Republic of the Philippines
Office of the President

# PHILIPPINE CHARITY SWEEPSTAKES OFFICE

BAGONG PILIPINAS

## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of the Philippine Charity Sweepstakes Office (PCSO) is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended December 31, 2025 and 2024, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the PCSO's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the PCSO or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the PCSO's financial reporting process.

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

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

[redacted]

**JUDGE FELIX P. REYES (RET.)**
Chairman of the Board
Date: MAY 2 0 2026

[redacted]

**MELQUIADES A. ROBLES**
General Manager
Date: MAY 2 0 2026

[redacted]

**ARNEL N. CASAS**
Assistant General Manager

**PHILIPPINE CHARITY SWEEPSTAKES OFFICE**
**STATEMENTS OF FINANCIAL POSITION**
**(ALL FUNDS)**
As at December 31, 2025 and 2024
(In Philippine Peso)

| | Notes | 2025 | 2024 (As Restated) |
|---|---|---|---|
| **ASSETS** | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 5 | 19,572,585,613 | 21,838,069,093 |
| Other investments | 6 | 6,572,037,073 | 6,257,789,615 |
| Receivables | 7 | 4,535,910,013 | 5,265,991,953 |
| Inventories | 8 | 716,652,760 | 363,966,098 |
| Other current assets | 9 | 896,152,367 | 527,732,121 |
| **Total Current Assets** | | **32,293,337,826** | **34,253,548,880** |
| NON-CURRENT ASSETS | | | |
| Financial asset | 10 | 2,042,529,954 | 1,269,553,695 |
| Investment property | 11 | 278,026,053 | 278,256,147 |
| Property, plant and equipment - net | 12 | 5,287,550,959 | 5,316,342,976 |
| Intangible assets | 13 | 9,539,796 | 43,956,347 |
| Deferred tax assets | 15.1 | 2,126,674,460 | 1,738,070,681 |
| Other non-current assets | 14 | 8,891,634,299 | 9,288,478,819 |
| **Total Non-Current Assets** | | **18,635,955,521** | **17,934,658,665** |
| **TOTAL ASSETS** | | **50,929,293,347** | **52,188,207,545** |
| **LIABILITIES AND EQUITY** | | | |
| CURRENT LIABILITIES | | | |
| Financial liabilities | 16 | 9,364,469,007 | 8,592,511,723 |
| Inter-agency payables | 17 | 1,463,156,699 | 2,212,152,675 |
| Intra-agency payables | | 51,784 | 51,784 |
| Provisions | 18 | 329,645,922 | 539,580,282 |
| Other current liabilities | 19 | 2,879,618,433 | 3,013,831,092 |
| **Total Current Liabilities** | | **14,036,941,845** | **14,358,127,556** |
| NON-CURRENT LIABILITIES | | | |
| Financial liabilities | 16 | 1,920,264,802 | 3,081,926,221 |
| Deferred credits/Unearned income | 20 | 180,790,111 | 152,960,257 |
| Trust liabilities | 21 | 8,444,812,776 | 9,077,751,531 |
| Provisions | 18 | 376,882,803 | 272,668,504 |
| Deferred tax liabilities | | 939,940,543 | 633,418,615 |
| **Total Non-Current Liabilities** | | **11,862,691,035** | **13,218,725,128** |
| **TOTAL LIABILITIES** | | **25,899,632,880** | **27,576,852,684** |
| Retained earnings | | 25,024,755,671 | 24,611,859,753 |
| Cumulative changes in fair value | | 4,904,796 | (504,892) |
| **EQUITY** | 22 | **25,029,660,467** | **24,611,354,861** |
| **TOTAL LIABILITIES AND EQUITY** | | **50,929,293,347** | **52,188,207,545** |

**The notes on pages 9 to 87 form part of these Financial Statements.**

**PHILIPPINE CHARITY SWEEPSTAKES OFFICE**
**STATEMENTS OF COMPREHENSIVE INCOME**
**(ALL FUNDS)**
For the Years Ended December 31, 2025 and 2024
(In Philippine Peso)

| | Notes | 2025 | 2024 (As Restated) |
|---|---|---|---|
| **INCOME** | | | |
| Service and business Income | | 65,549,672,047 | 63,642,045,296 |
| Gains | | 28,711,163 | 42,099,663 |
| Shares, grants and donations | | 5,960,100 | 300,000 |
| Other non-operating income | | 288,869,662 | 194,549,022 |
| **Total Income** | 23 | **65,873,212,972** | **63,878,993,981** |
| | | | |
| **OPERATING EXPENSES** | | | |
| Personnel services expenses | | 1,630,947,942 | 1,174,272,605 |
| Maintenance and other operating expenses | | 50,256,943,176 | 47,912,423,144 |
| Financial expenses | | 234,320,825 | 298,199,074 |
| Non-cash expenses | | 1,739,894,813 | 1,492,868,800 |
| **Total Operating Expenses** | 24 | **53,862,106,756** | **50,877,763,623** |
| **Profit before tax** | | **12,011,106,216** | **13,001,230,358** |
| **Income tax expense - current** | 15 | (577,627,490) | (1,022,692,743) |
| **Income tax benefit - deferred** | 15 | 82,081,851 | 346,646,633 |
| **Profit / (Loss) After Tax** | | **11,515,560,577** | **12,325,184,248** |
| | | | |
| Financial assistance/subsidy/contribution | 24 | 9,539,679,950 | 6,689,832,419 |
| **NET INCOME / (LOSS)** | | **1,975,880,627** | **5,635,351,829** |
| Other comprehensive income/(loss) | | 5,409,688 | (5,276,103) |
| **TOTAL COMPREHENSIVE INCOME** | | **1,981,290,315** | **5,630,075,726** |

**The notes on pages 9 to 87 form part of these Financial Statements.**

**PHILIPPINE CHARITY SWEEPSTAKES OFFICE**
**STATEMENTS OF CHANGES IN EQUITY**
**(ALL FUNDS)**
For the Years Ended December 31, 2025 and 2024
(In Philippine Peso)

| | Cumulative Changes in Fair Value of Investments (Note 22) | Retained Earnings/(Deficit) (Note 22) | TOTAL |
|---|---|---|---|
| **BALANCE AT JANUARY 1, 2024** | **4,771,211** | **20,745,616,315** | **20,750,387,526** |
| **CHANGES IN EQUITY FOR 2024** | | | |
| Add/(Deduct): | | | |
| Payment of dividends | - | - | - |
| Forfeitures | - | - | - |
| Transfer to Charity Fund | - | - | - |
| Dividends payable | - | (1,769,108,391) | (1,769,108,391) |
| Comprehensive Income | (5,276,103) | 3,841,941,937 | 3,836,665,834 |
| Prior Year's Adjustments | - | 1,793,409,892 | 1,793,409,892 |
| | | | - |
| **RESTATED BALANCE AT DECEMBER 31, 2024** | **(504,892)** | **24,611,859,753** | **24,611,354,861** |
| **CHANGES IN EQUITY FOR 2025** | | | |
| Add/(Deduct): | | | |
| Accumulated Surplus/(Deficit) | - | 49,104,129 | 49,104,129 |
| Payment of Dividends | - | - | - |
| Forfeitures | - | - | - |
| Transfer to Charity Fund | - | - | - |
| Dividends Payable | - | (1,612,088,838) | (1,612,088,838) |
| Comprehensive Income | 5,409,688 | 1,975,880,627 | 1,981,290,315 |
| **BALANCE AT DECEMBER 31, 2025** | **4,904,796** | **25,024,755,671** | **25,029,660,467** |

**The notes on pages 9 to 87 form part of these Financial Statements.**

**PHILIPPINE CHARITY SWEEPSTAKES OFFICE**
**STATEMENTS OF CASH FLOW**
**(ALL FUNDS)**
As at December 31, 2025 and 2024
(In Philippine Peso)

| | Notes | 2025 | 2024 |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| **Cash Inflows** | | | |
| Sales | | 21,133,275,849 | 25,171,364,602 |
| Share from small town lottery / bingo milyonaryo / peryahan | | - | 482,597 |
| STL agent - remittances | | 17,605,426,357 | 15,792,744,057 |
| Share from scratch tickets | | 129,075 | 34,388 |
| Interest income | | 10,409,617 | 10,002,225 |
| Miscellaneous income | | 8,779,054 | 17,313,360 |
| Income from grants and donations in cash | | - | 300,000 |
| Other service income | | 29,770,920 | 205,660,981 |
| Application / filing/ processing fees | | 12,222,549 | 18,895,960 |
| Inspection / installation fee | | 4,395,650 | 690,065 |
| Fines and penalties | | 26,409,870 | 17,766,224 |
| Collection of accounts receivable | | 1,124,417 | 186,347 |
| Sale of unserviceable property | | 1,831,787 | 63,000 |
| Miscellaneous receivables / cash collections | | 2,979,464 | 16,109,022 |
| Cash bond / performance bond / bidder's bond | | 478,312,813 | 1,378,294,117 |
| Cash collection (for payment of employee's loans/GSIS, Pag-IBIG, PhilHealth, etc.) | | 7,782,943 | 557,916 |
| Cash collection (for payment of STL share of LGUs/childrens hour) | | 230,917 | - |
| Fund transfer to / from other branches / office of the department manager (region) | | 39 | 85,006,390 |
| Fund transfer to home office | | 13,313,317 | 5,560,082,049 |
| **Total Cash Inflows** | | **39,336,394,638** | **48,275,553,300** |
| **Cash Outflows** | | | |
| Prize fund expenses | | 4,594,546,646 | 9,517,839,909 |
| Maintenance and other operating expenses | | 1,810,568,255 | 2,114,453,498 |
| Payments made to bureau of internal revenue | | 16,196,764,966 | 14,782,348,177 |
| Charity fund expenses | | 6,735,171,096 | 6,366,280,944 |
| Personnel services expenses | | 1,392,293,745 | 1,009,323,599 |
| Inventories-office supplies, thermal rolls and betslips, etc. | | 979,449,722 | 632,952,953 |
| Payment of liabilities | | 1,161,270,880 | 1,183,682,107 |
| Cash advance / due from officers and employees | | 801,154,075 | 561,279,367 |
| Payments made to GSIS, Pag-IBIG, PhilHealth and etc. | | 199,485,197 | 110,260,125 |
| Prepayments | | 59,447,433 | 517,395,138 |
| Other losses | | - | 99,606 |
| Finance charges | | 326,897,731 | 1,025,922 |
| Refund of retention fee | | - | 30,016,261 |
| Guaranty deposits | | 4,193,917 | - |
| Refund of cash bond/performance bond/bidder's bond | | - | 1,187,301,877 |
| Payment of other liabilities | | 901,543,291 | 983,006,622 |
| Purchase of ambulance for distribution | | 2,703,604,000 | |
| Fund transfer to / from other branches / office of the department manager (region) | | 39 | 85,006,390 |
| Fund transfer to home office | | 49,377,161 | 5,581,582,049 |
| **Total Cash Outflows** | | **37,915,768,154** | **44,663,854,544** |
| **Net Cash Provided by/(Used in) Operating Activities** | | **1,420,626,484** | **3,611,698,756** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| **Cash Inflows** | | | |
| Termination of investments | | 10,114,165 | 1,590,455,391 |
| Proceeds from disposal of assets | | 160,288 | 15,235 |
| **Total Cash Inflows** | | **10,274,453** | **1,590,470,626** |
| **Cash Outflows** | | | |
| Investment and other marketable securities | | 149,881,410 | - |
| Placements of short-term investments | | 513,523,686 | - |
| Other assets | | - | 124,431 |
| Purchase of equipment | | 9,948,692 | 3,431,267 |
| Purchase of IT equipment | | 245,668,985 | 4,973,857 |
| Purchase of motor vehicle | | 13,831,225 | 89,792,724 |
| Purchase of furniture and fixtures | | 1,461,250 | 2,351,477 |
| Purchase of military, police and security equipment | | - | 372,318 |
| Purchase of medical dental / hospital equipment | | 8,259,914 | 876,322,429 |
| Purchase of other machinery and equipment | | 20,746,313 | 602,887 |
| Purchase of semi-expendable | | 681,860 | 1,306,780 |
| Purchase of communication equipment | | 4,484,587 | 423,995 |
| Purchase of printing equipment | | 127,500 | - |
| Construction of office building | | 947,905,847 | 26,568,692 |
| Purchase of other property, plant and equipment | | 3,526,893 | 471,690 |
| Purchase of other assets | | 1,315,666 | - |
| Leasehold improvement / renovation | | 4,379,286 | 54,853,102 |
| Building improvement | | 1,532,912 | - |
| **Total Cash Outflows** | | **1,927,276,026** | **1,061,595,649** |
| **Net Cash Provided by/(Used in) Investing Activities** | | **(1,917,001,573)** | **528,874,977** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| **Cash Outflows** | | | |
| Payment of dividend | | 1,769,108,391 | 2,684,933,915 |
| **Total Cash Outflows** | | **1,769,108,391** | **2,684,933,915** |
| **Net Cash Provided by/(Used in) Financing Activities** | | **(1,769,108,391)** | **(2,684,933,915)** |
| **INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS** | | (2,265,483,480) | 1,455,639,818 |
| **CASH AND CASH EQUIVALENTS, JANUARY 1** | | 21,838,069,093 | 20,382,429,275 |
| **CASH AND CASH EQUIVALENT, DECEMBER 31** | 5 | **19,572,585,613** | **21,838,069,093** |



**The notes on pages 9 to 87 form part of these Financial Statements.**