The Andres Soriano Foundation, Inc.
(A Nonstock, Not-for-Profit Organization)

Financial Statements
June 30, 2016 and 2015

and

Independent Auditors' Report

C O V E R   S H E E T
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

3	5	5	2	3						

C O M P A N Y   N A M E

THE ANDRES SORIANO FOUNDATION, INC. (A Nonstock, Not-For-Profit Organization)

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

A. Soriano Aviation Hangar, Andrews Avenue, Pasay City

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	NA	NA

C O M P A N Y   I N F O R M A T I O N

Company's Email Address	Company's Telephone Number	Mobile Number
operations@asorianofdn.org	851-5507	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
N/A	2nd Tuesday of October	06/30

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Lorlyn O. Angot	accounting@asorianofdn.org	851-5507	N/A

CONTACT PERSON's ADDRESS

A. Soriano Aviation Hangar, Andrews Avenue, Pasay 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.*

THE ANDRES SORIANO FOUNDATION, INC.
(A Nonstock, Not-for-Profit Organization)

STATEMENTS OF FINANCIAL POSITION

	June 30	
	2016	2015
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	**₱13,381,561**	₱13,516,677
Receivables (Note 5)	**336,089**	233,712
Total Current Assets	**13,717,650**	13,750,389
Noncurrent Assets		
Property and equipment and investment property (Note 7)	**1,966,027**	2,011,660
Refundable deposit	**53,664**	48,784
Total Noncurrent Assets	**2,019,691**	2,060,444
TOTAL ASSETS	**₱15,737,341**	₱15,810,833
LIABILITIES AND GENERAL FUND BALANCE		
Current Liabilities		
Accrued expenses and other payables (Note 8)	**₱513,344**	₱635,565
Deferred revenue (Notes 9, 12, 13 and 14)	**4,389,982**	3,796,557
Income tax payable	**–**	21,939
Total Current Liabilities	**4,903,326**	4,454,061
Noncurrent Liability		
Accrued retirement benefits (Note 15)	**720,041**	1,230,323
Total Liabilities	**5,623,367**	5,684,384
General Fund Balance		
Restricted (Note 10)	**2,441,105**	4,070,832
Unrestricted	**7,672,869**	6,055,617
Total General Fund Balance	**10,113,974**	10,126,449
TOTAL LIABILITIES AND GENERAL FUND BALANCE	**₱15,737,341**	₱15,810,833

See accompanying Notes to Financial Statements.

THE ANDRES SORIANO FOUNDATION, INC.
(A Nonstock, Not-for-Profit Organization)

STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended June 30	
	2016	2015
REVENUES		
Donations (Notes 9, 12 and 17)	**₱12,997,942**	₱12,017,010
Grants (Notes 9 and 13)	**2,617,289**	2,054,314
	15,615,231	14,071,324
EXPENSES		
Projects:		
Small island sustainable development program	**9,808,054**	9,773,867
Program management	**2,126,394**	1,925,121
Cancer program	**1,707,637**	1,570,927
Corporate disaster and calamity assistance	**305,239**	1,638,650
	13,947,324	14,908,565
General and administrative (Note 11)	**2,164,508**	2,091,134
	16,111,832	16,999,699
OTHER INCOME (EXPENSES)		
Rental income (Note 14)	**300,000**	300,000
Unrealized foreign exchange gain - net	**99,983**	78,659
Interest income (Notes 4 and 5)	**84,143**	71,399
Reversal of impairment loss (Note 6)	**–**	700,000
	484,126	1,150,058
DEFICIENCY OF INCOME OVER EXPENSES BEFORE INCOME TAX	**(12,475)**	(1,778,317)
PROVISION FOR INCOME TAX (Note 16)	**–**	(21,939)
DEFICIENCY OF INCOME OVER EXPENSES	**(12,475)**	(1,800,256)
OTHER COMPREHENSIVE INCOME	**–**	–
TOTAL COMPREHENSIVE LOSS	**(₱12,475)**	(₱1,800,256)

See accompanying Notes to Financial Statements.

THE ANDRES SORIANO FOUNDATION, INC.
(A Nonstock, Not-for-Profit Organization)

STATEMENTS OF CHANGES IN GENERAL FUND BALANCE

	Restricted (Note 10)	Unrestricted	Total
BALANCES AT JUNE 30, 2014	**₱7,977,886**	**₱3,948,819**	**₱11,926,705**
Transfer from restricted fund	(219,348)	219,348	–
Total comprehensive income (loss)	(3,687,706)	1,887,450	(1,800,256)
BALANCES AT JUNE 30, 2015	**4,070,832**	**6,055,617**	**10,126,449**
Transfer to restricted fund	6,348,403	(6,348,403)	–
Total comprehensive income (loss)	(7,978,130)	7,965,655	(12,475)
BALANCES AT JUNE 30, 2016	**₱2,441,105**	**₱7,672,869**	**₱10,113,974**

See accompanying Notes to Financial Statements.

THE ANDRES SORIANO FOUNDATION, INC.
(A Nonstock, Not-for-Profit Organization)

STATEMENTS OF CASH FLOWS

	Years Ended June 30	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficiency of income over expenses before income tax	**(₱12,475)**	(₱1,778,317)
Adjustments for:		
Movement in accrued retirement benefits (Note 15)	**(510,282)**	(219,348)
Depreciation (Notes 7 and 11)	**425,506**	393,866
Unrealized foreign exchange gain - net	**(99,983)**	(78,659)
Interest income (Notes 4 and 5)	**(84,143)**	(71,399)
Reversal of impairment loss (Note 6)	**–**	(700,000)
Operating loss before working capital changes	**(281,377)**	(2,453,857)
Decrease (increase) in:		
Receivables	**(102,570)**	43,992
Other current assets	**–**	17,803
Increase (decrease) in:		
Accrued expenses and other payables	**(122,221)**	(84,235)
Deferred revenue	**593,425**	(2,234,990)
Net cash provided by (used in) operations	**87,257**	(4,711,287)
Interest received	**84,336**	71,540
Income tax paid	**(21,939)**	(21,939)
Net cash provided by (used in) operating activities	**149,654**	(4,661,686)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment (Note 7)	**(379,873)**	–
Increase in refundable deposit	**(4,880)**	–
Collection of bonds receivable	**–**	31,658
Net cash provided by (used in) investing activities	**(384,753)**	31,658
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**99,983**	78,659
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(135,116)**	(4,551,369)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**13,516,677**	18,068,046
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	**₱13,381,561**	₱13,516,677

See accompanying Notes to Financial Statements.

1. Foundation's Information and Authorization for Issue of Financial Statements

The Andres Soriano Foundation, Inc. (the Foundation) was incorporated on June 4, 1968 and registered with the Philippine Securities and Exchange Commission (SEC) on June 11, 1968 as a nonstock, not-for-profit organization. It is the Corporate Social Responsibility arm of A. Soriano Corporation (Anscor). It was organized to serve the national welfare, that is, to contribute to sustainable development and social reform by developing and implementing programs aligned with its corporate objective through the facilitation and implementation of holistic and integrated area development programs and activities; the dissemination and implementation of high impact "best practice" technologies for the enhancement of socio-economic conditions of the assisted communities; and, the development and strengthening of partnership mechanism between the corporate sector and local government units, among others. The registered business address of the Foundation is A. Soriano Aviation Hangar, Andrews Avenue, Pasay City.

Under Section 30(e) of Republic Act No. 8424 entitled "An Act Amending the National Internal Revenue Code (NIRC), As Amended, and For Other Purposes", the excess of revenue over expenses of a non-stock corporation or association organized and operated exclusively for religious, charitable, scientific, athletic, or cultural purposes, or for the rehabilitation of veterans, wherein no part of its net income or asset shall belong to or inure to any member, organizer, officer, or any specific person, shall be exempted from income taxes. Notwithstanding such provision, any income earned by the Foundation from any activities conducted for profit regardless of the disposition made of such income, shall be subject to income taxes.

On October 5, 2012, the Foundation was re-certified by the Board of Trustees of Philippine Council for Non-Governmental Organization (NGO) Certification (PCNC) as a donee institution for another five years. The Foundation is registered with the Bureau of Internal Revenue as a donee institution in accordance with the provisions of Revenue Regulation No. 13-1998 for a period of five years with certificate No. 115-2012 issued on November 12, 2012. Accordingly, donations received by the Foundation shall entitle the donors to full or limited deduction pursuant to Section 34(H) (1) or (2), and exemption from donor's tax pursuant to Section 101(A) (3) of the NIRC of 1997.

On October 22, 2015 the application for renewal of the corporate life of the Foundation was approved by SEC for another 50 years which will take effect on August 2018.

The financial statements were authorized for issue by the Board of Trustees (BOT) on August 25, 2016.

2. Summary of Significant Accounting Policies and Financial Reporting Practices

<u>Basis of Preparation</u>
The financial statements have been prepared under the historical cost basis and are presented in Philippine Peso (Peso), the Foundation's functional currency. All amounts are rounded to the nearest peso, unless otherwise stated.

Statement of Compliance

The financial statements are prepared in compliance with Philippine Financial Reporting Standard for Small and Medium-sized Entities (PFRS for SMEs).

Fund Accounting

To ensure the observance of limitations and restrictions placed on the use of resources available to the Foundation, the accounts of the Foundation are maintained in accordance with the principles of fund accounting in which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. Accordingly, all financial transactions have been recorded and reported by fund group, as follows:

- "Unrestricted fund" represents the portion of expendable funds available for support of the Foundation's operations.
- "Restricted fund" represents the amount set aside by the Foundation's management for special projects and other contingencies.
    a. "Small Island Sustainable Development Program (SISDEP)" represents donations or grants that require the funds be used in environment conservation and management, livelihood assistance, community-based health program and education in the adapted community in Palawan.
    b. "Cancer Program" represents donations or grants that require the funds be used in research and training of Filipino doctors and nurses in the field of oncology, chemotherapy medicines of indigent breast cancer patients and rehabilitation and maintenance of Cancer Institute at UP-Philippine General Hospital (UP-PGH).
    c. "Corporate Disaster and Calamity Assistance" represents donations or grants that require the funds be used in calamity and disaster relief assistance such as food, water, shelter and building of core houses destroyed by typhoons and earthquakes.
    d. "Project Management" represents donations or grants that require the funds be used for Project Conceptualization and Development and Resource Management such as the construction of Multi-Purpose Centers use for conferences and trainings.
    e. "Provision for Retirement Benefits Cost" represents the reserved funds for the retirement benefits of the core employees of the Foundation.

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and are subject to an insignificant risk of changes in value.

Financial Instruments

The Foundation accounts for its financial instruments in accordance with Section 11, *Basic Financial Instruments*, under PFRS for SMEs.

Basic financial instruments

The Foundation recognizes a financial asset or a financial liability in the statement of financial position when it becomes a party to the contractual provisions of the instrument.

Financial assets or financial liabilities are recognized initially and measured at the transaction price (including transaction costs except in the measurement of financial assets that are measured at fair value) unless the arrangement constitutes a financing transaction.

If the arrangement constitutes a financing transaction, the entity shall measure the debt instrument at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in profit or loss when the financial instruments are derecognized or impaired, as well as through the amortization process.

Debt instruments (such as accounts receivables and accounts payable) are measured at the undiscounted amount of the cash or other consideration expected to be paid or received. All other financial instruments are measured at fair value, with changes in fair value recognized in profit or loss. If a reliable measure of fair value is no longer available for an asset measured at fair value, its carrying amount at the last date the asset was reliably measurable becomes its new cost. The entity shall measure the asset at this cost less impairment until a reliable measure of fair value becomes available.

Financial assets and financial liabilities are classified as current if maturity is within 12 months from the financial reporting period. Otherwise, these are classified as noncurrent.

As of June 30, 2016 and 2015, the Foundation's basic financial instruments include cash and cash equivalents, receivables, refundable deposit and accrued expenses and other payables.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Foundation assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Foundation and all of the counterparties.

Impairment of Financial Assets

At the end of each financial reporting period, an entity shall assess whether there is objective evidence of impairment of any financial assets that are measured at cost or amortized cost. If there is objective evidence of impairment, the entity shall recognize an impairment loss in profit or loss immediately.

The Foundation assesses the following financial assets individually for impairment:

(a) all equity instruments regardless of significance, and
(b) other financial assets that are individually significant.

The Foundation shall assess other financial assets for impairment either individually or collectively on the basis of similar credit risk characteristics.

The Foundation shall measure an impairment loss on the following instruments measured at cost or amortized cost as follows:

(a) for an instrument measured at amortized cost, the impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. If such a financial instrument has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate implicit in the contract.
(b) for an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate (which will necessarily be an

approximation) of the amount (which might be zero) that the entity would receive for the asset if it were to be sold at the reporting date.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in profit or loss, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

<u>Derecognition of Financial Instruments</u>
Financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the contractual rights to receive cash flows from the asset have expired or are settled;
- the Foundation retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or,
- the Foundation has transferred its right to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

The carrying amount of the transferred asset shall be allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations shall be measured at their fair values at that date. Any difference between the consideration received and the amounts recognized and derecognized shall be recognized in profit or loss in the period of the transfer.

If a transfer does not result in derecognition because the Foundation has retained the significant risks and rewards of ownership of the transferred asset, the Foundation shall continue to recognize the transferred asset in its entirety and shall recognize a financial liability for the consideration received. The asset and liability shall not be offset. In subsequent periods, the Foundation shall recognize any income on the transferred asset and any expense incurred on the financial liability.

Financial liabilities
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability and the difference in the respective carrying amounts is recognized in profit or loss.

<u>Property and Equipment</u>
Property and equipment are carried at cost less accumulated depreciation and any allowance for impairment losses.

The initial cost of property and equipment comprises its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operations, such as repairs and maintenance, are normally charged to profit or loss in the period when the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment.

Depreciation commences when the assets are available for use and is computed using the straight-line method over the following estimated useful lives of the assets:

	Number of Years
Transportation equipment	5
Office equipment	3-5
Showroom	5
Office building and staff houses	10
Furniture and fixtures	5
Machinery and equipment	5

The useful lives and depreciation method are reviewed periodically to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from the items of property and equipment.

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation and any allowance for impairment losses are removed from the accounts. Any resulting gain or loss is recognized in profit or loss.

Fully depreciated assets are retained in the accounts until they are no longer in use.

Investment Property

The Foundation classified the parcels of land it held under an operating lease as investment property and measured the property using the cost-depreciation-impairment model, there being no continuing reliable measure of fair value without undue cost or effort.

Investment property is subsequently carried at cost less any impairment in value.

Investment property is derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses of the retirement or disposal of an investment property are recognized in profit or loss in the year of the retirement or disposal.

Impairment of Nonfinancial Assets

The carrying values of nonfinancial assets (property and equipment and investment property) are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their estimated recoverable amount. The estimated recoverable amount is the higher of fair value less costs to sell and value-in-use. The higher of fair value less costs to sell is the amount obtainable from the sale of an asset in an arm’s-length transaction while value-in-use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the estimated recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. The reversal is recorded as income in profit or loss. However, the increased carrying amount of an asset due to a reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for that asset in prior years.

Deferred Revenue
Deferred revenue is recognized for cash received not yet earned and is presented as liability.

Revenue Recognition
Revenue is recognized when it is probable that the economic benefits associated with the transactions will flow to the Foundation and the amount of the revenue can be measured reliably.

The following specific recognition criteria must also be met before revenue is recognized:

Donations and grants
Donations and grants are recognized when there is reasonable assurance that these will be received and all attached conditions will be complied with. Donations and grants received pertaining to the project commencing after the financial reporting date are recorded as deferred revenue. Donations in-kind are measured at fair value of the consideration received.

Rental income
Revenue from rentals of the land being rented out is accounted for on a straight-line basis over the lease term.

Interest income
Interest income is recognized as it accrues, taking into account the effective yield on the asset.

Other income
Other income is recognized when earned.

Expenses
Expenses are recognized as incurred and measured at the amount of consideration paid or payable.

Leases
Leases are classified as operating leases when the lessor retains substantially all the risks and rewards of ownership of the asset. Operating lease receipts are recognized as income in profit or loss on a straight-line basis over the lease term.

Retirement Benefits Cost
Retirement benefits cost is actuarially determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries. Actuarial valuations are conducted with sufficient regularity, with option to accelerate when significant changes to underlying assumptions occur. Retirement benefits cost include current service cost, interest cost, actuarial gains or losses, effect of any curtailment less expected return on any plan asset.

Actuarial gains and losses are recognized as income or expense immediately in profit or loss.

The accrued retirement benefits cost recognized by the Foundation in respect of the defined benefit retirement plan is the aggregate of the present value of the defined benefit obligation, reduced by the fair value of plan assets out of which the obligations are to be settled directly.

Foreign Currency-denominated Transactions and Translations

Foreign currency-denominated transactions are recorded in Peso by applying the foreign currency exchange rate between the Peso and the foreign currency at the date of the transaction. Outstanding foreign currency-denominated monetary assets and liabilities are translated to Peso using the applicable exchange rates at the end of financial reporting period. Foreign exchange gains and losses arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year are recognized in profit or loss.

Income Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amounts expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted at the financial reporting date.

Deferred income tax

Deferred income tax assets and liabilities are recognized for tax recoverable or payable in future periods as a result of past transactions or events. Such tax arises from the difference between the amounts recognized for the Foundation's assets and liabilities in the statement of financial position and the recognition of those assets and liabilities by the tax authorities and the carryforward benefit of currently unused tax losses and tax credits.

The Foundation recognizes a valuation allowance against deferred income tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

The Foundation reviews the net carrying amount of deferred income tax assets at each financial reporting date and adjusts the valuation allowance to reflect the current assessment of future taxable profits. Such adjustment is recognized in profit or loss.

Events after the Financial Reporting Period

Post year-end events that provide additional information about the Foundation's financial position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

3. **Significant Accounting Judgments and Estimates**

The preparation of the financial statements in compliance with PFRS for SMEs requires management to make judgments and estimates that affect the amounts reported in the financial statements. The judgments and estimates used in the financial statements are based upon management's evaluation of relevant facts and circumstances that are believed to be reasonable as of the date of the financial statements.

Future events may occur which may cause the assumptions used in arriving at those judgments, and estimates to change. The effect of any changes will be reflected in the financial statements as they become reasonably determinable.

Judgments
In the process of applying the Foundation's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on amounts recognized in the financial statements:

Financial assets and financial liabilities are classified as basic financial instruments.

Classification of leases
The Foundation has entered into a property lease, where it has determined that it retains all the significant risks and rewards related to the lease of the property. As such, this lease agreement is accounted for as an operating lease.

Estimates
The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the financial reporting date that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are as follows:

Impairment of receivables and refundable deposits
The Foundation reviews its financial assets at each reporting date to assess whether impairment should be recognized on its receivables and refundable deposits. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

In addition to specific allowances against individually significant receivables, the Foundation also makes a grouped impairment allowance against exposures which, although not specifically identified as requiring a specific allowance, have a greater risk of default than when originally granted. This takes into consideration the length of relationship with the debtor, credit status of debtor based on third party reports and historical experience.

Allowance for doubtful accounts amounted to ₱125,000 as of June 30, 2016 (nil as of June 30, 2015). As of June 30, 2016 and 2015, the carrying value of the Foundation's receivables amounted to ₱336,089 and ₱233,712, respectively (see Note 5). Refundable deposit amounted to ₱53,664 and ₱48,784 as of June 30, 2016 and 2015, respectively.

Estimation of useful lives of property and equipment
The Foundation estimates the useful lives of its property and equipment based on the period over which the assets are expected to be available for use. The Foundation reviews annually the estimated useful lives of these properties based on factors that include asset utilization, internal technical evaluation, technological changes, environmental and anticipated use of the assets.

There were no changes in the estimated useful lives of the Foundation's property and equipment as of June 30, 2016 and 2015. The carrying values of property and equipment amounted to ₱1,266,027 and ₱1,311,660 as of June 30, 2016 and 2015, respectively. Accumulated depreciation amounted to ₱2,377,766 and ₱1,952,260 as of June 30, 2016 and 2015, respectively (see Note 7).

Estimation of retirement benefits cost
The determination of the obligation and retirement benefits is dependent on management's assumptions. These assumptions include, among others, discount rates, expected rates of return on plan assets and salary rate increase.

The Foundation's accrued retirement benefits recognized in the statements of financial position amounted to ₱720,041 and ₱1,230,323 as of June 30, 2016 and 2015, respectively. Retirement benefits cost recognized in the profit or loss amounted to ₱242,616 and ₱533,550 in 2016 and 2015, respectively (see Note 15).

4. Cash and Cash Equivalents

	2016	2015
Cash on hand and in banks	**₱4,951,770**	₱5,189,406
Cash equivalents	**8,429,791**	8,327,271
	₱13,381,561	₱13,516,677

Cash in banks earn interest at their respective bank deposit rates. Cash equivalents are short term investments with periods ranging up to three months depending on the immediate cash requirements of the Foundation and earn interest at their respective cash equivalent rates.

Interest earned from cash and cash equivalents amounted to ₱84,143 in 2016 and ₱71,206 in 2015. Interest rates range from 0.70% to 1.25%.

5. Receivables

	2016	2015
Advances to officers and employees	**₱261,089**	₱174,256
Bonds receivable	–	31,658
Interest receivable	–	193
Rent receivable, net of allowance of ₱125,000 for 2016 and nil for 2015 (Note 14)	**50,000**	–
Other receivables	**25,000**	27,605
	₱336,089	₱233,712

Advances to officers and employees primarily pertain to funds given by the Foundation to its officers and employees for various projects and administrative expenses which are subject to liquidation. Portion of these advances also relate to noninterest-bearing advances extended to officers and employees that are payable within a year through payroll deductions.

Bonds receivable represents two Peso-denominated ten-year Agrarian Reform Bonds with fixed coupons maturing every year. The bonds earn interest based on the average 91-day Treasury Bills rate.

Bonds receivable as of June 30, 2015 are as follows:

	Maturity Date	Amount
Bond A	January 12, 2016	₱3,570
Bond B	September 9, 2015	28,088
		₱31,658

On August 19, 2010, the Foundation received ₱168,514 bonds receivable which forms part as payment from West Palawan Consolidated Nickel Mines, Inc.'s (WestPal) properties voluntarily sold to the Philippine Government under its Comprehensive Agrarian Reform Program which was recognized as donation. Interest earned from bonds receivable amounted to ₱193 in 2015 (nil in 2016).

6. Investments

a. Investments in Unified Capital Management Corporation (UCMC), Urban Bank (UB) and Philippine Match Company (PHIMCO) totaling ₱12,111,215, as of June 30, 2016 and 2015, were fully provided with allowance for probable losses. The case filed in court by the Foundation against its Accounting Manager for the recovery of its investments may not anymore be realized due to the denial by the Court of Appeals of the appeal made by the Foundation for reconsideration of the Regional Trial Court's order dismissing the case upon the recommendation of the Department of Justice. The Court of Appeals decision had already become final and executory on July 4, 2012 and an Entry of Judgment was issued March 27, 2013, by the Court of Appeals.

b. In 2014, investment in shares of stock of WestPal amounting to ₱700,000 was fully provided with allowance for losses since WestPal already ceased its commercial operations.

   WestPal was owned by Tala Foundation, Inc. (14,000 shares), The Andres Soriano Foundation, Inc. (20,997 shares), Andres Soriano Cancer Research Foundation, Inc. (20,998 shares), and Tahanan Foundation, Inc. (14,000 shares).

   In January 1986, the aforesaid foundations donated their respective shares of stock in WestPal to and in favor of Andres Soriano, Jr. Foundation, Inc. On June 8, 1999, Andres Soriano, Jr. Foundation, Inc., Andres Soriano Cancer Research Foundation, Inc. and the Foundation were merged in which the Foundation became the surviving entity and acquired all the assets and assumed all the obligations of the absorbed foundations.

   Consequently, the Foundation became the ultimate beneficial owner of WestPal. As of October 2, 2012, WestPal still owns various properties which are in different stages of acquisition by the Philippine Government under its Comprehensive Agrarian Reform Program. All of such properties are under the custody of the Foundation.

   Initially, the Foundation does not recognize the WestPal properties as its assets even if it already has a control over these properties and that future economic benefits associated with these properties already flow to the Foundation in the form of rental income since reliable measurement of the cost of the properties was not yet available then. However, in 2015, after it was ascertained that reliable measurement of the cost of these parcels of land was already available, these parcels of land were recognized as assets of the Foundation as of June 30, 2015. Accordingly, after recognizing this asset, the allowance for probable losses were reversed resulting to an income of ₱700,000.

7. Property and Equipment and Investment Property

a. Property and Equipment

2016	Transportation Equipment	Office Equipment	Showroom	Office Building and Staff Houses	Furniture and Fixtures	Total
Cost						
Beginning balance	**₱562,343**	**₱409,722**	**₱524,000**	**₱1,743,855**	**₱24,000**	**₱3,963,920**
Additions	**153,400**	**154,330**	**9,800**	**–**	**62,343**	**379,873**
Ending balance	**715,743**	**564,052**	**533,800**	**1,743,855**	**86,343**	**3,643,793**
Accumulated Depreciation						
Beginning balance	**532,342**	**223,501**	**160,933**	**1,020,504**	**14,980**	**1,952,260**
Depreciation (Note 11)	**26,873**	**101,357**	**107,794**	**175,756**	**13,726**	**425,506**
Ending balance	**559,215**	**324,858**	**268,727**	**1,196,260**	**28,706**	**2,377,766**
Net Book Value	**₱156,528**	**₱239,194**	**₱265,073**	**₱547,595**	**₱57,637**	**₱1,266,027**

2015	Machinery and Equipment	Transportation Equipment	Office Equipment	Showroom	Office Building and Staff Houses	Furniture and Fixtures	Total
Cost							
Beginning balance	₱1,060,170	₱712,342	₱1,434,447	₱524,000	₱2,169,681	₱226,327	₱6,126,967
Write-off	(1,060,170)	(149,999)	(1,024,725)	–	(425,826)	(202,327)	(2,863,047)
Ending balance	–	562,343	409,722	524,000	1,743,855	24,000	3,263,920
Accumulated Depreciation							
Beginning balance	1,060,170	669,007	1,156,611	56,133	1,270,574	208,946	4,421,441
Depreciation (Note 11)	–	13,334	91,615	104,800	175,756	8,361	393,866
Write-off	(1,060,170)	(149,999)	(1,024,725)	–	(425,826)	(202,327)	(2,863,047)
Ending balance	–	532,342	223,501	160,933	1,020,504	14,980	1,952,260
Net Book Value	₱–	₱30,001	₱186,221	₱363,067	₱723,351	₱9,020	₱1,311,660

b. Investment Property

Parcels of land amounting to ₱700,000 located in Barangay Berong, Quezon, Palawan is being leased out by the Foundation to A. Miller Flight Services (see Note 14).

The Foundation accounts for these parcels of land as investment property and measured the property using the cost-depreciation-impairment model, there being no continuing reliable measure of fair value without undue cost or effort.

8. Accrued Expenses and Other Payables

	2016	2015
Accrued expenses	**₱365,636**	₱502,401
Government payables	**90,419**	97,000
Others	**57,289**	36,164
	₱513,344	₱635,565

Accrued expenses pertain to accrual for project reimbursements, unpaid utilities and professional fees and other third party services.

9. Deferred Revenue

	2016	2015
Beginning balances	**₱3,796,557**	₱6,031,547
Additions (Notes 12, 13 and 14)	**2,946,103**	2,179,643
Earned during the year (Notes 12, 13 and 14)	**(2,352,678)**	(4,414,633)
	₱4,389,982	₱3,796,557

10. Restricted General Fund Balance

Restricted general fund balance represents amount for the use of the projects identified by the management team, approved by the BOT and funded by the donors/grantors as follows:

	2016	2015
SISDEP and other programs	**₱1,187,534**	₱769,534
Provision for retirement benefits cost	**720,041**	2,951,387
Cancer program	**533,530**	349,911
	₱2,441,105	₱4,070,832

11. General and Administrative Expenses

	2016	2015
Salaries and other benefits (Note 15)	**₱807,035**	₱790,518
Depreciation (Note 7)	**425,506**	393,866
Professional fees	**314,856**	412,954
Taxes and licenses	**239,422**	238,907
Communication, light and water	**84,029**	79,382
Rent	**52,851**	48,786
Entertainment, amusement and recreation	**28,698**	28,157
Supplies	**17,354**	16,749
Repairs and maintenance	**15,144**	37,616
Transportation and travel	**13,560**	22,715
Insurance	**8,979**	7,427
Others	**157,074**	14,057
	₱2,164,508	₱2,091,134

Like other NGOs with limited funding resource, the Foundation also employs a multi-tasking work force to reduce personnel cost without compromising quality of work outputs. As such, charging of employees' salaries are rationally distributed to various project expenses depending on the type and magnitude of workload performed and time spent to carry-out the work to achieve overall organizational objectives.

12. Donations

The Foundation, being the Corporate Social Responsibility arm of Anscor, receives from the latter cash donation of ₱7,000,000 and ₱5,000,000 in 2016 and 2015, respectively. This is to support the various programs of the Foundation and to cover its administrative expenses (see Note 17). In addition, in 2016 the Foundation received one transportation equipment with a fair value of ₱150,000.

In 2016, the Foundation received cash donations from various Amanpulo guest amounting to ₱836,247, from the Prince of Monaco amounting to ₱281,520, and from Eduardo Soriano amounting to ₱100,000. The Foundation also received in-kind donations from Pamalican Resort, Inc. (PRI) amounting to ₱309,590 representing the round trip airfare of Foundation's staff and resource experts invited to conduct technical trainings (see Note 17).

For its 2016 Annual Health Caravan, the Foundation received in-kind donations from Island Aviation, Inc. (IAI) amounting to ₱360,000 for the round trip airfare of twenty volunteer-doctors from Manila; from PRI amounting to ₱387,842 for the meals and from West Villa Property Holdings amounting to ₱690,569 for the accommodation of the volunteers (see Note 17). The local government of the Agutaya also provided food and accommodations of the volunteer during the 2-day health mission on the island amounting to ₱134,778. Also the Foundation, received cash donations from Zuellig Pharma and Anscor amounting to ₱300,000 and ₱200,000, respectively, for the medicines distributed during the Caravan while in-kind donations in the form of medicine from Department of Health and United Laboratories amounted to ₱162,000 and ₱14,902, respectively.

For its 2015 Annual Health Caravan, the Foundation received donations in-kind from PRI amounting to ₱263,110 for the round trip airfare of the staffs of the Foundation and resource experts during their training conducted in various islands of Palawan (see Note 17). The Foundation received cash donation amounting to ₱150,000 from Zuellig Pharma, Inc. for the medical mission held in May 2015. In relation to this, the Foundation also received various donations in-kind such as over-the-counter medicines and medical supplies amounting to ₱145,284 from the Department of Health (DOH) Region IV-B and from Elaine Cheo. Donations in-kind in the form of airfare charges, accommodations, and meals with an aggregate amount of ₱1,177,020 were provided by IAI, West Villa Property Holdings and PRI for the 20 volunteer-doctors who joined the Medical Mission (see Note 17).

Also in 2015, the Foundation received donation in-kind of second-hand desktop computers amounting to ₱11,210 from A. Soriano Air Corporation (ASAC) [see Note 17].

In February 2015, the Foundation received 96 solar flashlights and 57 solar lamps/suitcases with an aggregate amount of ₱584,953 from Martin Wittsenberg, Panasonic Japan which were distributed, in the presence of the donor, to various island communities in Palawan. In the same month, the Foundation also received donations in-kind from DOH Region IV-B in the form of 300 toilet bowls worth ₱193,500 to complement the 300 units core shelters constructed in 2014 by the Foundation for the families in Quiniluban Islands, Palawan who were affected by Typhoon Yolanda.

In November 2014, the Foundation received cash donation amounting to ₱160,185 from Mariposa Foundation, Inc. for the repair of the roofing of the Cancer Institute of the UP-PGH. Implementation project is schedule in fiscal year 2017 hence; this was recognized as deferred revenue as of June 30, 2016 and 2015 (see Note 9).

In September 2014, the Foundation received cash donation from Richard Hawtin amounting to ₱105,000 primarily to procure various musical instruments for Manamoc Elementary School and Manamoc National High School. These musical instruments had been procured and turned-over to the respective schools.

In September 2014, the Foundation also received 279 units of solar lamps and suit cases from Solar Energy Foundation, Phils. amounting to ₱1,651,300. These were distributed to various assisted communities of the Foundation in the municipalities of Agutaya and Magsaysay.

In 2014, the Foundation received donations in cash and in-kind from various donors (i.e., Anscor, Les Folatieres Holdings, Inc., and other companies and individuals) totaling ₱10,805,136 for the victims of typhoon Yolanda. Majority of the proceeds were used to rebuild the houses of the victims (see Note 17). As of June 30, 2016 and 2015, unspent fund amounting to ₱2,279,668 and ₱2,306,000, respectively, is included as part of deferred revenue (see Note 9).

The Foundation also received donation from Endika Aboitiz in the amount of ₱600,000 for his continuing support for the academic scholarship program of the Foundation. The unspent portion of the donation as of June 30, 2016 and 2015 amounting to ₱344,509 and ₱172,033, respectively, is included as part of deferred revenue (see Note 9).

In July 2015, the Foundation received ₱300,000 from PILMICO Food Corporation for the Tech-Voc Scholarship. This amount will be used for the coming school year. In relation to this, in May 2016, Alma Vida Holdings, Inc. also donated ₱300,000 for the continuing academic scholarship program of the Foundation. The unspent portion of the donation, amounting to ₱163,726 is included as part of deferred revenue as of June 30, 2016 (nil as of June 30, 2015) (see Note 9).

In March 2015, the Foundation received cash donations totaling ₱550,000 from various donors (i.e., Alma Vida Holdings, Inc. and individuals) for the construction of one-unit Home Economics Building in Manamoc National High School to be used by its senior high school students. As of June 30, 2015, unspent fund amounting to ₱84,697 is included as part of deferred revenue (nil as of June 30, 2016) (see Note 9). In addition, Phelps Dodge Philippines (PDP) donated electrical wires amounting to ₱57,440 for the said construction (see Note 17).

13. **Grants**

SISDEP

In August 2015, the Foundation received a grant amounting to ₱558,000 from International Container Terminal Services, Inc. Foundation (ICTSI) for the construction of one classroom building (in addition to the previous year's grant). The project was completed in November 2015 and was capped with the turn-over ceremony to the school by the donor. Also, ICTSI donated various elementary books and teachers' reference manuals including 11 units of fabricated bookshelves amounting to ₱376,843.

The Foundation was awarded grants by Share Foundation amounting to ₱1,141,214 in 2016 and ₱945,658 in 2015. These grants will be used to fund various healthcare related projects such as installation of Level 2 Potable Water System in Manamoc Island, organic vegetable gardens and; Tuberculosis - Directly Observed Treatment Short Course (TB-DOTS) project and supplemental feeding project of the Foundation's beneficiaries in Manamoc and Agutaya islands in Palawan. As of June 30, 2016 and 2015, the remaining unspent balance amounting to ₱1,195,066 and ₱621,261, respectively, is included as part of deferred revenue (see Note 9).

A long-time donor, SEACOLOGY - an environment advocate based in the U.S., released a grant amounting to ₱908,933 to Foundation's project on coastal resource management. The project involved the construction of a Multi-Purpose Center (MPC) in Barangay San Carlos in exchange for the protection of a 116-hectare no-take zone of the Imalaguan Fish Sanctuary for 25 years. The MPC will be used by the fisher folk association for the various training and assembly activities including the holding of classes on Alternative Learning System of their out-of-school youth children. The unspent portion of the grant as of June 30, 2016 amounting to ₱91,000 is included as part of deferred revenue (nil as of June 30, 2015) (see Note 9).

Cancer Program
On Cancer Program, the Foundation received a grant in 2016 amounting to ₱109,000 through a Memorandum of Agreement entered into with Good Fellow Pharmaceutical Company as fund conduit in the implementation of Oncology Fellowship Program for doctors whose interest is in Oncology treatment. This program is in partnership with Section of Medical Oncology and Cancer Institute at UP-PGH.

The Philippine Cancer Society awarded the Foundation grants amounting to ₱543,800 in 2015 and ₱277,600 in 2014 to fund the annual Andres Soriano Jr. Memorial Lecture, maintenance of the Oncology Library and the Chemo Therapy program for screened indigent cancer patients. As of June 30, 2016 and June 30, 2015, the remaining unspent fund amounting to ₱120,000 and ₱427,125 is included as part of deferred revenue (see Note 9).

14. Rental Income

The Foundation, through the donated shares of WestPal, is the ultimate beneficial owner of the rights and interest of certain parcels of land located in Barangay Berong, Quezon, Palawan which were acquired by the Philippine Government (the Government) under its Comprehensive Agrarian Reform Program. The compensation payment of the subject parcels of land was successfully negotiated by the Foundation with the Government.

In October 2012, the Foundation entered into a five-year lease agreement with A. Miller Flight Services. The rent is subject to escalation clause of 10% per annum, starting on the third year of the lease term. On December 11, 2014, the lease agreement was renewed for a period of one year, renewable every year, with no escalation clause.

Rental income amounted to ₱300,000 in 2016 and 2015. Unearned portion of rental income amounting to ₱125,000 as of June 30, 2015 (nil as of June 30, 2016), are presented as part of deferred revenue in the statements of financial position (see Note 9). Rent receivable amounting to ₱175,000 was provided with allowance for doubtful accounts amounting to ₱125,000 (see Note 5).

15. Retirement Benefits Cost

The Foundation has a funded, non-contributory defined benefit retirement plan covering substantially all permanent core employees. The benefits are computed based on the projected unit credit method. The latest actuarial valuation by the Foundation was made on June 30, 2016.

The following tables summarize the components of retirement benefits cost recognized in the statements of comprehensive income and amounts recognized in the statements of financial position:

a. Retirement benefits cost recognized in the statements of comprehensive income are determined as follows:

	2016	2015
Current service cost	**₱244,397**	₱224,158
Interest cost	**228,858**	185,982
Expected return on plan assets	**(110,424)**	(85,365)
Actuarial loss (gain)	**(120,215)**	208,775
	₱242,616	₱533,550

b. Accrued retirement benefits cost recognized in the statements of financial position are determined as follows:

	2016	2015
Present value of the defined benefit obligation	**₱3,903,632**	₱4,911,125
Fair value of plan assets	**(3,183,591)**	(3,680,802)
	₱720,041	₱1,230,323

c. Movements in the accrued retirement benefits cost recognized in the statements of financial position are as follows:

	2016	2015
Balance at beginning of the year	**₱1,230,323**	₱1,449,671
Retirement benefits cost	**242,616**	533,550
Contributions	**(752,898)**	(752,898)
Balance at the end of the year	**₱720,041**	₱1,230,323

d. Changes in fair value of retirement plan assets is follows:

	2016	2015
Balance at beginning of the year	**₱3,680,802**	₱2,845,514
Contributions	**752,898**	752,898
Expected return on plan assets	**110,424**	85,365
Benefits paid from plan assets	**(1,377,505)**	–
Actuarial gain (loss)	**16,972**	(2,975)
Balance at the end of the year	**₱3,183,591**	₱3,680,802

Actual return on plan assets amounted to ₱127,396 in 2016 and ₱82,390 in 2015.

The retirement plan's assets and investments are being maintained by a trustee bank. The major categories of plan assets are as follows.

	2016	2015
Cash and cash equivalents	**₱955,077**	₱1,104,241
Investments in government securities	**2,196,677**	2,539,753
Receivables	**31,837**	36,808
	₱3,183,591	₱3,680,802

e. Changes in the present value of the defined benefit obligation are as follows:

	2016	2015
Balance at beginning of the year	**₱4,911,125**	₱4,295,185
Current service cost	**244,397**	224,158
Interest cost	**228,858**	185,982
Benefits paid from plan assets	**(1,377,505)**	–
Actuarial loss (gain)	**(103,243)**	205,800
Balance at the end of the year	**₱3,903,632**	₱4,911,125

f. The principal actuarial assumptions used to determine retirement benefits cost are as follows:

	2016	2015
Number of plan members	**8**	9
Discount rate	**4.08%**	4.66%
Salary increase rate	**6.00%**	6.00%
Average working lives of employees	**16.70 years**	10.10 years
Expected rate of return on plan assets	**3.00%**	3.00%

g. The Foundation expects to contribute ₱212,550 to its retirement fund in 2017.

16. Income Tax

a. The Foundation's provision for income tax pertains to the tax effect of the taxable rental income.

b. The reconciliation of provision for income tax computed at statutory tax rate of 30% to the provision for income tax shown in the statements of comprehensive income for the years ended June 30 is shown as follows:

	2016	2015
Provision for income tax computed at statutory income tax rate	**(₱3,743)**	(₱533,495)
Adjustments for:		
Revenue exempted from income taxes	**(4,714,564)**	(4,244,995)
Expenses exempted from income taxes	**4,765,489**	5,031,849
Interest income subjected to final income tax	**(25,243)**	(21,420)
Reversal of impairment loss	**–**	(210,000)
Movement of temporary differences for which deferred income taxes were provided with valuation allowance	**(21,939)**	–
Provision for income tax	**₱–**	₱21,939

c. The breakdown of deferred income tax assets as of June 30 is as follows:

	2016	2015
NOLCO	**₱15,561**	₱–
Unearned rental income	**–**	37,500
Total	**15,561**	37,500
Less valuation allowance	**(15,561)**	(37,500)
	₱–	₱–

17. Related Party Transactions

Parties are considered to be related if one party has the ability to control, directly or indirectly, the other party or exercise significant influence over the other party in making financial and operating decisions.

The Foundation's transactions and account balances with Anscor, PRI, West Villa Property Holdings, IAI, PDP and ASAC, entities under the common control of some BOT members, are as follows:

	Amount of Transaction	
Nature of Transaction	**2016**	2015
Donations		
Anscor	**₱7,350,000**	₱5,000,000
PRI	**697,432**	542,591
West Villa Property Holdings	**690,569**	677,539
IAI	**360,000**	220,000
PDP	**9,212**	57,440
ASAC	**–**	11,210
	₱9,107,213	₱6,508,780

The Foundation received donations in cash and in-kind from Anscor, PRI, West Villa Property Holdings, IAI, PDP and ASAC to assist the former's various programs. As of June 30, 2016 and 2015, no portion of these donations remain unspent.

18. Supplementary Information Required Under Revenue Regulations No. 15-2010

In compliance with Revenue Regulations No. 15-2010 issued by the Bureau of Internal Revenue (BIR) on November 25, 2010 mandating all taxpayers to include information on taxes, duties and license fees paid or accrued during the taxable year, presented below are the taxes paid and accrued by the Foundation.

Value-added Tax

The Foundation, as a not-for-profit institution, is a value-added tax-exempt entity.

Taxes and licenses

Real property taxes	₱226,870
Business permit	12,552
	₱239,422

Withholding taxes

Withholding taxes on compensation and benefits	₱504,960
Expanded withholding taxes	55,596

Withholding taxes payable on compensation and benefits and expanded withholding taxes amounted to ₱34,678 and ₱3,343, respectively.

Other matter
As of June 30, 2016, the Foundation has no tax deficiency assessment or tax case under preliminary investigation, litigation and/or prosecution in courts or bodies outside the BIR.