

**PHILIPPINE CHARITY SWEEPSTAKES OFFICE**

**BALANCE SHEET**

**December 31, 2011**

(With Corresponding Figures for 2010)

(In Philippine Peso)

	Notes	2011	2010 (As Restated)
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	4.1/5	8,141,528,796	6,422,485,665
Short-term investments	6	742,810,499	471,360,205
Receivables - net	4.3/7	294,677,511	206,978,091
Inventories	4.5/8	158,082,249	142,128,729
Prepayments	9	10,648,478	10,329,750
Other current assets	10	14,506,110	16,973,027
<b>Total Current Assets</b>		<b>9,362,253,643</b>	<b>7,270,255,467</b>
NON-CURRENT ASSETS			
Held-to-maturity investments	11	200,405,468	200,405,468
Property, plant and equipment - net	4.4/12	1,154,283,837	1,158,424,277
Other assets	13	652,894,022	117,586,631
<b>Total Non-Current Assets</b>		<b>2,007,583,327</b>	<b>1,476,416,376</b>
<b>TOTAL ASSETS</b>		<b>11,369,836,970</b>	<b>8,746,671,843</b>
<b>LIABILITIES AND EQUITY</b>			
CURRENT LIABILITIES			
Accounts payable	14	3,907,950,204	4,447,079,665
Inter-agency payables	15	2,799,844,655	1,134,639,438
Intra-agency payables	16	4,275,869,638	3,485,176,762
Other current liability	17	389,118,827	356,374,938
<b>Total Current Liabilities</b>		<b>11,372,783,324</b>	<b>9,423,270,803</b>
DEFERRED CREDITS	18	12,242,142	18,731,293
<b>TOTAL LIABILITIES</b>		<b>11,385,025,466</b>	<b>9,442,002,096</b>
EQUITY		(15,188,496)	(695,330,253)
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>11,369,836,970</b>	<b>8,746,671,843</b>

The notes on pages 10 to 31 form part of these financial statements.

**PHILIPPINE CHARITY SWEEPSTAKES OFFICE**  
**STATEMENT OF INCOME AND EXPENSES-OPERATING FUND**  
**For the Year Ended December 31, 2011**  
(With Corresponding Figures for 2010)  
(In Philippine Peso)

	Notes	2011	2010 (As Restated)
NET RECEIPTS ALLOCATION	25	4,063,410,948	4,035,835,200
Less: Share in rentals and maintenance of equipment		469,189,858	461,777,638
Share in commission expenses		207,155,425	205,129,550
3D Prize margin		-	31,964,751
Total		676,345,283	698,871,939
NET OPERATING FUND		3,387,065,665	3,336,963,261
Add: Other income	27	607,485,497	521,360,670
Total		3,994,551,162	3,858,323,931
Less: Operating expenses	28		
Personal services		1,252,626,487	1,154,899,598
Maintenance and other operating expenses		1,480,125,188	1,870,422,143
Printing expenses		664,801,153	757,447,669
Total Expenses		3,397,552,828	3,782,769,410
Savings before other financial income/charges		596,998,334	75,554,521
Add(Less): Other Financial Income/Charges	31		
Share from Small Town Lottery (STL)		52,036,525	-
Interest income		32,355,576	21,516,835
Printing cost - STL		767,485	-
Financial charges		(997,794)	(1,736,078)
Loss on foreign exchange		(1,018,369)	(2,056,346)
Adjustments		-	(111)
		83,143,423	17,724,300
<b>SAVINGS FROM OPERATING FUND</b>		<b>680,141,757</b>	<b>93,278,821</b>

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**PHILIPPINE CHARITY SWEEPSTAKES OFFICE**  
**STATEMENT OF CHANGES IN EQUITY**  
**For the Year Ended December 31, 2011**  
(With Corresponding Figures for 2010)  
(In Philippine Peso)

	Notes	2011	2010 (As Restated)
APPRaisal CAPITAL	22	889,584,727	889,584,727
Balance, Beginning		(1,584,914,980)	(1,663,749,689)
Adjustments:			
Reversal of accumulated depreciation - leasehold improvements		-	61,542,146
Accrual of advertising		-	(75,986,258)
Savings from Operating Fund		680,141,757	93,278,821
Balance, End		(904,773,223)	(1,584,914,980)
<b>EQUITY</b>		<b>(15,188,496)</b>	<b>(695,330,253)</b>

The notes on pages 10 to 31 form part of these financial statements.

**PHILIPPINE CHARITY SWEEPSTAKES OFFICE**  
**CASH FLOW STATEMENT**  
**For the Year Ended December 31, 2011**  
(With Corresponding Figures for 2010)  
(In Philippine Peso)

	Notes	2011	2010
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Sales of lotto, keno and sweepstakes tickets		20,972,951,871	21,441,807,520
Remittance of STL agents		338,561,415	205,552,940
Remittance of share on sweepstakes instant tickets		137,142,857	219,122,857
Interest income		196,824,328	100,246,197
Miscellaneous income		22,036,827	13,542,899
Bidders' bond/cash bond		20,995,499	13,450,524
Other service income		20,188,619	7,569,733
Inspection/installation/application/processing fees		13,936,242	796,536
Income from franchise tax		7,058,414	-
Other receivables		-	8,485,456
Refund of cash advances		-	1,436,233
Fines and penalties		4,652,940	802,419
Payment of defaulted tickets sellers		1,008,032	575,800
Rent income		45,100	565,176
Payment to winners, beneficiaries, employees, suppliers, non-governmental organizations and National Government Agencies	26	(19,465,878,345)	(20,198,851,157)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		<b>2,269,523,798</b>	<b>1,815,103,133</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of assets		1,217,970	-
Purchase/payment of property, plant and equipment		(14,574,334)	(26,912,085)
Payment of equipment acquired in 2010		(7,483,853)	-
Other assets		(258,190,155)	(3,952,500)
Short-term investments placements		(271,450,294)	(471,360,205)
Termination of short-term investments placements		-	615,318,470
Dividend income		-	200
<b>NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES</b>		<b>(550,480,666)</b>	<b>113,093,880</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>1,719,043,131</b>	<b>1,928,197,013</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>		<b>6,422,485,665</b>	<b>4,494,288,652</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	4.1/5	<b>8,141,528,796</b>	<b>6,422,485,665</b>

The notes on pages 10 to 31 form part of these financial statements.

**PHILIPPINE CHARITY SWEEPSTAKES OFFICE**  
**CHARITY FUND UTILIZATION STATEMENT**  
**For the Year Ended December 31, 2011**  
(With Corresponding Figures for 2010)  
(In Philippine Peso)

	Notes	2011	2010 (As Restated)
NET RECEIPTS ALLOCATION	25	8,126,821,897	8,071,670,401
Less: Share in commission expenses		414,310,850	923,555,277
Share in rentals and maintenance of equipment		938,379,717	410,259,099
3D prize margin		-	63,929,501
Total		1,352,690,567	1,397,743,877
TOTAL CHARITY FUND		6,774,131,330	6,673,926,524
Less: Charity Fund Expenses	29		
Mandatory contributions		5,225,963,967	2,801,784,836
Regular and traditional beneficiaries		3,892,951,809	3,676,200,359
Other projects and programs		48,757,531	569,569,746
NET CHARITY FUND		9,167,673,307	7,047,554,941
Add (Less): Other financial income/charges	31	601,482,560	1,066,971,872
NET AMOUNT		(1,792,059,417)	693,343,455
Add (Less): Adjustments			
Difference in PDOs' fund transfer		5,990,984	(7,902,604)
Difference in allocation of PDOs		-	5,276,883
Total adjustments		5,990,984	(2,625,721)
Add: Balance, beginning of the year		2,381,673,800	1,690,956,066
<b>BALANCE, END OF THE YEAR</b>		<b>595,605,367</b>	<b>2,381,673,800</b>

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**PHILIPPINE CHARITY SWEEPSTAKES OFFICE**  
**PRIZE FUND UTILIZATION STATEMENT**  
**For the Year Ended December 31, 2011**  
(With Corresponding Figures for 2010)  
(In Philippine Peso)

	Notes	2011	2010 (As Restated)
NET RECEIPTS ALLOCATION	25	14,899,173,478	14,798,062,402
Less: Share in commission expenses		759,569,892	1,693,184,674
Share in rentals and maintenance		1,720,362,814	752,141,682
3D Prize margin		-	117,204,088
<b>TOTAL</b>		<b>2,479,932,706</b>	<b>2,562,530,443</b>
<b>NET PRIZE FUND</b>		<b>12,419,240,772</b>	<b>12,235,531,959</b>
Less: Prize fund expense	30	11,161,236,095	11,381,341,291
Add (Less): Other financial income/charges	31	(521,648,874)	(609,365,219)
<b>NET AMOUNT</b>		<b>736,355,803</b>	<b>244,825,449</b>
Add (Less): Adjustments			
Difference in allocation of PDOs		-	110,418,770
Allocated prize margin for 3-digit game		-	214,150,419
Fund transfer from PDOs		-	7,500,000
Adjustment in retail receipts-PDOs		-	(4,343,523)
Adjustments		3,618,212	(8,200,200)
		3,618,212	319,525,466
Add: Balance, beginning of the year		2,940,290,256	2,375,939,341
<b>BALANCE, END OF THE YEAR</b>		<b>3,680,264,271</b>	<b>2,940,290,256</b>

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