



107012019003255



## SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines  
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

### Barcode Page

The following document has been received:

**Receiving Officer/Encoder** : Joel C. Fernandez  
**Receiving Branch** : Baguio City Branch  
**Receipt Date and Time** : July 01, 2019 04:13:08 PM  
Received From Head Office :

Company Representative

---

Doc Source

Company Information

---

SEC Registration No. AS93004846  
Company Name JOHN HAY MANAGEMENT CORPORATION  
Industry Classification  
Company Type Stock Corporation

Document Information

---

---

Document ID 107012019003255  
Document Type FINANCIAL STATEMENT-ANNUAL  
Document Code FS  
Period Covered December 31, 2018  
No. of Days Late 0  
Department CED/CRMD  
Remarks

Reason for Edit Receipt Date:

# COVER SHEET

for  
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A	S	0	9	3	0	0	4	8	4	6
---	---	---	---	---	---	---	---	---	---	---

**COMPANY NAME**

J	O	H	N		H	A	Y		H	A	N	A	G	E	M	E	N	T		C	O	R	P	O	R	A	T	I	O
N																													

**PRINCIPAL OFFICE** (No. / Street / Barangay / City / Town / Province)

C	A	M	P		J	O	H	N		H	A	Y		L	O	A	K	A	N		R	O	A	D					
B	A	G	U	I	O		C	I	T	Y																			

Form Type

--	--	--	--

Department requiring the report

--	--	--	--

Secondary License Type, if Applicable

--	--	--	--

**COMPANY INFORMATION**

Company's email Address

mgmt@jhmc.com.ph
------------------

Company's Telephone Number

(074)-444-8980
----------------

Mobile Number

--

No. of Stockholders

10
----

Annual Meeting (Month / Day)

April 10
----------

Fiscal Year (Month / Day)

12 / 31
---------

**CONTACT PERSON INFORMATION**

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

RONALD B. ZAMBRANO
--------------------

Email Address

ronald-zambano@jhmc.com
-------------------------

Telephone Number/s

(074) 444-8980
----------------

Mobile Number

0908-967-4848
---------------

**CONTACT PERSON'S ADDRESS**

COTTAGE 625, JOHN HAY SPECIAL ECONOMIC ZONE, CAMP JOHN HAY BAGUIO CITY
--

**NOTE 1:** In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

**2:** All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.



Republic of the Philippines  
**COMMISSION ON AUDIT**

Cordillera Administrative Region  
La Trinidad, Benguet

May 16, 2019

**Mr. ALLAN R. GARCIA**  
President and Chief Executive Officer  
John Hay Management Corporation  
John Hay Special Economic Zone  
Loakan, Baguio City



Sir:

We are pleased to transmit the Annual Audit Report on the John Hay Management Corporation for the year ended December 31, 2018, in compliance with Section 2, Article IX-D of the Philippine Constitution and Section 43 of Presidential Decree No. 1445.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions and we believe that it provided reasonable bases for the results of our audit.

We rendered a qualified opinion on the fairness of presentation of the financial statements due to the following:

- Assets and liabilities were overstated by ₱3.1 million and ₱11.1 million, respectively, while Equity was understated by ₱7.9 million due to accounting errors and the recognition of invalid obligations; and,
- Property, Plant and Equipment was understated because property units amounting to ₱2.2 million were not recognized in the books; while, unserviceable property units carried at ₱484,405.61 were not derecognized.

The following is a summary of the most significant findings and observations, of which, details and the other findings and observations are discussed in the Observations and Recommendations portion of the Report:

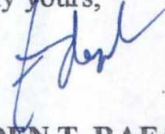
1. Revenues realized from operating lease transactions was short by ₱3.2 million because certain terms and conditions embodied in the Contracts of Lease were not enforced.
2. The timeframe for remitting collections from lease contracts to BCDA was not regularly complied with; thus, cash and liabilities carried in the books as of December 31, 2018 were unreasonably increased by ₱18.9 million.


3. Opportunity cost of ₱130,688.88 was incurred due to the non-investment of idle cash amounting to ₱19.5 million.
4. Financial resources of the agency were not complemented with development and financial plans resulting in the accumulation of unencumbered cash of ₱111.9 million.

We request that the recommended remedial measures be immediately implemented and we will appreciate being informed of the action(s) taken thereon within 60 days from receipt of this report, pursuant to Section 93 of the General Provisions of the General Appropriations Act for FY 2018 or Republic Act No. 10924.

We acknowledge the assistance and support extended to the Audit Team by the officials and employees of the Corporation.

Very truly yours,



Atty. EDEN T. RAFANAN  
Regional Director 

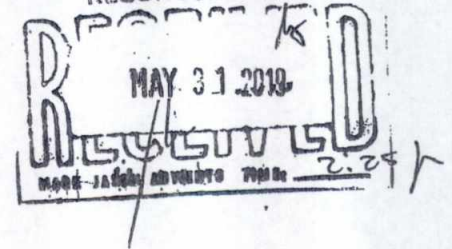


Republic of the Philippines  
**COMMISSION ON AUDIT**

Cordillera Administrative Region  
La Trinidad, Benguet

May 16, 2019, MAY MANAGEMENT CORP.  
RECORDS OFFICE

**THE BOARD OF DIRECTORS**  
John Hay Management Corporation  
John Hay Special Economic Zone  
Loakan, Baguio City



Dear Members of the Board,

We are pleased to transmit the Annual Audit Report on the John Hay Management Corporation for the year ended December 31, 2018, in compliance with Section 2, Article IX-D of the Philippine Constitution and Section 43 of Presidential Decree No. 1445.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions and we believe that it provided reasonable bases for the results of our audit.

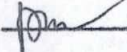
We rendered a qualified opinion on the fairness of presentation of the financial statements due to the following:

- Assets and liabilities were overstated by ₱3.1 million and ₱11.1 million, respectively, while Equity was understated by ₱7.9 million due to accounting errors and the recognition of invalid obligations; and,
- Property, Plant and Equipment was understated because property units amounting to ₱2.2 million were not recognized in the books; while, unserviceable property units carried at ₱484,405.61 were not derecognized.

The following is a summary of the most significant findings and observations, of which, details and the other findings and observations are discussed in the Observations and Recommendations portion of the Report:

1. Revenues realized from operating lease transactions was short by ₱3.2 million because certain terms and conditions embodied in the Contracts of Lease were not enforced.
2. The timeframe for remitting collections from lease contracts to BCDA was not regularly complied with; thus, cash and liabilities carried in the books as of December 31, 2018 were unreasonably increased by ₱18.9 million.

CERTIFIED TRUE COPY  
of the ORIGINAL

By. 

3. Opportunity cost of ₱130,688.88 was incurred due to the non-investment of idle cash amounting to ₱19.5 million.
4. Financial resources of the agency were not complemented with development and financial plans resulting in the accumulation of unencumbered cash of ₱111.9 million.

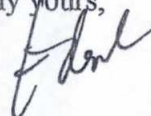
We request that the recommended remedial measures be immediately implemented and we will appreciate being informed of the action(s) taken thereon within 60 days from receipt of this report, pursuant to Section 93 of the General Provisions of the General Appropriations Act for FY 2018 or Republic Act No. 10924.


We acknowledge the assistance and support extended to the Audit Team by the officials and employees of the Corporation.

CERTIFIED TRUE COPY  
of the ORIGINAL

By.  \_\_\_\_\_

Very truly yours,



Atty. EDEN T. RAFANAN  
Regional Director 

**JOHN HAY MANAGEMENT CORPORATION**  
(A Wholly-Owned Subsidiary of the Bases Conversion and Development Authority)  
**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
For the year ended December 31, 2018

	NOTE	CY2018	CY2017
<b>Income</b>			
Service and Business Income	21	109,877,571.96	84,703,387.77
Gains	25	890,959.03	14,602.81
Other Non-Operating Income	25	175,073.00	7,602.22
<b>Total Income</b>		<b>110,943,603.99</b>	<b>84,725,592.80</b>
<b>Expenses</b>			
Personnel Services	22	(55,707,367.63)	(29,518,131.06)
Maintenance & Other Operating Expenses	23	(33,891,018.16)	(31,319,212.78)
Non-Cash Expenses	24	(3,778,335.59)	(3,014,951.28)
<b>Total Expenses</b>		<b>(93,376,721.38)</b>	<b>(63,852,295.12)</b>
<b>Profit/(Loss) Before Tax</b>		<b>17,566,882.61</b>	<b>20,873,297.68</b>
<b>Income Tax Expense/(Benefit)</b>		<b>(7,054,663.33)</b>	<b>(5,619,810.38)</b>
<b>PROFIT/(LOSS) AFTER TAX</b>		<b>10,512,219.28</b>	<b>15,253,487.30</b>
Assistance and Subsidy		-	-
Other Comprehensive Income/(Loss) for the Period		-	-
<b>COMPREHESIVE INCOME/(LOSS)</b>		<b>10,512,219.28</b>	<b>15,253,487.30</b>

*The notes on pages 36 to 41 form part of these statements.*

