SEC Number **37535**
File Number ________

ATN HOLDINGS, INC.

(Company)

9th Floor, Summit One Tower,
530 Shaw Blvd., Mandaluyong

(Address)

717-0523

(Telephone Number)

March 31

(Fiscal Year Ending)
(month & day)

SEC 17Q

(Form Type)

Amendment Designation (if applicable)

December 31, 2015

(Period Ended Date)

(Secondary License Type and File Number)

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 quarterly period ended December 31, 2015

2. Commission identification no. 37535 3.BIR Tax Identification No. 005-056-869

4. ATN Holdings, Inc. (the “Company”)

5. Philippines

6. Industry Classification Code:

7. 9th Floor, Summit One Tower, 530 Shaw Blvd., 1550 Mandaluyong City

8. Telephone No. 717-0523

9. The Company did not change its name, address or fiscal year during the period covered by this report.

10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Stock, P.01	
Class “A”	370,000,000
Class “B”	80,000,000

11. These securities are not all listed on the Philippine Stock Exchange.

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

(b) The company has been subject to such filing requirements for the past ninety (90) days.

I. Financial Statements.

ATN HOLDINGS, INC. and Subsidiaries

CONSOLIDATED FINANCIAL POSITIONS

	Notes		31-Dec 2015		Audited 31-Mar 2015
ASSETS					
Current Assets					
Cash	9	P	8,441,832	P	4,651,518
Accounts receivable	10		2,847,983		921,607
Real estate inventories	11		4,485,000		4,485,000
Other current assets	12		1,667,845		2,266,706
Total Current Assets			17,442,660		12,324,831
Noncurrent assets					
Investments in:					
Available-for-sale investments	14		37,340,183		51,560,258
Associates-Net	13		175,866,890		177,679,815
Investment properties	15		2,275,270,962		2,275,270,962
Property and equipment - net	16		24,118,696		27,723,518
Intangibles	17		7,550,000		8,400,000
Advances to related parties	25		10,644,121		46,422,652
			2,530,790,852		2,587,057,205
		P	2,548,233,512	P	2,599,382,036
LIABILITIES AND EQUITY					
LIABILITIES					
Current Liabilities					
Accounts payable and accrued expenses	18	P	1,707,120	P	3,205,151
Income Tax payable			413,695		1,450
			2,120,814		3,206,601
Noncurrent Liabilities					
Bank loans	19		23,356,444		24,456,807
Deposits	20		43,513,829		37,372,130
Subscription payable			42,023,700		100,568,750
Payable to related parties	25		38,662,116		29,981,923
Retirement liability	26		717,716		590,051
Deferred tax liabilities			581,985,873		582,052,206
			730,259,677		775,021,867
TOTAL LIABILITIES			732,380,492		778,228,468
EQUITY					
Share capital			450,000,000		450,000,000
Share premiums			22,373,956		22,373,956
Unrealized gain on available-for-sale financial assets net of tax			39,627,579		45,206,122
Retained Earnings /(Deficit)			1,303,851,485		1,303,573,490
			1,815,853,020		1,821,153,568
		P	2,548,233,512	P	2,599,382,036

See accompanying Notes to Financial Statements.

ATN HOLDINGS, INC. and Subsidiaries

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Quarter Ending		Nine (9) Months Ending	
	31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
REVENUE				
Lease of properties	P1,805,181	P2,074,911	P8,380,835	P8,308,635
Healthcare services	2,897,047	1,781,800	9,129,745	7,135,533
OTHER INCOME (EXPENSES)				
Unrealized foreign exchange gain (loss)	-	2,344,302	-	4,084,423
Interest income	1,329	-	3,935	4,929
	P4,703,556 #	P6,201,013	P17,514,514 #	P19,533,520
COST AND EXPENSES				
Direct cost (Note 22)	1,550,566	1,836,055	6,606,303	6,927,300
Administrative expenses (Note 23)	1,777,586	2,175,627	7,260,661	10,525,143
Finance cost	183,338	266,348	650,232	879,540
Equity in net loss of an associate	616,404	-	1,812,924	275,919
	4,127,894	4,278,030	16,330,120	18,607,902
INCOME (LOSS) BEFORE INCOME TAX	575,662	1,922,983	1,184,394	925,618
Provision for income tax	311,844	32,772	906,399	159,330
Net Income (Loss) after Income Tax	P263,818	P1,890,211	P277,995	P766,288
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE INCOME	P263,818	P1,890,211	P277,995	P766,288
EARNINGS PER SHARE			0.00062	0.00170

See accompanying Notes to Financial Statements.

ATN HOLDINGS, INC. and Subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Nine (9) Months Ending	
	31-Dec-15	31-Dec-14
Share Capital		
Balance at beginning of fiscal year	P450,000,000	P450,000,000
Issuance during the fiscal year	-	-
Balance at end of fiscal year	P450,000,000	P450,000,000
Share Premiums	22,373,956	22,373,956
Unrealized gain on available-for sale financial		
asset - net of tax		
Balance at beginning of fiscal year	39,627,579	49,505,293
Changes in fair value of available -for-sale financial assets	-	-
Balance at end of fiscal year	39,627,579	49,505,293
Retained earnings (deficit)		
Balance at beginning of fiscal year	1,303,573,490	1,298,525,726
Net income (loss) for the period	277,995	766,288
Balance at end of the year	1,303,851,485	1,299,292,014
	P1,815,853,020	P1,821,171,263

See accompanying Notes to Financial Statements.

ATN HOLDINGS, INC. and Subsidiaries

STATEMENT OF CASH FLOWS

	Quarter Ending		Nine (9) Months Ending	
	31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Income (Loss)	P1,401,918	P1,890,211	277,995	P766,288
Adjustments for:				
Depreciation and amortization	963,705	963,706	4,454,822	4,454,823
Equity in net loss of an associate	1,537,005	-	1,812,924	275,919
Unrealized foreign exchange (gain) loss	1,740,121	(2,344,302)	-	(4,084,423)
Retirement benefits	-	-	127,665	-
Interest income	994	-	(3,935)	(4,929)
Interest expense	37,040	266,348	650,232	879,540
Operating income before working capital changes	5,680,783	775,963	7,319,703	2,287,218
Decrease (increase) in current assets				
Accounts receivables	(2,863,532)	229,739	(1,926,376)	1,166,895
Other current assets	416,459	52,455	598,861	234,857
Increase (decrease) in current liabilities				
Accounts payable and accrued expenses	(569,384)	(361,253)	(1,124,085)	(915,954)
Net cash provided by operating activities	2,664,325	696,904	4,868,102	2,773,016
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (increase in)				
Investment and advances to related parties	61,737,598	(2,615,674)	44,458,723	(19,894,549)
Deposits	(227,306)	2,454,829	6,141,699	8,823,834
Proceeds from:				
Investment properties	(8,289,849)	-	-	8,289,849
Investment in associates	-	-	8,613,500	-
Payment of subscription	-	-	(58,545,050)	-
Interest received	(994)	-	3,935	4,929
	53,219,449	(160,845)	672,806	(2,775,937)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dept servicing:				
Bank loans	-	-	(1,100,363)	-
Interest	(37,040)	(266,348)	(650,232)	(879,540)
	(37,040)	(266,348)	(1,750,595)	(879,540)
NET INCREASE/(DECREASE) IN CASH	P55,846,734	P269,711	3,790,313	(882,461)
CASH AT BEGINNING OF PERIOD			4,651,518	4,162,441
CASH AT END OF PERIOD			P8,441,831	P3,279,980

See accompanying Notes to Financial Statements.

ATN HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015

1. Corporate Information

ATN Holdings, Inc. (*ATN or the Parent*) was formerly registered under the name Jabpract Mining and Industrial Corporation. On March 14, 1996, Jabpract Mining and Industrial Corporation changed its corporate name to ATN Holdings, Inc. and its primary and secondary purposes were amended to enable it to perform the acts of a holding company.

The common shares of ATN are listed and traded on the Philippine Stock Exchange. The registered office address of ATN is 9th Floor Summit One Tower Bldg., 530 Shaw Blvd., Mandaluyong City. ATN Holdings, Inc. has no ultimate Parent company.

2. Basis of Preparation and Presentation

Basis of Financial Statement Preparation and Presentation
The accompanying consolidated financial statements of the Parent Company and Subsidiaries (*the Group*) have been prepared in accordance with Philippine Financial Reporting Standards on a historical cost basis, except for available-for-sale financial assets (AFS) and investment properties that have been measured at fair values.

The consolidated financial statements are presented in Philippine Peso, which is the Group's functional currency. All values represent absolute amounts except when otherwise indicated.

Statement of Compliance
The accompanying consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) issued by the Philippine Financial Reporting Standards Council.

Principle for Consolidation
The consolidated financial statements comprise the financial statements of the Parent Company and those of the subsidiaries. The reporting dates of the subsidiaries are December 31. A parent controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with a subsidiary and has the ability to affect those returns through its power over the subsidiary. Specifically, control is achieved if and only if the parent company has the following;

(i) Power over the investee;
(ii) Exposure rights, to variable returns from its involvement with the subsidiary; and
(iii) The ability to use its power over the investee to affect the amount of the parent company's returns.

The parent reassesses whether or not it controls a subsidiary if facts and circumstances indicates that there are changes to one or more of the three elements of control.

As of December 31, 2015 the consolidated subsidiaries are as follows:

Name of Subsidiary	Principal Activity	% of Ownership
Palladian Land Development, Inc. (PLDI)	Real Property Developer	99.98%
Advanced Home Concept Development Corporation (AHCDC)	Real Property Developer	99.98%
Managed Care Philippines, Inc. (MCPI)	Health Care Provider	99.80%

For consolidation purposes, the financial statements of the subsidiaries with calendar period ending December 31, are consolidated in the Parent Company's financial statements as of March 31 as allowed by the existing standard if the difference is not more than three months.

Adjustments and disclosures are made for the effects of significant transactions or events that occurred between the date of subsidiaries' financial statements and the date of the consolidated financial statements.

Subsidiaries are consolidated from the date when control is transferred to the ATN Group and cease to be consolidated when control is transferred out of the ATN Group.

3. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied for all the years presented, unless otherwise stated.

Cash and Cash Equivalents

Cash and cash equivalents are defined as cash on hand, demand deposits and short-term highly liquid investments readily convertible to known amount of cash and which are subject to insignificant risk of changes in value.

Financial Instruments

Date of Recognition

Financial assets and financial liabilities are recognized in the consolidated statements of financial position of the Group when it becomes a party to the contractual provisions of the instrument.

Initial Recognition

All financial assets and financial liabilities are initially recognized at fair value. Except for financial assets and financial liabilities at FVPL, the initial measurement of financial instruments includes transaction costs.

Determination of Fair Value

The fair value for instruments traded in active market at the reporting date is based on their quoted market price. For all other financial instruments not listed in an active market, the fair value is determined by using appropriate techniques or comparison to similar instruments for which market observable prices exists.

Where the transaction price in a non-active market is different from the fair value from other observable current market transactions in the same instruments or based on a valuation technique, the Group recognizes the difference between the transaction price and fair value in the consolidated statements of comprehensive income unless it qualifies for recognition as some other type of asset.

Classification of Financial Instruments

The Group classifies financial assets into the following categories, (i) At fair value through profit or loss (FVPL), (ii) Available-for-sale, (iii) Held-to-maturity and (iv) Loans and receivable. The Group classifies its financial liabilities into financial liabilities at FVPL and other financial liabilities. The classification depends on the purpose for which the investments were acquired or liabilities incurred and whether they are quoted in an active market. Management determines the classification of its investments at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

As of December 31, 2015 and 2014, the Group's financial instruments are of the nature of AFS, loans and receivables, and other financial liabilities.

AFS financial assets

AFS are non-derivative financial assets that are either designated on this category or not classified in any of the other categories. Subsequent to initial recognition, AFS assets are carried at fair value in the statements of financial position. Changes in the fair value are recognized directly in equity account as "Unrealized gain on AFS securities". Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognized in equity is included in statement of comprehensive income.

Included under this category are shares of stock of publicly listed companies.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivables. Loans and receivables are carried at amortized cost in the statement of financial position. Amortization is determined using the effective interest method less any impairment losses. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are integral parts of the effective interest rate.

Included under this category are the Group’s cash and receivables.

Other Financial Liabilities
Issued financial instruments or their components, which are not designated as at FVPL are classified as other financial liabilities where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

After initial measurement, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are integral parts of the effective interest rate. Any effects of restatement of foreign currency-denominated liabilities are recognized in the statements of comprehensive income.

Included under this category are accounts payable and accrued expenses.

Reclassification of Financial Assets
A financial asset is reclassified out of the FVPL category when the following conditions are met (i) the financial asset is no longer held for the purpose of selling or repurchasing it in the near term; and (ii) there is a rare situation.

A financial asset that is reclassified out of the FVPL category is reclassified at its fair value on the date of reclassification. Any gain or loss already recognized in the consolidated statements of comprehensive income is not reversed. The fair value of the financial asset on the date of reclassification becomes its new cost or amortized cost, as applicable.

Impairment

Financial Assets
The Group assesses at each end of the reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

(i) *Assets carried at amortized cost*
If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows discounted at the financial asset’s original effective interest rate. The amount of the loss is recognized in the profit and loss accounts.

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 the profit and loss accounts, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

(ii) Assets carried at cost
If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(iii) Available-for-sale financial assets
Available-for-sale financial assets are subject to impairment review at each end of the reporting period. Impairment loss is recognized when there is objective evidence such as significant financial difficulty of the issuer/obligor, significant or prolonged decline in market prices and adverse economic indicators that the recoverable amount of an asset is below its carrying amount.

Derecognition of Financial Instruments

Financial Assets
A financial asset (or, where applicable a part of a financial asset or part of a group of financial assets) is derecognized where:

- the rights to receive cash flows from the asset have expired;
- the Group 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;
- the Group has transferred its rights 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 the control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial Liabilities
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where 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.

Non-Financial Assets
The Group's investment properties, property and equipment, investment in associates and intangible asset are subject to impairment testing. All other individual assets or cash generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

An impairment loss is recognized for the amount by which the asset or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less cost to sell and value in use, based on an internal discounted cash flow evaluation. Impairment loss is charged pro-rata to the other assets in the cash generating unit.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist and the carrying amount of the asset is adjusted to the recoverable amount resulting in the reversal of the impairment loss.

Real Estate Inventories
Real estate inventories are carried at the lower of cost and net realizable value (NRV). Cost includes the value of land plus expenditures necessary to complete the housing units. Net realizable value is the estimated selling price in the ordinary course of business less cost to complete and sell the units. NRV is determined in a manner provided in Note 5.

As of December 31, 2015 and 2014, real estate inventories are carried at cost.

Other Current Assets
Other current assets include 12% input tax from purchases of goods and services which can be claimed against output tax in the subsequent month and prior year's excess credit and security deposits. Other current assets are carried at original amounts.

Investment Properties
Investment properties consist of properties that are held to earn rentals or for capital appreciation or both and that is not occupied by the Group.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are reviewed annually by the Group. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

Investment properties are derecognized when either they have been disposed of, or when the investment property is permanently withdrawn from service and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the consolidated statements of comprehensive income in the year of retirement or disposal.

Investment in Associates
The Group's investments in associates are accounted for using the equity method. An associate is an entity in which a company has significant influence. Under the equity method, the investments in associates is initially recognized at cost and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of the profit or loss of the investee is recognized in the investor's profit or loss. Distributions received from an investee reduce the carrying amount of the investment.

Upon loss of significant influence over the associate, the equity method is discontinued and the investment is accounted in accordance with PAS 39, Financial Instruments: Recognition and Measurement.

Property and Equipment
Property and equipment are stated at cost less accumulated depreciation and any impairment in value. The cost of an asset comprises its purchase price and directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, improvements and renewals are capitalized; expenditures for repairs and maintenance are charged to expense as incurred. When assets are sold, retired or otherwise disposed of, their cost and related accumulated depreciation and impairment losses are removed from the accounts and any resulting gain or loss is reflected in income for the period.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

	Number of years
Medical equipment and fixtures	15
Office furniture and fixtures	10
Leasehold improvements	3-13 or lease term whichever is shorter
Transportation equipment	5

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The residual values and estimated useful lives of property and equipment are reviewed, and adjusted if appropriate, at each reporting period.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated statements of comprehensive income in the year the item is derecognized.

Intangible Asset
The Group's portal and enterprise system is carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Amortization is computed based on the aggregate predicted life of 15-20 years from the date of launch.

Accounts Payable and Accrued Expenses
Accounts payables are liabilities to pay for goods or services that have been received or supplied and have been invoiced or formally agreed with the supplier. Accounts payable are non-interest bearing and are stated at their original invoice amount since the effect of discounting is immaterial.

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees.

Bank Loans
Bank loans are measured at their nominal values and subsequently recognized at amortized costs less payments.

Deposits
Deposits represent security deposits from clients and reservation fees from real estate buyers. The same will be applied to contract price when the buyer committed to purchase the unit. Reservation fees are non-refundable should the buyer decided not to go through with the acquisition of the property.

Payable to Related Parties
Payable to related parties are non-interest bearing borrowings. These are measured at their original amounts and have no fixed repayment period.

Equity
Share capital is determined using the par value of shares that have been issued and fully paid.

Additional paid-in capital includes any premiums received on the initial issuance of share capital. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of any related income tax benefits.

Unrealized gain/loss on AFS investments pertains to mark-to-market valuation of available-for-sale financial assets.

Retained earnings include all current and prior period results of operations as disclosed in the consolidated statements of comprehensive income.

Revenue and Cost Recognition
Revenue is recognized to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

(i) Interest – interest income from bank deposits is recognized as interest accrues taking into account the effective yield on the related asset.

(ii) Profit from assets sold or exchanged – recognized when the title to the asset is transferred to the buyer or if the collectability is reasonably assured. If collectability is not reasonably assured, revenue is recognized only to the extent cash is received.

(iii) Rental from Operating Leases - properties leased out under operating leases are included in investment property in the statement of financial position. Lease income is recognized over the term of the lease on a straight-line basis.

(iv) Sales of services – revenue are recognized upon rendering of services or completion of services made.

(v) Dividends - dividends are recognized in the period in which they are declared.

(vi) Fair value gains on investment properties – fair value gains on investment properties are recognized when the market value of the investment properties are higher than its carrying value. Measurement of fair value is discussed in Note 6.

Cost and expenses are recognized in the consolidated statement of comprehensive income upon utilization of the assets or services or at the date they are incurred. Interest expense is reported on accrual basis.

Service charges, fees and penalties are recognized on an accrual basis when the service has been provided. Loan commitment fees for loans that are likely to be drawn down are deferred (together with related direct costs) and recognized as an adjustment to the effective interest rate on the loan.

Retirement Benefit Cost
The Group accrues retirement expense based on the provision of the Retirement Pay Law (R.A. 7641). The RA requires that employers with no formal retirement plan or agreement providing for retirement benefits shall provide for retirement pay equivalent to at least 15 days plus 1/12 of the 13th month pay and the cash equivalent of not more than five (5) days of service incentive leave for employees who have rendered at least five (5) years of service and have reach the age of 60 at the time of retirement. Annually, the Group assesses the sufficiency of the recorded retirement liability. Any increase or decline thereto is adjusted in the Statement of Financial Position.

Because of the undue cost or effort in measuring retirement benefit cost under defined benefit plan using the projected unit credit method, the Group elected to measure its retirement benefit obligation with respect to current employees with the following simplifications:

(a) Ignored estimated future salary increases;
(b) Ignored future service of current employees; and,
(c) Ignored possible in-service mortality of current employees between March 31, 2015 and the date employees are expected to begin receiving post-employment benefits.

Borrowing Costs
Borrowing costs are generally expense as incurred. Borrowing costs are capitalized if they are attributable to the acquisition, construction or production of a qualifying asset. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalized until the assets are ready for their intended use.

Income Taxes
Current tax liabilities are measured at the amount expected to be paid to the tax authority. The tax rates and tax laws used to compute the amount are those that have been enacted or substantially enacted at the end of reporting period.

Deferred tax is provided using the balance sheet liability method on temporary differences at the end of reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Under the balance sheet liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carry forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deferred tax asset is to be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in the consolidated statements of comprehensive income. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity.

Foreign Currency Transactions and Translations
Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates (*the functional currency).* The consolidated financial statements of the Parent and subsidiaries are presented in Philippine Peso, the Group's functional and presentation currency.

Foreign currency transactions are translated into the functional currency at exchange rates prevailing at the time of transaction. Foreign currency gains and losses resulting from settlement of such transaction and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statements of comprehensive income.

Provisions
Provisions are recognized when present obligation will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive

commitment that has resulted from past events, for example legal disputes for onerous contract.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including the risks and uncertainties associated with the present obligation. Any reimbursement expected to be received in the course of settlement of the present obligation is recognized, if virtually certain, as a separate asset at an amount not exceeding the balance of the related provision. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligation as a whole. In addition, long term provisions are discounted at their present values, where time value of money is material.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Earnings (Loss) Per Share

Earnings (Loss) per share are determined by dividing the profit for the year by the weighted average number of common shares outstanding during the fiscal year.

Related Party Transactions and Relationships

Related party relationships exist when one party has the ability to control directly or indirectly through one or more of the intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among the reporting entity and its key management personnel, directors or its shareholders. Transactions between related parties are accounted for at arm's length prices or on terms similar to those offered to non-related entities in an economically comparable market.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

Segment Reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

Events after the Reporting Period

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

4. Changes in Accounting Standards

New Accounting Standards and Amendments to Existing Standards Effective as of April 1, 2014

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following amendments to PFRS effective beginning April 1, 2014. The adoption however did not result to any material changes in the financial statements.

Amendments to PAS 32, Financial Instruments: Presentation - Offsetting of Financial Assets and Financial Liabilities

These amendments to PAS 32 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. While the amendment does not have any impact on the net assets of the Company, any changes in offsetting is expected to impact leverage ratios and regulatory capital requirements. The amendments to PAS 32 are to be retrospectively applied for annual periods beginning on or after January 1, 2014. The amendment does not have any material impact on the Company's financial position and performance.

Amendments to PAS 36, Impairment of Assets
The amendment requires the following disclosure if the recoverable amount is fair value less costs of disposal:

- the level of the fair value hierarchy (from PFRS 13 *Fair Value Measurement*) within which the fair value measurement is categorized;
- the valuation techniques used to measure fair value less costs of disposal; and
- the key assumptions used in the measurement of fair value measurements categorized within 'Level 2' and 'Level 3' of the fair value hierarchy if recoverable amount is fair value less costs of disposal.

The amendments to PAS 36 are effective for annual periods beginning on or after January 1, 2014. The adoption of the standard affects disclosures only and does not affect the financial position and performance of the Company.

Amendments to PFRS 10, PFRS 12 and PAS 27, *Investment Entities* (effective for annual periods beginning on or after January 1, 2014)
These amendments 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. The amendments do not have material financial impact in the financial statements.

Philippine Interpretation IFRIC 21, *Levies* (effective for annual periods beginning on or after January 1, 2014)
IFRIC 21 clarifies that an entity recognizes a liability for a levy when the activity that trigger payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. The interpretation does not have material financial impact in the Company's financial statements.

New Accounting Standard, Amendments to Existing Standards and Interpretations Effective Subsequent to March 31, 2015
Standards issued but not yet effective up to date of issuance of the Company's financial statements are listed below. The listing consists of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt these standards when they become effective. The Company does not expect the adoption of these new and amended PFRS and Philippine Interpretations to have significant impact on its financial statements.

Effective 2016
PAS 19, "Defined Benefit Plans: Employee Contributions (*Amendments to PAS 19 Employee Benefits)*
The amendment clarifies that the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service, in that contribution, can, but are not required, to be recognized as a reduction in the service cost in the period in which the related service is rendered. These amendments are effective for annual periods beginning on or after 1 July 2014. The amendment will not have any significant impact on the Company's financial position or performance.

Annual Improvements to PFRS
The Annual Improvements to PFRS (2010 to 2012 cycle and 2011 to 2013) contain non-urgent but necessary amendments to PFRS. These amendments are effective for annual periods beginning on or after July 1, 2014 and are applied retrospectively. Earlier application is permitted.

Annual Improvements to PFRS (2010 to 2012 cycle)
PFRS 2, "Share-based Payments"
The amendment clarifies the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition' (which were previously part of the definition of 'vesting condition'). The amendment does not apply to the Company.

PFRS 3, "Business Combinations"
The amendment clarifies that contingent consideration that is classified as an asset or a liability shall be measured at fair value at each reporting date. The amendment does not apply to the Company.

PFRS 8, "Operating Segments"
The amendment requires an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments. It also clarifies that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly. The adoption of the standard will affect disclosures only and will not affect the financial position and performance of the Company.

PFRS 13, "Fair Value Measurement"
The amendment clarifies that issuing PFRS 13 and amending PFRS 9 and PAS 39 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting if the effect of not discounting is immaterial. The amendment will not have any significant impact on the Company's financial position or performance.

PAS 16, "Property, Plant and Equipment"
The amendment clarifies that when an item of property, plant and equipment is revalued, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount. The Company is currently assessing impact of the amendments to PAS 16.

PAS 24, "Related Party Disclosures"
The amendment clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity. The amendment will not have any significant impact on the Company's financial position or performance.

PAS 38, "Intangible Assets"
The amendment clarifies that when an intangible asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount. The amendment will not have any significant impact on the Company's financial position or performance.

Annual Improvements to PFRS (2011 to 2013 cycle)
PFRS 1, "First-time Adoption of Philippine Financial Reporting Standards"
The amendment clarifies that an entity, in its first PFRS financial statements, has the choice between applying an existing and currently effective PFRS or applying early a new or revised PFRS that is not yet mandatorily effective, provided that the new or revised PFRS permits early application. An entity is required to apply the same version of the PFRS throughout the periods covered by those first PFRS financial statements. The amendment does not apply to the Company as it is not a first time adopter of PFRS.

PFRS 3, "Business Combinations"
The amendment clarifies that PFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself. The

amendment will not have any significant impact on the Company's financial position or performance.

PFRS 13, "Fair Value Measurement"
The amendment clarifies that the scope of the portfolio exception defined in paragraph 52 of PFRS 13 includes all contracts accounted for within the scope of PAS 39 *Financial Instruments: Recognition and Measurement* or PFRS 9 *Financial Instruments*, regardless of whether they meet the definition of financial assets or financial liabilities as defined in PAS 32 *Financial Instruments: Presentation*. The amendments will affect disclosures only and will have no impact on the Company's financial position or performance.

PAS 40, "Investment Property"
The amendment clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in PFRS 3 *Business Combinations* and investment property as defined in PAS 40 *Investment Property* requires the separate application of both standards independently of each other. The amendment will not have any significant impact on the Company's financial position or performance.

Effective 2017
PAS 1, "Presentation of Financial Statements" – Disclosure Initiative
The amendments aim at clarifying IAS 1 to address perceived impediments to preparers exercising their judgment in presenting their financial reports. They are effective for annual periods beginning on or after 1 January 2016, with earlier application being permitted. The amendment will not have any significant impact on the Company's financial position or performance.

PAS 16, "Property, Plant and Equipment" and PAS 38, "Intangible Assets" – Clarification of Acceptable Methods of Depreciation and Amortization
The amendments provide additional guidance on how the depreciation and amortization of property, plant and equipment and intangible assets should be calculated. They are effective for annual periods beginning on or after January 1, 2016, with earlier application being permitted. The amendment will not have any significant impact on the Company's financial position or performance.

PAS 28, "Investment in Associates and Joint Ventures" and PFRS 10, "Consolidated Financial Statements" – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
The amendments address a conflict between the requirements of PAS 28 and PFRS 10 and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. They are effective for annual periods beginning on or after January 1, 2016, with earlier application being permitted. The amendment will not have any significant impact on the Company's financial position or performance.

PAS 27, "Separate Financial Statements" – Equity Method in Separate Financial Statements
The amendments reinstate the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. The amendments are effective for annual periods beginning on or after January 1, 2016, with earlier application being permitted. The amendment will not have any significant impact on the Company's financial position or performance.

PAS 41, "Agriculture" – Agriculture: Bearer Plants
The amendments bring bearer plants, which are used solely to grow produce, into the scope of PAS 16 so that they are accounted for in the same way as property, plant and equipment. The amendments are effective for annual periods beginning on or after January 1, 2016, with earlier application being permitted. The amendment will not have any impact on the Company's financial position or performance.

PFRS 10, “Consolidated Financial Statements”; PFRS 12, “Disclosure of Interest in Other Entities” and PAS 28, “Investment in Associates and Joint Ventures” – Investment Entities: Applying the Consolidation Exception
The amendments address issues that have arisen in the context of applying the consolidation exception for investment entities. They are effective for annual periods beginning on or after January 1, 2016, with earlier application being permitted. The amendment will not have any significant impact on the Company’s financial position or performance.

PFRS 11, “Joint Arrangements” – Accounting for Acquisitions of Interests in Joint Operations
The amendments clarify the accounting for acquisitions of an interest in a joint operation when the operation constitutes a business. The amendments are effective for annual periods beginning on or after January 1, 2016, with earlier application being permitted. The amendment will not have any significant impact on the Company’s financial position or performance.

PFRS 14, “Regulatory Deferral Accounts”
This Standard is intended to allow entities that are first-time adopters of PFRS, and that currently recognize regulatory deferral accounts in accordance with their previous GAAP, to continue to do so upon transition to PFRS. The Standard is intended to be a short-term, interim solution while the longer term rate-regulated activities project is undertaken by the IASB. The IASB has stated that by publishing this Standard, they are not anticipating the outcome of the comprehensive rate-regulated activities project which is in its early stages. The Standard is effective for annual periods beginning on or after January 1, 2016. The Standard will not have any significant impact on the Company’s financial position or performance.

Annual Improvements to PFRS
The Annual Improvements to PFRS (2012 to 2014 cycle) contain non-urgent but necessary amendments to PFRS. These amendments are effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted.

PFRS 5, “Non-current Assets Held for Sale and Discontinued Operations”
The amendment adds specific guidance in PFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued. The Company does not expect the amendments will have any significant impact on its financial position or performance.

PFRS 7, “Financial Instruments: Disclosures” (with consequential amendments to PFRS 1)
The amendment adds additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of determining the disclosures required. The amendment also clarifies the applicability of the amendments to PFRS 7 on off-setting disclosures to condensed interim financial statements. The amendments will affect disclosures only and will have no impact on the Company’s financial position or performance.

PAS 19, “Employee Benefits”
The amendment clarifies that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid (thus, the depth of the market for high quality corporate bonds should be assessed at currency level). The amendment will not have any significant impact on the Company’s financial position or performance.

PAS 34, “Interim Financial Reporting”
The amendment clarifies the meaning of 'elsewhere in the interim report' and requires a cross-reference. The amendments will affect disclosures only and will have no impact on the Company’s financial position or performance.

Effective 2018
PFRS 15, “Revenue Recognition”
PFRS 15 specifies how and when a PFRS reporter will recognize revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes PAS 18 'Revenue', PAS 11 'Construction Contracts' and a number of revenue-related interpretations. Application of the standard is mandatory for all

PFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. This Standard is effective for financial statements for periods beginning on or after January 1, 2017. The Standard will not have any significant impact on the Company's financial position or performance.

Effective 2019

PFRS 9, "Financial Instruments"

This version of PFRS 9 'Financial Instruments' brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace PAS 39 'Financial Instruments: Recognition and Measurement'. This version also adds a new expected loss impairment model and limited amendments to classification and measurement for financial assets. The Standard supersedes all previous versions of IFRS 9 and is effective for periods beginning on or after January 1, 2018. The Company will assess the impact of this standard to its financial position and performance.

5. Summary of Significant Accounting Judgments and Estimates

The preparation of the consolidated financial statements in conformity with PFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about varying values of assets and liabilities that are not readily apparent from other sources. Although, these estimates are based on management's best knowledge of current events and actions, actual results may differ from these estimates.

(i) Judgments

The following judgments were applied which have the most significant effect on the amounts recognized in the consolidated financial statements.

Determination of functional currency

The Group has determined that its functional currency is the Philippine peso which is the currency of the primary economic environment in which the Group operates.

Classification of financial assets

In classifying its financial assets, the Group follows the guidance of PAS 39. In making the judgment, the Group evaluates its intention, marketability of the instrument and its ability to hold the investments until maturity.

Estimating net realizable value of real estate inventories

The carrying value of real estate inventories is carried at lower of cost or net realizable value (NRV). The estimates used in determining NRV is dependent on the recoverability of its cost with reference to existing market prices, location or the recent market transactions. The amount and timing of recorded cost for any period would differ if different estimates were used.

Distinction between investment properties and owner-occupied properties

The Group determines whether a property qualifies as investment property. If an insignificant portion is leased out under the operating lease, the property is treated as property and equipment. If the property is not occupied and is held to earn, it is treated as investment property.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of services or for administrative purposes. If these portions cannot be sold separately as of the end of reporting period, the property is accounted for as investment property only if an insignificant portion is held for use to the production or supply of services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

Operating leases – Group as lessor
The Group has entered into property leases on a portion of its investment property. The Group has determined that it retains all significant risks and rewards of ownership of those properties which are leased out on operating leases.

The Group's rental income amounted to P8.38 million in December 2015 and P8.31 in December 2014.

Provision and contingencies
Judgment is exercised by management to distinguish between provisions and contingencies.

(ii) Estimates
The key assumptions concerning the future and other key sources of estimation of uncertainty at end of reporting period, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Determination of fair value of available-for-sale financial assets
The Company measures fair value of financial instruments using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements. Fair value determination is discussed in Note 6.

Estimation of allowance for impairment losses on receivables
The Group maintains allowance for impairment losses at a level considered adequate to provide for potential uncollectible accounts. The level of allowance for impairment losses is evaluated by management on the basis of factors affecting collectability of the receivables. In addition, a review of the accounts designed to identify accounts to be provided with allowance, is made on a continuing basis

Determination of fair value of assets and liabilities
The fair value of assets and liabilities were determined in a manner disclosed in Note 6.

Estimated useful lives of property and equipment
The Group reviews annually the estimated useful lives of property and equipment, based on the period on which the assets are expected to be available for use. It is possible that future results of operation could be materially affected by changes in these estimates. A reduction in the estimated useful lives of property and equipment would increase recorded depreciation and decrease the related asset account.

Property and equipment, net of accumulated depreciation and impairment losses, amounted to P24.118 million and P27.723 million as of December 31, 2015 and March 31, 2015, respectively.

Estimating fair value of investment properties
The best evidence of fair value is current prices in an active market for similar properties and other contracts. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. In making its judgment, the Group considers information from a variety of sources including:

(i) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;
(ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
(iii) appraisal of independent qualified appraisers.

In March 2014, a reappraisal was made for part of the Group's investment properties. The appraisal resulted into an increment amounting to P676.7 million. For lots, raw land and condominium units, the value were arrived at using the *Sales Comparison Approach.* This is a comparative approach to value that considers the sales of similar substitute properties and related market data and establishes a value estimate by processes involving comparison, listings and offerings. The value of improvements was determined under the *Cost approach*. The approach is based on the reproduction cost of the subject property, less depreciation, plus the value of the land to which an estimate of entrepreneurial incentive is commonly added.

Investment properties amounted to P2.275 billion as of December 31, 2015 and March 31, 2015.

Impairment of investment in associates and advances to related parties
The Group assesses impairment on assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Several factors are considered which could trigger that impairment has occurred. Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have material adverse effect on the results of operations.

The net carrying value of Investment in and Advances to Associates as of December 31, 2015 and FY March 31, 2015 is as follows:

	December 31, 2015			FY March 31, 2015		
	Gross carrying amount	Allowance for impairment	Net carrying value	Gross carrying amount	Allowance for impairment	Net carrying value
Investments in associates:						
ATN Phils Solar Energy Group, Inc.	P175,866,890	P -	P175,866,890	P177,679,815	P -	P177,679,815
Mariestad Mining Corporation (MMC)	7,000,000	7,000,000	-	7,000,000	7,000,000	-
Advances to related parties:						
Unipage Management Inc. (UMI)	9,535,144	-	9,535,144	45,322,652	-	45,322,652
Sierra Madre Consolidated Mines (SMCM)	11,756,000	11,756,000	-	11,756,000	11,756,000	-
Transpacific Broadband Group International, Inc.	1,108,977	-	1,108,977	-	-	-
	P205,267,011	P18,756,000	P186,511,011	P241,758,467	P18,756,000	P223,002,467

6. Fair Value Measurement

The fair value for instruments traded in active market at the reporting date is based on their quoted market price. For all other financial instruments not listed in an active market, the fair value is determined by using appropriate techniques or comparison to similar instruments for which market observable price exists.

Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instruments or based on a valuation technique, the Group recognizes the difference between the transaction price and the fair value in the consolidated statements of income unless it qualifies for recognition as some other type of asset.

The Group measures fair value of assets and liabilities using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1
Included in the Level 1 category are assets and liabilities that are measured in whole or in part by reference to published quotes in an active market. An asset or liability is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2
Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3
Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The table below analyzes assets and liabilities at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorized.

31-Dec-15	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	P 8,441,832	P -	P -	P 6,447,328
Available-for-sale financial assets	-	37,308,643	31,540	37,340,183
Accounts receivable	2,616,715	231,269	-	2,847,983
Other current assets	55,518	1,513,527	98,800	1,667,845
Advances to related parties	10,644,121	-	-	10,644,121
Investment properties	-	2,275,270,962	-	2,275,270,962
Accounts payable and accrued expenses	-	(2,120,814)	-	(2,120,814)
Bank loans	(23,356,444)	-	-	(23,356,444)
Deposits	(43,513,829)	-	-	(43,513,829)
Payable to related parties	(38,662,116)	-	-	(38,662,116)

31-Mar-15	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	P 4,651,518	P -	P -	P 4,651,518
Available-for-sale financial assets	21,262,758	30,297,500	-	51,560,258
Accounts receivable	-	921,607	-	921,607
Other current assets	2,266,706	-	-	2,266,706
Advances to related parties	46,422,652	-	-	46,422,652
Investment properties	-	2,275,270,962	-	2,275,270,962
Accounts payable and accrued expenses	-	(3,206,601)	-	(3,206,601)
Bank loans	(24,456,807)	-	-	(24,456,807)
Deposits	(37,372,130)	-	-	(37,372,130)
Payable to related parties	(29,981,923)	-	-	(29,981,923)

Fair values were determined as follows:

- *Cash and cash equivalents, receivables, other current assets, deposits and other financial liabilities* – the fair values are approximately the carrying amounts at initial recognition due to short-term nature.
- *Quoted AFS financial asset (equity securities)* – the fair values were determined from the published references from Philippine Stock Exchange.
- *Non-quoted AFS investment* – valuation technique using significant observable inputs. Where valuation technique is not representative of fair values, the acquisition cost is used as fair value.
- *Investment properties* – fair value was based on appraiser’s report. It is estimated using Sales Comparison Approach, which is based on sales and listings of comparable property registered within the vicinity that considered factors such as location, size and shape of the properties.

7. Financial Instruments, Risk Management Objectives and Policies

The main risks arising from the Company's financial instruments are liquidity risk, credit risk, fair value risk, price risk, market risk, and interest rate risk. The Company has no formal risk management program.

The main risks arising from the Company's financial instruments are liquidity risk and credit risk and fair value risk. Risk management policies and summarized below.

Liquidity Risk
Liquidity or funding risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from either the inability to sell financial assets quickly at their fair values; or counterparty failing on repayment of a contractual obligation; or inability to generate cash inflows as anticipated.

Liquidity risk is a risk due to uncertain liquidity. An institution may suffer liquidity problem when its credit rating falls. The Group is also exposed to liquidity risk if markets on which it depends on are subject to loss of liquidity.

The Group manages its liquidity profile to: a) ensure that adequate funding is available at all times; b) meet commitments as they arise without incurring unnecessary costs; c) be able to access funding when needed at the least possible cost, and d) maintain an adequate time spread of financial maturities.

The table below summarizes the maturity profile of the Group's financial liabilities at December 31, 2015 and March 31, 2015 based on contractual undiscounted payments:

31-Dec-15	Not later than one month	Later than 1 month & not Later than 3 months	Later than 3 months & not later than 1 year	Later than 1 year & not later than 5 years	Total
Accounts payable and accrued expenses	P2.120,814	P -	P -	P -	P 2,120,814
Bank loans	-	-	-	23,356,444	23,356,444
Deposits	-	-	-	43,513,829	43,513,829
Payables to related parties	-	-	-	38,662,116	38,662,116
	P 2,120,814	P -	P -	P105,532,388	P107,663,20 2

31-Mar-15	Not later than one month	Later than 1 month & not Later than 3 months	Later than 3 months & not later than 1 year	Later than 1 year & not later than 5 years	Total
Accounts payable and accrued expenses	719,980	P 2,486,621	P -	P -	P 3,206,601
Bank loans	-	-	-	24,456,807	24,456,807
Deposits	-	-	-	37,372,130	37,372,130
Payables to related parties	-	-	-	29,981,923	29,981,923
	P 719,980	P 2,486,621	P -	P 91,810,860	P 95,017,461

Credit Risk
Credit risk is risk due to uncertainty in a counterparty's (also called an obligor) ability to meet its obligation.

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the consolidated statements of financial position (or in the detailed analysis provided in the notes to consolidated financial statements). Credit risk, therefore, is only disclosed in circumstances where the maximum potential loss differs significantly from the financial asset's carrying amount.

The table below shows the gross maximum exposure to credit risk of the Group as of December 31, 2015 and FY March 31, 2015. Net maximum exposure is the effect after considering the collaterals and other credit enhancements.

	Gross maximum exposure	
	31-Dec-15	31-Mar-15
Cash and cash equivalents*	P 8,441,832	P 4,641,518
Available-for-sale financial assets	37,340,183	51,560,258
Accounts receivable	2,847,983	921,607
Advances to related parties	10,644,121	58,178,652
** excludes cash on hand*	P 59,274,119	P 115,302,035

Credit quality of the Group's assets as of Dec. 31, 2015 and FY March 31, 2015 is as follows:

31-Dec-15	Neither past due nor impaired High grade	Standard grade	Past due *but not* impaired	Past due *and* impaired	Total
Cash and cash equivalents*	P8,441,832	P -	P -	P -	P8,441,832
Available for sale financial assets	-	37,340,183	-	-	37,340,183
Accounts receivable	-	-	2,847,983	-	2,847,983
Advances to related parties	-	-	4,766,121	5,878,000	10,644,121
	P8,441,832	P 37,340,183	P7,614,105	P 5,878,000	P59,274,119

FY March 31, 2015	Neither past due nor impaired High grade	Standard grade	Past due *but not* impaired	Past due *and* impaired	Total
Cash and cash equivalents*	P 4,641,518	P -	P -	P -	P 4,641,518
Available for sale financial assets	-	51,560,258	-	-	51,560,258
Accounts receivable	-	-	921,607	-	921,607
Advances to related parties	-	-	46,422,652	11,756,000	58,178,652
	P 4,641,518	P 51,560,258	P 47,344,259	P 11,756,000	P 115,302,035

High grade cash and cash equivalents are short-term placements placed, invested, or deposited in banks belonging to the top banks in the Philippines in terms of resources and profitability.

High grade accounts, other than cash and cash equivalents, are accounts considered to be of high value. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits.

Standard grade accounts are active accounts with propensity of deteriorating to mid-range age buckets. These accounts are typically not impaired as the counterparties generally respond to credit actions and update their payments accordingly.

The aging analysis of past due accounts which are unimpaired is as follows:

31-Dec-15	Accounts Receivable	Receivable from related parties	Total
Past due 31-60 days	**P2,847,983**	**P -**	**P2,847,983**
Over 120 days	**-**	**10,644,121**	**10,644,121**
	P2,847,983	**P10,644,121**	**P13,492,104**

FY March 31, 2015	Accounts Receivable	Receivable from related parties	Total
Past due 31-60 days	P 921,607	P	P 921,609
Over 120 days	-	46,422,652	46,422,652
	P 921,607	P46,422,654	P47,344,261

Foreign Exchange Risk
The Group is exposed to foreign exchange risk arising from currency exposures primarily with respect to the Yen and Dollar loans. Foreign exchange risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Group's functional currency. Significant fluctuation in the exchange rates could significantly affect the Group's financial position.

The carrying amount of the Group's foreign currency denominated monetary liabilities at the reporting date is as follows:

	31-Dec-15		FY March 31, 2015	
	Peso Equivalent	**Foreign Currency Equivalent**	Peso Equivalent	Foreign Currency Equivalent
Japanese Yen Loan	**P20,233,254**	**JPY54,682.278**	P21,333,617	JPY57,565,074
US Dollar Loan	**3,123,190**	**US$70,000**	3,123,190	US$70,000
	23,356,444		P 24,456,807	

The table below details the Group's sensitivity to a 5% increase and decrease in the functional currency of the Group against the relevant foreign currencies. The sensitivity rate used in reporting foreign currency risk is 5% and it represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period and in foreign currency rates. The sensitivity analysis includes all of the Group's foreign currency denominated liabilities. A positive number below indicates an increase in net income when the functional currency of the Group strengthens at 5% against the relevant currency, there would be an equal and opposite impact on the net income when the balances would be negative.

31-Dec-15	**Effect on income before taxes**
Increase/Decrease in Peso to US Dollar Rate	
+5%	**156,160**
- 5%	**(156,160)**
Increase/Decrease in Peso to Japanese Yen Rate	
+5%	**1,011,663**
- 5%	**(1,011,663)**

FY March 31, 2015	Effect on income before taxes
Increase/Decrease in Peso to US Dollar Rate	
+5%	156,160
- 5%	(156,160)
Increase/Decrease in Peso to Japanese Yen Rate	
+5%	1,066,681
- 5%	(1,066,681)

Interest Rate Risk
The primary source of the Group's interest rates risk relates to debt instruments. The interest rates on this liability are disclosed in Note 19.

An estimate of 100 basis points increase or decrease is used in reporting interest rate changes on fair value of loans and represents management's assessment of the reasonable possible change in interest rates.

The effect on profit for the year is increase or decrease by P244,568.

Price Risk
The Group is exposed to property price and property rentals risk and to market price changes of financial assets through profit or loss.

Capital Management
The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the dividends paid to shareholders or issue new shares.

The capital structure of the Group consists of issued share capital and additional paid-in capital.

The financial ratio at the year end, which is within the acceptable range of the Group, is as follows:

	2015	2014
Equity	**P 1,815,853,020**	P 1,821,153,568
Total assets	**2,548,233,512**	2,599,382,036
Ratio	**0.71**	0.70

8. Segment information

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The industry segments where the Group operates are (i) Real estate development and (ii) Health care management.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects is measured differently from operating profit or loss in the consolidated financial statements.

The segment information in the consolidated financial statements as of December 31, 2015 and 2014 follows:

				As of Dec. 31, 2015
	Real estate	**Health care**	**Corporate and others**	**Total**
Revenues	**P 8,165,915**	**P 9,129,745**	**P 214,919**	**P 17,510,580**
Direct costs	**935,479**	**5,670,824**	**-**	**6,608,303**
Gross profit	**7,230,436**	**3,458,921**	**214,919**	**10,904,277**
Interest income	**3,549**	**385**	**-**	**3,935**
	7,233,985	**3,459,308**	**214,919**	**10,908,211**
Administrative expenses	**5,460,679**	**1,566,404**	**213,578**	**7,260,661**
Equity in net loss of associate	**-**	**-**	**1,812,924**	**1,812,924**
Finance cost	**650,232**	**-**	**-**	**650,232**
	6,110,911	**1,566,404**	**2,026,502**	**9,723,817**
Income before income tax expense	**1,123,074**	**1,872,902**	**(1,811,582)**	**1,184,394**
Income tax expense	**340,346**	**561,755**	**4,298**	**906,399**
Income (Loss)	**P 782,728**	**P 1,311,147**	**P (1,815,880)**	**P277,995**
Segment assets	**2,239,156,562**	**27,883,392**	**520,168,452**	**2,787,208,406**
Segment liabilities	**664,253,885**	**16,469,634**	**58,148,204**	**738,871,723**
Other information:				
Depreciation and amortization	**1,314,516**	**3,140,307**	**-**	**4,454,823**
Non-cash expenses other than depreciation	**-**	**-**	**1,812,924**	**1,812,924**

	As of December 31, 2014			
	Real estate	Health care	Corporate and others	Total
Revenues	P 6,046,073	P 5,429,050	P -	P 11,475,123
Direct costs	410,773	4,680,472	-	5,091,245
Gross profit	5,635,300	748,578	-	6,383,878
Other income	1,742,466	2,583	112,334	1,857,383
	7,377,766	751,161	112,334	8,241,261
Administrative expenses	6,190,170	1,792,166	367,180	8,349,516
Equity in net loss of associate	275,919	-	-	275,919
Finance cost	613,192	-		613,192
	7,079,281	1,792,166	367,180	9,238,627
Income before income tax expense	298,485	(1,041,005)	(254,846)	(997,365)
Income tax expense	112,707	11,604	2,247	126,558
Income (Loss)	P 185,778	P(1,052,609)	P (257,093)	P (1,123,923)
Segment assets	2,208,129,627	36,121,639	302,763,959	2,547,015,225
Segment liabilities	612,464,486	29,175,529	32,494,025	674,134,040
Other information:				
Depreciation and amortization	985,887	2,515,230	-	3,501,117

Segment liabilities for each segment do not include the following:

	Dec. 31, 2015	FY Mar 2015
Deferred tax liabilities	**581,985,873**	**581,406,194**
Retirement liability	**717,716**	**590,051**
Income tax payable	413,695	1,450
	583,117,284	581,997,695

9. Cash and Cash Equivalents

The composition of this account as of December 31, 2015 and FY March 31, 2015 is as follows:

		Dec. 31 2015		FY Mar 2015
Cash in banks	**P**	**8,431,832**	P	4,641,518
Cash on hand		**10,000**		10,000
	P	**8,441,832**	P	4,651,518

Cash accounts with the banks generally earn interest at rates based on prevailing bank deposit rates.

10. Accounts Receivable

The composition of this account as of Sept. 30, 2015 and FY March, 31, 2015 is as follows:

		Dec. 31, 2015		FY Mar 2015
Receivable from:				
Real estate owners	**P**	**231,269**	P	414,839
Medical and health related services		**2,616,714**		506,768
	P	**2,847,963**	P	921,607

The terms and conditions of the above receivables are as follows:

- Receivables from real estate owners are expenses paid by the Group. These receivables are not subject to interest.
- Trade receivables from medical and health related services are normally collectible on a 30 to 90 days term.

As of December 31, 2015 management believes that amounts are fully collectible and no provision for probable loss is necessary.

11. Real Estate Inventories

This represents residential lots in various locations, carried at cost, amounting to P4,485,000. No sales transaction occurred as of December 31, 2015 and during the fiscal year ended March 31, 2015.

12. Other Current Assets

The composition of this account as of Dec. 31, 2015 and FY March 31, 2015 is as follows:

		Dec. 31 2015		FY Mar 2015
Prepaid taxes	**P**	**1,513,527**	P	1,602,557
Input taxes		**55,518**		566,349
Others		**98,800**		98,800
	P	**1,667,845**	P	2,267,706

Prepaid taxes represent 5% withholding tax on rental income. The same may be applied against future income tax liabilities.

Input taxes represent the 12% tax on domestic purchases of goods and services. Input tax is applied against output taxes on a monthly basis.

Others are rental deposit of the Group and will be used to pay the last rental or any expenses related to the lease to be paid upon termination of the lease contract.

13. Investments in Associates

This account consists of the following:

		Dec. 31, 2015		FY March 2015
Cost				
Beginning of the year				
ATN Phils. Solar Energy Group, Inc. (ATN Solar)	₱	181,625,000	₱	30,000,000
Mariestad Mining Corporation (MMC)		7,000,000		7,000,000
		188,625,000		37,000,000
Additions during the year (ATN Solar)		-		155,625,000
Disposal during the year (ATN Solar)		-		(4,000,000)
		188,625,000		188,625,000
Equity in net losses				
Beginning of the year		(3,945,185)		(487,950)
Current year		(1,812,925)		(3,457,235)
		(5,758,110)		(3,945,185)
Total		182,866,890		184,679,815
Allowance for impairment losses		(7,000,000)		(7,000,000)
	₱	175,866,890	₱	177,679,815

ATN Solar

ATN Solar is a grantee of a 25-year Renewal Energy Contract (*service contract*) with the Department of Energy (DOE) under Republic Act 9513 (*the RA*). The service contract grants ATN Solar the exclusive right to explore develop and utilize the solar energy source within Rodriguez, Rizal, its contract area. More specifically, the contract includes setting up a 30 MW Solar PV Project (*the Project*). The project is expected to generate a gross capacity of 33 MW peak of direct current and 30 MW of alternating current to be distributed within Metro Manila with projected revenue of P540 Million per year for the next 25 years.

The Project contains a 2-year pre-development stage and another 2 years for development stage, after which construction of power plants and connection to distribution network is to commence.

In a letter submitted to the DOE, ATN Solar is 86% complete on its pre-development stage by acquiring approval and authority to import and construct and/or install solar photovoltaic equipment and by the signing of agreements with different government agencies, and 7% complete on its development of interconnection facilities. As of June 30, 2015, commercial operation of ATN Solar has not yet started.

Energy Regulation Commission has rendered a favorable decision to ATN Solar, dated June 8, 2015, allowing ATN Solar to construct, operate and own connection assets from the solar farm to MERALCO's 34.5KV distribution network.

To be able to completely finance the Project, the ATN Solar intends to list its shares of stock in the stock market. In relation thereto, a third party valuator was engaged to determined ATN Solar's fair market valuation. In its report dated June 11, 2014, its 30MW project including the land is valued between P3.02 billion to P3.99 billion, determined under Discounted Cash Flow valuation.

On December 5, 2013, additional subscription amounting to P17.5 million which is equivalent to 17.5 million shares was made. The additional subscription however diluted its equity interest to 30%.

On October 31, 2014, the Group subscribed for additional 155,625,000 shares with par value of P1 when ATN Solar increased its common shares, bringing the Group's equity interest to 49.5%. The Group paid P46,156,250 upon subscription and the amount of P8,600,000 on February 11, 2015.

On March 17, 2015, the Parent Company sold 4 million shares of ATN Solar to Unipage Management Inc.(UMI) with a carrying value of P4 million, subject to the following conditions:

- the Project should complete all governmental and grid approvals;
- the Company should deliver the shares of ATN Solar within 12 months from execution of the Investment Agreement;
- the Company should cause the registration in the stock and transfer book of ATN Solar the sale of 4 million shares to UMI.

The Company recognized a gain from the sale of its investment in ATN Solar amounting to P8 million.

The latest financial information of ATN Solar is as follows:

		2015		2014
Total assets	₱	507,928,032	₱	317,684,650
Total liabilities		**143,955,470**		90,340,684
Net expenses		**3,662,472**		6,984,317

ATN Solar's financial year ends every December 31.

MMC

In 2007, the Group entered into an agreement with MMC to participate in the extraction of mining of manganese ores in the latter's mining site. The Group's participation is in the form of providing financial resources to undertake the mining operations. To date, the Group has financed a total of P7 million that is equivalent to 25% equity interest in MMC.

MMC has become a dormant corporation and has not filed its audited financial statements since 2009.

During 2014, the Company provided impairment amounting to P3.5 million for the remaining investment balance to MMC, thereby impairing the whole investment.

14. Available-for-Sale Investments

Investment in AFS securities consist of a block of listed shares and a block of unlisted shares in Transpacific Broadband Group International, Inc. (TBGI), a publicly listed company in the Philippine Stock Exchange, and unlisted equity security of Ambulatory Health Care Institute, Inc. Fair value was determined as discussed in Note 6.

The reconciliation of the carrying amounts of this account at the beginning and end of the fiscal year is as follows:

		Dec. 31, 2015		FY Mar 2015
Balance at beginning of year	**P**	**51,560,258**	P	55,881,033
Disposal during the year		**(8,613,500)**		-
Changes in fair value		**(5,606,575)**		(4,320,775)
	P	**37,340,183**	P	51,560,258

In 2013, TBGI issued 13 million shares to the Group in exchange for the ownership of certain condominium units co-owned by the Group and TBGI. The 13 million shares amounted to P21.7 million at the time the shares were received.

AFS investment consists of listed and unlisted shares of TBGI and unlisted shares of Ambulatory Health Care Institute, Inc..

Changes in fair value are reported separately in the statement of comprehensive income, net of deferred income tax.

15. Investment Properties

Investment properties consist of land, raw land, condominium units and townhouses. The movements thereat are broken down as follows:

	Dec. 31, 2015	FY March 2015
Balance at the beginning of the year	₱ **2,275,270,962**	₱ 2,283,560,812
Disposal during the year	**-**	(8,289,850)
	₱ **2,275,270,962**	₱ 2,275,270,962

Pursuant to the compromise agreement discussed in Note 29, certain investment property with carrying value of P8.3 million owned by PLDI was transferred to the plaintiff in exchange for the Company's shares of stock which the plaintiff held. The shares of stock was transferred to Unipage Management, Inc. (UMI), an affiliated company. Settlement between the Company, PLDI and UMI are taken up as inter-company advances (*see Note 25*)

On March 27, 2014, certain investment properties were re-appraised to reflect its current fair market value. The appraisal resulted to an increase in value of investment property amounting to P676.7 million as of the appraisal date. Fair market value is determined in a manner described in Note 6. Management believes that fair values as of March 31, 2015 has not significantly changed since its last appraisal.

If cost model were used in valuing investment properties, its carrying value would have been P343,909,596 in 2015 and P352,199,446 in 2014.

Certain investment property was mortgaged to the bank to secure the Group's financing requirements (see Note 19).

16. Property and Equipment

Property and equipment consists of:

Dec. 31, 2015	Medical Equipment & Fixtures	Office Furniture & Fixtures	Leasehold Improvements	Transportation Equipment	Total
Costs					
April 1, 2015	P34,194,095	P6,138,644	P19,969,173	P995,536	P61,297,448
	P34,194,095	P6,138,644	P19,969,173	P995,536	P61,297,448
Accumulated dep'n					
At April 1, 2015	16,478,942	4,453,572	11,645,883	995,536	33,573,933
Provisions	1,805,762	449,266	1,349,791	-	3,604,819
	18,284,704	4,902,838	12,995,674	995,536	37,178,752
Net Book Value					
Dec. 31, 2015	P15,909,391	P1,235,806	P6,973,499	-	P24,118,696

FY March 31, 2015	Medical Equipment & Fixtures	Office Furniture & Fixtures	Leasehold Improvements	Transportation Equipment	Total
Costs					
April 1, 2013	P34,194,095	P6,138,644	P19,969,173	P995,536	P61,297,448
March 31, 2015	P34,194,095	P6,138,644	P19,969,173	P995,536	P61,297,448
Accumulated dep'n					
At April 1, 2014	P14,673,179	P4,004,306	P10,296,085	P978,942	P29,969,106
Provisions	1,805,783	449,266	1,349,795	16,594	3,604,824
March 31, 2015	16,478,942	4,453,572	11,645,880	995,536	33,573,930
Net Book Value					
March 31, 2014	P17,715,153	P1,685,072	P8,323,293	-	P27,723,518

Depreciation allocated to direct cost and administrative expenses are as follows:

	Dec. 31 , 2015	March 31, 2015
Direct costs	P1,805,763	P1,805,763
Administrative expenses	1,799,061	1,799,061
	P3,604.824	P3,604,824

17. Intangible Asset

Intangible asset represents the cost of web-based portal development of a subsidiary for the marketing of its medical services to local and international clients.

The movement in intangible asset is as follows:

	Dec. 31, 2015	FY March 31, 2015
Cost	P15,000,000	P15,000,000
Accumulated amortizations		
Balance	6,600,000	5,750,000
Provisions	850,000	850,000
Balance	7,450,000	6,600,000
Net Book Value	P7,550,000	P8,400,000

The amortization allocated to direct cost and administrative expenses are as follows:

	Dec. 31, 2015	FY March 31, 2015
Direct costs	P350,000	P350,000
Administrative expenses	500,000	500,000
	P850,000	P850,000

18. Accounts payable and accrued expenses

This account consists of the following:

	Dec. 31, 2015	FY March 31, 2015
Trade	P559,584	P1,643,037
Accrued expenses	352,536	767,114
Others	795,000	795,000
	P1,707,120	P3,205,151

Terms and conditions of the above financial liabilities are as follows:

- Trade payables are noninterest-bearing and are normally settled on a 90-day term;
- Accrued expenses are noninterest-bearing and have an average term of two (2) months;
- Other current liabilities are non-interest bearing and have a maximum term of six (6) months.

The fair values of accounts payable and accrued expenses have not been disclosed due to their short duration. Management considers the carrying amounts recognized in the statement of financial position to be a reasonable approximation of their fair values.

Capital gains tax on sale of unlisted shares (see Note 13) was lodged under “Others” amounting to P795,000.

19. Bank loans

Bank loans pertain to the outstanding balance of dollar and yen loans with Rizal Commercial Banking Corporation and China Banking Corporation which are covered by promissory notes. These loans are secured by a mortgage on certain investment property with a fair value of P100,404,363.

In 2013, the group renewed these bank loans for another 3 years payable in 2016. Interest is payable monthly. Interest on these loans at the end of reporting period are 2.5%+1-month LIBOR per month for dollar loan and 3% for yen loan per annum.

The outstanding balances of this account are as follows:

	Dec. 31, 2015	FY March 31, 2015
USD loan	P3,123,190	P3,123,190
Yen loan	20,233,254	21,333,617
	P23,356,444	P24,456,807

Financing charges related to foreign currency loans amounted to P466,893 as of Dec. 31, 2015 and P882,472 in FY March 31, 2015.

20. Deposits

This account consists of the following:

	Dec. 31,2015	FY March 31, 2015
Deposit on operating leases	P5,128,611	P4,996,611
Deposit on contract to sell	38,385,218	32,375,519
	P43,513,829	P37,372,130

Deposit on operating leases is made in compliance with the existing leasing agreement with lessor. The amount is refundable at the expiration of lease contracts.

Deposit on contract-to-sell are advance payments made by third parties for the purchase of the Group's investment property as discussed in Note 15. Revenue on such sale will be recognized when the title to the property is transferred or the collection of the unpaid balance is reasonably assured.

21. Equity

Share Capital

On October 8, 2014 by a majority vote of the BOD and on November 13, 2014 by the vote of the stockholders owning and representing at least two-thirds of the outstanding capital stock, the amendment of Articles III and VII of the Parent Company's Articles of Incorporation was approved.

Article 3 was amended in compliance with SEC Memorandum Circular 6 Series of 2014 specifying the Company's exact registered business address.

Article 7 was amended to effect the change in par value from P1.00 per share to P0.10 per share. The effect of this change in par value in authorized, subscribed and paid shares is presented below.

	Before amendment			After amendment		
	No. of shares		Amount subscribed and paid	No. of shares		Amount subscribed and paid
Class	Authorized	Subscribed		Authorized	Subscribed	
A	720,000,000	370,000,000	P 370,000,000	7,200,000,000	3,700,000,000	P 370,000,000
B	480,000,000	80,000,000	80,000,000	4,800,000,000	800,000,000	80,000,000
	1,200,000,000	450,000,000	P 450,000,000	12,000,000,000	4,500,000,000	P 450,000,000

The amendment in articles of incorporation was approved by the SEC on March 27, 2015.
In accordance with the Articles of Incorporation, certain restrictions have been imposed regarding issuance and transfer of share capital as follows:

Class "A" common shares are to be issued only to citizens of the Philippines or to partnership, association or corporation organized under the laws of the Philippines.

Class “B” common shares are to be issued to any person subject to the required foreign ownership limitation under the laws of the Philippines.

Unrealized gain on available-for-sale investments

The movement of this account is as follows:

	Dec. 31, 2015	FY March 31, 2015
Balance at beginning of year	P45,206,122	P49,505,293
Changes in fair value – net of deferred tax	(5,578,543)	(4,299,171)
	P39,627,579	P45,206,122

22. Cost of sales and services

The breakdown of this account is as follows:

	Dec. 31, 2015	Dec. 31, 2014
Depreciation and amortization	1,805,763	1,805,763
Utilities, communication and dues	1,354,696	909,484
Medical supplies	535,302	554,317
Rent	964,702	879,924
Real estate and other taxes	935,479	922,389
Salaries, wages and benefits	669,253	1,097,606
Professional fees	341,108	757,817
	6,606,303	6,927,300

23. Administrative expenses

The breakdown of this account is as follows:

	Dec. 31, 2015	Dec. 31, 2014
Depreciation and amortization	2,649,060	2,649,060
Rent expense	1,201,486	1,205,760
Communication and utilities	1,193,284	1,842,486
Salaries and wages and other benefits	868,126	1,976,123
Taxes and licenses	320,615	445,427
Security Services	275,310	347,058
Professional fees	118,827	322,712
Repairs and maintenance	173,048	186,053
Transportation and travel	136,591	633,105
Office supplies	158,551	445,988
Representation and entertainment	-	194,585
Provision for retirement	127,665	-
Miscellaneous	43,098	276,788
	7,260,661	10,525,145

24. Impairment losses

No impairment was recognized during the fiscal year.
For the fiscal year 2014 and 2013, ATN Holdings and Palladian Land Development Inc. recognized impairment loss broken down as follows:

		2014		2013
Investment in associates *(see Note 13)*	P	3,500,000	P	3,500,000
Advances to associates *(see Note 25)*		5,878,000		5,878,000
	P	9,378,000	P	9,378,000

25. Related Party Transactions

The Company's related parties and its relationship are as follows:

Related party	Relationship
Unipage Management, Inc. (UMI)	Affiliated company
Transpacific Broadband Group Int'l, Inc. (TBGI)	Affiliated company
Sierra Madre Consolidated Mines, Inc. (SMCM)	Affiliated company
Certain shareholders	Key management officers

Transactions, year-end balances and terms and conditions with related parties are as follows:

		Amount of Transaction		Year-end Balances		
Related party	Transaction	**Dec15**	FY Mar 2015	**Dec-15**	FY Mar 2015	Terms
Advances to related parties						
UMI	Intercompany advances/payments	**P 1,520,000**	(43,200,000)	**P 9,535,144**	P 45,322,652	no payment terms, unsecured
	Assignment of investment property		8,289,850			
	Sale of share of ATN Solar		12,000,000			
SMCM	Intercompany advances	**-**	-	**11,756,000**	11,756,000	no payment terms, unsecured & fully impaired
TBGI	Intercompany Advances		(2,732,381)	**1,108,977**		
Shareholder	Advances/payments	**-**	1,100,000	**-**	1,100,000	
				22,400,121	**58,178,652**	
Less: Allowance for probable losses				**11,756,000**	11,756,000	
Total				**10,644,121**	46,422,652	
Advances from related parties						
TBGI	Intercompany advances/payments	**-**	-	**-**	(4,600,110	no payment terms, unsecured
Shareholders	Advances/payments	**(378,936)**	(18,976,336)	**(38,662,116**	(25,381,813	no payment terms, unsecured
Total				**(38,662,116)**	**(29,981,923)**	

Details of significant related party transactions follows:

- In 2002, the Company executed an investment agreement with UMI to acquire a controlling block in TBGI, a publicly listed company in the Philippine Stock Exchange. The agreement provides that UMI will hold the shares in TBGI where ATN contributed P30 million which is equivalent approximately to 35.9 million shares. Further transactions ensued until the agreement was terminated in 2010 after UMI sold 16 million TBGI shares amounting to P50 million. During October and December 2014 and February 2015, the Company received a total of P43.2 million as partial return of investment. Amount due from UMI are not subject to interest.

- Pursuant to Teaming Agreement between PLDI and TBGI executed in 2013, common expenses of both companies can be advanced by either of the party and are to be reimbursed to other party on a proportionate basis. As of March 31, 2015 and 2014, PLDI has outstanding liabilities due to TBGI amounting to P4.6 million and P5.8 million, respectively as a result of such agreement. Amount due to TBGI are not subject to interest.

- In prior years, SMCM obtained working capital from the Company amounting to P5,878,000 primarily intended for its mining activities. However, due to SMCM's inability to commence mining operations and produce operating cash flows, the company provided a full impairment loss related to this advances in 2014.

- During 2013 and 2014, certain stockholder infused to the company a total of P65.475 million primarily intended for payment of subscription to the shares of stock of ATN Solar. After partial payments made, amount due to stockholders amounted to P24.3 million in 2015 and P29.6 million in 2014. Amount due to stockholders are not subject to interest.

- On March 17, 2015, the Parent Company sold its 4 million ATN Solar shares of stock for P12 million (see Note 13)

The details of subsidiary accounts that were eliminated in the process of consolidation are as follows:

	Dec. 31, 2015	FY March 31, 2015
PLDI	(P18,307,162)	(P8,281,592)
MCPI	13,422,328	26,422,328
AHCDC	10,768,677	10,768,677
	P5,883,843	P28,909,413

The Group did not recognize any key management compensation for the fiscal years ended March 31, 2015 and 2014.

26. Retirement Benefits

The Group provides for retirement benefits costs required to be paid under RA 7641 (the Act) otherwise known as *Retirement Pay Law*. The Act provides for retirement benefits to employees reaching the age of 60 who have rendered at least five (5) years of service to the Group. Benefits accruing to employee are computed as the sum of (i) one half month of salary for every year of service, (ii) one-twelfth of 13^{th} month pay and (iii) the cash equivalent of not more than five (5) days of service incentive leaves.

The balance of retirement liability account as of FY March 31, 2015 is P590,051.

27. Earnings (Loss) Per Share

Earnings (loss) per share is computed by dividing the income (loss) for the period by the weighted average number of common shares as follows:

	Dec. 31, 2015	Dec. 31, 2014
Income / loss (A)	P277,995	(P1,123,923)
Divided by:		
Weighted Average Shares (B)	4,500,000,000	4,500,000,000
Loss per share (A/B)	P0.00	(P0.002)

As of the respective year ends, there are no potentially convertible shares.

28. Commitments and contingencies

Operating Lease Commitments
Certain investment properties of the Group are leased out to third parties under the operating lease agreement. The lease term is for the period of 1 year renewable at the option of both parties.

Contingencies
In 2012, the Parent Company is a party to an intra-corporate dispute involving its certificate of increase in capital and amendment of articles of incorporation filed with at the Company Registration and Monitoring Department of the Securities and Exchange Commission (CRMD-SEC).

On February 24, 2014, both parties (plaintiff and defendants) entered into a compromise agreement under Sec Case. No. MC-11-130 with the RTC Mandaluyong under the following terms, among others:

- The Parent Company or its assignee will acquire the shares of stock held by the plaintiff. Payment of the shares acquired will be satisfied via deferred cash payment and real estate properties.
- Both parties shall file a “Motion for Withdrawal of Complaint” or “Joint Motion to Dismiss” with the CRMD-SEC case.

On February 24, 2014, a Motion to Withdraw Complaint was filed by the complainant under SEC-CRMD 12-305.

On March 7, 2014, the RTC Mandaluyong issued a decision approving the Compromise Agreement of both parties.

On April 3, 2014, the SEC issued an Order granting the Motion to Withdraw Complaint, having been duly executed and officially filed with the Commission, and it appearing that no third parties will be prejudiced thereto.

29. Non cash investing and financing activities

Non-cash investing and financing activities that were excluded in the preparation of the Statements of Cash Flows are as follows:

- During fiscal year 2014, an appraisal of the Company’s investment property resulted to an increase in the carrying value amounting to P676,057,674.
- During the year, the Parent Company subscribed to additional 155,625,000 shares of ATN Philippines Solar Energy Group, Inc. amounting to P155,625,000 of which P55,056,250 was paid during the year through cash and expense sharing.
- Decline in fair value of the Group’s investment in available-for-sale resulted in a decrease in the fair value amounting to P4.3 million net of deferred tax.
- As discussed in Note 14, the Company received a total of 13 million shares of TBGI equivalent to P2.1 million in settlement of the investment agreement with the latter.

30. Other SEC requirements

Disclosures on the issuer’s interim financial report, in compliance with Philippine Financial Reporting Standards:

1. There is no seasonality or cyclicality of interim operations.
2. There is no item that has unusual effect on asset, liabilities, equity, net income and cash flows.
3. There is no change in the nature and amounts reported in prior interim periods of the current financial year or prior financial year.
4. There is no issuance, repurchase nor repayment of debt and equity securities during the interim period.
5. There is no dividend paid for ordinary or other shares.
6. There is no material event subsequent to the end of the interim period that has not been reflected in the financial statements.

7. There is no change in the composition of the issuer such as business combination, acquisition, disposal of subsidiary and long-term investment, and restructuring during the interim period.
8. There is no change in contingent assets or contingent liabilities since the last annual balance sheet date.
9. There is no seasonal effect that had material effect on financial condition or result of operation.

Item 2. Management's Discussion and Analysis of Operation

(B) Interim Periods

Corporate revenues are segmented as follows:

Revenue from Real Estate Business	Php	8,165,915
Revenue from Health Care Business	Php	9,129,745

The company and its three majority-owned subsidiaries use current ratio and debt to equity ratio to measure liquidity, and gross profit margin and net income to sales ratio as key performance indicators. Current ratio is calculated using current accounts cash, marketable securities, receivables, accounts payable, income tax payable and other liabilities maturing in one year. Debt to equity ratio is derived from division of total debt by total amount of stockholders' equity. Profit margin is computed based on ratio of income from operation (before financing charges and other income/loss) to total revenues.

The company uses past year performance as basis for expected results in current year. With the bulk of its business in real estate, the company has no productivity program. It adopts a prudent policy of matching expenditures with revenues to keep current accounts position in balance

The following are 7 (seven) key performance and financial soundness indicators of the company:

Current Ratio	Calculated ratio of current assets into current liabilities. Indicates the ability of the company to finance current operations without need for long term capital
Debt-to Equity Ratio	Calculated ratio of total debt into total equity. Indicates the level of indebtedness of the company in relation to buffer funds provided by equity against any operating losses. Also indicates the capacity of the company to absorb or take in more debt.
Asset-to-Equity Ratio	Calculated ratio of total asset into total equity. Indicates the long-term or future solvency position or general financial strength of the company.
Interest Rate Coverage Ratio	Calculated ratio of earnings before interest and taxes into interest expenses. Indicates the ability to meet its interest payments.
Gross profit Margin	Calculated ratio expressed in percentage of the gross margin into total revenues. Indicates the ability of the company to generate margin sufficient to cover administrative charges, financing charges and provide income for the stockholders.
EBITDA	Calculated earnings before income tax, and non-cash charges. Indicates the efficiency of the company in generating revenues in excess of cash operating expenses.
Net Income to Sales Ratio, and Earnings per Share	Calculated ratio of net income into total revenues. Indicates the efficiency of the company in generating revenues in excess of cash operating expenses and non-cash charges, and the ability of the company to declare dividends for stockholders.

	ATN Holding Conso		Palladian Land		Advanced Home		Managed Care	
	2015	2014	2015	2014	2015	2014	2015	2014
Current Ratio	8.22	4.48	0.26	4.23	37.67	37.67	-0.37	15.60
Debt to Equity Ratio	0.40	0.37	-0.42	0.39	-2.95	-2.98	1.62	3.96
Asset-to-Equity Ratio	1.40	1.37	1.42	1.41	-.1.95	-1.98	2.75	4.96
Interest Rate Coverage Ratio	2.3	0.05	2.73	3.85	-	-	-	-
Gross Profit Margin	62%	55%	89%	93%	-	-	38%	-16%
EBITDA	P5,639,217	P5,380,441	2,437,590	P3,820,939	-	-197,015	5,012,823	P2,161,249
Net Income to Sales Ratio	.016	0.05	0.10	0.29	-	-	0.07	0.14
Net Income (Loss) in Pesos	P277,995	P768,286	P782,728	P2,365,248	-	-P197,015	P1,310,762	-P980,665

On a consolidated basis, ATN accounts that changed by more than 5% compared to quarter ending December 31, 2015 financial statements are as follows:

1. Cash and cash equivalent increased to Php8.441 million from Php4.651 million (81%).
2. Accounts receivable increased to Ph2.81 million from Php0.92million (209%) due to slower collection and increase in revenue.
3. Other current assets decreased to Php1.67 million from Php2.266 million (-26%).
4. Available for sale investments decreased to Php37 million from Php51.5 million (-27%)
5. Accounts payable and accrued expenses decreased to Php1.7 from Php3.206 (-47%)
6. Deposits increased to Php43 million from Php37 million (16%)
7. Subscription payable decreased to Php42 million fromPhp100 million (58%)

8. Payable to related party increased to Php38.6 million from Php30 million (295)
9. Direct decreased as of December 31 2015 to Php6.6 million compared to Php6.9 million as of December 31, 2014.The following direct cost are accounts with more than 5% change:
   a. Increase in utilities and communication by Php445 thousand (49%) from Php909 thousand in 2014.
   b. Increase in rent expense by Php84 thousand (10%) from Php879 thousand in 2014.
   c. Decrease in salaries and wages by Php428 thousand (-39%) from Php1 million in 2014.
   d. Decrease in retainers and professional fees by Php416 thousand from Php757 in 2014.
10. Administrative expenses decreased from Php10.5 million in 2014 compared to Php7.2 million in 2015. The following are the accounts with more than 5% change:
   a. Decrease in communication, dues and utilities by Php649 thousand (-35%).
   b. Decrease in salaries, wages and other benefits by Php81.1 thousand (-56%)
   c. Decrease in taxes and licenses by Php124 thousand (-28%).
   d. Decrease in security services by Php71 thousand (-21%) due to adjustment in contract.
   e. Decrease in professional fees by Php203 thousand (-63%) due to lesser consultation made.
   f. Decrease on repairs and maintenance by Php13 thousand (-7%) due to non recurring expenses.
   g. Decrease in transportation and travel by Php496 thousand (-78%).
   h. Decrease in office supplies by Php292 thousand (-66%) due to lesser procurement.

Corporate Development

In 2010, the Group subscribed to 12.5 million shares in ATN Solar Energy Group, Inc., (ATN Solar). Of the 12.5 million shares subscribed, P3.125 million has been paid and the balance is presented in the liability section as "Subscription Payable" amounting to P9.375 million. ATN Solar is engaged in renewable energy generation and trade distribution of renewal energy equipment and accessories. ATN Solar secured a service contract from the Department of Energy for its 30-MW Rodriguez Solar Power Project on May 12, 2011 and a Certificate of Registration from the BOI for income tax holiday, which can be availed in the first seven years of operation.

In conjunction with its utilities scale solar PV power generation in Montalban, ATN Philippines Solar Energy Group Inc. will expand the business relationship of TBGI with client schools through the installation of 30-50 KW off-grid solar PV to complement the TBGI supply of computer laboratories with internet connectivity in schools.

With the company's sound financial condition, ATN can ride the global mass-market trend in healthcare, TV satellite and digital data services investments. Hence there is no foreseeable event, which may have a material impact on its short-term liquidity, and no seasonal aspect had material effect on the financial condition of the Company's operation.

Improvements of real estate assets will be funded by borrowings and augmented by internally generated funds. To the best knowledge of Management there are no unusual or non-recurrent accounts that adversely affect the financial condition of the company.

The company expects to continue its focus on its existing principal activities and actively pursue opportunities for investment in the healthcare technology and renewable energy sectors in the Philippines.

SIGNATURES

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

Company : **ATN HOLDINGS, INC.**
Signature and Title :

PAUL B. SARIA
Principal Financial Officer
February 11, 2016

CELINIA FAELMOCA
Principal Accounting Officer
February 11, 2016