



Republic of the Philippines
Department of Finance
PRIVATIZATION AND MANAGEMENT OFFICE


STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

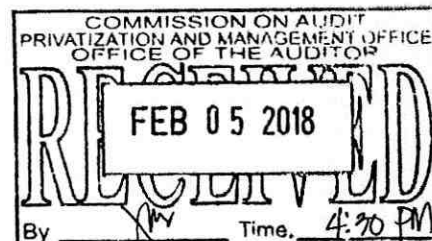
The management of **Privatization and Management Office** is responsible for all information and representations contained in the accompanying Statement of Financial Position as of **December 31, 2017** and the related Statement of Financial Performance, Statement of Cash Flows, Statement of Comparison of Budget and Actual Amounts, Statement of Changes in Net Assets/Equity and the Notes to Financial Statements for the year then ended. The financial statements have been prepared in conformity with the Philippine Public Sector Accounting Standards and generally accepted state accounting principles, and reflect amounts that are based on the best estimates and informed judgment of management with an appropriate consideration to materiality.

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


RHODORA B. TORRALBA
Chief Accountant

Date:


GERARD L. CHAN
Chief Privatization Officer
FEB 05 2018
Date:





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Department of Finance
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STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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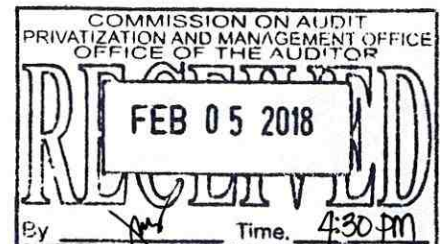
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RHODORA B. TORRALBA
Chief Accountant

Date: _____

GERARD L. CHAN
Chief Privatization Officer

Date: **FEB 05 2018**



Privatization and Management Office
Statement of Financial Position
(All Funds)

As at December 31, 2017

	Notes	2017	2016
ASSETS			
Current assets			
Cash and cash equivalents	4	P 139,893,091.54 P	190,052,150.77
Investments	5	-	397,892,747.63
Receivables	6	578,916,400.67	361,494.13
Inventories	8	2,201,634.19	778,995.69
Other current assets	11	1,127,600.64	1,400,212.85
Total current assets		722,138,727.04	590,485,601.07
Non-current assets			
Investments	5	399,751,330.35	2,212,928.45
Receivables	6	15,108,719,024.21	16,430,061,739.11
Inventories	8	-	1,315,736.06
Property, plant and equipment	9	79,809,606.58	15,029,516.83
Intangible Assets	10	3,373,403.55	1,771,011.36
Other non-current assets	11	87,081,949.20	152,054,814.68
Total non-current assets		15,678,735,313.89	16,602,445,746.49
TOTAL ASSETS		P 16,400,874,040.93 P	17,192,931,347.56
LIABILITIES			
Current liabilities			
Financial liabilities	12	P 19,128,045.79 P	14,239,975.71
Inter-agency payables	13	12,545,636.50	694,057.41
Trust liabilities	14	30,890,653.90	14,479,055.35
Deferred credits	15	322,662,877.16	397,892,747.63
Other payables	16	-	454,951.50
Total current liabilities		385,227,213.35	427,760,787.60
Non-current liabilities			
Inter-agency payables	13	-	11,650,902.22
Trust liabilities	14	18,263,278.60	18,289,638.60
Deferred credits	15	15,659,250,189.00	15,390,338,405.31
Other payables	16	159,520,835.78	159,520,835.78
Total non-current liabilities		15,837,034,303.38	15,579,799,781.91
TOTAL LIABILITIES		P 16,222,261,516.73 P	16,007,560,569.51
TOTAL ASSETS LESS TOTAL LIABILITIES		P 178,612,524.20 P	1,185,370,778.05
NET ASSETS/EQUITY			
Accumulated surplus/(deficit)	18	178,612,524.20	1,185,370,778.05
TOTAL NET ASSETS/EQUITY		P 178,612,524.20 P	1,185,370,778.05

This statement should be read in conjunction with the accompanying notes.

Privatization and Management Office**Statement of Financial Performance***(All Funds)*

For the Year Ended December 31, 2017

	Notes	2017	2016
Revenue			
Business income	19	P 52,547,874.14	P 27,987,892.17
Total revenue		52,547,874.14	27,987,892.17
Less current operating expenses			
Personnel services	20	46,772,044.64	42,712,899.01
Maintenance and other operating expenses	21	58,120,937.62	57,152,173.14
Financial Expenses	22	6,550.00	3,950.00
Non-cash expenses	23	945,553,453.65	1,793,966.24
Current operating expenses		1,050,452,985.91	101,662,988.39
Surplus/(deficit) from current operations		P (997,905,111.77)	P (73,675,096.22)
Net financial assistance/subsidy	24	46,847,418.13	42,549,925.59
Loss on sale of property, plant and equipment		(613,658.29)	-
Surplus/(deficit) for the period		P (951,671,351.93)	P (31,125,170.63)

This statement should be read in conjunction with the accompanying notes.

Privatization and Management Office**Statement of Changes in Net Assets/Equity***(All Funds)*

For the Year Ended December 31, 2017

	Notes	2017	2016
Balance at January 1	P	1,185,370,778.05	P 1,297,204,695.96
Add/(Deduct):			
Change in accounting policy		-	(685,987.62)
Other adjustments		(1,880,930.86)	(24,408,470.95)
Restated balance		1,183,489,847.19	1,272,110,237.39
Add/(Deduct):			
Changes in Net Assets/Equity for the Calendar Year			
Surplus/(Deficit) for the period		(951,671,351.93)	(31,125,170.63)
Adjustment of net revenue recognized directly in net assets/equity		(58,791,400.85)	(13,936,582.81)
Others		5,585,429.79	(41,677,705.90)
Balance at December 31	18 P	178,612,524.20	P 1,185,370,778.05

This statement should be read in conjunction with the accompanying notes.

Privatization and Management Office
Statement of Cash Flows
(All Funds)

For the Year Ended December 31, 2017

	Notes	2017	2016
Cash Flows from Operating Activities			
Cash Inflows			
Receipt of Notice of Cash Allocation	P	56,893,500.76	P 40,738,850.00
Collection of income/revenues		571,125.51	2,329,072.40
Collection of receivables		54,033,124.88	4,765,336.84
Trust receipts		497,849,830.48	280,004,251.88
Other receipts		2,351,223.52	1,526,505.43
Adjustments		1,555,818.72	1,290,942.75
Total Cash Inflows		613,254,623.87	330,654,959.30
Cash Outflows			
Remittance to national treasury		571,113,840.42	327,165,740.53
Payment of expenses		76,371,664.99	70,282,495.10
Purchase of inventory		478,760.25	718,855.07
Grant of cash advances		3,951,942.05	9,612,908.81
Prepayments		2,371,702.75	2,145,466.63
Refund of deposits		196,500.00	13,000.00
Payment of payables		10,040,823.30	6,180,479.43
Remittance of personnel benefit contributions and mandatory deductions		15,686,692.05	9,035,724.06
Release of inter-agency fund transfer		2,354,615.70	-
Other disbursements		1,545,064.09	365,341.57
Reversal of unutilized NCA		10,046,082.63	3,194,641.80
Total Cash Outflows		694,157,688.23	428,714,653.00
Net Cash Provided by (Used in) Operating Activities	25	(80,903,064.36)	(98,059,693.70)
Cash Flows from Investing Activities			
Cash Inflows			
Proceeds from sale/disposal of property, plant and equipment		220,078.00	-
Receipt of cash dividends		31,218,470.00	12,487,389.85
Proceeds from matured/return of investments		1,230,333.82	1,277,241.19
Total Cash Inflows		32,668,881.82	13,764,631.04
Cash Outflows			
Purchase of property, plant and equipment		1,647,835.00	5,347,001.00
Purchase of intangible assets		277,041.69	841,802.64
Total Cash Outflows		1,924,876.69	6,188,803.64
Net Cash Provided by (Used in) Investing Activities		30,744,005.13	7,575,827.40
Increase (Decrease) in Cash and Cash Equivalents		(50,159,059.23)	(90,483,866.30)
Cash and Cash Equivalents, January 1		190,052,150.77	280,536,017.07
Cash and Cash Equivalents, December 31	4 P	139,893,091.54	P 190,052,150.77

This statement should be read in conjunction with the accompanying notes.

Privatization and Management Office**Statement of Comparison of Budget and Actual Amounts***(All Funds)*

For the Year Ended December 31, 2017

Particulars	Notes	Budgeted Amount		Actual Amounts on Comparable Basis	Difference Final Budget and Actual
		Original	Final		
Receipts					
Services and business income	26.4.1	P 74,037,500.00	P 74,037,500.00	P 23,878,319.85	50,159,180.15
Total Receipts		74,037,500.00	74,037,500.00	23,878,319.85	50,159,180.15
Payments					
Personnel services	26.4.2	54,225,000.00	55,467,051.00	46,994,480.28	8,472,570.72
Maintenance and other operating expenses	26.4.3	107,848,250.00	103,929,654.37	66,308,239.12	37,621,415.25
Capital outlay		2,151,750.00	6,070,345.63	6,070,345.63	-
Total Payments		164,225,000.00	165,467,051.00	119,373,065.03	46,093,985.97
Net Receipts/Payments		P (90,187,500.00)	P (91,429,551.00)	P (95,494,745.18)	4,065,194.18

This statement should be read in conjunction with the accompanying notes.

Privatization and Management Office

Notes to Financial Statements

(All Funds)

For the Year Ended December 31, 2017

1. General Information/Agency Profile

- 1.1 The financial statements of Privatization and Management Office (PMO) were authorized for issue on _____ as shown in the Statement of Management Responsibility for Financial Statements signed by Atty. Gerard L. Chan, Chief Privatization Officer of PMO.
- 1.2 The PMO is an attached agency under the Department of Finance that serves as (a) the marketing arm of the government with respect to transferred-assets, government corporations and other properties assigned to it by the Privatization Council (PrC) for disposition, pursuant to Executive Order (EO) No. 323 (2000), as well as (b) the disposition entity of properties transferred to the Republic under the Philippine Property Act of 1946, Republic Act (RA) 8, and EO 99 (1947), pursuant to EO 471 (2005).

The PrC is the policy making body, also created under EO 323, mandated to oversee the Philippine Government's privatization program. It approves all proposed privatization plans prepared by PMO, and provides final approval for the proposed price and buyer for the assets. The PrC is a cabinet-level body composed of the Secretary of Finance as Chairman, with the Secretaries of Budget and Management, Trade and Industry, National Economic and Development Authority and Justice as Members. The National Treasurer and the Chairman of the Philippine Commission on Good Government sit in the PrC as non-voting members.

The PMO is the successor agency of the defunct Asset Privatization Trust (APT) whose term ended on December 31, 2000 pursuant to RA 8758. RA 8758 mandated that upon the expiration of APT's corporate life, all powers, functions, duties and responsibilities, all properties, real or personal assets, equipment and records, as well as obligations and liabilities shall devolve upon the National Government (NG). Thus, EO 323 organized the PrC and the PMO to take over the functions of the Privatization Committee and APT, respectively.

The assets for privatization include (a) Transferred assets from Philippine National Bank (PNB), Development Bank of the Philippines (DBP), Philippine Export and Foreign Loan Guarantee Corporation (PhilGuarantee), and National Development Company (NDC), which had been identified for privatization under Proclamation No. 50 (1986); (b) Assets re-conveyed by the Land Bank of the Philippines (LBP); (c) Government-Owned and Controlled Corporations (GOCC) and/or their specific/particular assets assigned on various dates to PMO by the PrC for disposition or dissolution; and (d) Assets which PMO is the designated disposition entity.

APT ending balances as at December 31, 2000 are as follows:

Total Assets	61,419,993,913.00
Total Liabilities	61,593,432,610.00
Net Equity	(173,438,697.00)
Total Liabilities and Equity	61,419,993,913.00

The above accounts were forwarded to PMO's books of accounts as beginning balances on January 1, 2001. Details of the above accounts are in *Schedule 14*.

1.3 Merger with the Board of Liquidators (BOL)

EO 471, dated November 25, 2005, directed the merger of the Board of Liquidators (BOL) and the PMO, with the PMO as the surviving entity. The functions, rights, personnel, properties, assets, resources, technologies, materials and records as well as the obligations and the liabilities of the BOL were merged with PMO. The assets and/or rights, which the BOL was mandated to dispose under EO 372, were transferred to the NG, which entrusted said assets and/or rights to the PMO for appropriate disposition.

The assets of the various entities absorbed by the defunct BOL include the Abaca Corporation of the Philippines, Land Settlement and Development Corporation/National Resettlement and Rehabilitation Administration, Leyte Sab-A Basin Development Authority, National Abaca and Other Fibers Corporation, National Coconut Corporation, National Marketing Corp and National Coal Authority.

BOL's financial condition as of December 31, 2006, as adjusted based on actual cash balances per passbooks as of December 31, 2006, in accordance with the recommendations in Commission on Audit (COA) Annual Audit Report for 2006, combined with the PMO is presented below:

Total Assets	1,816,987,257.18
Total Liabilities	1,787,850,277.81
Net Equity	29,136,979.37
Total Liabilities and Equity	1,816,987,257.18

The BOL was a self-sustaining agency without subsidy requirement from the NG-BTr since its creation in 1950. Its operational expenses were being funded from the liquidation proceeds of the abolished corporations under its administration as authorized under EO 372 (1950), and the pertinent EOs abolishing/liquidating the particular corporations.

The BOL assets for disposition turned over to the PMO consisted of landholdings owned by the defunct corporations administered by the BOL. These properties and the receivables representing the cost of lots that have been awarded to the beneficiaries were not recorded in its books at the time of merger with the PMO. Thus, the landholdings have no recorded book value in the PMO's books.

1.4 PMO assets for disposition

Assets for disposition by PMO comprise of real estate, building and improvement, plant and equipment, etc.; or financial instruments or other financial interests, equity investments, such as mining claims, etc.; or financial form, like loan and other receivables. As of December 31, 2017, there are:

- (a) Seventy five (75) various entities classified as "Transferred Assets" from PNB and DBP per Deed of Transfer both dated February 27, 1987, from NDC per Deed of Transfer dated November 14, 1988 and from PhilGuarantee per Deed of Transfer dated March 8, 1989;
- (b) Thirty five (35) financial assets re-conveyed by LBP per PrC letter dated October 16, 2009;
- (c) Twelve (12) GOCCs per Committee on Privatization/PrC letters dated September 29, 1998, December 10, 1999 and September 25, 2002;
- (d) Other assets which the PMO is the designated disposition entity; and
- (e) BOL assets for disposition turned over to the PMO under EO 471. These are:

1) Abaca Corporation of the Philippines (ABACORP) Accounts

Description	Property Number TCT : TD	Area (Sq. M.)
Portion of Lot No. 2, Plan Psu - 46225 Brgy. Poblacion, Municipality of Tigaon Camarines Sur (residential)	TCT No. T-1080 Abaca Producer's Cooperative Association NAFCO-ABACORP	6,633
Lot No. 6154, Cad 370, Iriga Cadastre Brgy. San Agustin, Iriga City Camarines Sur (resd'l/commercial)	TD No. 014-0656 and TD No. 014-1705 ABACORP	2,300
Parcel of land covered by Plan Psu 69478 San Juan, Municipality of Iriga Camarines Sur (agricultural)	TCT No. 9679 ABACORP	68,544
Lot Nos. 1091, 313 & 325 pt., Cad 308-D located in Brgy. Balud, Gubat Sorsogon (residential)	T-1619	3,992
Tract of agricultural land situated in Sitio Tactocan, Del Pilar, Municipality of Caramoan, Camarines Sur	TCT No. 9678 ABACORP	239,624
Total		321,093

2) Land Settlement and Development Corporation (LASEDECO) Accounts

Location	Home Lots	Total Land Area (sq. m.)	Class Farm Lots	Total Land Area (sq. m.)
I. General Santos City				
GSC	1,756	965,181.46	136	5,063,440.00
Polomolok	1,663	2,275,993.00	331	10,746,477.00
Tupi	1,474	1,824,125.51	672	50,529,242.00
Total	4,893	5,065,299.97	1,139	66,339,159.00
II. Koronadal				
Koronadal City	1,556	1,916,960.44	182	2,953,956.10
Banga	4,343	5,390,213.55	45	2,203,539.00
Surallah	1,998	2,223,988.58	104	3,160,405.00
Sto. Niño	1,411	1,562,197.06	71	2,426,580.00
Tampakan	730	1,006,902.57	90	2,156,089.00
Total	10,038	12,100,262.20	492	12,900,569.10
III. Isulan				
Norala	1,781	2,329,389.14	170	7,895,854.00
Isulan	1,398	1,523,821.18	-	-
Cabanatuan City	1	438.00		
Total	3,180	3,853,648.32	170	7,895,854.00
Grand Total	18,111	21,019,210.49	1,801	87,135,582.10

3) National Abaca and Other Fibers Corporation (NAFCO)/Alien Properties (formerly enemy-owned corporations and associations)

Accounts/Location	No. of Plantation	No of Lots Undisposed	Area to be Disposed (sqm)
Davao Provinces	22	1,113	20,798,588
Davao City	47	1,507	15,045,167
Cebu City	1	58	7,358
Quezon	1	227	185,724
Tarlac	1	49	119,024
Zamboanga	1	6	104,891
Jose Abad Santos	1	31	191,308
Negros Occidental	2	3	142,925
Maguindanao	1	1	40,971
Total	77	2,995	36,635,956

4) National Marketing Corporation (NAMARCO) Accounts

Description	Property Number TCT : TD	Area (Sq. M.)
Lot 1-A-2, Psd-03-107804 (AR) with an area of 103,585 sq. m. and Lot 1-B-2, Psd-03-107804 (AR) with an area of 38,442 sq. m. located in Licab, Nueva Ecija less 11,881 sq.m. disposed lots	TCT No. NT-18442 Register of Deeds of Cabanatuan City	130,146
Lots Nos. 1672-A, Psd-123572 (AR) with an area of 18,525 sq. m. and Lot 1672-D, Psd-123572 (AR) with an area of 8,754 sq. m. located in Guinayangan, Quezon	TCT No. T-49644 (now TCT No. T-374588 RP-DAR)TD No. 12-0390185	27,279
Total		157,425

Receivable representing cost of awarded lots:

Accounts/Location	Current	Past Due	Total
Alien Accounts			
Cebu		810,188.57	810,188.57
Davao City	373,104.80	960,247.52	1,333,352.32
Davao del Sur		103,190.14	103,190.14
Davao del Norte		221,989.68	221,989.68
Davao Oriental		103,565.64	103,565.64
Compostela Valley		145,836.94	145,836.94
Basilan		536,221.48	536,221.48
Quezon		108,625.35	108,625.35
Tarlac		1,234,041.62	1,234,041.62
Sub-total	373,104.80	4,223,906.94	4,597,011.74
LASEDECO Accounts			
General Santos	571,700.27	1,395,772.59	1,967,472.86
Koronadal	567,619.83	864,629.76	1,432,249.59
Isulan	791,363.34	432,395.09	1,223,758.43
Sub-total	1,930,683.44	2,692,797.44	4,623,480.88
Grand Total	2,303,788.24	6,916,704.38	9,220,492.62

Total transfer price of these assets amounts to ₱51,406,134,649.23 as shown in the attached *Schedule 15*. This amount is not recorded in the books of PMO. The Bureau of the Treasury (BTr) is the authorized government agency directed to take up in the books of accounts of the NG all transactions contemplated with the transfer of assets and liabilities to NG, pursuant to Administrative Order Nos. 14 (1987) and 64 (1988).

1.5 PMO's registered office is located at 104 Gamboa St., Legaspi Village, Makati City.

2. Statement of Compliance and Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with and comply with the Philippine Public Sector Accounting Standards (PPSAS) issued by the Commission on Audit per COA Resolution No. 2014-003 dated January 24, 2014.

The 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.

3. Summary of Significant Accounting Policies

3.1 Basis of Accounting

The financial statements are prepared on an accrual basis in accordance with the PPSAS.

3.2 Fair Value of Transferred Assets

PMO does not regularly procure appraisal of transferred assets on a yearly basis to minimize expenses on appraisal fees. Appraisal of transferred asset shall be procured only once it is scheduled for disposition.

3.3 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, deposits on call and highly liquid investments with an original maturity of three (3) months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

3.4 Inventories

Inventories are measured at cost upon initial recognition. After initial recognition, inventories are measured using the weighted average method.

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

3.5 Property, Plant and Equipment

Recognition

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

The characteristics of PPE are:

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

An item of PPE is recognized as an asset if:

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

Measurement at Recognition

An item recognized as PPE is measured at cost.

A PPE acquired through 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 PPE acquired through non-exchange transaction, its cost is its fair value at recognition date.

Cost includes the following:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- expenditure that is directly attributable to the acquisition of the items; and
- 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.

Measurement after Recognition

After recognition, all PPE are stated at cost less accumulated depreciation and impairment losses.

When significant parts of PPE are required to be replaced at intervals, the PMO 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 plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized as expense in surplus or deficit as incurred.

Depreciation

Each part of an item of 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 expense unless it is included in the cost of another asset.

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.

Depreciation Method

The straight line method of depreciation shall be adopted unless another method is more appropriate for agency operation.

Estimated Useful Life

The PMO uses the Schedule on the Estimated Useful Life of PPE by classification prepared by COA.

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

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 service amount.

Derecognition

The PMO derecognizes items of 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.

3.6 Intangible Assets

Intangible assets acquired are initially recognized at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets life is amortized over its useful life:

Computer software 1 to 5 years
The straight line method is adopted in the amortization of intangible assets.

Intangible assets are assessed for impairment whenever there is an indication that the asset may be impaired. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the surplus or deficit when the asset is derecognized.

3.7 Contingent liabilities

The PMO does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

3.8 Litigation/Acquired assets expenses

Expenses incurred by the PMO in connection with litigation proceedings and registration/consolidation of ownership of acquired assets as well as those incurred in their preservation/maintenance are charged to Litigation/Acquired Assets Expenses account.

3.9 Change in accounting policies and estimates

The PMO 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 PMO recognizes the effect of changes in accounting estimate prospectively by including in surplus or deficit.

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

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

3.10 Foreign currency transactions

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

At each reporting date, foreign currency monetary items are translated using the closing rate.

3.11 Revenue from exchange transactions

As provided in EO 323, PMO is allowed to retain commissions, due diligence fees and proceeds from the sale of Asset Bidding Rules, information memoranda and similar documents, as well as a portion or percentage of proceeds from disposition efforts, not to exceed ten percent (10%), to be approved by the PrC, to maintain a revolving fund to be utilized for the payment of fees and reimbursable expenses and of the cost and expenses incurred in the conservation and disposition of the assets held or in the performance of its other responsibilities under EO 323. The amount retained is measured at fair value and recognized upon remittance of trust receipts to the BTr.

3.12 Budget information

The annual budget is prepared on cash basis and is published in the PMO and DBM websites.

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

the annual financial statements.

3.13 Employee benefits

The employees of PMO are members of the Government Service Insurance System (GSIS) which provides life and retirement insurance coverage.

The PMO recognizes expenses for accumulating compensated absences when these are paid (commuted or paid as terminal leave benefits). Unused entitlements that have accumulated at the reporting date are not recognized as expense. Non-accumulating compensated absences, like special leave privileges, are not recognized.

3.14 Measurement uncertainty

The preparation of PMO's financial statements in conformity with PPSAS 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 revenues and expenses during the period.

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. Cash and Cash Equivalents

Accounts	As of December 31, 2017
Cash on Hand	163,871.50
Cash in Bank - Local Currency	139,558,260.03
Treasury/Agency Cash Accounts	170,960.01
Total cash and cash equivalent	139,893,091.54

Cash on Hand represents Cash – Collecting Officer and Petty Cash Fund amounting to ₱123,871.50 and ₱40,000.00 respectively.

Cash in bank – local currency consist of LBP Interest Bearing Current Account (IBCA) No. 1802-1011-51 amounting to ₱30,463,395.79; LBP IBCA No. 1802-1015-34 amounting to ₱93,646,455.08; time deposit with BTr in the amount of ₱5,908,536.03; and High Yield Savings Account with LBP amounting to ₱9,539,873.13 (*Schedule 1*).

Treasury/Agency Cash Accounts consists of Cash, National Treasury – Modified Disbursement System (MDS), Regular which represents checks issued to the following payees but are still unreleased as of December 31, 2017:

Payee	Amount
Home Development Mutual Fund	127,077.87
Home Development Mutual Fund	43,882.14
Total unreleased checks (MDS)	170,960.01

5. Investments

5.1 Reconciliation of Investments

Financial Assets - Others			
As at December 31, 2017			
Particulars	Investments in Stocks	Investments in Bonds	TOTAL
Balance as at January 1, 2017	396,162,423.94	3,943,252.14	400,105,676.08
Addition/Receipt of transfer		875,988.09	875,988.09
Less Investments collected		(1,230,333.82)	(1,230,333.82)
Balance as at December 31, 2017	396,162,423.94	3,588,906.41	399,751,330.35

5.2 Total Investments

Particulars	Investments in Stocks	Investments in Bonds	TOTAL
Current Investments	-	-	-
Non-Current Investments	396,162,423.94	3,588,906.41	399,751,330.35
Total Investments	396,162,423.94	3,588,906.41	399,751,330.35

5.3 Investments in stocks:

Investments in stocks represent shares of stocks of Semirara Mining and Power Corporation amounting to ₱396,162,423.94.

The National Development Company (NDC), a government owned and controlled corporation created and existing by virtue of Presidential Decree No. 1648, owns 34,093,974 shares in Semirara Mining and Power Corporation (SMPC), a corporation registered under Philippine laws and listed in the Philippine Stock Exchange.

Republic Act No. 7656 and the concomitant Implementing Rules and Guidelines mandated GOCCs to remit to the National Government (NG) a portion of its net earnings in the form of cash dividends, stock dividends or property dividends. NDC has dividends payable to NG, pertaining to years 1996 to 2014 in the total amount of ₱2,014,935,463.50. In addition, NDC has other outstanding obligations to the NG as follows:

1. NG Advances relating to payment of NDC loan to the GFIs on account of First Centennial Clark Corporation		
a. Principal	₱	1,500,000,000.00
b. Interest as of 30 September 2015		366,198,750.00
Total		1,866,198,750.00
2. Payable to the BTr relating to National Steel Corporation		35,928,529.50
3. Guarantee Fees due to the BTr		39,891,508.62
Total	₱	1,942,018,788.12

Likewise, NDC has existing outstanding obligations with the PMO amounting to ₱396,162,423.94. Details of which is as follows:

1. Payable to PMO (DBP) relating to Eliskon Assets	₱	325,899,477.94
2. Payable to PMO (DBP) relating to NCS-Pasig Steel		70,262,946.00
Total	₱	396,162,423.94

On December 18, 2015, a Memorandum of Agreement (MOA) was executed by the Republic of the Philippines, the PMO, the Bureau of the Treasury (BTr) and the NDC wherein NDC agreed that it shall transfer and cede its SMPC shares to NG and PMO to settle its NG and PMO outstanding obligations as described above. All SMPC shares, including shares applicable to NDC's obligation to NG, were transferred to, and held-in-trust by the PMO. For obligation-settlement purposes, the total value of SMPC shares transferred as of December 31, 2015 amounts to ₱4,326,525,300.60 computed by multiplying the total number of shares at the closing rate of ₱135.00 per share less 6% discount or ₱126.90 per share. Value of shares applicable to NDC's obligation to NG is recorded in the books of the BTr.

On February 23, 2017, the Board of Directors of SMPC approved the issuance of 300% stock dividends to stockholders of record as of September 15, 2017. Number of shares as of December 31, 2017 totals 136,375,896 with a closing rate of ₱36.80 per share or a total value of ₱5,018,632,972.80.

5.4 Investment in bonds

Investment in bonds represents partial settlement of the DBP of its obligation which was due to the discrepancy in the transfer price of Northern Cement Corporation account under the Deed of Transfer dated February 27, 1987 as reconciled through DBP letter dated August 31, 1999.

6. Receivables

Accounts	Current	Non-Current	Total
Loans and Receivables	200,195,579.40	4,259,851.95	204,455,431.35
Lease Receivables	122,475,074.87	15,104,284,917.00	15,226,759,991.87
Inter-Agency Receivables	251,131,944.40	-	251,131,944.40
Other Receivables	5,113,802.00	174,255.26	5,288,057.26
Total Receivables	578,916,400.67	15,108,719,024.21	15,687,635,424.88

6.1 Loans and Receivables

Accounts	Current	Non-Current	Total
Interest Receivable	7,777.11	4,259,851.95	4,267,629.06
Loans Receivable - Others	200,187,802.29	-	200,187,802.29
Total Loans and Receivables	200,195,579.40	4,259,851.95	204,455,431.35

- 6.1.2 *Interest Receivable* consists of interest due on time deposits/placements with authorized government depository banks prior to its maturity date.

Part of this account amounting to ₱4,259,851.95 represents accrued penalty for non-payment of monthly lease rental of Unimasters Conglomeration, Inc. on the Leyte Park Hotel.

- 6.1.3 *Loans Receivable – Others* include:

- a. Pamplona Redwood and Veneer Corporation - ₱190,121,802.29 - outstanding balance of obligation under APT's Direct Debt Buy-Out scheme.

Pamplona Redwood and Veneer, Incorporated (PARVI) is a domestic corporation formerly engaged in the business of logging, sawmilling and wood processing. It obtained several loans from the PNB and the National Investment and Development Corporation (NIDC). To secure the said loans, PARVI mortgaged its properties in favor of PNB.

On February 27, 1987, a Deed of Transfer was executed by and between the PNB and the NG wherein the former's financial claim against PARVI was transferred to the latter with a total transfer price of ₱190,879,910.00, which the latter subsequently assigned to APT for disposition through Trust Agreement executed on same date.

One of the modes of disposition adopted by APT in disposing transferred assets was the Direct Debt Buy-Out (DDBO) scheme. Under the said scheme, owners of assets in financial form, such as PARVI, may settle their account through: (1) DDBO based on Transfer Price; or (2) DDBO based on the average of two highest appraisal values of asset.

PARVI submitted several proposals to settle their loan obligations under the DDBO scheme which the APT and the COP approved. However, these DDBOs were subsequently cancelled due to PARVI's failure to settle its obligation despite a number of extensions granted by APT on PARVI's requests.

On August 9, 1990, another proposal was approved by the COP on PARVI's account for a DDBO settlement price of ₱419,620,991.11.

As of April 23, 1992, the Statement of Account of PARVI amounts to ₱190,121,802.29. The amount is exclusive of advances on insurance premium and interest on advances amounting to ₱2,052,183.00 and ₱804,914.23 respectively. Summary of the account is as follows:

Particulars	Amount
DDBO approved Price	419,620,991.11
Less: Payment from Escrow Account -	
Total Cash released by PNB	101,745,116.21
Payment from Escrow Account -	
Purchase of Marc Rich Papers	52,514,503.55
Total cash payment by PARVI	9,520,380.24
Total cash payment by FIHI	135,442,677.28
	299,222,677.28
Balance	120,398,313.83
Add Interest from 09/14/90 to 9/30/91	69,723,488.46
DDBO balance, 4/23/92	190,121,802.29

In 1997 & 1998, two of the real properties securing PARVI's loan were sold in public auction by the Bureau of Internal Revenue – Revenue District Office No. 3 of Tuguegarao, Cagayan and by the Sandiganbayan through Tax Delinquency Sale.

The APT Board of Trustees, during its meeting on February 10, 1999, approved the foreclosure of PARVI's remaining mortgaged properties. The said board decision was issued despite the new proposal of PARVI for the release of PARVI's properties so that it can offer the same for sale with the intention to pay the balance of its obligation out of the proceeds thereof.

The APT did not enforce the foreclosure proceeding of PARVI's remaining properties until the expiration of its corporate term on December 31, 2000. In accordance with Republic Act (RA) No. 7181, as amended by RA Nos. 7661, 7886, and 8758, the claim reverted to the National Government (NG), which assigned the same for disposition to the PMO.

A discussion on the settlement of the obligations of PARVI with the National Government temporarily shelved the plans of the PMO to foreclose the mortgaged properties. In a letter dated December 6, 2005, a proposal was made by Ms. Ruthie Lim-Santiago, administratrix of the estate of Alfonso D. Lim, Sr., and her lawyers, to settle the obligation of PARVI by way of dacion en pago of the mortgaged properties in favor of the NG. In reply thereto, the PMO made its counter-proposal in its letter dated January 16, 2006. Due to the failure of Ms. Lim-Santiago to respond to PMO's counter proposal, a demand letter was sent to her to submit her proposal within (15) days upon receipt. After several demand letters sent by PMO to make comments on its counter proposal, the estate, through the letter dated May 16, 2006 of its lawyer, Atty. Reynald R. Suarez, reiterated its previous proposal without conveying its acquiescence or denial on PMO's counter-proposal.

A discussion between PMO and the OSG is ongoing regarding appropriate remedies for the auction of PARVI's lots for non-payment of real property taxes.

- b. Pamintuan Development Company - ₱10,066,000.00 – represents balance of settlement price of outstanding obligation of Pamintuan Development Company (PAMDEVCO) pursuant to Compromise Agreement entered into by and between PMO and PAMDEVCO in 2003.

PAMDEVCO was a transferred asset from the DBP with a Transfer Price of ₱20,490,000.00 based on the Deed of Transfer dated February 27, 1987.

In a letter dated October 10, 2003, the PrC approved PAMDEVCO's intention to settle its outstanding obligation for a settlement price of ₱24,066,000.00.

A Compromise Agreement was executed by and between the PMO and PAMDEVCO on November 4, 2003 wherein the latter will pay PMO:

- (1) ₱14,000,000.00 within 15 days from PrC approval; and,
- (2) ₱10,066,000.00 within 90 days from the date of PrC approval subject to 10% interest per annum.

On the same date, PAMDEVCO executed a Deed of Assignment in favor of PMO wherein PAMDEVCO assigned, transferred and conveyed to PMO its Land Bank of the Philippines receivables representing portion of proceeds from its property covered by Compulsory Acquisition of the Comprehensive Agrarian Reform Program of the National Government.

On December 22, 2003, PAMDEVCO made the following payments:

Cash	1,687,568.68
LBP Bonds AR No. 0082098	12,312,431.32
TOTAL	14,000,000.00

The outstanding balance on settlement price after deducting PAMDEVCO's payment is ₱10,066,000.00.

PMO sent a collection/demand letter to PAMDEVCO on January 24, 2017, which has no response from PAMDEVCO to date.

6.2 Aging/Analysis of Receivable as at December 31, 2017

Particulars	Total	Not past due	Past due		
			< 30 days	30 - 60 days	> 60 days
Interest Receivable	4,267,629.06	7,777.11			4,259,851.95
Loans Receivable - Others	200,187,802.29				200,187,802.29
Operating Lease Receivable	29,250,000.00				29,250,000.00
Finance Lease Receivable	15,197,509,991.87	218,712,275.01			14,978,797,716.86
Other Receivables	944,585,998.30				944,585,998.30
Totals	16,375,801,421.52	218,720,052.12	-	-	16,157,081,369.40

6.3 Lease Receivable

Accounts	Current	Non-Current	Total
Operating Lease Receivables	-	29,250,000.00	29,250,000.00
Finance Lease Receivables	122,475,074.87	15,075,034,917.00	15,197,509,991.87
Total Lease Receivables	122,475,074.87	15,104,284,917.00	15,226,759,991.87

6.3.1 *Operating Lease Receivables* include the following accounts:

- a. Unimasters Conglomeration, Inc. (UCI) - ₱29,250,000.00 – Unpaid rental for the lease of Leyte Park Hotel (LPH).

LPH is a transferred asset from DBP, conveyed by NG to APT now PMO through Deed of Transfer dated February 27, 1987, located at Magsaysay Boulevard, Tacloban City. It is owned by: (1) APT, which holds 34% of the shares of the property; (2) the Philippine Tourism Authority, which holds 40%; and, (3) the remaining 26% is owned by the Province of Leyte.

On September 15, 1994, APT entered into a Contract of Lease with Unimasters Conglomeration, Inc. (UCI) wherein UCI will lease LPH for twelve (12) years at a monthly fee of ₱300,000.00 during the entire lease period, payable on or before the 16th calendar day of each month commencing on October 16, 1994. In case of non-payment by UCI of the monthly rental, a penalty of 3% per month shall be imposed of the unpaid amount and shall accrue from the date of nonpayment. Real property taxes shall be for the account of the APT. Any payment of real property taxes by UCI shall be credited against any amount due from UCI to APT.

During the efficacy of the contract, UCI defaulted on its obligation to pay the monthly rentals which prompted PMO to send several demand letters to UCI but no payment was made. On September 7, 2006, PMO wrote UCI a letter notifying the same that its obligation remained unsettled; informing further that the contract shall expire on September 15, 2006 and shall not be renewed; and requiring UCI to surrender and return the leased property to PMO.

Previously, in 2004, the Commission on Audit issued Audit Observation Memorandum No. 007 recommending PMO to record in its books the unpaid rental due from UCI amounting to ₱15,059,851.95, including interest as of December 31, 2003. PMO complied with the recommendation and recorded an accrued monthly rental of ₱300,000.00. Total unpaid rental and total interest as of to date amount to ₱29,250,000.00 and ₱4,259,851.95 respectively.

On September 13, 2006, UCI filed a complaint for specific performance, injunction and damages with urgent prayer for issuance of a temporary restraining order and/or writ of preliminary injunction before the Regional Trial Court, Makati City, docketed as Civil Case No. 06-781. The complaint seeks to, among others, enjoin PMO from taking over the property; declare the termination of the contract as null and void; declare the contract renewed for another twelve (12) years; and direct the conduct of an accounting to determine the true and correct amount of lease rentals to be paid by UCI.

On March 10, 2010, an Ejectment Case against UCI was filed by PMO with the Municipal Trial Court in Cities, Tacloban City docketed as Civil Case no. 2010-03-CV-2 for non-payment of monthly rentals.

The Makati Regional Trial Court issued its decision on October 14, 2014 ordering UCI to pay PMO, PTA and the Province of Leyte the accrued rentals from 2001 to 2013 and the additional monthly rentals until September 15, 2018. Further, the trial court reduced the monthly rental during the period that UCI was allegedly not issued a business permit; did not impose the 3% default penalty against UCI in accordance with the provision of the Contract of Lease; considered as the Contract renewed; and ordering PMO, PTA and the Province of Leyte to pay the City Government of Tacloban the accrued real property taxes on the LPH.

PMO filed a petition with the Court of Appeals docketed as CA-G.R. No. CV-104905 with the prayer that the Decision dated October 14, 2014 and the Order dated April 21, 2015 of the Regional Trial Court, Makati City be reversed and set aside and a new decision be rendered. The case is still pending before the Court of Appeals.

In a letter dated December 8, 2016, UCI, through its president Wilson L. Chan, submitted a proposal for the settlement of its obligation. The proposal is being evaluated by the PMO.

b. Other Operating Lease Receivables which are unrecorded in PMO books:

1. Sunvar Realty Corporation – ₱2,141,246,848.93

On January 29, 2003 the PrC designated PMO as disposition entity of a NG/NPC-Makati Property consisting of parcels of land located between Pasong Tamo and Vito Cruz Extension, Makati City, which was subject of a lease agreement for twenty five (25) years from January 1, 1978 to December 31, 2002 subject for renewal for another 25 years upon mutual agreement between NG/NPC and Technology Resources Center Foundation, Inc. (TRCFI), whose functions were later assumed by Philippine Development Alternatives Foundation (PhilDAF) in February 17, 1987 following the reorganization of the government. Under the lease contract, TRCFI/PhilDAF has the

right to sublease the leased land which it did in favor of Sunvar Realty Corporation ("Sunvar") commencing on different dates and ending on December 31, 2002. On June 3, 2002, NG/NPC notified PhilDAF of its decision not to renew the lease contract. The OSG wrote on February 22, 2008 to Sunvar to completely vacate the leased land and a Final Notice to Vacate dated January 26, 2009. Subsequently, the OSG filed for unlawful Detainer Case at the Metropolitan Trial Court (MTC), Makati City on July 23, 2009. On June 10, 2015 the MTC issued a decision ordering Sunvar to vacate the premises they occupy and surrender possession; and pay NG/NPC/PMO back rentals of Four Hundred Seventy Eight Million Two Hundred Thousand and Six Hundred Pesos (P478,200,600.00) as of May 2015 with monthly rental of Three Million Two Hundred Nine thousand Four Hundred Pesos (P3,209,400.00) beginning June 2015 up to and until Sunvar shall have finally vacated the premises as reasonable compensation for the use and occupancy of the premises.

As a result of the 14 August 2015 Resolution of the Court of Appeals, Sheriff Robert T. Bautista of the Regional Trial Court Branch 141 of Makati issued a Notice to Vacate, on 15 August 2017 until 22 August 2017, ordering the surrender of the properties within three (3) days from receipt of the notice.

A Sheriff's Return on Writ of Execution dated 14 August 2017 was issued on 22 August 2017, placing PMO in possession of the premises. On even date, PMO acknowledged the turnover of the properties subject of the writ.

The Regional Trial Court Branch 141 of Makati City affirmed the MTC decision, with modification, ordering Sunvar to pay NG/NPC/PMO as reasonable compensation for its occupation of the property the amount of Six Hundred Thirty Million One Hundred Twenty Three Thousand Seven Hundred Pesos (P630,123,700.00) from January 1, 2003 to March 31, 2009, and the amount of Ten Million Three Hundred Sixty Four Thousand Pesos (P10,364,000.00) per month from April 1, 2009 increasing gradually by Ten (10) percent per year until July 31, 2017 considering that Sunvar and all persons claiming rights under it have vacated the premises in August 2017.

2. Other unpaid lease rental of P131,683,036.18 as of December 31, 2017 as shown in the attached *Schedule 16*.

6.3.2 *Finance Lease Receivables* consist of the following accounts:

- a. G. Holdings, Inc. - P241,702,122.86 – representing unpaid balance of the purchase price of 4,500,000 shares of stock and company notes of Maricalum Mining Corporation (MMC) sold by APT to G. Holdings, Inc. (GHI).

On October 2, 1992, a Purchase and Sale Agreement was entered into by and between the Republic of the Philippines through the APT and the GHI, a Stock Corporation registered with the Securities and Exchange Commission (SEC), for the disposition of MMC which is a transferred asset from the DBP and PNB.

Under the Agreement, APT undertook to sell and deliver the following to GHI in consideration of the total purchase price of P673,161,280.00:

- (1) 90% of the entire issued and outstanding shares of MMC with a par value of P4,500,000.00; and,
- (2) Company Notes amounting to P3,258,771,000.00.

The Agreement also provided for a down payment of P98,704,000.00 which was settled by GHI under APT Official Receipt Nos. 14445 and 16618 dated August 18, 1992 and October 22, 1992 respectively, with the balance of P574,457,280.00 divided into four tranches payable in installment over a period of ten (10) years.

On April 6, 1993, GHI complied with the payment of 1st installment amounting to ₱2,467,600.00 which reduced the account to ₱571,989,680.00.

GHI filed a case for specific performance and damages with the Regional Trial Court (RTC) Manila due to conflicting interpretations of the reckoning date of payment of the balance of the purchase price. The Republic claimed that it should be on the seventh month from the signing of the agreement while GHI insisted that it should begin seven (7) months after the fulfillment of the closing conditions. The RTC Decision dated June 11, 1996 ordered the APT to execute the corresponding document of transfer and cause the actual delivery of subject shares and notes to GHI within a period of thirty (30) days from receipt of the Decision after the GHI shall have paid in full the entire balance at its present value of ₱241,702,122.86, computed pursuant to the prepayment provisions of the Agreement. GHI shall pay the balance simultaneously with the delivery of the Deed of Transfer and actual delivery of the shares and notes.

The RTC's decision was affirmed by the Supreme Court in its Notice of Judgment dated November 22, 2005. Consequently, the account balance was adjusted to ₱241,702,122.86.

- b. Provincial Government of Abra - ₱71,200,000.00 – represents balance of the ₱100,200,000.00 purchase price of Cellophil Resources Corporation (CRC) sold by PMO to the Provincial Government of Abra (PGA).

On January 27, 2004, PMO entered into a Deed of Conditional Sale with PGA wherein all the remaining assets of CRC, a transferred asset by NG to APT pursuant to Trust Agreement dated February 27, 1987, consisting of lands, buildings and other improvements, machinery and equipment were conditionally sold by PMO to PGA for the purchase price of ₱100,200,000.00 with the following payment terms:

Purchase Price		100,200,000.00
Down Payment		
PGA's allotment from Tobacco Excise Tax (R.A. 7171) which will be assigned to PMO	33,700,000.00	
Off-setting of PGA's tax claims/receivables against PMO/CRC	<u>30,000,000.00</u>	<u>63,700,000.00</u>
Balance		<u>36,500,000.00</u>
Balance shall be paid as follows:		
December 2004		12,166,666.67
December 2005		12,166,666.67
December 2006		<u>12,166,666.66</u>
Total		<u>36,500,000.00</u>

A Deed of Assignment was executed by and between PMO and PGA on January 28, 2004 whereby PGA assigned, transferred and conveyed its unremitted share from NG of the proceeds of the Tobacco Excise Tax in the amount of ₱33,700,000.00 and its tax claims against PMO amounting to ₱30,000,000.00 as down payment of the purchase price. Furthermore, an addendum to the Deed of Conditional Sale was signed on January 30, 2004 stating that PGA shall cause the dismissal of all tax claims filed against PMO/CRC and shall assume responsibility as to the outcome of all the cases filed for and against PMO/CRC.

On April 12, 2004, the Department of Budget and Management clarified that the release of PGA's share from RA 7171 to the PMO contravenes the provision of Memorandum Circular No. 61-A dated November 28, 1993 and the shares from RA 7171 shall be released directly to the local government units concerned.

PGA has made total payments of ₱29,000,000.00 from 2005 to 2007. Balance of PGA's obligation in PMO books amounts to ₱71,200,000.00 (purchase price of ₱100,200,000.00 less total payments of ₱29,000,000.00). This amount is still inclusive of ₱30,000,000.00 to be paid through offsetting the tax claim which will be adjusted upon receipt of documents from PGA relative to the dropping of the case.

On January 20, 2017, a collection/demand letter was sent by PMO to PGA. However, PMO did not receive any response from PGA to date.

- c. Philnico Mining and Industrial Corporation - ₱14,665,895,594.00 - represents peso equivalent of the unpaid balance of US\$263,762,000.00 purchase price of 22,500,000 shares of stock, representing 90% ownership, in Nonoc Mining and Industrial Corporation (NMIC Shares), which were sold by APT to Philnico Industrial Corporation (Philnico) in 1996.

Nonoc Mining and Industrial Corporation (NMIC) was incorporated by the Philippine National Bank (PNB) and Development Bank of the Philippines (DBP) as the assignee of all the foreclosed mining assets (i.e., Nickel Refinery Plant, buildings and equipment, and mining rights over the Nonoc Mining Area) of Marinduque Mining and Industrial Corporation. In 1986, pursuant to Proclamation No. 50 issued by President Corazon C. Aquino, PNB and DBP transferred all its shares in NMIC to the APT for privatization and disposition.

APT Disposition of Shares in NMIC

In 1989, APT sought to privatize the NMIC Shares through a sale by public bidding which failed. Thereafter, APT sought proposals for the outright purchase and/or lease with option to purchase the mining rights for the Nonoc Mining Area. In 1990, APT entered into a Definitive Agreement with Philnico for the sale of the NMIC Shares, subject to the condition that a Mineral Production and Sharing Agreement (MPSA) be issued to NMIC for the Nonoc Mining Area.

Philnico failed to comply with the conditions of the Definitive Agreement despite several extensions due to its failure to obtain the financing needed to bring the nickel refinery back in operation. In 1995, Philnico sold all its shares in Philnico to Pacific Nickel Holdings Limited (PNHL).

In 1996, Philnico/PNHL negotiated with APT for the restructuring of the payment terms for the purchase of the NMIC Shares. Thus, the Amended and Restated Definitive Agreement (ARDA) was entered into on May 10, 1996 between APT and Philnico.

The ARDA provides the amortization schedule for payment of the purchase price for the NMIC Shares. On September 27, 1999, the terms of payment were amended through an Amendment Agreement such that: (a) the purchase price of USD 260 million was payable in 23 semi-annual installments over a period of 15 years from 1999 (inclusive of a 3-1/2 year grace period), with Philnico being obliged to pay only 50% of each principal installment if the average LME price of nickel during the six-month period ending one-month prior to such installment payment date is not higher than the Company's cash break-even price for such period; (b) the purchase price of US\$ 3.762 million was payable in 171 monthly installments from 1996 to 2010; and (c) the advances made by APT to settle labor claims amounting to ₱74,501,000.00, and to settle the receivables of Marc Rich and Phillip Brothers Oceanic, Inc. amounting to US\$ 29.77 million, were payable in semi-annual installments from 2003 to 2014. Five years into the payment schedule, Philnico failed to pay the monthly amortizations for its purchase of the NMIC Shares.

Issuance and Assignment of the MPSA

In 1991, in compliance with the Definitive Agreement, NMIC applied for an MPSA with the Department of Environment and Natural Resources (DENR). On September 2, 1996, President Fidel V. Ramos, after initial grant and revocation of MPSA, which both occurred in 1995, through the Executive Secretary, approved the reinstatement of the MPSA in the name of Philnico. Thus, in 1997, APT and Philnico entered into a Supplemental Agreement allowing the assignment by Philnico of the MPSA to its subsidiary, Pacific Nickel Philippines, Inc. (PNPI). Furthermore, a Pledge Agreement was entered into whereby Philnico pledged in favor of the Government the: (a) NMIC Shares; and (b) 250,000 shares of stock it owned in PNPI (PNPI Shares), as security for the payment of the Purchase Price. On August 7, 1997, the DENR approved the Amendment to Philnico's MPSA, the Deed of Assignment of MPSA by Philnico to PNPI, and the Mineral Processing Permit of NMIC.

Transfer of Claim to PMO

Upon the expiration of APT's corporate term on December 31, 2000, in accordance with Republic Act (RA) No. 7181, as amended by RA Nos. 7661, 7886, and 8758, the claim reverted to the National Government, which assigned the same for disposition to the PMO.

On September 14, 2016, the Regional Trial Court of Makati issued an Order in relation to the complaint filed by Philnico for Prohibition against Reversion of Shares with Prayer for Writ of Preliminary Injunction and/or Temporary Restraining Order, Suspension of Payment and Fixing of Period of Payment, against PMO, Philnico Processing Corp. (PPC) and the Corporate Secretary of PPC docketed as Civil Case No. 03-114, which granted the motion for summary judgment. Philnico was directed to commence installment payments to PMO under the ARDA not later than December 31, 2021 or after the first of the two nickel processing plant is placed under commercial operations in accordance with the pertinent provisions of the ARDA, whichever comes earlier, and covering the following installment payments:

- (1) Resumption of the installment payments on the "smaller portion" of the purchase price under the ARDA; and
- (2) Commencement of the installment payments on the (i) "bigger portion" of the purchase price under the ARDA in the amount of \$260 Million; (ii) \$29.77 Million; and (iii) the ₱74.501 Million portions.

PMO, through the Office of the Solicitor General (OSG), filed a notice of appeal.

As of December 31, 2017, the Statement of Account of Philnico amounts to ₱14,665,895,594.00, details follow:

Particulars	Due Date	In US Dollar	Peso Equivalent
Purchase Price			
Shares of Common Stocks (Note 1)	Due from Aug. 1996 to Sep. 2010	3,762,000.00	
Shares of Common Stocks (Note 2)	Due from Sep. 2003 to Sep. 2014	260,000,000.00	263,762,000.00
Less Total Payments			1,254,000.00
Balance			262,508,000.00
Add Repayment of Advances (Note 3)	Due from Sep. 2003 to Sep. 2014	29,770,000.00	
Total		292,278,000.00	14,591,394,594.00
Add Advances (Note 4)	Due from Sep. 2003 to Sep. 2014		74,501,000.00
TOTAL			14,665,895,594.00

Note: US dollar was converted using BSP Average Rate of US\$ 1.00 : ₱ 49.923 as of Dec. 29, 2017

Note 1 - Represents sales price for the 22,500,000 shares of Common Stock of NMIC, payable in 171 monthly installments. The 1st installment to begin 9 months from the date of the Final notice as defined in the ARDA (i.e., Nov. 29, 1995) or on August 29, 1996.

Note 2 - Represents sales price for the 22,500,000 shares of Common Stock of NMIC (in addition to Note 1), payable in 23 successive semi-annual installments to begin 3 1/2 years from the date of Amendment Agreement (AA) (i.e., September 27, 1999) or on September 27, 2003 as per Annex B of the AA.

Note 3 - Represents advances made by APT for the settlement of the receivables of Marc Rich and Philip Brother Oceanic, Inc. from NMIC, payable in 23 successive semi-annual installment to begin 3 1/2 years from the date of Amendment Agreement (AA) (i.e., September 27, 1999), or on September 27, 2003 as per Annex C of the AA.

Note 4 - Represents advances made by APT for the settlement of labor claims against NMIC's assets, payable in 23 successive semi-annual installments to begin 3 1/2 years from the date of Amendment Agreement (AA) (i.e., September 27, 1999) or on September 27, 2003 as per Annex D of the AA.

- d. Social Housing Finance Corporation - ₱45,321,600.00 – represents balance of the ₱56,652,000.00 purchase price of parcels of land sold by PMO to Social Housing Finance Corporation (SHFC).

On July 11, 2016, PMO entered into a Deed of Absolute Sale with SHFC wherein five (5) parcels of land, formerly owned by the National Coconut Corporation (NACOCO), was entrusted by the NG to PMO for administration and disposition pursuant to E.O. No. 471 dated November 17, 2005, with a total area of 2,360.50 sq. m. were sold to SHFC for a total consideration of ₱56,652,000.00. The amount of ₱11,330,400.00 was paid by SHFC to PMO in August 2016 representing twenty percent (20%) of the purchase price. The balance of ₱45,321,600.00 shall be paid upon cancellation of the encumbrance annotated on the titles and the submission of the original owner's duplicate copies of titles, free from liens and encumbrances. The PMO sent a letter dated June 13, 2017 to the Registry of Deeds for the cancellation. A letter-request was also sent to OSG on July 11, 2017 to represent PMO in filing the cancellation of annotations.

- e. Triplex Enterprises, Incorporated – ₱173,390,675.01 - unpaid balance of the total consideration of contract to sell entered into by PMO and Triplex Enterprises, Incorporated (TEI).

On April 21, 2016, a contract to sell was made and executed by PMO in favor of TEI wherein the former agreed to sell to the latter two (2) parcels of land, with an aggregate area of more or less 13,000 sq. m., located in Parañaque City, which were formerly owned by Luzon Aggregates, Incorporated, an account transferred by NG to PMO for disposition, for the amount of ₱268,000,000.00 with a down payment of ₱32,000,000.00 and the balance payable in five (5) years through quarterly amortizations with interest at the rate of 3.5% per annum or for a total consideration of ₱290,932,824.76.

6.4 Inter-Agency Receivables

Accounts	Current	Non-Current	Total
Due from National Government Agencies	5,160,622.59	-	5,160,622.59
Due from Government-Owned or Controlled Corporations	245,971,321.81		245,971,321.81
Total Inter-Agency Receivables	251,131,944.40	-	251,131,944.40

6.4.1 Due from National Government Agencies

This account comprises:

NGAs	Particulars	Amount
DBM Procurement Service	Advances made for purchase of office supplies and computer software licenses.	1,259,794.98
Presidential Commission on Good Government (PCGG)	Expenses incurred by APT in the disposition of sequestered assets of the PCGG.	3,900,827.61
Total Due from National Government Agencies		5,160,622.59

Receivables from PCGG will be adjusted upon completion of on-going analysis.

6.4.2 Due from Government-Owned or Controlled Corporations

This account includes the following items:

GOCCs	Particulars	Amount
Development Bank of the Philippines	Balance of discrepancy in transfer price of Northern Cement Corporation	227,594,737.84
	Consultancy fees and other expenses	4,995,782.47
Government Service Insurance System	Reimbursement of expenses for the repair of 3rd party car, Honda Civic UBK-564, damaged by Mitsubishi Pajero assigned to CPO RSC; Repair of Suzuki Vitara; Repair of Nissan Cefiro (79,629.60)	79,629.60
Marinduque Mining & Industrial Corporation	50% share of APT on budget for arbitration expenses per BR#95-53 dated February 28, 1993.	500,000.00
North Davao Mining Corporation	COA adjustments	8,897,471.02
Pantranco North Express, Inc.	Advances to PNEI Management Committee for salaries	3,897,941.48
Sta. Clara Lumber Co., Inc.	Payment of separation pay (ex-gratia) of former employees (c/o D. Santos, A Solangon and A. Reyes)	5,759.40
Total Due from Government-Owned or Controlled Corporations		245,971,321.81

- a. Development Bank of the Philippines (DBP) - ₱227,594,737.84 – this represents balance of DBP's obligation to PMO which was due to the discrepancy in the transfer price of Northern Cement Corporation. As payment, DBP assigned its receivable to PMO from Department of Agrarian Reform/LBP per Deed of Assignment of Rights and Interest dated December 30, 2003.
- b. Marinduque Mining and Industrial Corporation (MMIC) - ₱500,000.00 – this account has been dormant for more than 20 years. Moreover, MMIC is no longer operational. Its corporate term expired on October 4, 1999. A request for write-off of the account was filed with COA on June 23, 2017.

6.5 Other Receivables

6.5.1 Receivables – disallowances/charges

Receivables – disallowances/charges amounting to ₱2,681,340.24 includes: a) PMO disallowances amounting to ₱2,011,315.04 representing disallowances for unauthorized foreign travel expenses, excessive remittance of employer's share on the mandatory Pag-IBIG contribution, excessive claim of representation allowance, and unauthorized charging of transferred asset expenses against PMO revolving fund; and b) BOL disallowances amounting to ₱670,025.20.

APT disallowances amounting to ₱22,646,642.95 – only ₱7,381,103.05 of this amount have supporting documents from COA. PMO has not likewise found any supporting Notice of Disallowance (ND) for the remaining ₱15,265,539.90. COA has noted that there is likewise an unaccounted difference for verification of ₱9,142,143.88 per letter dated August 15, 2012.

6.5.2 Other Receivables

Accounts	Current	Non-Current	Total
Other Receivables	2,432,461.76	942,153,536.54	944,585,998.30
Allowance for Impairment - Other Receivables		(941,979,281.28)	(941,979,281.28)
Net Value - Other Receivables	2,432,461.76	174,255.26	2,606,717.02

This account includes the following items:

- a. Mile Long Complex (MLC), ₱1,655,876.93 – Represents advances made by PMO for the management, conservation, and maintenance of MLC. This amount is to be reimbursed from the proceeds of lease rental from MLC.

- b. Calinog-Lambunao Sugar Mill - ₱162,709.38 and Pigress - ₱11,545.88 – COA adjustments. PMO filed a request for dropping of these accounts with COA on July 21, 2005.
- c. Various accounts from the former BOL, ₱941,979,281.28 – represent receivables from the defunct government corporations. These accounts include receivables of the defunct Congressional Accounts Liquidation Office (CALO) totaling ₱7,224,779.34 with no supporting documents showing details of the receivables. Requests for write-off of these accounts were filed with COA on September 1, 2016, and 100% allowance for impairment of these accounts was recognized.
- d. Receivable from other sources:

	Particulars	Amount
Emerald Plaza	Telephone/water/electric bill	356,484.37
Locator Marketing Corporation	Share in common expenses in the building i.e garbage dues, water and electric bill.	191,960.69
Inland Property Ventures	Share in common expenses in the building i.e garbage dues, water and electric bill.	128,129.46
Villapando, Carfita	Share in common expenses in the building i.e garbage dues, water and electric bill.	99,531.15
New FS Cool Air Ind'l., Inc.	Overpayment of check issued	479.16
TOTAL		776,584.83

6.6 Receivables written-off

The following receivables were written-off by PMO:

Account	Particulars	Reason for Write-off	Authority	No. of years uncollected	Amount
Operating Lease Receivable	Unpaid lease rental - Menzi Development Corporation (MENDECO)	MENDECO no longer existing; No supporting documents to validate the account; No documented Contract of Lease	COA Decision No. 2017-006 dated December 24, 2017	More than 10 years	8,000,000.00
Other Receivables	Unliquidated Cash Advances - Former employees of the defunct APT	Lack of supporting documents and unknown whereabouts	COA NGS Cluster 2 Decision No. 2017-23 dated October 20, 2017	More than 10 years	221,840.33
TOTAL					8,221,840.33

7. Financial Instruments – financial risk management

The nature of PMO operations inevitably involves financial risks that must be measured, monitored and managed by an effective risk management system. Effective risk management ensures that financial risks taken are properly identified, assessed, measured and managed. The diligent monitoring and management of financial risks require the development of a risk-conscious culture that will influence daily business activities and decision-making.

PMO develops risk management policies and procedures that address specific financial risks and monitors strict compliance thereto.

PMO has significant exposures to the following financial risk from its use of financial instruments:

- Credit risk
- Foreign currency risk

The management is responsible for the overall risks management approach and approving the risk strategies and principles.

Credit risk

Credit risk is the risk of financial loss arising from the counterparties' inability or unwillingness to settle their financial obligation to the PMO as expected or originally contracted.

PMO requires the submission of the following in the process of disposition of assets worth at least P50 million:

1. General requirements – SEC registration, DTI registration, Articles of Incorporation and By-laws or its equivalent; Business Structure and General Information Sheet or equivalent information if individual or partnership;
2. Technical requirements – track record as reputable proprietor/ institution/ corporation; and
3. Financial requirements – latest audited financial statements.

The table below shows the PMO maximum credit risk exposure which is equivalent to the total carrying amount of the financial assets.

Accounts	Amount	Past Due
Interest Receivable	4,267,629.06	4,259,851.95
Loans Receivables-Others	200,187,802.29	200,187,802.29
Operating Lease Receivable	29,250,000.00	29,250,000.00
Finance Lease Receivable	15,197,509,991.87	14,978,797,716.86
Due from National Government Agencies	5,160,622.59	3,900,827.61
Due from GOCCs	245,971,321.81	245,971,321.81
Other Receivables	944,585,998.30	942,930,121.37
Total Other Receivables	16,626,933,365.92	16,405,297,641.89

Foreign currency risk

Foreign currency risk arises on financial instruments that are denominated in a foreign currency other than the functional currency in which they are measured.

The PMO has transactional currency exposures. Any depreciation or appreciation of the foreign currencies against the peso posts significant foreign exchange gains or losses relating to receivables.

8. Inventories

Particulars	Amount
Inventory Held for Consumption	
Carrying Amount, January 1, 2017	2,094,731.75
Purchases	982,399.66
Expensed during the year except write-down	(805,324.72)
Adjustments/Write-down during the year	(70,172.50)
Carrying Amount, December 31, 2017	2,201,634.19

Inventory held for consumption includes:

Particulars	Current	Non-Current	Total
Office Supplies Inventory	1,282,916.18		1,282,916.18
Non-Accountable Forms Inventory	39,170.11		39,170.11
Other Supplies and Materials Inventory	878,269.90		878,269.90
Semi-Expendable ICT Equipment	1,278.00		1,278.00
Total inventories	2,201,634.19	-	2,201,634.19

Office supplies inventory and other supplies and materials inventory include amounts of ₱590,164.72 and ₱725,571.34, respectively which represent book balances of abolished corporations transferred to BoL prior to its merger with PMO. A request for dropping of the accounts was resubmitted to COA on June 30, 2016. The request was denied per COA Decision No. 2017-008 dated November 28, 2017. PMO will file a request for reconsideration.

9. Property, Plant and Equipment

	Land Improvements	Buildings & Other Structures	Machinery & Equipment	Transportation Equipment	Furniture, Fixtures & Books	Others	Construction in Progress	Total
Carrying Amount,								
January 1, 2017	532,188.25	7,610,066.92	2,861,439.52	3,620,573.05	373,499.67	31,749.42	-	15,029,516.83
Additions			2,603,255.00		30,300.00	17,020.00		2,650,575.00
Total	532,188.25	7,610,066.92	5,464,694.52	3,620,573.05	403,799.67	48,769.42	-	17,680,091.83
Disposals	-	-	-	-	-	-	-	-
Transfers/adjustments	-	20,913,005.02	28,302,462.78	357,800.00	4,450,539.36	8,237,686.25	1,719,727.26	63,981,220.67
Depreciation (As per								
Statement of								
Financial Performance)	-	(447,512.52)	(872,871.68)	(486,216.12)	(40,928.59)	(4,177.01)	-	(1,851,705.92)
Impairment Loss (As per								
Statement of								
Financial Performance)	-	-	-	-	-	-	-	-
Carrying Amount,								
December 31, 2017								
(As per Statement of								
Financial Position)	532,188.25	28,075,559.42	32,894,285.62	3,492,156.93	4,813,410.44	8,282,278.66	1,719,727.26	79,809,606.58
Gross Cost								
(Asset Account Balance								
per Statement of								
Financial Position)	5,321,882.42	49,148,860.64	38,022,467.15	6,812,126.00	5,101,834.86	8,288,746.25	1,719,727.26	114,415,644.58
Less: Accumulated								
Depreciation	(4,789,694.17)	(21,073,301.22)	(5,128,181.53)	(3,319,969.07)	(288,424.42)	(6,467.59)	-	(34,606,038.00)
Allowance for								
Impairment	-	-	-	-	-	-	-	-
Carrying Amount,								
December 31, 2017								
(As per Statement of								
Financial Position)	532,188.25	28,075,559.42	32,894,285.62	3,492,156.93	4,813,410.44	8,282,278.66	1,719,727.26	79,809,606.58

Property, plant and equipment (PPE) account includes:

- 9.1.1 PPE of National Coal Authority (NCA) amounting to ₱1,886,131.55 – NCA was an abolished corporation turned over to BOL for liquidation, and carried over in the books of the PMO upon its merger with BOL in 2007. Reconciliation revealed that the amount was the balance after effecting adjustments on disposition of various PPE of NCA. A request for dropping of the non-existing account was filed with COA on June 30, 2016. The request was denied per COA Decision No. 2017-001 dated May 18, 2017. PMO filed a Request for Reconsideration on June 29, 2017, docketed as COA CP Case No. 2017-623, which was denied by COA.
- 9.1.2 Book balances of PPEs of abolished corporations under the former BOL amounting to ₱63,650,645.67 – This PPEs have no actual turn-over from BOL to PMO and were found to be non-existing. A request for the dropping of: (1) Office Equipment and Furniture and Fixtures accounts pertaining to book balances of NCA amounting to ₱267,363.22; and, (2) Other Structures, Office Equipment, and Construction in Progress – Agency Assets accounts pertaining to CALO amounting to ₱30,553,973.29 were filed with COA on June 30, 2016 and September 1, 2016 respectively. Remaining BOL accounts are for analysis and will be included in the request for dropping.

- 9.1.3 PMO Unserviceable properties amounting to ₱357,800.00 – These are motor vehicles which are parked inside the PMO building. These items were offered for sale through public bidding on August 31, 2016. However, no prospective bidders attended the said activity. Thus, a “failure of bidding” was declared. On November 10, 2016, these unserviceable properties were re-offered through a negotiated sale or on a per lot and “as-is, where-is” basis as lots nos. III, IV, V and VI. Still, no interested buyers submitted their proposal for the purchase of these unserviceable properties.

- 9.2 Regular maintenance, repairs and minor replacements are charged against Maintenance and Other Operating Expenses (MOOE) as these were incurred.

10. Intangible Assets

Particulars	Computer Software	Other Intangible Assets	TOTAL
Carrying Amount, January 1, 2017	1,771,011.36	-	1,771,011.36
Additions-Purchased/Acquired thru exchange or non-exchange transaction	2,542,480.06	-	2,542,480.06
Total	4,313,491.42	-	4,313,491.42
Disposal	-	-	-
Amortization Recognized (As per Statement of Financial Performance)	(940,087.87)	-	(940,087.87)
Carrying Amount, December 31, 2017 (As per Statement of Financial Position)	3,373,403.55	-	3,373,403.55
Gross Cost (Balance per Statement of Financial Position)	6,266,318.60	-	6,266,318.60
Less: Accumulated Amortization	(2,892,915.05)	-	(2,892,915.05)
Carrying Amount, December 31, 2017 (As per Statement of Financial Position)	3,373,403.55	-	3,373,403.55

11. Other Assets

11.1 Current and Non-Current Other Assets

Accounts	Current	Non-Current	Total
Advances	31,195.00	-	31,195.00
Prepayments	1,071,490.64	21,724,600.84	22,796,091.48
Deposits	24,915.00	764,406.16	789,321.16
Other Assets	-	64,592,942.20	64,592,942.20
Totals	1,127,600.64	87,081,949.20	88,209,549.84

11.1.1 Advances

Advances represent Advances to Officers and Employees amounting to ₱31,195.00 (Schedule 2).

Advances written-off

In accordance with the COA National Government Sector Cluster 2 Decision No. 2017-23 dated October 20, 2017, the PMO has written-off dormant unliquidated cash advances for travel of former officers/employees of BOL who are no longer connected with the office amounting to ₱109,673.52.

11.1.2 Prepayments

Accounts	Amount
Prepaid Insurance (Schedule 3)	1,071,490.64
Other Prepayments	21,724,600.84
Total prepayments	22,796,091.48

Other prepaid expenses amounting to ₱21,724,600.84 represents net book balances of abolished corporations under the former BOL of which ₱16,942,698.19 pertains to prepaid expense account of CALO which was included in the request for dropping of account filed with COA on September 1, 2016. The request was denied per COA Decision No. 2017-007 dated November 28, 2017. A request for reconsideration will be filed by PMO.

11.1.3 Deposits

Accounts	Amount
Guaranty Deposits (Schedule 4)	789,321.16
Total deposits	789,321.16

Part of this account amounting to ₱764,406.16 represents net book balances of abolished corporations under the former BOL. A request for the dropping of the amount of ₱219,909.11 pertaining to guaranty deposit account of CALO was submitted to COA on September 1, 2016.

11.1.4 Other Assets

Accounts	Amount
Acquired Assets	61,316,719.72
Other Assets (Schedule 5)	3,276,222.48
Total other assets	64,592,942.20

11.1.4.1 Acquired assets consist of landholdings of abolished corporations transferred to BOL prior to its merger with PMO. These are: (a) National Coal Authority (NCA) (₱43,730,249.75); and (b) LSBDA (₱17,586,469.97) or a total of ₱61,316,719.72. The details of LSBDA account cannot be established as there were no documents given to BOL upon turn-over.

11.1.4.2 Other Assets (Schedule 5) account represents book balance of Items in Transit of CALO, an abolished corporations under the former BOL. A request for dropping of this account was filed with COA on September 1, 2016.

12. Financial Liabilities

Particulars	2017		2016	
	Current	Non-Current	Current	Non-Current
Accounts Payable (Schedule 6)	19,058,231.80	-	14,181,452.60	-
Due to Officers and Employees (Schedule 7)	69,813.99	-	58,523.11	-
Total Payables	19,128,045.79	-	14,239,975.71	-

13. Inter-Agency Payables

Particulars	2017		2016	
	Current	Non-Current	Current	Non-Current
Due to BIR	883,100.71	-	674,807.47	-
Due to GSIS	10,346.07	-	18,524.94	-
Due to Pag-IBIG	200.00	-	100.00	-
Due to PhilHealth	1,087.50	-	625.00	-
Due to NGAs (Schedule 8)	7,521,000.00	-	-	7,521,000.00
Due to GOCCs (Schedule 9)	4,129,902.22	-	-	4,129,902.22
Total Inter-Agency Payables	12,545,636.50	-	694,057.41	11,650,902.22

14. Trust Liabilities

Particulars	2017		2016	
	Current	Non-Current	Current	Non-Current
Trust Liabilities (Schedule 10)	20,513,831.00	-	4,204,200.00	-
Guaranty/Security Deposits Payable	836,949.77	-	8,780,086.66	-
Customers' Deposits Payable (Schedule 11)	9,539,873.13	18,263,278.60	1,494,768.69	18,289,638.60
Total Trust Liabilities	30,890,653.90	18,263,278.60	14,479,055.35	18,289,638.60

15. Deferred Credits

Particulars	2017		2016	
	Current	Non-Current	Current	Non-Current
Other Deferred Credits (Schedule 12)	322,662,877.16	15,659,250,189.00	397,892,747.63	15,390,338,405.31
Total Deferred Credits	322,662,877.16	15,659,250,189.00	397,892,747.63	15,390,338,405.31

This account was used as contra account in recording the receivables arising from the installment sale of PMO's transferred assets. This will be reversed upon collection of such receivable and/or upon receipts of clearance from COA to write-off corresponding dormant accounts.

16. Other Payables

Particulars	2017		2016	
	Current	Non-Current	Current	Non-Current
Other Payables (Schedule 13)	-	159,520,835.78	454,951.50	159,520,835.78
Total Other Payables	-	159,520,835.78	454,951.50	159,520,835.78

17. Contingent Liabilities

The PMO has a contingent liability to the GSIS in the amount of ₱1,781,173.98 representing bond premium for three (3) years from February 14, 2014 to February 14, 2017 or a yearly premium of ₱593,724.66 relative to the Court of Tax Appeals (CTA) Resolution dated February 7, 2013. This ensued as the Tacloban City Government (TCG) issued Warrants of Levy over the properties of Leyte Park Hotel (LPH) for non-payment of real property tax in the amount of ₱65,959,406.74.

The PMO obtained Temporary Restraining Order (TRO) on the Motion for Suspension of Collection of Real Property Tax and Cancellation of Warrants of Levy. The CTA issued the TRO provided that PMO files a surety bond equivalent to one and one-half (1 ½) of the amount being claimed by TCG.

The Petition for Certiorari on the Motion for Exemption from posting of Surety Bond is still pending before the Supreme Court.

18. Equity

COA Circular Nos. 2013-002 & 2014-003 prescribing government agencies to use the revised chart of accounts for national government agencies require PMO to reclassify the amount of ₱8,000,000.00 as "Contributed Capital" which had formed part of the Government Equity of PMO. Since PMO took up all ending balances of APT accounts as of December 31, 2000, said

amount which was previously recorded as Paid in Capital in APT books are now reclassified as "Contributed Capital" in PMO's books.

19. Business Income

Particulars	2017	2016
Dividend Income	31,218,470.00	12,487,389.85
Interest Income	462,695.04	2,013,074.03
Other Business Income	20,866,709.10	13,487,428.29
Total Business Income	52,547,874.14	27,987,892.17

Other business income includes ₱20,756,472.85 retained from the sales proceeds and other income remitted to the BTr as authorized under Section 6, Article III of EO 323, based on total sales proceeds and other income of ₱564,990,410.27.

20. Personnel Services

Particulars	2017	2016
Salaries and Wages	30,216,589.90	27,625,597.98
Other Compensation	10,042,688.30	9,330,252.73
Personnel Benefit Contributions	4,020,693.56	3,708,637.15
Other Personnel Benefits	2,492,072.88	2,048,411.15
Total Personnel Services	46,772,044.64	42,712,899.01

The PMO recognizes the undiscounted amount of short-term employee benefits, like salaries, wages, bonuses, allowances, etc., as expense unless capitalized, and as a liability after deducting the amount paid.

The PMO recognizes expenses for accumulating compensated absences when these are paid (commuted or paid as terminal leave benefits). Unused entitlements that have accumulated at the reporting date are not recognized as expense. Non-accumulating compensated absences, like special leave privileges, are not recognized.

20.1 Salaries and Wages

Particulars	2017	2016
Salaries and Wages - Regular	30,216,589.90	27,625,597.98
Total Salaries and Wages	30,216,589.90	27,625,597.98

20.2 Other Compensation

Particulars	2017	2016
Personal Economic Relief Allowance (PERA)	1,455,412.32	1,435,638.43
Representation Allowance (RA)	730,250.00	784,500.00
Transportation Allowance (TA)	535,250.00	648,750.00
Clothing/Uniform Allowance	275,000.00	285,000.00
Productivity Incentive Allowance	-	100,000.00
Overtime and Night Pay	253,489.67	-
Year End Bonus	4,897,735.70	4,729,764.30
Cash Gift	316,500.00	309,750.00
Other Bonuses and Allowances	1,579,050.61	1,036,850.00
Total Other Compensation	10,042,688.30	9,330,252.73

20.3 Employees Future Benefits

The PMO and its employees contribute to the GSIS in accordance with Commonwealth Act No. 186 (1936) as amended by RA 8921 dated June 24, 1997. The GSIS administers the plan, including payment of pension benefits to employees to act the act applies. The GSIS pension plan is a defined contribution plan that provides life and retirement insurance coverage. The employer's contribution to the defined contribution plan amounted to ₱3,619,968.56 as shown in Section 20.4.

20.4 Personnel Benefit Contributions

Particulars	2017	2016
Retirement and Life Insurance Premiums	3,619,968.56	3,323,749.65
Pag-IBIG Contributions	73,100.00	72,200.00
PhilHealth Contributions	254,325.00	240,387.50
Employees Compensation Insurance Premiums	73,300.00	72,300.00
Total Personnel Benefit Contributions	4,020,693.56	3,708,637.15

20.5 Other Personnel Benefits

Particulars	2017	2016
Terminal Leave Benefits	1,159,880.44	313,927.44
Other Personnel Benefits	1,332,192.44	1,734,483.71
Total Other Personnel Benefits	2,492,072.88	2,048,411.15

21. Maintenance and Other Operating Expenses

Particulars	2017	2016
Traveling Expenses	1,031,246.31	148,176.60
Training and Scholarship Expenses	970,173.35	595,983.95
Supplies and Materials Expenses	1,679,432.89	2,337,243.20
Utility Expenses	2,583,217.50	2,414,842.28
Communication Expenses	1,206,875.32	1,058,293.80
Extraordinary and Miscellaneous Expenses	2,245,518.83	693,819.36
Professional Services	6,079,049.33	5,860,270.10
General Services	8,710,323.14	9,221,486.12
Repairs and Maintenance	3,739,993.82	418,541.76
Taxes, Insurance Premiums and Other Fees	92,153.64	67,002.09
Other Maintenance and Operating Expenses	29,782,953.49	34,336,513.88
Total Maintenance and Other Operating Expenses	58,120,937.62	57,152,173.14

21.1 Traveling Expenses

Particulars	2017	2016
Traveling Expenses - Local	756,197.00	148,176.60
Traveling Expenses - Foreign	275,049.31	-
Total Traveling Expenses	1,031,246.31	148,176.60

21.2 Training and Scholarship Expenses

Particulars	2017	2016
Training and Scholarship Expenses	970,173.35	595,983.95
Total Training and Scholarship Expenses	970,173.35	595,983.95

21.3 Supplies and Materials Expenses

Particulars	2017	2016
Office Supplies Expenses	700,371.03	713,270.14
Accountable Forms Expenses	1,000.00	800.00
Non-Accountable Forms Expenses	4,934.64	3,589.27
Fuel, Oil and Lubricants Expenses	322,247.76	202,337.51
Semi-Expendable Machinery and Equipment Expenses	112,947.25	142,126.75
Semi-Expendable Furniture, Fixtures & Books Expenses	-	743,083.51
Other Supplies and Materials Expenses	537,932.21	532,036.02
Total Supplies and Materials Expenses	1,679,432.89	2,337,243.20

21.4 Utility Expenses

Particulars	2017	2016
Water Expenses	775,319.19	538,495.97
Electricity Expenses	1,807,898.31	1,876,346.31
Total Utility Expenses	2,583,217.50	2,414,842.28

21.5 Communication Expenses

Particulars	2017	2016
Postage and Courier Services	45,904.56	59,983.00
Telephone Expenses	860,989.96	698,330.00
Internet Subscription Expenses	299,980.80	299,980.80
Total Communication Expenses	1,206,875.32	1,058,293.80

21.6 Extraordinary and Miscellaneous Expenses

Particulars	2017	2016
Extraordinary and Miscellaneous Expenses	2,245,518.83	693,819.36
Total Extraordinary and Misc. Expenses	2,245,518.83	693,819.36

21.7 Professional Services

Particulars	2017	2016
Auditing Services	63,132.21	-
Consultancy Services	4,458,834.69	5,521,281.01
Other Professional Services	1,557,082.43	338,989.09
Total Professional Services	6,079,049.33	5,860,270.10

21.8 General Services

Particulars	2017	2016
Environment/Sanitary Services	24,641.24	30,327.68
Janitorial Services	1,339,848.90	1,382,964.83
Security Services	4,290,446.15	5,455,048.72
Other General Services	3,055,386.85	2,353,144.89
Total General Services	8,710,323.14	9,221,486.12

21.9 Repairs and Maintenance

Particulars	2017	2016
Repairs and Maintenance - Building and Other Structures	1,313,874.26	77,006.23
Repairs and Maintenance - Machinery and Equipment	74,209.75	84,309.00
Repairs and Maintenance - Transportation Equipment	304,108.14	224,180.48
Repairs and Maintenance - Furniture and Fixtures	-	16,292.50
Repairs and Maintenance - Other PPE	2,047,801.67	16,753.55
Total Repairs and Maintenance	3,739,993.82	418,541.76

21.10 Taxes, Insurance Premiums and Other Fees

Particulars	2017	2016
Taxes, Duties and Licenses	10,344.12	9,869.24
Fidelity Bonds Premiums	17,368.75	24,518.75
Insurance Expenses	64,440.77	32,614.10
Total Taxes, Insurance Premiums and Other Fees	92,153.64	67,002.09

21.11 Other Maintenance and Operating Expenses

Particulars	2017	2016
Advertising Expenses	19,152.00	198,671.20
Representation Expenses	274,230.60	183,167.24
Rent/Lease Expenses	454,814.45	441,839.18
Membership Dues and Contributions to Organization	22,257.25	27,613.44
Litigation/Acquired Assets Expenses	28,745,942.08	31,783,249.53
Other Maintenance and Operating Expenses	266,557.11	1,701,973.29
Total Other Maintenance and Operating Expenses	29,782,953.49	34,336,513.88

Litigation/Acquired Assets Expenses represent expenses incurred in connection with litigation proceedings and registration/consolidation of ownership of acquired assets, as well as expenses incurred in the conservation, repair and maintenance of assets/properties. Acquired assets are real and financial assets transferred to the NG pursuant to Proclamation No. 50 and other laws.

For the year ended December 31, 2017, Litigation/Acquired Assets Expenses account consists of the following:

Accounts	Amount
Traveling Expenses - Local	894,007.52
Water Expenses	5,500.00
Electricity Expenses	8,253.07
Legal Services	1,848,000.00
Consultancy Services	133,367.28
Security Services	12,944,994.38
Other General Services	7,698,214.11
Repairs and Maintenance	1,877,013.97
Insurance Expenses	2,329,596.89
Rent/Lease Expenses	410,425.14
Membership Dues and Contributions to Organization	152,406.20
Other Maintenance and Operating Expenses	444,163.52
Total Litigation/Acquired Assets Expenses	28,745,942.08

22. Financial Expenses

Particulars	2017	2016
Bank Charges	6,550.00	3,950.00
Total Other Maintenance and Operating Expenses	6,550.00	3,950.00

23. Non-Cash Expenses

Particulars	2017	2016
Depreciation	1,851,705.92	1,359,265.74
Amortization	940,087.87	434,700.50
Impairment Loss	942,761,659.86	-
Total Other Maintenance and Operating Expenses	945,553,453.65	1,793,966.24

23.1 Depreciation

Particulars	2017	2016
Depreciation - Buildings and Other Structures	447,512.52	447,512.52
Depreciation - Machinery and Equipment	872,871.68	692,442.97
Depreciation - Transportation Equipment	486,216.12	202,590.05
Depreciation - Furniture, Fixtures and Books	40,928.59	14,429.62
Depreciation - Other Property, Plant & Equip't.	4,177.01	2,290.58
Total Depreciation	1,851,705.92	1,359,265.74

23.2 Amortization

Particulars	2017	2016
Amortization - Intangible Assets	940,087.87	434,700.50
Total Amortization	940,087.87	434,700.50

23.3 Impairment Loss

Particulars	2017	2016
Impairment Loss - Other Receivables	942,761,659.86	-
Total Impairment Loss	942,761,659.86	-

24. Net Financial Assistance/Subsidy

Particulars	2017	2016
Notice of Cash Allocation (NCA) received from DBM for payment of agency's personnel services	51,129,051.00	40,738,850.00
Tax Remittance Advice (TRA) issued to BIR	5,764,449.76	5,005,717.39
Total	56,893,500.76	45,744,567.39
Less Reversion of unused NCA	10,046,082.63	3,194,641.80
Net Financial Assistance/Subsidy	46,847,418.13	42,549,925.59

25. Reconciliation of Net Cash Flows from Operating Activities to Surplus/(Deficit)

	2017	2016
Surplus/(deficit)	(951,671,351.93)	(31,125,170.63)
Non-cash movements		
Depreciation and Amortization	2,791,793.79	1,793,966.24
Cash Dividend Received	(31,218,470.00)	(12,487,389.85)
Loss on sale of Property, Plant and Equipment	613,658.29	-
Impairment Loss - Other Receivables	942,761,659.86	-
Reversal of Allowance for Impairment - Other Receivables	(8,221,840.33)	-
Accumulated surplus/(deficit)	(55,086,901.92)	(60,751,063.31)
(Increase)Decrease in Interest Receivable	(708.53)	450,229.51
(Increase)Decrease in Loans Receivable	(200,187,802.29)	-
(Increase)Decrease in Operating Lease Receivable	(29,250,000.00)	-
(Increase)Decrease in Finance Lease Receivable	(15,197,509,991.87)	-
(Increase)Decrease in Due from NGAs	66,338.81	(281,489.76)
(Increase)Decrease in Due from GOCCs	(228,445,916.41)	42,847,602.84
(Increase)Decrease in Other Receivable	15,461,760,747.66	(810,367,038.70)
(Increase)Decrease in Office Supplies Inventory	(73,105.31)	(170,457.44)
(Increase)Decrease in Non-Accountable Forms Inventory	(7,015.36)	3,589.27
(Increase)Decrease in Other Supplies and Materials Inventory	(25,503.77)	(25,120.63)
(Increase)Decrease in Semi-Expendable ICT Equipment	(1,278.00)	-
(Increase)Decrease in Advances to Special Disbursing Officer	285,000.00	(208,956.83)
(Increase)Decrease in Advances to Officers and Employees	133,605.52	151,526.25
(Increase)Decrease in Prepaid Insurance	(36,319.79)	(127,356.77)
(Increase)Decrease in Acquired Assets	-	14,115,030.21
Increase(Decrease) in Accounts Payable	2,575,159.20	3,847,195.71
Increase(Decrease) in Due to Officers and Employees	11,290.88	(30,216.22)
Increase(Decrease) in Due to BIR	208,293.24	62,856.17
Increase(Decrease) in Due to GSIS	(8,178.87)	18,524.94
Increase(Decrease) in Due to Pag-IBIG	100.00	100.00
Increase(Decrease) in Due to PHILHEALTH	462.50	625.00
Increase(Decrease) in Due to GOCCs	-	(4,074,668.51)
Increase(Decrease) in Trust Liabilities	16,309,631.00	(567,157.23)
Increase(Decrease) in Guaranty/Security Deposits Payable	(7,943,136.89)	233,211.54
Increase(Decrease) in Customers' Deposit Payable	8,039,754.44	(1,293,431.31)
Increase(Decrease) in Other Deferred Credits	193,681,913.22	759,653,538.81
Increase(Decrease) in Other Payables	(454,951.50)	271,827.00
Net cash flows from operating activities	(80,903,064.36)	(98,059,693.70)

26. Notes to the Statement of Comparison of Budget and Actual Amounts

26.1 PMO's budget is prepared on cash basis and covers the same period as the date of financial statements.

26.2 PMO's budget for personnel services for the year 2017 was passed through legislative action and approved by the President of the Republic of the Philippines under the General Appropriations Act for fiscal year 2017 (RA 10924) dated December 29, 2016. PMO's approved budget for personnel services for the year 2017 amounts to ₱54,225,000.00. The PMO received Special Allotment Release Order amounting to ₱1,242,051.00 for the performance-based bonus for fiscal year 2016.

26.3 PMO's budget for maintenance and other operating expenses and capital outlay was approved by the Chief Privatization Officer and was taken from the revolving fund maintained by PMO as authorized under Section 6, Article III of EO 323. PMO's revolving fund as of December 31, 2016 has a balance of ₱93,740,491.58.

Section 6, Article III of EO 323 (2000):

"The Office shall be allowed to retain commissions, due diligence fees and proceeds from the sale of Asset Bidding Rules, information memoranda and similar documents, as well as a portion or percentage of proceeds from disposition efforts, not to exceed ten percent (10%), to be approved by the Council to maintain a revolving fund to be utilized for the payment of fees and reimbursable expenses and of the costs and expenses incurred by the Office in the conservation and disposition of the assets held by it or in the performance of its other responsibilities under this Executive Order."

Section 3 of EO 471(2005):

"The PMO shall be allowed to retain a portion not exceeding ten percent (10%) of the proceeds from the disposition of BOL properties, which shall serve as the revolving fund for the payment of costs and expenses incurred by the PMO in the conservation and disposition of government assets."

26.4 Material differences of budget and actual amounts:

- 26.4.1 Services and Business Income – The difference is due to the following: (a) PMO has submitted privatization plans to the Privatization Council (PrC) for approval every quarter of 2017. However, PMO received copies of PrC approvals only on November 27 and 28, 2017, and January 18, 2018; and (b) The Pricing Policy on the disposal of landholdings transferred from the defunct Board of Liquidators is subject of an on-going review by the Department of Justice (DOJ). The PrC requested the DOJ to review the pricing policy.
- 26.4.2 Personnel Services – Underspending was due to unfilled positions and the catch-up plan was to fill up vacant positions. At the beginning of the year there were seventeen (17) vacant positions, which reduced to seven (7) as of December 31, 2017.
- 26.4.3 Maintenance and Other Operating Expenses – Underspending was due to: (a) failed biddings on procurement of appraisal services for assets to be disposed; (b) unimplemented disposition programs awaiting PrC approvals; and (c) underspent budget on Financial Advisor for mining assets, honoraria of OSG lawyers, Gender and Development (GAD), and repairs and maintenance of PMO building. From the budgeted amounts, savings was also realized from the contracted amount for janitorial services and reduced number of consultants and security guards.

27. Remittance to the National Treasury

For the year ended December 31, 2017, PMO's total remittance to the National Treasury amounts to ₱571,868,568.90. This amount includes:

	Amount
Remittances from collections:	
Sales	125,210,032.32
Leases	51,459,933.30
Dividends	358,593,091.60
Interests	495,798.65
Others	6,109,713.03
Remittance of prior years' income	30,000,000.00
Total Remittances	571,868,568.90

28. Key Management Personnel

The key management personnel of the PMO are the Chief Privatization Officer (CPO) and four (4) Deputy Privatization Officers (DPOs). The senior officers group consists of the agency's Division Chiefs. All PMO personnel are engaged on a contractual basis based on DBM approval dated May 7, 2012 pursuant to EO No. 366 (2004) (The Government Rationalization Program) and EO No. 471 (2005) (Directing the Merger of the Board of Liquidators and the Privatization and Management Office).

For the year ended December 31, 2017, the aggregate remuneration of the top three (3) officers of PMO on a fulltime equivalent basis receiving remuneration within this category, are:

Particulars	Aggregate Remuneration
Salaries and Wages	4,189,175.02
Other Compensation	1,307,866.98
Personnel Benefit Contributions	404,884.82
Total cash and cash equivalent	5,901,926.82

PRIVATIZATION AND MANAGEMENT OFFICE**Cash In Bank-Local Currency Time Deposit****All Funds****As of December 31, 2017****Schedule 1****Acct. Code 1-01-02-040**

Bank	Name of Asset	Amount
	PMO	
BTR	PMO ACCOUNT	5,908,536.03
LBP-BOL	HYSA#1801-0551-05	8,051,125.27
	HYSA #1801-0502-35	1,488,747.86
	Total LBP	9,539,873.13
	Grand Total	15,448,409.16

Certified Correct:


RHODORA B. TORRALBA
Chief Accountant

PRIVATIZATION AND MANAGEMENT OFFICE
Advances to Officers and Employees
All Funds
As of December 31, 2017

Schedule 2
Account Code **1-99-01-040**

Name	PARTICULARS	AMOUNT
Current		
Caboteja, Romeo O. Jr.	Travel - Tacloban	14,000.00
Cruz, Marion Karlo	Travel - Bukidnon	17,195.00
Subtotal		31,195.00
TOTAL		31,195.00

Certified Correct:


RHODORA B. TORRALBA
Chief Accountant

PRIVATIZATION AND MANAGEMENT OFFICE
Prepaid Insurance
All Funds
As of December 31, 2017

Schedule 3
Account Code 1-99-02-050

Name	Particulars	Amount
PMO		
Bureau of Treasury	Fidelity bonds premium-PMO accountable Officers	6,112.50
GSIS	Car insurance of various PMO service vehicles.	16,947.73
	Carruf Development Corporation	7,935.43
	Sanfiro Realty Corp	424,691.12
	Emmanuel Community Hospital, Inc.	56,474.31
	Leyte Park Hotel, Inc.	429,755.22
	North Davao Mining Corp.	45,425.00
	Sta Cruz Agro-Industrial Corp.	5,779.47
	Utility Enterprises Corp.	2,210.98
	Western Minolco Corporation	6,759.31
	PMO-Davao Building	166.65
	Repacom Building	58,215.30
	Personnel Accident Insurance	11,017.62
Total		1,071,490.64

Certified Correct:


RHODORA B. TORRALBA
 Chief Accountant

PRIVATIZATION AND MANAGEMENT OFFICE
Guaranty Deposits
All Funds
As of December 31, 2017

Schedule 4
Account Code **1-99-03-020**

Particulars	Nature of Expenses	Amount
PMO		
Makati Central Post Office	Post Office Box rental	15.00
Philcopy Corporation	Rental deposit for the use of two units of copying machines	17,500.00
Philippine Long Distance Tel. Co.	Telephone Sets	6,400.00
Pioneer Glass	Payment to Meralco for additional service deposit	1,000.00
Subtotal		24,915.00
Former BOL		
CALO	With request for dropping of account	219,909.11
LASEDECO	Book balance w/o supporting documents	107,950.75
NAMARCO	-do-	523.46
PRISCO	-do-	432,172.84
Ubix Corp.	Rental deposit for photocopying machine	3,850.00
Subtotal		764,406.16
Total		789,321.16

Certified Correct:


RHODORA B. TORRALBA
 Chief Accountant

PRIVATIZATION AND MANAGEMENT OFFICE
Other Assets
All Funds
As of December 31, 2017

Schedule 5
Account Code

1-99-99-990

Particulars	Amount
Former BOL	
Items in Transit- (CALO)- with request for dropping of account	3,276,222.48
Subtotal	3,276,222.48
Total	3,276,222.48

Certified Correct:


RHODORA B. TORRALBA
Chief Accountant

PRIVATIZATION AND MANAGEMENT OFFICE
Accounts Payable
All Funds
As of December 31, 2017

Schedule 6
Account Code **2-01-01-010**

Payee	Particulars	Amount
PMO		
Bayoca, Darwin	Tax Refund for CY 2015	5,977.79
Mini Canteen Neighborhood Asso., Inc.	Refund of overpayment on Lease-Purchase Agreement (Stale Check)	221,968.38
Subong, Carlo	Tax Refund for CY 2015	1,194.54
Xefar Enterprises	Unpaid Supplies Delivery-December 2017	62,900.00
Boc's Trading	Unpaid Supplies Delivery-December 2017	33,032.75
Loreto Santos	Stale Check	197.00
Cesar Augustine Mindaro	Stale Check	400.00
Various - Unreleased Checks	December 2017	1,555,221.72
Various - Obligated Expenses	December 2017	17,177,339.62
TOTAL		19,058,231.80

Certified Correct:


RHODORA B. TORRALBA
 Chief Accountant

PRIVATIZATION AND MANAGEMENT OFFICE
Due to Officers and Employees
All Funds
As of December 31, 2017

Schedule 7
Account Code **2-01-01-020**

Payee	Particulars	Amount
PMO		
Papa, Christian Lovee	Stale checks- terminal pay	58,523.11
Cruz, Marion Karlo	Terminal Pay	11,290.88
Total		69,813.99

Certified Correct:


RHODORA B. TORRALBA
Chief Accountant

Privatization and Management Office
Due to National Government Agencies
All Funds
As of December 31, 2017

Schedule 8
Account Code 2-02-01-050

Particulars	Amount	Current			Past Due			Remarks
		less than	31-90	91-365	over	over	3 years	
		30 days	days	days	1 year	2 years	& above	
COA AUDIT FEES	7,521,000.00						7,521,000.00	
		-						
TOTAL	7,521,000.00	-	-	-	-	-	7,521,000.00	

Certified Correct:


RHONORA B. TORRALBA
Chief Accountant

PRIVATIZATION AND MANAGEMENT OFFICE

Due to GOCCs

All Funds

As of December 31, 2017

Schedule 9

Account Code

2-02-01-060

Asset Name	Particulars	Amount
Basay Mining Corporation	Transfer of fund from Basay Mining Corporation	222,783.74
BISUDECO	Deposit to Special Saving Deposit to cover future claims	857,310.07
Golden Country Farms, Inc.	Income derived from Operation	706,733.84
Nonoc Mining and Industrial Corp.	Deposit for loan of Mine Slurry Hoses	35,448.87
North Cotabato Sugar Ind., Inc.	Transfer of fund from S/A#630-22924 to APT S/A#265-548502-6 PNB Buendia Branch	1,290,007.97
Philippine Sugar Corp.	Reimbursement of selling expenses of UPSUMCO and interest on investment.	1,017,617.73
Total		4,129,902.22

Certified Correct:


RHODORA B. TORRALBA
Chief Accountant

PRIVATIZATION & MANAGEMENT OFFICE
SCHEDULE OF TRUST LIABILITIES
All Funds
As of December 31, 2017

Schedule 10
Account Code: 2-04-01-010

ASSET NAME	BUYERS/PARTICULARS	AMOUNT (In Pesos)	Amount Due						Remarks
			Current			Past Due			
			less than 30 days	31-90 days	91-365 days	over 1 year	over 2 years	3 years & above	
Cultural Center of the Phil./Philcite	Star Parks Corporation	2,200,000.00	2,200,000.00						
Elorde Sports & Tourism Dev't.	Arsenio Soriano	4,000.00	4,000.00						
Elorde Sports & Tourism Dev't.	Maximo Llantos	6,000.00	6,000.00						
Luzon Aggregates	Triplex Enterprises Inc.	12,542,001.30	12,542,001.30						
NG/NPC/PDAF	Various Lessees	5,761,829.70	4,907,887.90	853,941.80					
TOTAL		20,513,831.00	19,659,889.20	853,941.80	-	-	-	-	

Certified Correct:


RHODORA B. TORRALBA
Chief Accountant

PRIVATIZATION & MANAGEMENT OFFICE
SCHEDULE OF CUSTOMERS' DEPOSIT PAYABLE
All Funds
As of December 31, 2017

Schedule
Account Code: 11
2-04-01-050

NO.	Payor/Asset Name (In alphabetical order)	Amount Balance	Amount Due						Remarks
			Current			Past Due			
			less than	31-90	91-365	over	over	3 years	
			30 days	days	days	1 year	2 years	& above	
1	Jose Moreno, Jr.- North Davao Mining Corp.	2,100,000.00						2,100,000.00	
2	NCA- Province of Batangas	14,535,350.00						14,535,350.00	
3	NCA- Iligan City (63 Junk shop)	1,488,747.86	-	10,553.67	38,194.19		1,440,000.00		
4	NCA- First NatGas Power Corporation	8,051,125.27		11,081.23	8,040,044.04				
5	PARVI - Pamplona Redwood Veneer, Inc.	1,627,928.60						1,627,928.60	
	Total	27,803,151.73	-	21,634.90	8,078,238.23	-	1,440,000.00	18,263,278.60	

Certified Correct:


RHODORA B. TORRALBA
Chief Accountant

PRIVATIZATION & MANAGEMENT OFFICE
SCHEDULE OF OTHER DEFERRED CREDITS

All funds

As of December 31, 2017

Schedule **12**
Account Code **2-05-01-990**

ASSET NAME	AMOUNT (In Pesos)
National Dev't. Corp. Remaining balance for NDC creditors	384,383.90
Suspense Account - Various account	(79,758,167.13)
PIGRESS - COA Adjustment	11,545.88
CALINOG LAMBUNAO SUGAR MILL - Bacolod Metal Corp.	162,709.38
CELLOPHIL RESOURCES - Province Gov't. of Abra	71,200,000.00
DELTA MOTORS CORPORATION	241,271.23
LUZON AGGREGATES - Triplex Enterprises, Incorporated	173,390,675.01
NACOCO - Social Housing Finance Corporation	45,321,600.00
NORTHERN CEMENT CORPORATION	231,183,644.25
LEYTE PARK HOTEL - Unimaster Conglomeration, Inc.	33,959,851.95
MARICALUM MINING CORP. - G. Holding Co., Inc.	241,702,122.86
NONOC MINING & IND'L CORP.-Philnico (ARDA)	14,665,895,594.00
PAMINTUAN DEVELOPMENT COMPANY	10,066,000.00
PAMPONA REDWOOD VENEER, INCORPORATED-DDBP	190,121,802.29
SEMIRARA MINING AND POWER CORP. SHARES	396,162,423.94
Account No. 1802-1011-51	1,867,608.60
Total Other Deferred Credits	15,981,913,066.16

Certified Correct:


RHODORA B. TORRALBA
Chief Accountant

PRIVATIZATION AND MANAGEMENT OFFICE

Other Payables

All Funds

As of December 31, 2017

Schedule 13

Account Code 2-99-99-990

Payee/Account	Particulars	Amount	Aging						Remarks
			Current			Past Due			
			<30days	31-90 days	91-365 days	over 1 year	over 2 yrs	3 years and above	
From Account 416:									
Bureau of the Treasury	Foreign loan repayments for the account of NCA .	159,520,835.78						159,520,835.78	
GRAND TOTAL		159,520,835.78	-	-	-	-	-	159,520,835.78	-

Certified Correct:


RHODORA B. TORRALBA
Chief Accountant

Privatization and Management Office
Detailed Balance Sheet
(All Funds)

	A P T December 31, 2000	P M O December 31, 2017	B O L December 31, 2017	Consolidated December 31, 2017
ASSETS				
Current Assets				
Cash & Cash Equivalents				
Cash Collecting Officer		123,871.50		123,871.50
Petty Cash	16,540.30	40,000.00		40,000.00
Cash in Bank - Local Currency, Current Account	97,779,136.76	124,109,850.87		124,109,850.87
Cash in Bank - Local Currency, Time Deposits	489,463,880.85	15,448,409.16		15,448,409.16
Cash - Modified Disb. System (MDS), Regular		170,960.01		170,960.01
	587,259,557.91	139,893,091.54	-	139,893,091.54
Receivables				
Interest Receivable		7,777.11		7,777.11
Loans Receivable - Others		200,187,802.29		200,187,802.29
Finance Lease Receivable		122,475,074.87		122,475,074.87
Due from National Government Agencies		5,160,622.59		5,160,622.59
Due from GOCCs		245,971,321.81		245,971,321.81
Receivable - Disallowances/Charges		2,011,315.04	670,025.20	2,681,340.24
Other Receivables		2,432,461.76		2,432,461.76
	-	578,246,375.47	670,025.20	578,916,400.67
Inventories				
Office Supplies Inventory		692,751.46	590,164.72	1,282,916.18
Non-Accountable Forms Inventory		39,170.11		39,170.11
Other Supplies and Materials Inventory		152,698.56	725,571.34	878,269.90
Semi-Expandable ICT Equipment		1,278.00		1,278.00
	-	885,898.13	1,315,736.06	2,201,634.19
Other Current Assets				
Advances to Officers and Employees		31,195.00	-	31,195.00
Prepaid Insurance	164,381.75	1,071,490.64		1,071,490.64
Guaranty Deposits		24,915.00		24,915.00
	164,381.75	1,127,600.64	-	1,127,600.64
Total Current Assets	587,423,939.66	720,152,965.78	1,985,761.26	722,138,727.04
Non-current Assets				
Investments				
Investment in Stocks	869,137,792.64	396,162,423.94		396,162,423.94
Investments in Bonds		3,588,906.41		3,588,906.41
	869,137,792.64	399,751,330.35	-	399,751,330.35
Receivables				
Accounts Receivable	15,857,058,368.21			
Interest Receivable	554,299.26	4,259,851.95		4,259,851.95
Operating Lease Receivable		29,250,000.00		29,250,000.00
Finance Lease Receivable		15,075,034,917.00		15,075,034,917.00
Due from GOCCs	39,216,162.97	-		-
Net Value - Other Receivables	178,784.06	174,255.26	-	174,255.26
	15,897,007,614.50	15,108,719,024.21	-	15,108,719,024.21

	A P T	P M O	B O L	Consolidated
	December 31, 2000	December 31, 2017		
Asset Held in Trust	44,058,993,078.00			
Property, Plant and Equipment				
Other Land Improvements			5,321,882.42	5,321,882.42
Buildings			28,235,855.62	28,235,855.62
Other Structures			20,913,005.02	20,913,005.02
Machinery			8,355,562.77	8,355,562.77
Office Equipment	5,566,333.84	1,852,610.32	19,691,777.45	21,544,387.77
Information and Comm. Technology Equipment		6,508,613.50	104,674.64	6,613,288.14
Other Machinery and Equipment		261,400.00	1,247,828.47	1,509,228.47
Motor Vehicles	9,879,817.11	4,873,445.00	1,938,681.00	6,812,126.00
Furniture & Fixtures	333,821.75	620,995.50	4,480,839.36	5,101,834.86
Other Property, Plant and Equipment		51,060.00	8,237,686.25	8,288,746.25
Construction in Progress - Building & Other Structures			1,719,727.26	1,719,727.26
Total	15,779,972.70	14,168,124.32	100,247,520.26	114,415,644.58
Accumulated Depreciation	(8,824,081.34)	(5,986,491.19)	(28,619,546.81)	(34,606,038.00)
Total Property, Plant and Equipment	6,955,891.36	8,181,633.13	71,627,973.45	79,809,606.58
Intangible Assets				
Computer Software		6,266,318.60		6,266,318.60
Accumulated Amortization - Computer Software		(2,892,915.05)		(2,892,915.05)
Net Value	-	3,373,403.55	-	3,373,403.55
Other Non-Current Assets				
Advances to Officers and Employees	365,469.54			
Other Prepayments	77,603.40		21,724,600.84	21,724,600.84
Guaranty Deposits	32,525.00		764,406.16	764,406.16
Acquired Assets			61,316,719.72	61,316,719.72
Other Assets			3,276,222.48	3,276,222.48
Total Non-current Assets	475,597.94	-	87,081,949.20	87,081,949.20
TOTAL ASSETS	60,832,569,974.44	15,520,025,391.24	158,709,922.65	15,678,735,313.89
	61,419,993,914.10	16,240,178,357.02	160,695,683.91	16,400,874,040.93

Note: APT balances as of December 31, 2000 were provided to show movements of assets from the time assets were transferred to PMO.

	A P T December 31, 2000	P M O December 31, 2017	B O L December 31, 2017	Consolidated December 31, 2017
LIABILITIES				
Current Liabilities				
Financial Liabilities				
Accounts Payable	21,271,470.97	19,058,231.80		19,058,231.80
Due to Officers and Employees	769.56	69,813.99		69,813.99
	21,272,240.53	19,128,045.79	-	19,128,045.79
Inter-agency Payables				
Due to BIR	1,406,227.40	883,100.71		883,100.71
Due to GSIS	(155,160.87)	10,346.07		10,346.07
Due to PaG-IBIG	26,214.19	200.00		200.00
Due to PhilHealth		1,087.50		1,087.50
Due to NGAs		7,521,000.00		7,521,000.00
Due to GOCCs	21,906,689.36	4,129,902.22		4,129,902.22
	1,277,280.72	12,545,636.50	-	12,545,636.50
Trust Liabilities				
Trust Liabilities	2,140,450,032.52	20,513,831.00		20,513,831.00
Guaranty/Security Deposits Payable		836,949.77		836,949.77
Customers' Deposits Payable	3,823,160.60	9,539,873.13		9,539,873.13
	2,144,273,193.12	30,890,653.90	-	30,890,653.90
Deferred Credits				
Other Deferred Credits		322,662,877.16		322,662,877.16
	-	322,662,877.16	-	322,662,877.16
Total Current Liabilities	2,166,822,714.37	385,227,213.35	-	385,227,213.35
Non-current Liabilities				
Inter-Agency Payables				
Due to GOCCs	21,906,689.36			
	21,906,689.36	-	-	-
Trust Liabilities				
Customers' Deposits Payable		3,727,928.60	14,535,350.00	18,263,278.60
Trust Accountability	44,058,993,078.00			
	44,058,993,078.00	3,727,928.60	14,535,350.00	18,263,278.60
Deferred Credits				
Other Deferred Credits	15,344,892,094.78	15,659,250,189.00		15,659,250,189.00
	15,344,892,094.78	15,659,250,189.00	-	15,659,250,189.00
Other Payables				
Other Payables	818,032.97		159,520,835.78	159,520,835.78
	818,032.97	-	159,520,835.78	159,520,835.78
Total Non-current Liabilities	59,426,609,895.11	15,662,978,117.60	174,056,185.78	15,837,034,303.38
TOTAL LIABILITIES	61,593,432,609.48	16,048,205,330.95	174,056,185.78	16,222,261,516.73
NET ASSETS/EQUITY				
Equity				
Accumulated Surplus/(Deficits)	(173,438,695.38)	191,973,026.07	(13,360,501.87)	178,612,524.20
Total Net Assets/Equity	(173,438,695.38)	191,973,026.07	(13,360,501.87)	178,612,524.20
TOTAL LIABILITIES AND GOVERNMENT EQUITY	61,419,993,914.10	16,240,178,357.02	160,695,683.91	16,400,874,040.93

Certified correct:


RHODORA B. TORRALBA
 CHIEF ACCOUNTANT

PRIVATIZATION and MANAGEMENT OFFICE

104 Gamboa Street, Legaspi Village, Makati City

LIST OF ASSETS

As of December 31, 2017

NO.	ASSET NAME	DESCRIPTION	GFI	TRANSFER PRICE
A. TRANSFERRED ASSETS				
1	Apo Production Unit, Incorporated	Printing machineries and equipment	PNB	88,643,790.00
2	Asialand Development Corporation	Parcels of land located in San Jose Del Monte, Bulacan	DBP	11,497,000.00
3	Asiatic Integrated Corporation	Warehouses in Mariveles, Bataan	DBP	32,332,570.00
4	Atlas Textile Mills	Land located in Novaliches, Quezon City	DBP	114,792,000.00
5	Basay Mining Corporation	Mining claims	DBP/PNB	996,532,960.00
6	Carruf Development Corporation	Condominium Units in Legaspi Towers 300 located in Roxas Blvd., Manila	PNB	80,900,750.00
7	Cellophil Resources Corporation	Shares of Stocks	DBP/NDC	1,780,055,842.40
8	Central Santos Lopez	Parcels of land located in San Rafael, Iloilo	PNB	77,137,680.00
9	Computer Electronics, Incorporated	Parcel of land located in Veterans Village, Quezon City	DBP	12,156,000.00
10	Cultural Center of the Philippines	Parcel of land located in Manila	PNB	95,555,000.00
11	Davao Timber Corporation	Parcel of land located in Mati, Davao Oriental	DBP	366,696,000.00
12	DBT Integrated Home and Development Corp.	Parcels of land located in Angono, Rizal	PNB	248,496,610.00
13	Delta Motors Corporation	Various parcels of land in Parañaque City, Tondo, Manila, Quezon City and Silang, Cavite	PNB	1,638,799,840.00
14	Elorde Sports and Tourism Development Corp.	Parcel of land located in Sucat Road, Parañaque	DBP	27,952,000.00
15	Emmanuel Community Hospital, Incorporated	Parcel of land with buildings and land improvements located in Tondo, Manila	DBP	45,966,000.00
16	Far East Starch Corporation	Parcel of land located in Calamba, Laguna	DBP	79,630,000.00
17	Fil-Eastern Wood Industries, Incorporated	Parcels of land located in Quezon City	DBP	16,711,000.00
18	Filipinas Carbon and Mining Corporation	For dissolution	PNB	97,235,200.00
19	Filipinas Mills, Inc.	Various real properties located in Antipolo and General Santos City	DBP	15,785,000.00
20	Hercules Minerals and Oils, Inc.	Mining Claims	PNB	539,882,500.00
21	Integrated Shoe, Incorporated	Parcel of land located in Caloocan City	PNB	36,147,040.00
22	Interland Chemicals, Incorporated	Parcel of land located in Atimonan, Quezon	PNB	254,894,360.00
23	Interphase Development Systems, Incorporated	For dissolution	DBP	25,225,000.00
24	Landoil Group of Companies	Various parcels of land and Share of Stocks	PNB	459,928,510.00
25	Landoil Resources Corporation	Parcels of land located in Mariveles, Bataan	DBP/PEFLGC	100,024,548.46
26	Leyte Park Hotel	Parcel of land, buildings, other land improvements and various inventories located in Tacloban, Leyte	DBP	36,952,000.00
27	Luzon Aggregates, Incorporated	Parcels of land located in Norzagaray, Bulacan and Parañaque City	DBP	25,837,000.00
28	Manarra Cassava Flour Mills, Incorporated	Parcels of land located in Cadiz City, Negros Occidental	DBP	33,166,000.00
29	Manila Bay Island Resort, Inc.	Parcels of land located in Cavite	DBP	69,803,000.00
30	Maricalum Mining Corporation	Shares of Stock	DBP	2,479,333,000.00
31	Marinduque Mining and Industrial Corporation	Mining claims	PNB	7,036,990,070.00
32	Merchant Investment Corporation	Shares in Manila Golf and Country Club and Canlubang Golf and Country Club	DBP	45,611,000.00
33	Metro Manila Transit Corporation	Shares of Stock	DBP	263,093,000.00
34	Mindanao Polysack Mfg. Corporation	Parcel of land located in Matampay, Cotabato	DBP	25,225,000.00

PRIVATIZATION and MANAGEMENT OFFICE

104 Gamboa Street, Legaspi Village, Makati City

LIST OF ASSETS

As of December 31, 2017

NO.	ASSET NAME	DESCRIPTION	GFI	TRANSFER PRICE
35	Mindanao Progress Corporation-NFA	Parcels of land located in Sultan Kudarat and Quezon City	DBP	92,414,000.00
36	Montilla Manufacturing Corporation	Parcels of land located in Negros Occidental	DBP	16,560,000.00
37	National Housing Authority - Victoria Wave	Parcel of land located in Tala, Caloocan City	DBP/PNB	201,073,000.00
38	National Sugar Development Company	Various parcels of land located in Floridablanca, Pampanga	PNB	126,788,500.00
39	Nonoc Mining and Industrial Corporation	Mining claims, machineries and equipment located in Surigao	DBP/PNB	12,679,595,510.00
40	Pacific Mills, Incorporated	Parcel of land located in Balintawak, Quezon City	DBP	17,965,000.00
41	Pamintuan Development Company	Parcel of land located in Bo. Sinawan, Davao City	DBP	20,490,000.00
42	Pamplona Redwood Venner, Inc.	Various parcels of land located in Claveria, Cagayan, Tagaytay City and Angono, Rizal	PNB	190,879,910.00
43	Panay Railways, Incorporated	Shares of Stock and parcels of land	DBP	58,731,000.00
44	Pantranco North Express, Incorporated	Parcels of land located in Santiago, Isabela	PNB	576,836,020.00
45	Paper Industries Corporation of the Philippines	Shares of Stock	DBP/PNB	1,496,444,050.00
46	Paragon Paper Industries, Incorporated	Parcels of land located in Hermosa, Bataan	DBP	1,121,958,000.00
47	Peninsula Development Bank	Various parcels of land located in Camarines Norte, Quezon, Batangas and Quezon City	DBP	23,187,000.00
48	Peoples Industrial and Commercial Corporation	Parcel of land located in Navotas, Metro Manila	DBP	326,939,000.00
49	Philippine Iron Manufacturing Co., Inc. (PHILIMCO)/ Philippine United Foundry & Machinery Corp. (PHUMACO)	Parcels of land located in Cabuyao, Laguna and Quezon City	DBP	38,356,000.00
50	Philippine Aerospace Development Corporation	Shares of Stock	DBP	20,000,000.00
51	Philippine Cellophane Film Corporation	Shares of Stock and parcels of land located in Naguillan, La Union	DBP/NDC	419,430,151.53
52	Philippine Knitting Mills, Incorporated	Parcels of land located in Mayamot and Cupang, Antipolo, Rizal	DBP	105,968,000.00
53	Philippine National Construction Corp.	Shares of Stock & parcels of land	DBP/PNB/NDC/PE FLGC	7,746,267,815.05
54	Philippine National Railways	Shares of Stock	DBP/PNB	57,290,570.00
55	Philippine Seeds, Incorporated	Parcels of land located in Talisay, Negros Occidental and Bay, Laguna	DBP	90,574,000.00
56	Philippine Singapore Ports Corporation	Share in Batulao Golf & Country Club	DBP/PEFLGC	804,229,353.77
57	Philippine Smelters Corporation	Parcels of land located in Camarines Norte	DBP	57,076,000.00
58	Philippine Sugar Corporation	Shares of stock	PNB	43,000,000.00
59	Pioneer Glass and Manufacturing Corporation	Parcels of land located in Rosario, Cavite	DBP	64,602,000.00
60	Piso Development Bank, Incorporated	Financial Claims	DBP	15,269,000.00
61	Polysterene Manufacturing Company, Incorporated	Parcels of land located in Bo. Paso de Blas, Valenzuela, buildings, machineries and equipment	DBP	34,024,000.00
62	Prime White Cement Corporation	Parcel of land located in San Fernando, Pampanga	PNB	69,233,100.00
63	Radio Philippines Network, Incorporated	Equity, Franchise, Machinery and Equipment	PNB	200,124,670.00
64	Rafols Hotel Corporation	Leasehold rights	DBP	137,808,000.00

PRIVATIZATION and MANAGEMENT OFFICE

104 Gamboa Street, Legaspi Village, Makati City

LIST OF ASSETS

As of December 31, 2017

NO.	ASSET NAME	DESCRIPTION	GFI	TRANSFER PRICE
65	Republic Hardwood, Incorporated	Parcels of land located in Camarines Norte	DBP	41,477,000.00
66	Sanpiro Realty Corporation	Condominium Units located in Atrium Building, Makati City	PNB	116,230,820.00
67	Selectra Electronics Corporation	Various parcels of land located in Montalban, Rizal,	DBP	61,843,000.00
68	Semirara Coal Corporation	Shares of Stock	DBP	50,000,000.00
69	Sta. Clara Lumber Company, Incorporated	Parcels of land located in Zamboanga del Sur and Tagum, Davao del Norte	DBP	210,058,000.00
70	Sta. Cruz Agro-Industrial Corporation	Parcel of land located in Valenzuela City	DBP	55,447,000.00
71	United Cathay Industries Corporation	Parcel of land located in San Mateo, Rizal	DBP	41,314,000.00
72	Utility Enterprises Corporation	Parcels of land located in Danao City, Cebu	DBP	145,692,000.00
73	VMC Rural Electrification Corp.	Various machineries and equipment located in Negros Occidental	DBP	53,661,000.00
74	Western Minolco Corporation	Condominium unit located in Green Mansion Condominium, Baguio City	DBP	827,572,000.00
75	Wright Paterson Manufacturing Corp.	Parcels of land located in San Jose, Occidental Mindoro	DBP	44,518,000.00
Sub-Total				45,759,913,741.21

B. GOVERNMENT OWNED & CONTROLLED CORPORATIONS (GOCCs)

1	East Visayas Agricultural Projects, Inc.	Feedmill, Piggery, Buildings and Motorcycle Vehicle		N/A
2	Integrated Feedmills Corporation	For dissolution		N/A
3	Marawi Resort Hotel, Incorporated	Shares of Stock		N/A
4	Mindeva Coco-Coir Industries, Incorporated	Parcel of land located in Oroquieta, Cagayan		N/A
5	Mountain Springs Development Corp.	Shares of Stock		N/A
6	Northern Food Corporation	Shares of Stock, machinery and equipment located in Ilocos Norte		905,766,000.00
7	Philippine Fruit & Vegetable Inds., Inc.	Machineries, plant and equipment		N/A
8	Philippine Postal Corporation	Shares of stock		N/A
9	Phividec Panay Agro-Industrial Corp.	Shares of Stock and land located in Panay, Iloilo		N/A
10	San Carlos Fruit Corporation	For dissolution		N/A
11	Shoe Technology Corporation	For dissolution		N/A
12	USIPHIL, Incorporated	Shares of Stock	NDC	110,690,522.58
Sub-Total				1,016,456,522.58

C. OTHER ASSETS

1	Al-Amanah Islamic & Investment Bank	Parcels of land located in Mindanao		N/A
2	Central Bank-Board of Liquidators (CB-BOL)	Parcels of land (subject of actual turn-over and physical inventory)		N/A
3	Food Terminal, Incorporated	Parcel of land located in Taguig City (PEZA Area)		N/A
4	National Government/Makati Property	Parcels of land located in Makati City		N/A
5	New Bilibid Prison (NBP)	Parcels of land located in Muntinlupa City (subject of actual turn-over and physical inventory)		N/A

PRIVATIZATION and MANAGEMENT OFFICE

104 Gamboa Street, Legaspi Village, Makati City

LIST OF ASSETS

As of December 31, 2017

NO.	ASSET NAME	DESCRIPTION	GFI	TRANSFER PRICE
D. ASSETS RECONVEYED BY LANDBANK OF THE PHILIPPINES				
1	Aggregate Mining Exponent		PNB	88,383,410.00
2	Air Manila, Inc.		PNB	72,910,870.00
3	Aluminum World Corp.		DBP	81,625,000.00
4	Asian Water and Sewer Systems, Inc.		DBP/PEFLGC	592,560,074.47
5	Baguio Hilltop Enterprises		DBP	29,967,000.00
6	Balane, Salvador		DBP	14,387,000.00
7	Black Mountain, Inc.		DBP	13,792,000.00
8	Caloocan City Government		DBP	22,114,000.00
9	Cathay Philippines Electronics, Inc.		DBP	14,204,000.00
10	Cement Center, Inc.		DBP	19,206,000.00
11	Clover Manufacturing		DBP	10,031,000.00
12	Development Bank of Rizal		DBP	12,212,000.00
13	Erectors, Inc.		PEFLGC/PNB	1,377,822,390.97
14	Games and Amusement Board		PNB	42,697,470.00
15	Golden Country Farms, Inc.		DBP/PNB	364,936,010.00
16	Manila Seedling Bank Foundation, Inc.		DBP	15,319,000.00
17	Mayflower Shipping Corporation		DBP	10,699,000.00
18	Metro Manila Commission		DBP	54,611,000.00
19	Mindanao Coconut Oil Mills, Inc.		PNB	34,194,430.00
20	Municipality of Malabon		DBP	23,630,000.00
21	NDC/National Steel Corporation		DBP	857,000.00
22	PCSO/Lung Center of the Philippines		PNB	170,255,090.00
23	Peroxide Philippines, Corporation		DBP	106,477,000.00
24	Philippine Airlines, Inc.		PNB	15,328,120.00
25	Philippine Navy		PNB	81,665,470.00
26	Philippine Sugar Commission		PNB	856,247,010.00
27	Public Estate Authority		PNB	18,725,070.00
28	Southwestern Export Crafts Co.		PNB	144,818,920.00
29	Sta. Ines Mining and Steel Corporation		DBP	84,870,000.00
30	Sugar Producers Cooperative		PNB	28,469,660.00
31	Sulu-Agro Industrial Corporation		PNB	94,300,070.00
32	Tayabas Cement Co., Inc.		PNB	35,019,910.00
33	Trident Mining and Ind. Corporation		PNB	17,992,000.00
34	V.C. Ponce Co., Inc.		PNB	28,211,410.00
35	Western Agro Ind. Corporation		DBP	51,226,000.00
Sub-Total				4,629,764,385.44

PRIVATIZATION and MANAGEMENT OFFICE

104 Gamboa Street, Legaspi Village, Makati City

LIST OF ASSETS

As of December 31, 2017

NO.	ASSET NAME	DESCRIPTION	GFI	TRANSFER PRICE
E. TRANSFERRED ASSETS FROM BOARD of LIQUIDATORS (BOL)				
1	Abaca Corp. of the Phils. (ABACORP)	Lots located in Garchitorena, Camarines Sur Lots located in Iriga City Lots located in Gubat, Sorsogon Lots located in Tigaon, Camarines Sur		N/A
2	Land Settlement Development Corporation (LASEDECO) / National Resettlement and	Lots located in General Santos City Lots located in Polomolok, South Cotabato Lots located in Tupi, South Cotabato Lots located in Surallah, South Cotabato Lots located in Koronadal City, South Cotabato Lots located in Tampakan, South Cotabato Lots located in Banga, South Cotabato Lots located in Sto. Niño, South Cotabato Lots located in Norala, South Cotabato Lots located in Isulan, Sultan Kudarat Lots located in Cabanatuan City		N/A
3	Leyta Sab-A Basin Development Authority	Lots located in Tacloban City - Prudasco Lots located in Simangan, Relocation Site, Isabel, Leyte Lots located in San Miguel, Leyte		N/A
4	National Abaca & Other Fibers Corporation (NAFCO)	Lots located in Cebu Lots located in Davao Del Sur Lots located in Compostela Valley Lots located in Davao Oriental Lots located in Davao del Norte Lots located in Davao City Lots located in San Francisco, Quezon Lots located in Zamboanga City Lots located in Tarlac Lots located in Butulan, Abad Santos Lots located in Negros Occidental		N/A
5	National Coconut Corporation (NACOCO)	Lots located in Buenavista, Quezon		N/A
6	National Marketing Corp. (NAMARCO)	Lots located in Guinayangan, Quezon Lots located in Licab, Nueva Ecija		N/A
7	National Coal Authority (NCA)	Lots located in Sta Rita, Aplaya, Batangas City		N/A
		Subtotal		N/A
		GRAND TOTAL		51,406,134,649.23

Privatization and Management Office

Schedule of Lease Receivable

All Funds

As of December 2017

Schedule 16

	Asset Name	Lessee		AMOUNT
1	Elorde Sports Dev't. Corp.	Arsenio Soriano		4,000.00
2	Elorde Sports Dev't. Corp.	Maximo Llantos		6,000.00
3	Elorde Sports Dev't. Corp.	Rotillo Atok		99,312.50
4	Elorde Sports Dev't. Corp.	Ernesto Allanigue		110,000.00
5	Elorde Sports Dev't. Corp.	Melencio Basco		302,400.00
6	Elorde Sports Dev't. Corp.	Nelson Mendoza		51,083.31
7	Emmanuel Community Hospital, Inc.	Metro Manila Development Authority		9,079,376.95
8	Leyte Park Hotel	Unimaster Conglomeration, Inc		122,030,863.43
	TOTAL		P	131,683,036.18

Certified Correct:


RHODORA B. TORRALBA
Chief Accountant