL CENTER OF THE PHILIPPINES
STATEMENTS OF FINANCIAL PERFORMANCE
For the Years Ended December 31, 2025 and 2024
(in Philippine Peso)

	Note	2025	2024 (As Restated)
REVENUE			
Service and business income	20	191,148,716	226,686,921
Shares, grants and donations	21	85,681,182	1,281,033
Total Revenue		276,829,898	227,967,954
CURRENT OPERATING EXPENSES			
Personnel services	22	224,841,996	226,201,638
Maintenance and other operating expenses	23	293,942,921	433,671,647
Direct cost	24	3,032,746	1,149,461
Financial expenses	25	765,359	1,286,778
Non-cash expenses	26	42,436,220	39,223,901
Total Current Operating Expenses		565,019,242	701,533,425
SURPLUS/(DEFICIT) FROM OPERATIONS		(288,189,344)	(473,565,471)
Other non-operating income	27.1	5,146,706	6,329,509
Gains	27.2	1,248,612	4,070,302
Losses	27.3	(1,373,796)	(2,422,888)
		5,021,522	7,976,923
DEFICIT BEFORE TAX		(283,167,822)	(465,588,548)
Income tax expense	28	(2,416,521)	(8,247,612)
DEFICIT AFTER TAX		(285,584,343)	(473,836,160)
Net assistance/subsidy	29	586,208,406	809,182,911
NET SURPLUS/(DEFICIT) FOR THE PERIOD		300,624,063	335,346,751

The notes on pages 11 to 55 form part of these financial statements.

CULTURAL CENTER OF THE PHILIPPINES
STATEMENTS OF CHANGES IN NET ASSETS/EQUITY
For the Years Ended December 31, 2025 and 2024
(in Philippine Peso)

	Surplus/ (Deficit) Note 19	Government Equity Note18	Total
BALANCE AS AT JANUARY 1, 2024	517,237,011	1,584,502,488	2,101,739,499
ADJUSTMENTS:			
Add/(Deduct):			
Prior year adjustments	161,788,054	-	161,788,054
RESTATED BALANCE AS AT JANUARY 1, 2024	679,025,065	1,584,502,488	2,263,527,553
Changes in Net Assets/Equity for CY 2024			
Add/(Deduct):			
Surplus/(Deficit) for the period, as restated	335,346,751	-	335,346,751
Prior year adjustments	30,504,776	-	30,504,776
RESTATED BALANCE AS AT DECEMBER 31, 2024	1,044,876,592	1,584,502,488	2,629,379,080
Changes in Net Assets/Equity for CY 2025			
Add/(Deduct):			
Surplus/(Deficit) for the period	300,624,063	-	300,624,063
BALANCE AS AT DECEMBER 31, 2025	1,345,500,655	1,584,502,488	2,930,003,143

The notes on pages 11 to 55 form part of these financial statements.

CULTURAL CENTER OF THE PHILIPPINES
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2025 and 2024
(in Philippine Peso)

	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Inflows			
Subsidy received from the national government		586,378,406	756,813,000
Collection of rent		132,556,851	142,311,168
Collection of prior years' receivables		3,441,550	10,585,772
Collection of operating and service income		21,343,603	8,994,497
Collection of miscellaneous income		4,802,521	4,623,527
Collection of contributions withheld		21,381,885	-
Collection of ticket sales and refundable violation deposits		6,725,134	6,371,336
Collection from advances		49,852	-
Collections of deferred credits		366,545	-
Collection of funds received various for CCP projects		10,907,949	1,902,752
Collection of guaranty deposit		33,576,499	12,918,455
Total Cash Inflows		821,530,795	944,520,507
Prior year's adjustments		-	149,710,770
Adjusted cash inflows		821,530,795	1,094,231,277
Cash Outflows			
Payment of miscellaneous liabilities & deferred credits		(206,002)	(8,439,867)
Remittance of taxes and contributions withheld		(29,337,781)	(16,360,541)
Purchase of inventories		(2,995,803)	(4,181,970)
Prepayments		(6,713,884)	(4,376,186)
Advances		(18,394,040)	(24,773,011)
Payments for various CCP projects		(158,773,070)	(1,108,442)
Payment of prior year's expenses/payables		(120,257,417)	(78,718,868)
Payment of dividends payable		(13,033,985)	-
Payment of ticket sales and refundable violation deposit		(6,844,258)	-
Payment of maintenance and other operating expenses		(147,934,125)	(318,244,138)
Payment of personnel services		(215,663,415)	(213,036,922)
Total Cash Outflows		(720,153,780)	(669,239,945)
Net Cash Provided by (Used in) Operating Activities	31	101,377,015	424,991,332
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash inflows			
Subsidy for rehabilitation of CCP Main Building		178,364,510	-
Termination of short term investment		348,618,826	21,427,000
Income from investments		26,919,187	32,266,785
Total Cash Inflows		553,902,523	53,693,785
Cash Outflows			
Purchase of short term investment		(159,998,601)	(347,588,037)
Purchase/rehabilitation/construction of property, plant and equipment		(460,652,809)	(152,410,088)
Total Cash Outflows		(620,651,410)	(499,998,125)
Net Cash Provided (Used in) Investing Activities		(66,748,887)	(446,304,340)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net Cash Provided (Used in) Financing Activities		-	-
Net Increase (Decrease) in Cash and Cash Equivalent		34,628,128	(21,313,008)
CASH AND CASH EQUIVALENTS, Beginning of Year		218,528,060	239,841,068
CASH AND CASH EQUIVALENTS, end of year	6	253,156,188	218,528,060

The notes on pages 11 to 55 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, 2025
(in Philippine Peso)

Particulars	Budgeted Amounts		Actual Amounts on Comparable Basis	Difference (Final Budget and Actual)
	Original	Final		
Receipts				
Operating and service income	19,321,000	19,321,000	27,228,625	(7,907,625)
Rental income	91,070,000	91,070,000	108,558,264	(17,488,264)
Parking fees	24,700,000	24,700,000	12,602,898	12,097,102
Interest income	20,000,000	20,000,000	42,755,846	(22,755,846)
Miscellaneous income	5,727,000	5,727,000	5,149,469	577,531
Subsidy income from government	2,546,397,000	2,546,397,000	586,208,406	1,960,188,594
Income from grants and donations in kind	-	-	79,395,448	(79,395,448)
Income from grants and donations in cash	-	-	6,285,734	(6,285,734)
Gain on foreign exchange (FOREX)	-	-	1,248,612	(1,248,612)
Total Receipts	2,707,215,000	2,707,215,000	869,433,302	1,837,781,698
Payments				
Personnel services	272,489,000	279,063,147	224,841,996	54,221,151
Maintenance and other operating expenses	510,604,000	497,998,853	293,942,921	204,055,932
Capital outlay	1,924,122,000	1,924,122,000	1,397,666,122	526,455,878
Total Payments	2,707,215,000	2,701,184,000	1,916,451,039	784,732,961
Net Receipts/Payments	-	6,031,000	(1,047,017,737)	1,053,048,737

The notes on pages 11 to 55 form part of these financial statements.

**CULTURAL CCP OF THE PHILIPPINES
NOTES TO FINANCIAL STATEMENTS**

(All amounts in Philippine Peso, unless otherwise stated)

1. GENERAL INFORMATION/ENTITY PROFILE

The financial statements of the Cultural Center of the Philippines (Filipino: *Senrong Pangkultura ng Pilipinas*, or CCP) were authorized for issue on February 18, 2026 as shown in the Statement of Management's Responsibility for Financial Statements signed by Mr. Jose Victor M. Gaité, Vice President for Administration, Ms. Kaye C. Tinga, President, and Dr. Jaime C. Laya, 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 (IPSAS)

The financial statements have been prepared in compliance with the 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. 2023-008 dated August 17, 2023. 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.

a. 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.

b. 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 years	=	80 percent
Accounts aged more than three years to five years	=	50 percent
Accounts aged more than two years to three years	=	30 percent
Accounts aged more than one year to two years	=	20 percent
Accounts aged one year or less	=	10 percent

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 (PPE)

a. Recognition

An item is recognized as 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 per COA Circular No. 2022-004 dated May 31, 2022 on the increase in the capitalization threshold from P15,000 to P50,000.

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 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 Intangible Asset

a. Recognition and measurement

Intangible assets are recognized when the items are identifiable non-monetary assets without physical substance; it is probable that the expected future economic benefits or service potential that are attributable to the assets will flow to the entity; and the cost or fair value of the assets can be measured reliably, intangible assets acquired separately are initially recognized at cost.

b. Useful life

Intangible assets with an indefinite life are not amortized. An indefinite useful life means there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or provide service potential to the entity.

3.9 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.

3.10 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.

3.11 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.

3.12 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.

3.13 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.

3.14 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.

3.15 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 assets 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 assets 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.

3.16 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.

3.17 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.

3.18 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.

3.19 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	2025	2024 (As Restated)
Financial assets			
Cash and cash equivalents	6	253,156,188	218,528,060
Financial assets	7	809,299,425	981,421,926
Receivables	8	140,389,033	243,188,133
		1,202,844,646	1,443,138,119
Financial liabilities			
Financial liabilities	13	183,615,924	281,080,700
Inter-agency payables	14	35,111,657	26,194,252
Trust liabilities	15	250,742,515	187,734,301
		469,470,096	495,009,253

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, 2025 and 2024, without considering the effects of credit risk mitigation techniques.

	Note	2025	2024 (As Restated)
Financial assets			
Cash and cash equivalents	6	253,156,188	218,528,060
Financial assets	7	809,299,425	981,421,926
Receivables*	8	169,677,769	269,470,686
		1,232,133,382	1,469,420,672

*Receivables at gross of allowance for impairment amounting to P29,288,736 and P26,282,553 for the years ended December 31, 2025 and 2024, 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, 2025 and 2024 is as follows:

	2025	2024 (As Restated)
Outstanding receivables: *		
Current accounts	15,454,223	-
Past due accounts:		
1 – 30 days past due	-	-
31 – 60 days past due	27,500,611	-
over 60 days past due	126,722,935	269,470,686
	169,677,769	269,470,686

*Receivables at gross of allowance for impairment amounting to P29,288,736 and P26,282,553 for the years ended December 31, 2025 and 2024, 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 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, 2025.

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:

	2025	2024
Cash on hand	2,371,709	9,460,626
Cash in bank- local currency	238,770,387	198,025,231
Cash in bank- foreign currency	5,164,092	4,430,801
Cash equivalents	6,850,000	6,611,402
	253,156,188	218,528,060

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:

	2025			2024		
	Current	Non-current	Total	Current	Non-current	Total
Financial assets -						
held to maturity	768,965,253	-	768,965,253	939,906,405	-	939,906,405
Other investments	40,334,172	116,085,007	156,419,179	41,515,521	110,138,161	151,653,682
	809,299,425	116,085,007	925,384,432	981,421,926	110,138,161	1,091,560,087

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

	Current Financial Assets As at December 31, 2025		
	Held to maturity	Other investments	Total
Beginning balance as at January 1, 2025	939,906,405	41,515,521	981,421,926
Add: New placement/roll over	159,036,365	-	159,036,365
Interest income, net of fees and taxes	26,886,876	32,311	26,919,187
Foreign exchange (forex) gain	-	-	-
Total	1,125,829,646	41,547,832	1,167,377,478
Less: Investments terminated/collected	(356,864,393)	(130,216)	(356,994,609)
Forex loss	-	(1,083,444)	(1,083,444)
Balance as at December 31, 2025	768,965,253	40,334,172	809,299,425

**Current Financial Assets
As at December 31, 2024**

	Held to maturity	Other investments	Total
Beginning balance as at January 1, 2024	939,906,405	41,515,521	981,421,926
New placement	-	-	-
Total	939,906,405	41,515,521	981,421,926
Less: Investments sold/collected	-	-	-
Balance as at December 31, 2024	939,906,405	41,515,521	981,421,926

8. RECEIVABLES

This account consists the following:

	2025	2024 (As Restated)
Loans and receivables accounts- net	16,932,287	30,148,819
Lease receivable – net	22,225,769	24,048,190
Inter- agency receivables	73,438,083	182,655,722
Other receivables	27,792,894	6,335,402
	140,389,033	243,188,133

8.1 Loans and receivables accounts

	2025	2024 (As Restated)
Accounts receivable	16,620,225	23,762,968
Allowance for impairment- accounts receivable	(8,165,265)	(7,055,112)
Net value - accounts receivable	8,454,960	16,707,856
Interest receivable	8,478,864	13,441,570
Allowance for impairment - interest receivable	(1,537)	(607)
Net value - interest receivable	8,477,327	13,440,963
	16,932,287	30,148,819

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

	2025	2024 (As Restated)
Operating lease receivable	40,362,449	40,291,865
Allowance for impairment - lease receivable	(18,136,680)	(16,243,675)
Net value - lease receivable	22,225,769	24,048,190

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

8.3 Inter-agency receivables

	2025	2024 (As Restated)
Due from National Government Agencies	72,697,120	181,914,759
Due from Local Government Units	550,000	550,000
Due from Government Corporations	190,963	190,963
	73,438,083	182,655,722

a. Due from National Government Agencies

This account includes receivables from Department of Tourism, Bureau of Internal Revenue (BIR), 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 (Pag-IBIG) 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 from Bangko Sentral ng Pilipinas representing its share in the cost of road upkeep for 1981.

8.4 Other receivables

	2025	2024 (As Restated)
Receivables - disallowances/charges	3,202,536	3,202,536
Due from non-government organizations/people's organizations	22,944,893	1,657,386
	26,147,429	4,859,922
Due from officers and employees	136,482	95,986
Allowance for impairment - other receivables	-	-
Net value - due from officers and employees	136,482	95,986
Other receivables	4,494,237	4,362,653
Allowance for impairment - other receivables	(2,985,254)	(2,983,159)
Net value - other receivables	1,508,983	1,379,494
	27,792,894	6,335,402

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 persons liable 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:

	2025	2024 (As Restated)
Agencies/corporations	3,109,233	2,977,649
Advances	636,605	636,605
Employees	415,762	415,762
Individuals	300,506	300,506
VMC	32,131	32,131
Total	4,494,237	4,362,653
Allowance for impairment - other receivables	(2,985,254)	(2,983,159)
	1,508,983	1,379,494

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

	Total	Current	Past Due		
			>30 days	30-60 days	>60 days
Accounts receivable	16,620,225	469,226	-	1,637,180	14,513,819
Lease receivable	40,362,449	3,176,360	-	11,967,076	25,219,013
Inter-agency receivables	73,438,083	335,677	-	11,996,121	61,106,285
Due from NGO/PO	22,944,893	5,000,000	-	1,900,000	16,044,893
Receivable disallowance charges	3,202,536	-	-	-	3,202,536
Interest receivable	8,478,864	6,472,825	-	-	2,006,039
Due from officers and employees	136,482	-	-	-	136,482
Other receivables	4,494,237	135	-	234	4,493,868
	169,677,769	15,454,223	-	27,500,611	126,722,935

9. INVENTORIES

	2025	2024 (As Restated)
Inventory held for sale		
Carrying amount, January 1	8,305,723	8,218,208
Additions/acquisitions during the year	1,656,656	1,236,976
Expensed during the year	(3,032,746)	(1,149,461)
Impairment loss on inventories	(4,686,668)	(4,686,668)
Carrying amount, December 31	2,242,965	3,619,055
Inventory held for consumption		
Carrying amount, January 1	1,918,273	1,368,525
Additions/acquisitions during the year	1,439,338	2,955,994
Expensed during the year	(1,851,770)	(2,406,246)
Carrying amount, December 31	1,505,841	1,918,273
	3,748,806	5,537,328

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, 2025

	Land	Building and other structures	Total
Carrying amount, January 1, 2025	240,382,163	43,744,893	284,127,056
Additions/acquisitions	-	-	-
Total	240,382,163	43,744,893	284,127,056
Depreciation	-	-	-
Carrying amount, December 31, 2025	240,382,163	43,744,893	284,127,056

	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)
Carrying amount, December 31, 2025	240,382,163	43,744,893	284,127,056

As at December 31, 2024 (As restated)

	Land	Building and other structures	Total
Carrying amount, January 1, 2024	240,382,163	50,991,813	291,373,976
Additions/acquisitions	-	-	-
Total	240,382,163	50,991,813	291,373,976
Depreciation	-	(7,246,920)	(7,246,920)
Carrying amount, December 31, 2024	240,382,163	43,744,893	284,127,056

11. PROPERTY, PLANT AND EQUIPMENT

This account consists the following:

As at December 31, 2025

	Land	Land improvement	Infrastructure assets	Building and other structures	Machinery & equipment	Total
Carrying amount, January 1, 2025	572,606,387	30,788,530	20,210,791	147,739,489	499,624,806	1,270,970,003
Additions/acquisitions	-	462,570	-	27,635,315	367,249,190	395,347,075
Total	572,606,387	31,251,100	20,210,791	175,374,804	866,873,996	1,666,317,078
Reclassification to proper accounts	-	-	-	670,088	(1,757,936)	(1,087,848)
Depreciation	-	(1,744,904)	(1,498,126)	(6,760,008)	(29,427,215)	(39,430,253)
Carrying amount, December 31, 2025	572,606,387	29,506,196	18,712,665	169,284,884	835,688,845	1,625,798,977

	Land	Land improvement	Infrastructure assets	Building and other structures	Machinery & equipment	Total
Gross Cost	572,606,387	130,150,275	33,291,688	424,994,151	1,142,507,424	2,303,549,925
Accumulated depreciation	-	(100,644,079)	(14,579,023)	(255,709,267)	(306,818,579)	(677,750,948)
Carrying amount, December 31, 2025	572,606,387	29,506,196	18,712,665	169,284,884	835,688,845	1,625,798,977

As at December 31, 2024 (Restated)

	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
Total	572,606,387	36,520,175	21,708,917	144,081,564	536,745,623	1,311,662,666
Reclassification to proper accounts	-	(4,017,939)	-	9,615,069	(8,078,522)	(2,481,392)
Depreciation	-	(1,713,706)	(1,498,126)	(5,957,144)	(29,042,295)	(38,211,271)
Carrying amount, December 31, 2024	572,606,387	30,788,530	20,210,791	147,739,489	499,624,806	1,270,970,003

	Land improvement	Land Infrastructure assets	Building and other structures	Machinery & equipment	Total	
Gross Cost	572,606,387	129,687,705	33,291,688	396,666,835	776,626,566	1,908,879,181
Accumulated depreciation	- (98,899,175)	(13,080,897)	(248,927,346)	(277,001,760)	(637,909,178)	
Carrying amount, December 31, 2024	572,606,387	30,788,530	20,210,791	147,739,489	499,624,806	1,270,970,003

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 Center (PICC) - 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 P169.285 million.

11.3 Machinery and equipment

The Machinery and equipment account has a carrying amount of P835.689 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

	2025	2024 (As Restated)
Advances	1,078,982	678,565
Prepayments	167,275,831	78,714,686
Deposits	7,945,514	6,529,870
Other assets	227,510	227,510
Total	176,527,837	86,150,631

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 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 Section 4.110-4 of BIR Revenue Circular No. 16-2005.

12.2 Intangible asset

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

12.3 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:

	2025	2024 (As Restated)
Payables	182,587,232	279,902,875
Tax refunds payable	445,045	629,894
Other financial liabilities	583,647	547,931
	183,615,924	281,080,700

13.1 Payables

This account represents accrued expenses classified as follows:

	2025	2024 (As Restated)
Accounts payable	92,238,111	203,053,228
Leave benefits payable	64,815,139	60,954,357
Due to officers and employees	25,533,982	15,895,290
	182,587,232	279,902,875

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, 2025.

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, 2025, 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 P445,045 and P629,894 for the years ended December 31, 2025 and 2024, 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 P583,647 and P547,931 for the years ended December 31, 2025 and 2024, respectively.

14. INTER-AGENCY PAYABLES

This account consists the following:

	2025	2024 (As Restated)
Due to BIR	23,159,284	15,847,907
Due to GSIS	7,881,501	2,020,476
Due to Pag-IBIG	457,656	25,705
Due to PhilHealth	1,196,695	52,552
Income tax payable	2,416,521	8,247,612
Total	35,111,657	26,194,252

14.1 Due to BIR

Included in this account are taxes such as value added tax payable, withholding taxes on compensation, expanded withholding tax, final withholding tax, and withholding taxes on percentage and value added tax. 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 and real estate loans, medical and estate insurance and premiums.

15. TRUST LIABILITIES

This account consists the following:

	2025	2024 (As Restated)
Trust liabilities	105,080,012	85,445,639
Guaranty/security deposits payable	71,671,127	39,684,241
Customer's deposits payable	73,991,376	62,604,421
	250,742,515	187,734,301

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 of the following:

	2025	2024 (As Restated)
Other deferred credits	4,183,122	58,083,122
Unearned revenue/income	6,194,615	5,274,505
	10,377,737	63,357,627

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

The decrease in other deferred credits account amounting to P53,900,000 refers to the Tanghalang Ignacio B. Gimenez Building (New Black Box Theatre) that was taken up as Income from Grants and Donations in Note 21.

Donor	Amount
Ignacio B. Gimenez	665,700
Eurocapital Land Inc.	871,037
Eurotel Corporation	1,574,893
Gallipoli Real Estate Inc.	2,539,733
New City Builders Inc.	3,516,865
LRT Caloocan Mall, Inc.	60,200
Ortigia Property Holdings Inc.	2,571,850
Westfield Residences Inc.	13,695,698
Domo Hotel Inc.	280,000
Eurotowers International Inc.	30,945,398
First Centrale Dev't Corp	6,494,698

Donor	Amount
Hilton House Inc.	713,246
Northwalk Inn Inc.	2,187,163
Novotel (Hotel) Inc.	8,200,371
Sogo Drive Inn Inc.	5,078,596
Total	79,395,448
Other deferred credits	53,900,000
Difference	25,495,448

The amount of P25,495,448, representing the difference between the total donations received and the recorded balance of other deferred credits, was recognized under the building account.

17. OTHER PAYABLES

This account pertains to the dividends payable amounting to P13.034 million was remitted to the Bureau of the Treasury. The payment of 50 percent cash dividends of Net Operating Income after Income Tax for Fiscal Year 2019 as approved and declared by the CCP Board of Trustees on October 15, 2025. This is in 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 50 percent 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 million 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)

Accumulated surplus, January 1, 2024, As Restated	679,025,065
Add/(deduct)	
Surplus/(Deficit) for the period, as restated	335,346,750
Prior year adjustments	30,504,777
Accumulated surplus, December 31, 2024, As Restated	1,044,876,592
Add/(deduct)	
Surplus/(Deficit) for 2025	300,624,063
Prior Year adjustments	-
Accumulated surplus, December 31, 2025	1,345,500,655

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 subsidy for the Philippine Arts and Culture Promotion, Restoration/Rehabilitation of CCP Main Building, and other adjustments.

20. SERVICE AND BUSINESS INCOME

This account consists of the following:

	2025	2024 (As Restated)
Service Income		
Other service income	13,589,018	2,353,494
Total Service Income	13,589,018	2,353,494
Business Income		
Rent/lease income	108,558,264	147,680,416
Income from printing and publication	2,763,141	1,592,851
Landing and parking fees	5,427,290	105,000
Theater operating revenue	9,603,315	15,393,497
Interest income	42,755,846	52,962,834
Seaport system fees	7,175,608	5,049,016
Seminar/training fees	492,116	470,827
Sales revenue	779,882	591,628
Fines and penalties - business income	2,763	487,358
Admission fees	1,473	-
Total Business Income	177,559,698	224,333,427
	191,148,716	226,686,921

21. SHARES, GRANTS, AND DONATIONS

	2025	2024
Income from grants and donation in cash	6,285,734	1,281,033
Income from grants and donation in kind	79,395,448	-
	85,681,182	1,281,033

Income from grants and donation in kind pertains to the Tanghalang Ignacio B. Gimenez Building (New Black Box Theater of the various donors from Note 16).

22. PERSONNEL SERVICES

This line item consists of the following:

	2025	2024 (As Restated)
Salaries and wages	141,436,284	145,079,703
Other compensation	42,394,703	44,490,244

	2025	2024 (As Restated)
Personnel benefit contributions	21,077,173	21,317,098
Other personnel benefits	19,933,836	15,314,593
	224,841,996	226,201,638

22.1 Salaries and wages

	2025	2024 (As Restated)
Salaries and wages – regular	139,483,856	142,893,536
Salaries and wages - casual/contractual	1,952,428	2,186,167
	141,436,284	145,079,703

22.2 Other compensation

	2025	2024 (As Restated)
Year - end bonus	11,838,245	12,265,212
Mid - year bonus	11,585,233	11,255,751
Personnel economic relief allowance	4,839,890	5,309,506
Representation allowance	3,077,750	2,959,750
Transportation allowance	2,971,500	2,815,750
Clothing/uniform allowance	1,568,000	1,576,000
Cash gift	1,093,500	1,112,750
Productivity incentive allowance	869,914	1,101,500
Overtime and night pay	237,211	674,518
Subsistence allowance	70,160	207,907
Laundry allowance	3,300	3,600
Honoraria	-	7,000
Longevity pay	160,000	175,000
Other bonuses and allowances	4,080,000	5,026,000
	42,394,703	44,490,244

22.3 Personnel benefit contributions

	2025	2024 (As Restated)
Retirement and life insurance premiums	16,894,304	17,244,413
PhilHealth contributions	3,394,769	402,283
Pag-IBIG contributions	525,800	3,404,202
Employees compensation insurance premiums	262,300	266,200
	21,077,173	21,317,098

22.4 Other personnel benefits

	2025	2024 (As Restated)
Other personnel benefits	6,574,148	10,051,280
Terminal leave benefits	13,359,688	5,263,313
	19,933,836	15,314,593

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 of the following:

	2025	2024 (As Restated)
General services	70,783,396	92,136,094
Professional services	32,880,886	27,000,974
Utility expenses	29,223,767	29,587,975
Taxes, insurance premiums and other fees	13,704,237	14,296,008
Supplies and materials expenses	7,644,791	7,106,123
Repairs and maintenance	4,606,500	7,264,045
Communication expenses	3,896,192	4,330,318
Training and scholarship expenses	705,353	1,570,095
Survey, research, exploration and development expenses	-	1,612,446
Travelling expenses	257,770	539,044
Other maintenance and operating expenses	130,240,029	248,228,525
	293,942,921	433,671,647

23.1 General services

	2025	2024 (As Restated)
Other general services	26,626,859	30,291,662
Security services	25,502,918	38,093,603
Janitorial services	16,449,389	20,765,032
Environment/sanitary services	2,204,230	2,985,797
	70,783,396	92,136,094

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

23.2 Professional services

	2025	2024 (As Restated)
Auditing services	3,986,496	3,000,651
Other professional services	28,894,390	24,000,323
	32,880,886	27,000,974

23.3 Utility Expenses

	2025	2024 (As Restated)
Electricity expenses	16,145,400	19,745,990
Water expenses	13,078,367	9,841,985
	29,223,767	29,587,975

23.4 Taxes, insurance premiums and other fees

	2025	2024 (As Restated)
Insurance expenses	4,954,960	4,537,207
Taxes, duties and licenses	8,587,352	9,690,111
Fidelity bond premiums	161,925	68,690
	13,704,237	14,296,008

23.5 Supplies and materials expenses

	2025	2024 (As Restated)
Other supplies and materials expenses	1,895,336	1,263,515
Office supplies expenses	1,739,919	2,567,975
Fuel, oil and lubricants expenses	617,834	1,102,373
Semi-expendable furniture, fixtures and books expenses	1,400,172	690,831
Semi-expendable machinery and equipment expenses	1,954,680	1,394,319
Accountable forms expenses	-	10,000
Drugs and medicines expenses	36,850	45,200
Medical, dental and laboratory supplies expenses	-	31,910
	7,644,791	7,106,123

23.6 Repairs and maintenance

	2025	2024 (As Restated)
Repairs and maintenance - buildings and other structures	1,544,317	3,346,137
Repairs and maintenance - land improvements	-	487,671
Repairs and maintenance - machinery and equipment	2,317,174	2,410,566
Repairs and maintenance - transportation equipment	463,960	714,208
Repairs and maintenance - other PPE	213,049	111,730
Repairs and maintenance - furniture and fixtures	68,000	193,733
	4,606,500	7,264,045

23.7 Communication expenses

	2025	2024 (As Restated)
Telephone expenses	1,895,729	1,750,511
Internet subscription expenses	1,995,272	2,571,991
Postage and courier services	5,191	7,816
	3,896,192	4,330,318

23.8 Training and scholarship expenses

This account represents the training such as Office of the President Planning Session, HRMP Congress 2025 Agility in action thriving through disruption, ISO Training Course, GPC (CCP Credit Card) SOA, Effective Communication Strategies and Planning, Quality Management System, Effective Communication Strategies and Planning. Developing Clear and impactful message that resource with the various audience, ACCESS Online FlexiSynch – Mandatory Continuing Legal Education, National Information and Communications Technology Summit, Law and Regulations on Government Expenditures Training, Arts Education Department Planning/Teambuilding and Evaluation and various workshops. The Training and scholarship expenses amounted to P0.705 million and P1.570 million for the years ended December 31, 2025 and 2024, respectively.

23.9 Travelling expense

	2025	2024 (As Restated)
Traveling expenses-local	144,384	179,669
Traveling expenses-foreign	113,386	359,375
	257,770	539,044

23.10 Other maintenance and operating expenses

	2025	2024 (As Restated)
Production expense	121,804,518	225,799,903
Other maintenance and operating expenses	3,521,491	6,418,887
Subscription expenses	860,994	1,155,693
Rent/lease expenses	2,180,202	11,922,945
Representation expenses	463,533	1,771,395
Printing and publication expenses	138,467	350,441
Advertising, promotional and marketing expenses	527,979	760,269
Membership dues and contributions to organizations	48,873	48,992
Extraordinary and miscellaneous expenses	636,732	-
Transportation and delivery expenses	57,240	-
	130,240,029	248,228,525

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 P3.033 million and P1.149 million for the years ended December 31, 2025 and 2024, respectively.

25. FINANCIAL EXPENSES

This account consists the following:

	2025	2024
Management supervision/trusteeship fees	22,739	470,190
Bank charges	5,497	22,183
Other financial charges	737,123	794,405
	765,359	1,286,778

26. NON-CASH EXPENSES

This account consists the following:

	2025	2024 (As Restated)
Depreciation	39,430,253	38,211,271
Impairment loss on receivables	3,005,967	1,012,630
	42,436,220	39,223,901

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 P5.147 million and P6.330 million for the years ended December 31, 2025 and 2024 respectively.

27.2 Gains

	2025	2024
Gain on forex	83,871	1,825,001
Gain from changes in fair value of financial instruments	1,164,741	2,245,301
	1,248,612	4,070,302

27.3 Losses

	2025	2024
Loss on forex	(1,253,474)	-
Loss from changes in fair value of financial instruments	(120,322)	(2,422,888)
	(1,373,796)	(2,422,888)

28. INCOME TAX EXPENSE

This account represents the estimated income tax payable of the CCP for the taxable year 2025 to be paid on or before April 15 of the following year.

Service and business income	123,858,804
Other non-operating income	-
Total Revenue	123,858,804
Less:	
Cost of Sales	3,032,746
Total Gross Income	120,826,058
Less: Taxable expenses	
Personnel services	74,197,859
Maintenance and other operating expenses	52,809,755
Non-cash expenses	15,273,434
Total taxable expenses	142,281,048
Net taxable income/(loss)	(21,454,990)
Income Tax Expense (25%)	-
Minimum Corporate Income Tax (2% of Gross Income)	2,416,521

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.

	2025	2024 (As Restated)
Subsidy from national government	586,346,367	810,063,000
Subsidy from other national government agencies	32,039	44,911
Less: Financial assistance to Non-Government Organization/Civil Society Organization	(170,000)	(925,000)
	586,208,406	809,182,911

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

The restated balance includes subsidy received in Calendar Year (CY) 2025 that is intended for the expended amount for the rehabilitation of the CCP main building in CY 2024 amounting to P53.063 million.

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 P10.601 million.

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

	2025	2024 (As Restated)
Surplus/(Deficit) for the period	300,624,063	335,346,750
Non-cash income/expenses:		
Depreciation expense	39,430,253	38,211,271
Impairment loss from receivable	3,005,967	1,012,630
Income from donation in kind	(79,395,448)	-
Interest income from investment	(42,755,846)	(52,962,834)
Gain from changes in fair value of financial instruments	(1,164,741)	(2,245,301)
Loss from changes in fair value of financial instruments	120,322	2,422,888
Gain on forex	(83,871)	(1,825,001)
Loss on forex	1,253,474	-
Decrease/(Increase) in receivables	102,799,100	(165,507,393)
Decrease/(Increase) in inventories	1,788,522	-
Decrease/(Increase) in other current assets	(90,377,206)	3,534,188
Increase/(Decrease) in financial liabilities	(97,464,776)	125,107,801
Increase/(Decrease) in inter-agency payables	8,917,405	-
Increase/(Decrease) in trust liabilities	63,008,214	450,000
Increase in deferred credits/unearned income	(52,979,890)	-
Increase/(Decrease) in other payables	(13,033,985)	-
Prior year adjustments	(42,314,542)	141,446,333
Net cash flow from operating activities	101,377,015	424,991,332

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, 2025 is the proposed Corporate Operating Budget (COB) for the year 2025 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, 2025. 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 CY 2025 amounted to P160.818 million as submitted and approved by the DBM. Actual revenue recognized for the year amounted to P283.225 million.
- b. The approved budget amount of P2.701 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 balance pertained to unfilled positions as of the reported year.
 - Maintenance and other operating expenses – favorable variance of P204.056 million was achieved due to cost-cutting measures, reduced maintenance and supply expenses during the building rehabilitation, and lower utility and service costs from limited use of certain areas.
 - 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:

Particulars	2025	2024
Sales of services	130,429,075	142,624,158
Sale to Government	236,070	-
Total Gross Receipts	130,665,145	142,624,158
<i>Less: VAT exempt sales</i>	-	-
Total Vatable Gross Receipts	130,665,145	142,624,158
Multiply by: Tax Rate	12%	12%
Total Output Tax for the year	15,679,817	17,114,899

Particulars	2025	2024
Output VAT declared for the year	15,679,817	17,114,898
<i>Less: Balance of input VAT at the end of the year</i>	-	53,627
Value Added Tax Payable for the year	15,679,817	17,061,271
<i>Less: VAT Payments for the current year</i>		
1st Quarter	3,048,614	3,894,854
2nd Quarter	4,075,656	4,241,500
3rd Quarter	3,526,710	2,749,491
VAT withheld on sales to government	-	-
VAT Payable (4th Quarter 2025)	5,028,837	6,175,426

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.

	Amount Paid
National	8,530,399
Local	55,353
BIR	1,600
Total Taxes and Licenses	8,587,352

34.3 Withholding taxes

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

a. Withholding tax on compensation

Withholding tax on Compensation	2025
Total Withheld tax for the year	22,697,886
<i>Less: Payments made from January to November</i>	17,194,385
Withholding Tax Still Due and Payable	5,503,501

b. Expanded withholding tax

Expanded Withholding Tax	2025
Total Withheld tax for the year	23,509,523
Less: Payments made from January to November	19,097,576
Withholding Tax Still Due and Payable	4,411,947

c. Final withholding tax

Final Withholding Tax	2025
Total Withheld tax for the year	2,778,450
Less: Payments made from January to November	2,498,933
Withholding Tax Still Due and Payable	279,517

d. Withholding taxes – percentage

Withholding Taxes - Percentage	2025
Total Withheld tax for the year	3,452,821
Less: Payments made from January to November	3,099,805
Withholding Tax Still Due and Payable	353,016

e. Withholding taxes - VAT

Withholding Taxes - VAT	2025
Total Withheld tax for the year	28,035,892
Less: Payments made from January to November	20,454,356
Withholding Tax Still Due and Payable	7,581,536

f. The Documentary Stamp Tax

The Withholding Tax Still Due and Payable amounts to P930.

35. COMPLIANCE WITH GSIS LAW, 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 2025, the CCP collected and remitted the employees' premium contributions and employer's shares in the amount of P43.066 million and P41.442 million, respectively.

36. COMPLIANCE WITH 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 2025, the CCP remitted the monthly contributions for life and retirement in the total amount of P41.442 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 2025, the CCP remitted the monthly contributions for Pag-IBIG Premium in the total amount of P4.621 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 2025, the CCP insured its properties totaling P547.021 million with the GSIS, as presented below.

Property Insured	Amount Insured	Premium Paid
Building	454,453,951	3,727,864
Visual arts	83,251,850	621,891
Vehicles	9,315,065	127,752
	547,020,866	4,477,507