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SECURITIES AND EXCHANGE COMMISSION

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P H I L I P P I N E N A T I O N A L
C O N S T R U C T I O N C O R P O R A T I O N

(Company's Full Name)

P N C C C O M P L E X K M 1 5 E A S T S E R V I C
E R O A D B I C U T A N P A R A N A Q U E C I T Y
(Business Address: No. Street City / Town / Province)

FRANCES LYNETTE V. SAYSON
Contact Person

846-2906
Company Telephone Number

1 2 3 1
Month Fiscal Year Day

17-Q
FORM TYPE

0 3 4th
Month Annual Meeting Tuesday Day

Secondary License Type, if Applicable

Dept. Requiring this Doc.

Amended Articles Number / Section

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel Concerned

File Number

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STAMPS

11. Are any or all of these securities listed on the Philippines Stock Exchange?

Yes No

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

PHILIPPINE STOCK EXCHANGE (PSE)

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by section 17 of the Code and SRC Rule 17 thereunder or Section 11 of the RSA Rule 11(a)-1 thereunder, and Section 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports);

Yes No

(b) has been subject to such filing requirements for the past 90 days.

Yes No

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Financial Statements and, if applicable, Pro Forma Financial Statements meeting the requirements of RSA Rule 68, Form and Content of Financial Statements shall be furnished as specified therein. (Refer to attached)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations. (Refer to attached)

PART II – OTHER INFORMATION

The issuer may, at its option, report under this item any information not previously report in a report on SEC Form 17-C. If disclosure of such information is made under this Part II, it need not be repeated in a report on Form 17-C which would otherwise be required to be filed with respect to such information or in a subsequent report on Form 17-Q.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer **PHILIPPINE NATIONAL CONSTRUCTION CORPORATION**

Signature and Title  President/CEO

Duly Authorized Representative LUIS F. SISON

Date 28 October 2015

Signature and Title  Chief Finance Officer

Signature and Title  Corporate Controller

Date 28 October 2015

Principal Financial/Accounting Officer/Controller MIRIAM M. PASETES / SUSAN R. VALES

Date 28 October 2015

PART 1 - FINANCIAL INFORMATION

(Item 1 -Financial Statements)

(Item 1.1 -Statements of Financial Position)

**PHILIPPINE NATIONAL CONSTRUCTION CORPORATION
STATEMENTS OF FINANCIAL POSITION**

As of March 31, 2015

With Comparative Figures as of December 31, 2014

(In Thousand Pesos)

	March 31 2015 (Interim)	December 31 2014 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	P 475,239	P 398,342
Accounts receivables	381,214	419,140
Receivables from officers and employees	42,813	42,900
Prepayments	10,255	10,067
Total Current Assets	909,521	870,449
Noncurrent Assets		
Investments	260,684	260,984
Investment property	10,442,198	10,442,198
Property and equipment, net	561,851	563,071
Other assets, net	326,466	327,626
Total Noncurrent Assets	11,591,199	11,593,879
TOTAL ASSETS	P 12,500,720	P 12,464,328
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued expenses	P 41,849	P 44,576
Due to the National Government and its Instrumentalities	7,942,914	7,879,297
Due to Government Owned or Controlled Corporation	1,203,000	1,203,000
Total Current Liabilities	9,187,763	9,126,873
Noncurrent Liabilities		
Deferred tax liabilities	3,273,142	3,273,142
Other payables	174,862	174,862
Total Noncurrent Liabilities	3,448,004	3,448,004
Stockholders' Equity (Capital Deficiency)	(135,047)	(110,549)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	P 12,500,720	P 12,464,328

PHILIPPINE NATIONAL CONSTRUCTION CORPORATION
Aging Schedule of Receivables and Advances
As of March 31, 2015
(In Thousand Pesos)

	Amount	Allowance for Doubtful Account	Net Amount	Current	Past Due					Over 5 Years	
					1-30 Days	31-60 Days	61-90 Days	91 Days but not over 1 Yr.	Over 1 Yr. but not over 5 Yrs.		
Current Assets:											
Billed Contract Receivable	52,607		52,607								52,607
Contract Retention Receivable	2,755		2,755								2,755
Claims Receivable	65,052		65,052								65,052
Accounts Receivable - Trade	30,634		30,634	10,603	5,646	5,143	826	1,054			
Accounts Receivable - Subs. and Aff. (net)	11,043		11,043	262	222	135	1,442	8,444			
Other Accounts Receivable	70,135	1,117	69,018	33				68,981			4
Advances for SSS/EC Benefits	5		5				5				
Advances to Suppliers	50		50	26			20	4			
Advances to CESLA	50		50	9			2	8			
Advances to Bureau of Treasury	150,000		150,000				17	13			150,000
Total Accounts Receivable	382,331	1,117	381,214	10,933	5,865	5,279	2,281	78,496			270,418
Receivables from Officers and Employees	42,813		42,813	290	2		11	39,350			3,160
Sub-total (Current Assets)	425,144	1,117	424,027	11,223	5,885	5,279	2,292	117,846			273,578
Non-Current Assets:											
Accounts Receivable - Trade	50,879		50,879					22,868			28,011
Receivables from Officers and Employees	12,582		12,582					12,082			500
Sub-total (Non-Current Assets)	63,461	-	63,461	-	-	-	-	34,950			28,511
Total	488,605	1,117	487,488	11,223	5,885	5,279	2,292	152,796			302,089

PART 1 - FINANCIAL INFORMATION

(Item 1 -Financial Statements)

(Item 1.2 -Statements of Profit or Loss)

**PHILIPPINE NATIONAL CONSTRUCTION CORPORATION
STATEMENTS OF PROFIT OR LOSS**

For the First Quarter of 2015 and 2014

(In Thousand Pesos)

	January to March	
	2015	2014
REVENUES		
Revenue/dividend shares from Joint Venture Companies	P 39,207	P 26,134
Rental income	23,972	21,330
	<u>63,179</u>	<u>47,464</u>
GENERAL AND ADMINISTRATIVE OVERHEAD	<u>16,891</u>	<u>18,195</u>
PROFIT FROM OPERATIONS	<u>46,288</u>	<u>29,269</u>
OTHER INCOME (CHARGES):		
Penalty charges	(63,617)	(63,617)
Interest income	1,081	482
Other income	130	1,790
	<u>(62,406)</u>	<u>(61,345)</u>
NET PROFIT (LOSS)	<u>P (16,118)</u>	<u>P (32,076)</u>

Earnings (loss) per share:

(a) income (loss)	(0.09)	(0.18)
(b) number of outstanding common shares	174,444,749	174,444,749

PART 1 - FINANCIAL INFORMATION

(Item 1 -Financial Statements)
(Item 1.3 -Statements of Changes in Equity)

PHILIPPINE NATIONAL CONSTRUCTION CORPORATION
STATEMENTS OF CHANGES IN EQUITY

For the First Quarter of 2015 and 2014
(Nearest Peso)

	Capital Stock P10 Par Value	Capital In Excess of Par Value	Subscriptions Receivable	Treasury Stock	Revaluation Increment In Property	Equity Adjustment- Loans Transf. to Nat'l Gov't	Retained Earnings (Deficit)	Total Equity
Balances, December 31, 2014	2,283,758	46,137	(56,159)	(16,699)	377,332	5,551,726	(8,296,644)	(110,549)
Correction of prior years' income and expenses							(8,380)	(8,380)
Net loss	2,283,758	46,137	(56,159)	(16,699)	377,332	5,551,726	(8,305,024)	(118,929)
Other comprehensive income							(16,118)	(16,118)
As at March 31, 2015	2,283,758	46,137	(56,159)	(16,699)	377,332	5,551,726	(8,321,142)	(135,047)
Balances, December 31, 2013	2,283,758	46,137	(56,159)	(16,699)	378,011	5,551,726	(8,056,378)	130,396
Correction of prior years' income and expenses							(10,545)	(10,545)
Net loss	2,283,758	46,137	(56,159)	(16,699)	378,011	5,551,726	(8,066,923)	119,851
Other comprehensive income							(32,076)	(32,076)
As at March 31, 2014	2,283,758	46,137	(56,159)	(16,699)	378,011	5,551,726	(8,098,999)	87,775

PART 1 - FINANCIAL INFORMATION

(Item 1 -Financial Statements)

(Item 1.4 -Statements of Cash Flows)

**PHILIPPINE NATIONAL CONSTRUCTION CORPORATION
STATEMENTS OF CASH FLOWS**

For the First Quarter of 2015 and 2014

(In Thousand Pesos)

	January to March	
	2015	2014
CASH FLOW FROM OPERATING ACTIVITIES:		
Cash receipts from customers:		
Revenue share	P 50,973	P 42,100
Rental	28,125	29,671
Others	184	1,152
	<u>79,282</u>	<u>72,923</u>
Payments to:		
Suppliers	(12,778)	(16,787)
Employees	(7,014)	(10,508)
Directors	(522)	(706)
Consultants/retainers	(114)	(149)
	<u>58,854</u>	<u>44,773</u>
Cash provided by operations	58,854	44,773
Penalties	(50)	-
Taxes and licenses	(1,658)	(1,537)
Deficiency taxes	-	(4,819)
Net cash flows provided by operating activities	<u>57,146</u>	<u>38,417</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(3)	-
Proceeds from sale of fixed assets/scrap materials	-	2,004
Interests	1,120	458
Dividends	18,334	9,460
Others	300	-
Net cash flows provided by investing activities	<u>19,751</u>	<u>11,922</u>
NET DECREASE (DECREASE) IN CASH AND CASH EQUIVALENT	76,897	50,339
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	398,342	181,265
CASH AND CASH EQUIVALENTS AT END OF FIRST QUARTER	475,239	231,604

Item 1.5 Earnings (loss) Per Share

The Company's earning (loss) per share is presented on the face of the Income Statement (Item 1.2). Said earning (loss) per share is computed by dividing the net income (loss) by the number of outstanding common shares.

Item 1.6 Disclosure that the issuer's interim financial report is in compliance with the generally accepted accounting principles

The interim financial statements of the Philippine National Construction Corporation are prepared on a historical cost basis, except for investment property and property and equipment which are carried at revalued amounts. The financial statements are presented in Philippine peso, which is the company's functional and presentation currency. The amounts are rounded off to the nearest thousand pesos.

Item 1.7 Notes to Financial Statements

1.7.a Accounting Policies and Methods

1.7.a.1 The same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements.

1.7.a.2 Revenue Recognition

Pursuant to the Supreme Court En Banc Decision, the Company no longer recorded the tollways income from the North and South Luzon Tollways (NLT and SLT).

Pending issuance of the implementing rules and guidelines for the determination of the amounts due to the Company for its administrative expenses, the Company recognized 10% of its share from the Joint Venture Companies' gross toll revenues, in accordance with the interim guidelines issued by the Toll Regulatory Board (TRB).

Rental income arising from the investment property is accounted for on a straight-line basis over the term of the lease.

1.7.a.3 Allowance for Doubtful Accounts

Allowance for doubtful accounts is maintained at a level considered adequate to provide for potentially uncollectible receivables. The level of allowance is based on past collection experience and other factors that may affect collectibility. Evaluation of the receivables, on a per account basis, is performed on a continuous basis throughout the year.

1.7.a.4 Prepayments

Prepayments are expenses paid in advance and recorded as asset before they are utilized. This account comprises of insurance premiums, other prepaid items, and creditable withholding taxes. Prepayments that are expected to be realized for no more than twelve (12) months after the reporting date are classified as current assets, otherwise, these are classified as other non-current assets.

This account also includes inventories consisting principally of construction materials, spare parts, and supplies are stated at cost, generally determined by the average cost method for a significant portion of domestic inventories and by the first in-first out method for other inventories. Allowance for inventory write down is provided for all non-moving/obsolete items of the inventory account.

1.7.a.5 Investments

The Company accounts for its investments in wholly-owned/controlled subsidiaries at cost. Allowance for impairment is provided.

The Company believes that the effects of not consolidating the subsidiaries are not material to the financial statements because these are no longer operating, except for DISC Contractors, Builders, and General Services, Inc. (DCBGSI) which has been incurring losses, resulting to accumulated deficit.

In a regular board meeting held on November 14, 2011, the PNCC Board resolved to comply with the mandate of the Supreme Court to transfer and turn over the shares of stock in tollway joint venture companies which PNCC is holding in trust for the National Government.

Available for sale equity securities (club shares) are recorded/measured/presented at fair market value as provided under PAS 39, Financial Instruments: Recognition and Measurement.

1.7.a.6 Investment Property

Investment property are land or building or both held to earn rentals or for capital appreciation or both. Investment property is recognized as an asset when and only when it is probable that future economic benefits associated with the property flows to the entity and the cost of the property can be measured reliably.

Investment property is initially measured at cost. Subsequent to initial recognition, the account is stated at fair value, which

has been determined based on the valuations performed by independent firms of appraisers. The changes in fair value from year to year are recognized in the profit or loss.

1.7.a.7 Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation and any accumulated impairment in value. Property and equipment are subsequently carried at revalued amounts.

Depreciation commences once the property and equipment are available for use and is computed using the straight-line method over the following estimated useful lives:

<u>Asset Type</u>	<u>Estimated Useful Lives</u>
Land improvements	10 years
Buildings and improvements	10 to 33 years
Construction equipment	2 to 10 years
Transportation equipment	3 to 5 years
Office equipment-furniture and fixtures	5 years
Others	2 to 7 years

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation are charged against operations.

When the assets are retired or otherwise disposed of, the cost and related accumulated depreciation and impairment in value are removed from the accounts and any gain or loss resulting from the disposal is directly charged or credited in the current operations.

1.7.a.8 Revaluation Increment in Property

The increase in the asset's carrying amount as well as a result of revaluation is credited to equity under the heading of "Revaluation Increment in Property". The revalued asset is being depreciated and as such, part of the surplus is being realized as the asset is used. Realization of the revaluation increment is credited to Retained Earnings account.

Piecemeal realization of the revaluation increment is effected on a yearly basis.

1.7.a.9 Borrowing Costs

Borrowing costs are expensed as incurred. These costs represent the 2 per cent penalty charges imposed by the Toll Regulatory Board (TRB) on unpaid concession fee.