111132014000647

SECURITIES AND EXCHANGE COMMISSION

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Company Information

SEC Registration No.	AS93008127
Company Name	APC GROUP INC.
Industry Classification	
Company Type	Stock Corporation

Document Information

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COVER SHEET

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S. E. C. Registration Number

A P C G R O U P , I N C .

(Company's Full Name)

8 TH F L O O R P H I L C O M B U I L D I N G

8 7 5 5 P A S E O D E R O X A S

M A K A T I C I T Y

(Business Address: No. Street City/Town/province)

RIZA G. BALIANG

Contact Person

845-0614

Company's Telephone Number

1 2 3 1

Month Day

Fiscal Year

SEC Form 17Q

FORM TYPE

Month Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Number of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

L C U

Cashier

S T A M P S

Remarks = Pls. use black ink for scanning purposes

SEC Number ASO93-008127-A
File Number ____

APC GROUP INC.
(Company's Full Name)

8th Floor Philcom Bldg.
8755 Paseo de Roxas, Makati City
(Company's Address)

(632) 845-0614
(Telephone Numbers)

30 September 2014
(Quarter Ending)

SEC FORM 17-Q
(Form Type)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the nine months ended **30 September 2014**

2. Commission identification number: **AS093-08127**

3. BIR Tax Identification No. **002-834-075-000**

4. Exact name of registrant as specified in its charter: **APC GROUP, INC.**

5. Province, country or other jurisdiction of incorporation or organization: **PHILIPPINES**

6. Industry Classification Code: ☐ (SEC Use Only)

7. Address of registrant's principal office:

   8th Floor, Philcom Bldg., 8755 Paseo de Roxas, Makati City
   Postal Code 1226

8. Registrant's telephone number, including area code: **(632) 845-0614**

9. Former name, former address and former fiscal year, if changed since last report: **N / A**

10. Securities registered pursuant to Sections in Securities Regulation Code

Title of each class	Number of shares of stock outstanding
Common Stock, ₱1.00 par value	**7,511,809,997**

11. Are any or all of the Securities listed on the Philippine Stock Exchange? **Yes**

12. Indicate whether the registrant:

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

    b) Has been subject to such filing requirements for the past 90 days.
    Yes

APC GROUP, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

OF

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FOR THE NINE MONTHS ENDED

30 September 2014

PART I FINANCIAL INFORMATION

Item 1. Financial Statements

APC GROUP INC. AND SUBSIDIARIES
Consolidated Statements of Financial Position
as of September 30, 2014 and December 31, 2013

		September 2014		December 31 2013 (Restated)
ASSETS				
Current Assets				
Cash and cash equivalents	P	3,980,071	P	73,754,007
Trade and other receivables - net		145,972,366		11,346,682
Available-for-sale financial assets		16,584,921		27,084,921
Other current assets		6,508,699		5,805,854
Total Current Assets		**173,046,057**		**117,991,464**
Noncurrent Assets				
Available-for-sale financial assets		1,185,100		1,185,100
Property and equipment		439,351		678,112
Investment properties		156,986,106		156,986,106
Other noncurrent assets - net		92,830,067		91,229,241
Total Noncurrent Assets		**251,440,623**		**250,078,559**
Total Assets	P	**424,486,680**	P	**368,070,023**
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other payables	P	25,750,093	P	28,008,877
Income tax payable		-		98,016
Advances from related parties		91,977,070		79,406,947
Total Current Liabilities		**117,727,163**		**107,513,840**
Noncurrent Liabilities				
Subscriptions payable		161,959		75,161,959
Accrued retirement costs		1,977,950		6,422,300
Total Noncurrent Liabilities		**2,139,908**		**81,584,259**
Total Liabilities		**119,867,071**		**189,098,099**
Equity Attributable to Equity Holders of the Parent Company				
Capital Stock		6,388,072,148		6,388,012,148
Additional paid-in capital		1,613,942,096		1,613,942,096
Unrealized mark-to-market gain on available-for-sale financial assets		15,300,000		15,000,000
Gain on dilution		226,304		226,304
Remeasurement loss on defined benefit obligation		(2,634,205)		(2,634,205)
Deficit		(7,675,310,793)		(7,799,599,734)
Treasury shares		(29,435,220)		(29,435,220)
Total Equity Attributable to Equity Holders of the Parent Company		**310,160,329**		**185,511,389**
Equity Attributable to Non-controlling Interests		(5,540,720)		(6,539,465)
Total Equity		**304,619,609**		**178,971,924**
Total Liabilities and Equity	P	**424,486,680**	P	**368,070,023**

APC GROUP INC. AND SUBSIDIARIES
Consolidated Income Statements
periods ended September 30, 2014 and September 30, 2013

	3rd Quarter 2014 (July-September)	YTD 2014 (Jan.-September)	3rd Quarter 2013 (July-September)	YTD 2013 (Jan.-September)
INCOME (EXPENSES)				
General and administrative	(5,963,215)	(14,047,735)	(3,524,824)	(10,814,095)
Interest Income	56,150	460,619	216,601	943,605
Gain/loss on sale of investments	137,700,000	137,700,000	-	500,000
Gain/loss on foreign exchange	384	384	-	-
Loss on sale of investment in subsidiary	-	-	-	(14,777,884)
Provision for unrecoverable deferred exploration costs and other assets	-	-	(46,788,151)	(46,788,151)
INCOME (LOSS) BEFORE INCOME TAX	**131,793,319**	**124,113,268**	**(50,096,374)**	**(70,936,525)**
Provision for Income tax-current	(21,086)	(104,799)	-	-
NET INCOME(LOSS)	**P 131,772,233**	**P 124,008,469**	**P (50,096,374)**	**P (70,936,525)**
OTHER COMPREHENSIVE INCOME (LOSS)				
Unrealized mark-to-market gain on available-for-sale financial assets	15,300,000	**15,300,000**	(1,000,000)	**(3,000,300)**
TOTAL COMPREHENSIVE INCOME (LOSS)	**147,072,233**	**139,308,469**	**(51,096,374)**	**(73,936,825)**
Income/loss attributable to:				
Equity holders of the Parent Company		124,288,941		(62,796,098)
Non-controlling interests		(280,472)		(8,140,427)
		124,008,469		**(70,936,525)**
Total comprehensive income/loss attributable to:				
Equity holders of the Parent Company		139,588,941		(65,796,398)
Non-controlling interests		(280,472)		(8,140,427)
		139,308,469		**(73,936,825)**
Basic/Diluted Earnings (Loss) Per common Share				
(124,008,469/7,504,203,997) September 30, 2014		**P 0.0166**		**P (0.0084)**
(P62,796,098)/7,504,203,997 September 30, 2013				
Weighted average number of common shares:				
Total common shares		7,511,809,997		7,511,809,997
Less: Treasury shares		(7,606,000)		(7,606,000)
Weighted average common shares		**7,504,203,997**		**7,504,203,997**

APC GROUP INC.

APC GROUP INC. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
as of September 30, 2014 and September 30, 2013

	September 2014 Number of Shares		September 2014 Amount	September 2013 Number of Shares		September 2013 Amount
CAPITAL STOCK						
P 1 par value						
Authorized						
Preferred shares	6,000,000,000	P	6,000,000,000	6,000,000,000	P	6,000,000,000
Common shares	14,000,000,000		14,000,000,000	14,000,000,000		14,000,000,000
	20,000,000,000		20,000,000,000	20,000,000,000		20,000,000,000
Issued						
Common						
Balance at end of quarter	2,498,149,059		2,498,149,059	2,498,069,059		2,498,069,059
Subscribed (net of subscription receivable)						
Common						
Balance at end of quarter	3,889,923,089		3,889,923,089	3,889,943,089		3,889,943,089
Capital Stock						
Common						
Balance at end of quarter	6,388,072,148		6,388,072,148	6,388,012,148		6,388,012,148
Additional Paid-in Capital			1,613,942,096			1,613,942,096
Gain on dilution			226,304			226,304
Unrealized Mark-to-Market Gain /Loss on Available for Sale Financial Assets			15,300,000			16,000,000
Remeasurement loss on defined benefit obligation			(2,634,205)			-
Deficit						
Balance at beginning of year			(7,799,599,734)			(7,738,007,903)
Net income(loss)			124,288,941			(62,796,098)
Balance at end of year			(7,675,310,793)			(7,800,804,001)
Less cost of 7,606,000 shares held by a subsidiary			(29,435,220)			(29,435,220)
Minority interest			(5,540,720)			(5,160,956)
		P	**304,619,609**		**P**	**182,780,370**

APC GROUP INC. AND SUBSIDIARIES
Consolidated Cash Flows
periods ended September 30, 2014 and September 30, 2013

		3rd Quarter 2014 (July-September)	YTD 2014 (Jan.-September)		3rd Quarter 2013 (July-September)		YTD 2013 (Jan.-September)
Net cash provided by (used in) operating activities	P	(13,879,274)	(17,267,155)	P	7,226,719	P	46,419,809
Net cash provided by (used in) investing activities		10,006,462	8,864,353		(1,188,499)		(3,588,428)
Net cash provided by (used in) financing activities		(75,019,791)	(61,371,133)		(11,472,570)		(9,816,913)
Net increase(decrease) in cash and cash equivalents	**P**	**(78,892,604)**	(69,773,936)	**P**	**(5,434,350)**		33,014,468
Cash and cash equivalents, beginning, January 1			73,754,007				44,629,483
Cash and cash equivalents, September 30		**P**	**3,980,071**			**P**	**77,643,951**

Item 2. Management Discussion and Analysis of Financial Condition and Results of Operations

Balance Sheet

APC Group's consolidated assets increased by 15% or ₱56.4 million from ₱368.1 million as of December 31, 2013 to ₱424.5 million as of September 30, 2014.

- Consolidated cash and cash equivalents was at ₱4.0 million at the end of the third quarter this year compared to ₱73.8 million as of end-December 2013. The 95% decline is primarily attributable to the termination of fixed-term deposits to pay in full subscriptions payable for Available-for Sale Investments amounting to ₱75 million. Disbursements for operating activities (₱13.6 million) and additions to Deferred Exploration Costs (₱1.6 million) contributed to the decline in the account. This was partially offset by collections from a receivable in the sale of Available-for-Sale Financial Assets (₱9.2 million) and the final settlement from Comsat transaction (₱12.6 million).
- Trade and other Receivables increased by ₱134.6 million mainly due to the sale of Available-for-Sale Investments on September 29, 2014 and subsequently collected on October 2, 2014.
- Non-current Assets increased by 1% or ₱1.4 million mostly due to the increase in deferred exploration costs.

Consolidated liabilities decreased by 37% or ₱69.2 million from ₱189.1 million as of December 31, 2013 to ₱119.9 million as of September 30, 2014. The decrease was mainly attributable to the payment of subscription payables amounting to ₱75 million and payments made to retired and resigned employees reducing Accrued Retirement Costs to ₱2.0 million.

Stockholders' Equity as of September 30, 2014 and December 31, 2013 amounted to ₱304.6 million and ₱179.0 million, respectively. The 70% increase was due to ₱124.0 million net income recognition for the nine-month ending September 30, 2014 and ₱0.3 million increase in unrealized mark-to-market gain on Available-for-Sale Assets.

There were no off-balance sheet transactions.

Income Statement

APC Group posted a net income of ₱124.0 million for the period ending September 30, 2014 compared to the net loss of ₱70.9 million during the same period last year. The difference was mostly due to the realized gain on sale of Available-for-Sale Investments amounting to ₱137.7 million. In addition, the recognition of provision for unrecoverable deferred costs of ₱46.8 million and loss on sale of investments in subsidiary of ₱14.8 million in 2013 contributed to the said variance.

Furthermore, Total Comprehensive Income increased to ₱139.3 million in September 30, 2014 compared to the ₱73.9 million loss during the same period in 2013 due to the recognition of unrealized mark-to-market gain on available-for-sale financial assets.

As of September 30, 2014, except for what has been noted in the preceding, there were no material events or uncertainties known to management that had a material impact on past performance, or that would have a material impact on the future operations, in respect of the following:

- Known trends, demands, commitments, events or uncertainties that would have a material impact on the Company;
- Material commitments for capital expenditures that are reasonably expected to have a material impact on the Company's short-term or long-term liquidity;
- Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;
- Significant elements of income or loss that did not arise from the Company's continuing operations;
- Seasonal aspects that had a material impact on the Company's results of operations; and
- Material changes in the financial statements of the Company for the periods ended December 31, 2013 and September 30, 2014, except those mentioned above.

KEY PERFORMANCE INDICATORS

Management uses the following key performance indicators to evaluate the performance of the Company and its subsidiaries. Except for Net Income, these key performance indicators are not measurements in accordance with Philippine Financial Reporting Standards (PFRS) and should not be considered as an alternative to net income or any other measure of performance which are in accordance with PFRS.

1. **Return on Assets Ratio (ROA).** Return on Assets is an indicator of how profitable a company is relative to its total assets. ROA gives an idea as to how efficient management is at using its assets to generate earnings and is calculated by dividing the Company's annual earnings by its total assets.

2. **Return on Equity Ratio (ROE).** Return on Equity measures how much profit is generated with the money shareholders have invested in the Company. It is expressed as a percentage and calculated by dividing net income by total Stockholders' Equity.

3. **Current Ratio.** Current ratio is computed by dividing current assets by current liabilities. This indicates the liquidity of the Company in the short term and measures the peso amount of current asset available to cover a peso amount of current liability.

4. **Debt-to-Equity Ratio (DER).** DER gives an indication of the Company's leverage position and is computed by dividing total liabilities with total stockholders' equity.

5. **Asset-to-Equity Ratio (AER).** Asset-to-Equity Ratio is computed using total assets divided by the total stockholders' equity. This ratio shows the relationship of the total assets of the firm owned by shareholders and an indicator of the leverage used to finance the Company.

The table below shows the comparative figures of the key performance indicators for the period in review.

	YTD 30 September 2014	YTD 30 September 2013	YTD 31 December 2013
Return on Assets Ratio...……………………………………..	0.29	(0.20)	0.13
Return on Equity Ratio...……………………………………..	0.41	(0.39)	0.27
Current Ratio…………..……………………………………..	1.47	0.88	1.10
Debt to Equity Ratio…..……………………………………....	0.39	0.98	1.06
Asset to Equity Ratio ……………………….………………..	1.39	1.98	2.06

Discussion on the key performance indicators

Return on Assets Ratio
The Company's consolidated Return on Assets Ratio was higher for the period ended September 2014 compared to the same period last year and year-end of 2013 as the Company posted a net income of ₱124.0 million mostly coming from the realized gain on sale of Available-for-Sale Investments in the third quarter of the year.

Return on Equity Ratio
Return on Equity Ratio increased to 0.41x compared to the same period last year and year-end of 2013 mostly due to the higher net income recorded as of end-September 2014.

Current Ratio
Current Ratio improved by 67% year-on-year and 34% versus December 2013 due to the recognized receivables in September 2014 from the sale of the Available-for-Sale Investments.

Debt to Equity Ratio
Debt to Equity Ratio decreased to 0.39x as of end-September this year as total liabilities declined mostly due to the payment of subscription payables amounting to ₱75 million during the third quarter of 2014.

Assets to Equity Ratio
Assets to Equity Ratio decreased to 1.39x due to the increase in Stockholders' Equity as the Company recorded net income of ₱124.0 million for the period ending September 30, 2014.

PART II OTHER INFORMATION

Other than what has been reported, no event has since occurred.

ANNEX TO THE MD&A SECTION

1. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Parent Company and the following subsidiaries (collectively referred to as the "Company"):

	Percentage of Ownership
APC Cement Corporation (ACC)	100.00 *(1)*
Aragorn Coal Resources, Inc. (ACRI)	100.00 *(1)*
Aragorn Power & Energy Corporation (APEC)	90.00 *(1)*
APC Mining Corporation	83.00 *(1)*

(1) Still in the pre-operating stage

2. RISK EXPOSURES

Financial Risk Management

The Company's principal financial instruments comprise advances from related parties and loans payable. The main purpose of these financial liabilities is to finance the Company's operations. The Company has cash and cash equivalents, trade and other receivables, deposits and trade and other payables that arise directly from its operations. The Company also holds AFS financial assets.

The main risks arising from the Company's financial instruments are interest rate risk, credit risk, liquidity risk and equity price risk. The BOD reviews and approves policies of managing each of the risks and they are summarized below.

Interest Rate Risk
The Company's exposure to interest rate risk is minimal since the Company's borrowing is short-term in nature and interest rate is fixed.

Credit Risk
Credit risk is the risk that a counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss.

To manage credit risk, the Company trades only with recognized, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subjected to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis to reduce the Company's exposure to bad debts.

There are no significant concentrations of credit risk within the Company. Since the Company deals only with recognized third parties, there is no requirement for collateral.

Liquidity Risk

The Company's objective is to maintain continuity of funding. The Company's policy is to maximize the use of suppliers' credit for all its major purchases and limit major capital expenditures at a reasonable level.

The Company monitors its cash position by a system of cash forecasting. All expected collections, check disbursements and other payments are determined on a weekly basis to arrive at the projected cash position to cover its obligations.

There is no material change in the financial risk exposures of the company and its subsidiaries particularly on currency, interest, credit, market and liquidity risks on its September 30, 2014 interim financial statements compared to the December 31, 2013 audited consolidated financial statements of APC Group Inc.

3. FINANCIAL INSTRUMENTS

Fair value of financial Instruments

A comparison by category of the carrying values and estimated fair values of the Company's financial instruments that are carried in the consolidated financial statements as of September 30, 2014 and December 31, 2013 are as follows:

	September 30, 2014		**December 31, 2013**	
	Carrying Value	**Fair Value**	**Carrying Value**	**Fair Value**
Financial assets:				
Loans and receivables:				
Cash and cash equivalents	₱3,980,071	₱3,980,071	₱73,754,007	₱73,754,007
Trade and other Receivables	145,972,366	145,972,366	11,346,682	11,346,682
Deposits*	19,213	19,213	19,217	19,217
AFS financial assets	17,770,021	17,770,021	28,270,021	28,270,021
Total financial assets	**₱167,741,671**	**₱167,741,671**	**₱113,389,927**	**₱113,389,927**
Financial liabilities -				
Other financial liabilities:				
Trade and other payables**	₱ 25,351,127	₱ 25,351,127	₱ 27,753,114	₱ 27,753,114
Advances from related parties	79,406,947	79,406,947	91,229,241	91,229,241
Subscriptions payable	161,959	161,959	75,161,959	75,161,959
Total current financial liabilities	**₱104,920,033**	**₱104,920,033**	**₱194,144,314**	**₱194,144,314**

** Included in "Other noncurrent assets" account*
***Excluding statutory liabilities.*

Cash and Cash Equivalents, Trade and Other Receivables, Trade and Other Payables, Loans Payable and Advances from Related Parties

Due to the short-term nature of the transactions, the carrying values approximate the fair values at reporting dates.

AFS Financial Assets

The fair values of quoted equity securities were determined by reference to market bid quotes as of reporting dates. The unquoted equity securities were valued at cost.

Deposits and Other Noncurrent Liabilities

Estimated fair value of deposits is based on the discounted value of future cash flows using the prevailing interest rates that are specific to the tenor of the instruments' cash flows as of reporting dates**.**

The company has no investments in foreign securities.

4. FAIR VALUE HIERARCHY

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

5. MANAGEMENT'S USE OF JUDGMENTS, ESTIMATES, AND ASSUMPTIONS

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect certain reported amounts and disclosures. In preparing the consolidated financial statements, management has made its best judgments and estimates of certain amounts, giving due consideration to materiality. The judgments, estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. Actual results could differ from those estimates, and such estimates will be adjusted accordingly.

Judgments, estimates and assumptions are continually evaluated and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fair Value of Financial Assets and Liabilities. Certain financial assets and liabilities are required to be carried at fair value, which requires the use of accounting estimates and judgment. While significant components of fair value measurement are determined using verifiable objective evidence (i.e., foreign exchange rates, interest rates, and volatility rates), the timing and amount of changes in fair value would differ with the valuation methodology used. Any change in the fair value of these financial assets and financial liabilities would directly affect profit or loss and equity.

6. FUTURE CHANGES IN ACCOUNTING POLICIES

Standards and Interpretations Issued but not yet Effective
The Company did not early adopt the following standards and Philippine Interpretations that have been approved but are not yet effective. Unless otherwise indicated, the Company does not expect these changes to have a significant impact on its consolidated financial statements.

- PAS 36, *Impairment of Assets –Recoverable Amount Disclosures for Non-Financial Assets (*Amendments) – These amendments remove the unintended consequences of PFRS13 on the disclosures required under PAS 36. In addition, these amendments require disclosure of the recoverable amount for the assets or cash-generating units (CGUs) for which impairment loss has been recognized or reversed during the period. These amendments are effective retrospectively for annual periods beginning on or after January 1, 2014 with earlier application permitted, provided PFRS 13 is also applied. The amendments affect disclosures only and will have no impact on the Company's financial position or performance.

- Investment Entities (Amendments to PFRS 10, PFRS 12 and PAS 27) - These amendments are effective for annual periods beginning on or after January 1, 2014. They provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under PFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss.

- PAS 32, *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities* (Amendments) - The amendments clarify the meaning of "currently has a legally enforceable right to set-off" and also clarify the application of the PAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments affect presentation only and have no impact on the Company's financial position or performance. The amendments to PAS 32 are to be retrospectively applied for annual periods beginning on or after January 1, 2014.

- PAS 19, *Employee Benefits – Defined Benefit Plans: Employee Contributions* (Amendments) The amendments apply to contributions from employees or third parties to defined benefit plans. Contributions that are set out in the formal terms of the plan shall be accounted for as reductions to current service costs if they are linked to service or as part of the re-measurements of the net defined benefit asset or liability if they are not linked to service.

  Contributions that are discretionary shall be accounted for as reductions of current service cost upon payment of these contributions to the plans.

7. OTHER REQUIRED DISCLOSURES

A.) The attached interim financial reports were prepared in accordance with accounting standards generally accepted in the Philippines. The accounting policies and methods of computation followed in these interim financial statements are the same compared with the audited financial Statements for the period ended December 31, 2013. PFRS 9 has no mandatory effective date. The company will not adopt the standard before the completion of the limited amendments and the second phase of the project.

Standards that have been adopted by the Company are described below:

PAS 1, *Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income (OCI)* (Amendments). The amendments to PAS 1 change the grouping of items presented in OCI. Items that can be reclassified (or "recycled") to profit or loss at a future point in time (for example, upon derecognition or settlement) will be presented separately from items that will never be recycled. The amendment affected the presentation in the statement of comprehensive income and had no impact on the Company's financial position or performance.

PAS 19, *Employee Benefits* (Revised) - For defined benefit plans, the Revised PAS 19 requires all actuarial gains and losses to be recognized in other comprehensive income and unvested past service costs previously recognized over the average vesting period to be recognized immediately in profit or loss when incurred.

B.) Except as reported in the Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"), there were no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim period.

C.) There were no material changes in estimates of amounts reported in prior periods that have material effects in the current interim period.

D.) Except as disclosed in the MD&A, there were no other issuance, repurchase and repayments of debt and equity securities.

E.) Material events that occurred subsequent to September 30, 2014 and up to the date of this report that need disclosure herein.

F.) There were no changes in the composition of the Company during the interim period such as business combinations, acquisition or disposals of subsidiaries and long-term investments, restructuring and discontinued operations.

G.) There were no changes in contingent liabilities or contingent assets since December 31, 2013.

H.) There exist no material contingencies and other material events or transactions affecting the current interim period.

SIGNATURES

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

Registrant: **APC Group, Inc.**

By:

FREDERIC C. DYBUNCIO
President

November 13, 2014

JACKSON T. ONGSIP
Chief Financial Officer

November 13, 2014

Appendix

APC GROUP INC. AND SUBSIDIARIES

Aging of Accounts Receivables

As of September 30, 2014

COMPANY		**TOTAL**	**1 Month**	**2 - 3 Months**	**4 - 6 Months**	**7 Months to 1 Year**	**1 - 2 Years**	**3 - 5 Years**	**5 Years above**	**Past due accounts & items in litigation**
Type of Accounts Receivables										
a. Non - Trade Receivables										
1. APC Group Inc.	P	145,817,318	145,611,664	-	-	-	205,655	-	-	-
2. Aragorn Power		136,686	106,237	30,449			-			
3. APC Cement Corporation		16,950	-	-		-	16,950			
3. APC Mining Corporation		1,411					1,411			
Subtotal		145,972,366	145,717,901	30,449	-	-	224,015	-	-	-
Less: Allowance for Doubtful Accounts		-					-	-	-	-
Net Non - Trade Receivables	P	145,972,366	145,717,901	30,449	-	-	224,015	-	-	-

Type of Receivables	**Nature/Description**	**Collection Period**
Non-Trade Receivables		
1. APC Group Inc.	Receivables for Available-for-Sale Investments	October 2, 2014
	Receivables from employees and others	
2. Aragorn Power	Receivables from employees and others	
3. Aragorn Coal	Receivables from employees and others	
4. APC Mining	Receivables from employees and others	