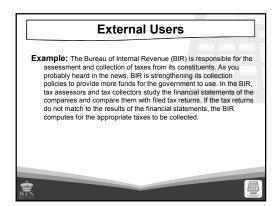
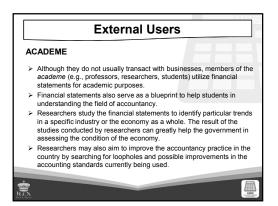
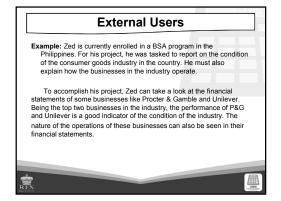


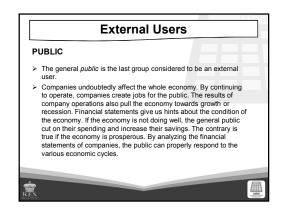
External Users Example: Aryana is a successful career woman. During her 15-year tenure as an engineer, she amassed a total of ₱10M in savings. Instead of placing her money in the bank, which earns only 2% in interest every year, she plans to invest in either Shell or Petron. Shell and Petron are two of the largest oil companies in the country. After analyzing the financial statements of both companies, Aryana noted that Petron and Shell earned high levels of profit for the past 2 years with Petron garnering Php40M more in profits. In addition, Petron is planning to expand the business which is expected to bring in more profits for the company Based on the facts given, it is more probable that an investment in Petron will be the more profitable investment in the long run. As illustrated in this example, both the company and the investor will benefit from the communication of accounting information. Investors can make better informed decisions while companies can attract potential investors to provide additional funds.

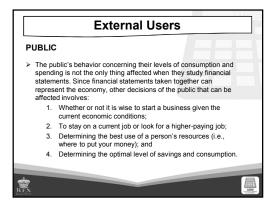
External Users GOVERNMENT The government is likewise a user of a company's financial statements, primarily to regulate the businesses in the economy, but can also invest in or lend money to businesses. The government, particularly the taxing authorities, also uses the financial statements to compute for the amount of taxes payable by a company. Companies' desire to pay lower taxes might encourage them to understate revenues and overstate expenses to the detriment of the public. Taxing authorities guarantee that this wrongdoing does not occur. The government particularly looks at the income, revenues, and expenses of a company. Officials want to ensure that companies do not overstate their income to attract more investors and creditors. Investing huge amounts of money in a company with lower than perceived value can be very harmful for the economy. Revenues and expenses are closely scanned for taxing purposes.

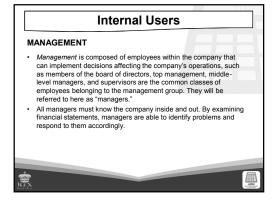


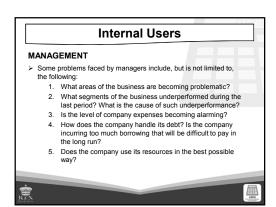


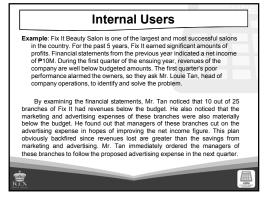












Internal Users EMPLOYEES > Other employees of a business, aside from managers, sometimes take a look at the company's financial statements. Unlike managers who examine the financial statements to make better decisions for the benefit of the company, other employees use them primarily for personal reasons. > Employees are concerned with the company's profitability. If the company they are working for is profitable, employees feel that they will timely and adequately receive their compensation and additional benefits.

> The current condition of a company also impacts employee morale

and performance. Companies that are performing well almost

always have employees that are motivated. On the other hand,

employee demotivation might be the effect of not meeting company

generation of profits. Whatever their role in the business might be, all owners or stockholders are interested in the results of company > Predominantly, owners or stockholders want to know if their investments will yield acceptable returns. A profitable business keeps its investors happy. As a result, investors would not liquidate their ownership, but might even provide additional resources while the business is enjoying success. Meanwhile, businesses who fail or stockholders.

OWNERS OR STOCKHOLDERS

Internal Users

> Owners or stockholders are the existing investors of the company.

Some owners or stockholders take an active role in the

management of the business while others just wait for the