Summary of Findings on the 2005 AFS of Top 100 Corporations[1]

1. Non-compliance with PAS 32 covering the treatment and disclosure of redeemable preferred shares;

2. The dividends in arrears due to the preferred shareholders have not been recognized in the books of the company (financial statements) under current liabilities;

3. The company experienced deficit due to continuous losses, to which the amount of net equity are insufficient to cover said deficit. However, no going concern issue is raised and discussed in the noted including any concrete plan of management to infuse additional capital;

4. The Statement of Management's Responsibility for financial statements does not have the signature of the President and the Chairman of the Board;

5. There is no disclosure on the appropriation of retained earnings. Undue accumulation of retained earnings of more than 100 % of the paid up capital is in violation of Section 43 of the Corporation Code;

6. Incomplete discussion on accounting estimates and judgments;

7. Non-compliance with PAS 28 considering 40% ownership interest in a company;

8. There are no disclosures on the terms and conditions of the Advances to Joint Ventures (PAS 24);

9. No disclosure on actuarial assumptions used in computing the legal reserves and the Incurred but not reported (IBNR) claims.

10. Incomplete disclosure on related party transactions, i.e., terms and conditions of the letters of credit sourced from affiliate whether they are secured, nature of consideration to be provided in settlement and details of any guarantee given or received; no disclosure on key management personnel compensation in total for the five categories mentioned in paragraph 16 of PAS 24;

11. No statement of changes in net assets available for benefits, no description of the plan and the effect of any changes in the plan during the period and no actuarial present value of promised retirement benefits;

12. No accounting policy on impairment of assets (PAS 36);

13. Finance cost is not presented on the face of the Income Statement (PAS 1);

14. There is no explanation why the investment in the "other associated companies" is accounted at cost which violates PAS 28;

[1] These are ordinary corporations (no secondary license from the Commission).

15. Land revalued based on zonal valuation is not consistent with PAS 16 where revaluation of land should be on the basis of fair value;

16. No details provided on the investment in preferred shares considering materiality of the account;

17. Incomplete disclosure on leases (PAS 17);

18. There is no disclosure on the basis of valuation of Inventories (PAS 2); and

19. There is no disclosure on the Allowance for Doubtful accounts.