COVER SHEET

S.E.C. Registration Number

GLOBAL-ESTATE RESORTS, INC.
AND SUBSIDIARIES

(Company's Full Name)

7TH FLOOR RENAISSANCE TOWERS,
MERALCO AVE. PASIG CITY

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

Contact Person	Company Telephone Number
Roberto S. Roco	6376581

Fiscal Year (Month / Day)	FORM TYPE	Annual Meeting (Month / Day)
09 / 30	17-A	

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

SEC Number: AS 094-004462
File Number: _________

GLOBAL-ESTATE RESORTS, INC.

(Company's Full Name)

7/F Renaissance Towers, Meralco Avenue
Pasig City

(Company's Address)

(632) 633-3947

(Telephone Number)

September 30, 2011

(Fiscal Year Ending)

SEC Form 17 - A Annual Report

(Form Type)

(Amendment Designation)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17 - A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended **September 30, 2011**
2. SEC Identification Number **AS 094-004462**
3. BIR Tax Identification No. **430-000-426-523**
4. Exact name of registrant as specified in its charter

Global-Estate Resorts, Inc.

5. Province, Country or other jurisdiction of incorporation or organization

Pasig City, Philippines

6. Industry Classification Code: [ ] (SEC Use only)

7. Address of principal office Postal Code

7/F Renaissance Towers, Meralco Ave., Pasig City **1600**

8. Registrant's telephone number
Tel No. (632) 633-39-47

9. Former name, former address, former fiscal year
Fil-Estate Land, Inc.

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sections 4 & 8 of the RSA:

Title of Each Class	Number of shares outstanding and amount of debt outstanding
Common shares	**8,356,000,000**
Outstanding debts (loans)	**none**

11. Are any or all of these securities listed on the Philippine Stock Exchange

Yes **[X]** No [ ]

12. Check whether the issuer:

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

Yes **[X]** No [ ]

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

Yes **[X]** No [ ]

13. Aggregate market value of the voting stock held by non-affiliates:

₱ 3,538,494,512 (as of September 30, 2011) based on the closing price of Php2.05 per share

DOCUMENTS INCORPORATED BY REFERENCE

14. Briefly describe documents incorporated by reference and identify the part of the SEC Form 17-A into which the document is incorporated:

2011 Audited Consolidated Financial Statements
(incorporated as reference for Item 7 of SEC Form 17-A)

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PART I – BUSINESS AND GENERAL INFORMATION

ITEM 1. BUSINESS

Business Development

Form and Date of Organization

Global-Estate Resorts, Inc. ("GERI" or the "Company") formerly Fil-Estate Land, Inc. was incorporated on May 18, 1994 to consolidate the real estate interests and development activities of the Fil-Estate Group of Companies. GERI is also tasked to engage in land acquisitions and to maintain an inventory of raw land for future development by the Company and its subsidiaries. GERI went public in November 1995 when its common shares were listed in the Philippine Stock Exchange (PSE).

GERI has six (6) subsidiaries:

Fil-Estate Properties, Inc. ("FEPI"), was incorporated and organized under the laws of the Philippines on February 13, 1990. FEPI is involved in the development/construction and sale of residential subdivisions and commercial lots, condominium buildings and townhouses and sale of golf and resort shares.

Fil-Estate Golf and Development, Inc. ("FEGDI"), was registered with the Securities and Exchange Commission (SEC) on March 6, 1990 to engage primarily in golf and leisure development. Notable projects that was undertaken/completed by FEGDI are The Manila Southwoods Golf Course in Carmona, Cavite, Forest Hills Golf Course in Antipolo City and the Fairways & Bluewaters Golf Course in Boracay.

Fil-Estate Urban Development Corporation ("FEUDC") was incorporated and organized under the laws of the Philippines on March 6, 2000. FEUDC's primary purpose is to acquire by purchase, lease, donation, or otherwise or to own, use, improve, develop, subdivide, sell, exchange, lease, hold for investment or otherwise, real estate of all kinds, including building, houses, apartments and other structures and to construct, improve, manage or otherwise dispose of buildings, condominiums and other structures of whatever kinds, together with their appurtenances; and to perform all and everything necessary and proper for the attainment of or in furtherance of this purpose, either alone or with other corporations or individuals. Its development projects include the Cathedral Heights Townhomes in Quezon City, the villas Maria & Margarita in Fairways & Bluewaters in Boracay and the Camp John Hay Suites and Forest Cabins in Camp John Hay, Baguio City.

Novo Sierra Holdings Corporation ("Novo Sierra") was incorporated and organized under the laws of the Philippines on March 4, 2010. Novo Sierra's primary purpose is to invest in, purchase or otherwise acquire and hold, use, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of personal property of every kind and description, including shares of stocks, bonds, debentures, notes, evidence of indebtedness, contracts and other securities and obligations of any corporation, partnership, company or association, whether domestic or foreign for whatever lawful purpose or purposes the same way have been organized; and to pay therefore in money or by exchanging therefore in stocks, bonds, debentures, notes or other evidences of indebtedness or securities, and while the owner or holder of such notes, evidence of indebtedness, contracts and other securities and obligations of any corporation; to receive, collect and dispose of the interest, dividends and income arising from such property and investments and to possess and exercise in respect thereof, all rights and powers and privileges of ownership to the extent authorized by law, without however engaging in any banking or quasi-banking activities, nor shall the corporation engage in the business of an investment company as defined in the Investment Company Act (R.A. 2629) without complying with the provisions of the said act; provided it shall not engage in stock brokerage and dealer in securities.

Twin Lakes Corporation ("Twin Lakes") was incorporated and organized under the laws of the Philippines on March 2, 2011. Twin Lakes primary purpose is to acquire by purchase, lease, donation or otherwise and to own, use, improve, develop and hold for investment or otherwise, real estate of all kinds, and to construct, improve, manage or otherwise deal in or dispose lots, buildings, house and lots, as well as condominium units, townhouses, shopping malls, commercial centers, retirement communities, schools and dormitories, mixed-use property projects and other structures of whatever kind and description, together with any and all of their appurtenances, with the end in view of building and establishing new communities, towns, cities and urban centers.

Megaworld Global-Estate, Inc. ("MGEI") was incorporated and organized under the laws of the Philippines on March14, 2011. MGEI primary purpose is to market, acquire, hold, operate, dispose of by purchase, sale, exchange, mortgage, barter, lease or in any other manner, conditionally or absolutely, real estate and/or improvements thereon or other properties for residential, commercial or recreational purposes, or any interest therein, and to own, hold, improve, develop and manage any real estate, golf course, buildings, structures or other properties or interest therein so acquired, as well as erect or cause to be erected on any real estate or other properties, held or occupied by the corporation buildings, plants, factories, recreation facilities, or other similar structures with their appurtenances. It acts as marketing arm of the Company and its subsidiaries.

GERI also owns 20% of the equity of each of the following five (5) companies;

Fil-Estate Realty Corporation ("FERC"), was incorporated on January 7, 1981 to engage in the business of realty brokerage &/or act as agents of any persons, firms or corporation, domestic or foreign, for & in transaction relative to the acquisition, sales, lease, mortgage, disposition of, administration & management of real estate &/or improvements thereon, etc.

Fil-Estate Marketing Associates, Inc. ("FEMAI"), was incorporated on February 7, 1990 to acquire by purchase, lease, donation, or otherwise, & to own, use, improve, develop, subdivide, sell, mortgage, exchange, lease, develop & hold for investment or otherwise, real estate of all kinds, whether improve, managed, or otherwise dispose of buildings, houses, apartments & other structures of whatever kind, etc.

Fil-Estate Network, Inc. ("FENI"), was incorporated on July 31, 1992 primarily to acquire by purchase, lease, donation, or otherwise, & to own, use, improve, develop, subdivide, sell, mortgage, exchange, lease, develop & hold for investment or otherwise, real estate of all kinds, whether improve, manage, or otherwise dispose of buildings, houses, apartments & other structures, etc.

Fil-Estate Sales, Inc. ("FESI"), was incorporated on January 7, 1993 primarily to acquire by purchase, lease, donation, or otherwise, & to own, use, improve, develop, subdivide, sell, mortgage, exchange, lease, develop & hold for investment or otherwise, real estate of all kinds, whether improve, manage, or otherwise dispose of buildings, houses, apartments & other structures of whatever kind, together with their appurtenances.

Fil-Estate Realty Sales Associates, Inc. ("FERSAI"), was incorporated on January 26, 1996 to hold, operate, dispose of by purchase, sale, exchange, mortgage, barter, lease, or in any other manner, conditionally or absolutely, real estate and/or improvement thereon or other properties for residential, commercial or recreational purposes or any interest therein, and to own, hold, improve develop & manage real estate, golf courses, buildings, etc.

GERI is one of the leading property development and marketing companies in the Philippines and has operated through predecessor companies since 1981. The Company engages primarily in the horizontal development of residential subdivision lots, integrated residential, golf and other leisure-related properties, and vertical development of mixed-use towers in Metro Manila.

The Company reduces its capital exposure substantially by acquiring its land bank through joint ventures with landowners. These agreements generally provide that the Company will undertake the development and marketing of the project.

Bankruptcy, Receivership or Similar Proceedings

None for any of the companies above.

Material Reclassification, Merger, Consolidation or Purchase or Sale of a Significant Amount of Assets (not ordinary)

None for any of the companies above.

Products

The Company has a diversified portfolio of integrated projects, including (i) horizontal residential subdivision lots and residential / commercial complexes, (ii) residential communities integrated with golf, resort and other leisure related and commercial complexes, (iii) residential, office and commercial high rise, (iv) business park, and (v) low cost housing.

Distribution Methods of Products

The Company's products are distributed to a wide range of clients through its in-house marketing company which acts as the marketing arm of the Company and its subsidiaries.

Suppliers

The Company has a broad base of local suppliers.

Customers

GERI has a broad market base including local and foreign individual and institutional clients.

The Company caters to all segments of the real estate market for its developments. Residential lots and affordable housing units are focused on the B and C markets. The Company targets the A and B markets with special niche products such as integrated residential, commercial and leisure developments and condominium units. In line with the Company's focus on integrated tourism estates, sales to the latter segments are expected to provide the biggest source of revenues for the Company.

Competition

The real estate business in the Philippines remains highly competitive. The most prominent of these competitors are Ayala Land, Inc., Robinsons Land, Filinvest, Megaworld, Empire East, Vista Land, Landco and Sta. Lucia Realty. The Company competes with other developers in entering into joint venture arrangement with strategic partners, locate and acquire highly marketable raw lands for development located in Metro Manila and in provinces.

The Company aims to be one of the leading developers of integrated tourism estates in the Philippines. The Company's tourism estate projects located in Boracay, Nasugbu & Tagaytay/Laurel, which feature integrated master-planned communities with world class offerings and amenities, are designed to set new standards in the Philippine tourism industry.

The Company believes that its strategically located land bank, and reputation as an experienced developer and effective marketer of innovative real estate products gives it a competitive advantage.

Intellectual Property

The Company believes that its operations and that of its subsidiaries are not dependent on any trademark, patent, copyright, license, franchise or royalty agreement.

Government Approvals / Regulations

The Company secures various government approvals such as the ECC, development permits, license to sell, etc. as part of the normal course of its business.

Development Permit and License to Sell
Presidential Decree No. 957, as amended, requires landowners / developers to submit a registration statement and subdivision / condominium plan to the Housing and Land Use Regulatory Board ("HLURB"). Upon submission of the plan, the HLURB issues a development permit authorizing the development of the land, and upon filing of a performance bond as may be determined by the HLURB, the latter issues a License to Sell and a Certificate of Registration to the owner / developer.

Agrarian Reform Law
The Comprehensive Agrarian Reform Law covers: (a) alienable and disposable lands of the public domain devoted to or suitable for agriculture, (b) land owned by the Government devoted to or suitable for agriculture. No person may own or retain, directly or indirectly, any public or private agricultural land, in excess of five (5) hectares. A limit of three (3) hectares may be awarded to each child of the landowners, subject to certain qualifications. The law allows the conversion of agricultural lands to non-agricultural use when the land ceases to be economically feasible and sound for agricultural purposes.

Furthermore, the Department of Agrarian Reform Administrative Order No. 01 s. 1990 provides that any such classification or re-classification made after June 15, 1988 shall be subject to Department of Agrarian Reform ("DAR") approval.

Environmental Compliance Certificate
As a general rule, developers of residential subdivisions have to submit project descriptions to regional offices of the Department of Environment and Natural Resources ("DENR"). Such descriptions set out the background of the proposed project and identify any significant environmental risk and possible measures to mitigate such environmental risks. In exceptional cases of environmentally critical projects (e.g., golf courses, beach resorts, developments adjacent to watershed areas, etc.), a detailed Environmental Impact Assessment may be required and the developer will be required to obtain Environmental Compliance Certificate ("ECC") from the DENR. Compliance with the terms and conditions of the ECC will be monitored by the appropriate DENR regional office and failure to comply may lead to penalties and sanctions being imposed, including fines and / or temporary cessation of project operation.

As a real estate developer, the Company is required to secure development permits and licenses to sell from the HLURB and land conversions from agricultural to non-agricultural use when applicable, from DAR and environmental compliance certificates from the DENR for environmentally critical projects.

In addition to compliance with said government regulations, the Company shares in the country's vision of attaining economic prosperity and stability through sustainable development. Recognizing its important role as a property developer in a growing nation, FELI pursues its mission of service - *sustainable property development* - by building communities dedicated to quality living, work and recreation, while protecting and enhancing the environment.

<u>Effect of Existing and Probable Government Regulations</u>

Republic Act No. 7279 requires developers of proposed subdivision projects to develop an area for socialized housing equivalent to at least 20% of the total subdivision area or total subdivision project cost, at the option of the developer; within the same or adjacent regions, whenever feasible, and in accordance with the standards set by the HLURB. Alternatively, the developer may opt to buy socialized housing bonds issued by various accredited government agencies or enter into joint venture arrangements with other developers engaged in socialized housing development.

The Company has benefited from providing low-income housing projects that have the support of the Government. Developmental loans for these projects are available as well as incentives from Board of Investments (BOI).

<u>Tax Regulations</u>

On May 24, 2005, the President of the Philippines signed into law Republic Act No. 9337 (RA 9337), which, effective November 1, 2005, introduces the following changes, among others:

a. Increase in the corporate income tax rate from 32% to 35% with a reduction thereof to 30% beginning January 1, 2009;

b. Grant of authority to the Philippine President to increase the 10% value added tax (VAT) rate to 12%, subject to compliance with certain economic conditions. The 12% VAT took effect on February 1, 2006; and
c. Sales of residential lots with gross selling price of P1,500,000.00 or less, and residential house and lots with gross selling price of P2,500,000.00 or less, are not subject to Value Added Tax(VAT)

Revenue Regulations No. 16-2011 increasing the amount of threshold amounts for sale of residential lot, sale of house and lot effective January 01, 2012. Sale of residential lots with gross selling price of P1,919,500 or less, and residential house and lots with gross selling price of P3,199,200 or less, are not subject to Value Added Tax (VAT)

The Maceda Law

The Maceda Law applies to all transactions or contracts involving the sale or financing or real estate on installment payments (including residential condominium units but excluding industrial and commercial lots). Under the provisions of the law, where a buyer of real estate has paid at least two years of installments, the buyer is entitled to the following rights in case he/she defaults in the payment of succeeding installments:

a. To pay, without additional interest, the unpaid installments due within to total grace period earned by him, which is fixed at the rate of one (1) month for every one (1) year of installment payments made. However, the buyer may exercise this right only once every five (5) years during the term of the contract and its extensions, if any.
b. If the contract is cancelled, the seller shall refund to the buyer the cash surrender value of the payments on the property equivalent to 50% of the total payments made, and in cases where five (5) years installments have been paid, an additional 5% every year (but with a total not to exceed 90% of the total payments).

The Company, in compliance to said enacted law, has granted buyers their rights under the law and in certain cases, made the appropriate refunds to the buyers.

Zoning and Land Use

The Department of Agrarian Reform(DAR) has issued regulations to effect the provisions of the Agrarian Reform Law in the Philippines. Under the law, all land classified for agricultural purposes as of or after June 1,1988, cannot be converted to no-agricultural use without the prior approval of the DAR.

Land use may also be limited by the zoning ordinances of Local Government Units. Lands may be classified as commercial, industrial, residential or agricultural. While a procedure for change of allowed land use is available, this process maybe lengthy and cumbersome.

The Company diligently adheres to the provision of the agrarian reform law and local ordinances in cases where a certain project requires the conversion of the land use.

Environmental Laws

Development projects that are classified by law as environmentally critical or projects within statutorily defined environmentally critical areas are required to obtain an Environmental Compliance Certificate

(ECC) prior to commencement of development. The Department of Environment and Natural Resources (DENR) through its regional offices or through the Environmental Management Bureau (EMB), determines whether a project is environmentally critical or located in an environmentally critical area. As a requisite for the issuance of an ECC, an environmentally critical project is required to submit an Environmental Impact Statement (EIS) to the EMB while a project in an environmentally critical area are generally required to submit an Initial Environmental Examination (IEE) to the proper DENR regional office.

GERI believes that it has complied with all applicable Philippine environmental laws and regulations. Compliance with such laws, in GERI's opinion, is not expected to have a material effect on GERI's capital expenditures, earnings or competitive position in the property market.

Employees

As of September 30, 2011, GERI has a total of 234 employees (inclusive of six (6) subsidiaries' workforce), divided into:

Top Management	– 14
Middle Management	- 43
Rank and File	- 177

The Company expects to further increase its number of employees in the next 12 months.

There has been no employees union since the start of Company's operations. In addition to basic salary and 13th month pay, other supplemental benefits provided by GERI to its employees include: retirement benefits, vacation and sick leaves, rice subsidy, dental benefits and various loan facilities among others.

Risk Factors Relating to the Company

Highly Competitive Business Environment

The company faces increased competition from other developers who undertake residential subdivisions and vertical residential, commercial and office projects, particularly in key cities of the Philippines where several of the Company's present and future projects are located.

Notwithstanding increased competition in the industry, GERI intends to enhance its position as one of the leading property developers of integrated tourism estates in the Philippines. The Company's track record and marketing and sales force, and strategically located land bank are perceived to be major advantages against this anticipated growth in competition. It has been a major player in the industry through predecessor companies since 1981.

Demand for Real Estate Project Developments Related to Leisure and Recreation

A portion of the Company's projected revenues and income comes from the sale of properties for secondary or vacation residences, and golf and resort share club shares. Demand for such projects is perceived to be significantly affected by any major change in the economic and political conditions of the country.

The Company remains on the look-out for growth opportunities in different market segments and geographic areas in order that any negative impact on a particular market segment or geographic area by reason of political, economic or other factors will allow it to pursue its projects or other developments not affected thereby, thus providing it with a steady revenue base.

Limitations on Land Acquisition

As other developers race to acquire choice locations, it may become more difficult to locate parcels of suitable size in location and at prices acceptable to the Company that will enhance its present land bank. In this regard, the Company continues to explore joint ventures as an alternative to building its land bank and continue identifying properties that can be developed under project agreements with landowners.

Legal Issues or Disputes on Projects

The implementation of projects entered into by the Company may be affected by any legal issues generally arising from the ownership of the real estate properties. Certain properties presently being developed or proposed for development in the immediate term are currently the subject of legal proceedings whose resolution is still indeterminate.

The Company is endeavoring to resolve such legal issues at the shortest time possible. Nevertheless, these disputed projects are not expected to negatively impact the Company's business or its financial condition.

Government Approvals, Licenses and Permits

The implementation of projects require various government permits, approval and clearances from various municipal, city, regional and national government authorities and offices, such as, among others, the Development Permit, Certificate of Registration, License to Sell and in certain instances, the Environment Compliance Certificate. Accordingly, any delays in obtaining such government permits, approvals and clearances may affect the Company's projects.

The Company is taking every effort to ensure that it will comply with all the requirements in a timely and orderly manner in securing the approval, permits and licenses. It intends to secure the necessary documentation within a reasonable period of time.

Political and Economic Factors

In general, the profitability of the Company depends on the overall demand for housing which in turn is affected by political and economic factors. Any political instability in the future may have a negative effect on the viability of real estate companies. Economic factors such as substantial increases in interest and financing costs may dampen the overall demand for housing in the future, thus affecting the Company's profitability.

Credit Risk

Generally, the Group's credit risk is attributable to trade receivables, rental receivables and other financial assets. The Group maintains defined credit policies and continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. Where available at a reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties. In addition, for a significant proportion of sales, advance payments are received to mitigate credit risk.

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown in the consolidated statements of financial position.

Liquidity Risk

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week, as well as on the basis of a rolling 30-day projection. Long-term needs for a six-month and one-year period are identified monthly.

The Group maintains cash to meet its liquidity requirements for up to 60-day periods. Excess cash is invested in time deposits or short-term marketable securities. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

Interest Rate Risk

The Group's interest rate risk management policy centers on reducing the overall interest expense and exposure to changes in interest rates. Changes in market interest rates relate primarily to the Group's interest bearing debt obligations with floating interest rate as it can cause a change in the amount of interest payments.

The Group follows prudent policies in managing its exposures to interest rate fluctuation, and constantly monitors its exposure to fluctuation in interest rates to estimate the impact of interest rate movements on its interest expense.

Borrowings of the Group are usually at fixed rates and as of September 2011 there were no outstanding loans from bank and other financing institutions. Thus, no interest rate sensitivity analysis is presented.

Foreign Exchange Risk

Most of the Group's transactions are carried out in Philippine pesos, its functional currency. The currency exchange rates arise from Group's interest-bearing cash equivalents and loans denominated in US dollars.

The exchange rate exposure is mitigated by a provision in the loan agreement that allows prepayment of the US Dollar loan in whole or in part without penalty in the event of an exchange fluctuation. Moreover, the group seeks to manage the effect of its foreign exchange exposure by purchasing US dollars and generating revenues in foreign currency that will result to a natural hedge.

As of September 30, 2011, the Group has no outstanding foreign denominated loans.

ITEM 2. PROPERTIES

The Company's land bank as of September 30, 2011 consisted of land holdings under joint venture and those wholly owned by the Company, 1,062 hectares of which is owned directly by the Company and valued at a cost of ₱ 2.6 billion. These land bank held for future development are strategically located in various parts of the country, but a big part falls in the CALABARZON area.

The total land area under joint venture is subject to various joint venture agreements with different landowner partners. The average joint venture sharing for residential subdivision and golf course communities ranges from 55%-65% in favor of GERI.

On the other hand, the inventory portfolio of the Company consisted mainly of inventory strategically located in various parts of the country mainly the CALABARZON areas. Real estate and golf club and resort shares for sale and land held for future development are valued at the lower of cost or net realizable value in conformity with PAS 2 “Inventories”. Cost includes the acquisition cost of the land plus all costs directly attributable to the acquisition for projects where the Company is the landowner, and includes actual development cost incurred up to balance sheet date for projects where the Company is the developer. Net realizable value is the selling price in the ordinary course of business less cost to complete and to market. A valuation allowance is provided for real estate and golf club and resort shares for sale and land held for future development when the net realizable values of the properties are less than the carrying costs.

A list of residential subdivisions, condominiums, condotels, townhouses and leisure development projects of the Company and its subsidiaries as follows:

PROJECT NAME	LOCATION	LIMITATIONS ON OWNERSHIP
8 Sto. Domingo Place	Quezon City	Joint Venture
Buenavida Village	Naga City	None
Buenavista Hills	Tagaytay	Joint Venture
Caliraya Springs	Cavinti, Laguna	Joint Venture
Camp John Hay Suites	Cam John Hay, Baguio City	Limited Warranty Deeds
Camp John Hay Forest Cabins	Camp John Hay, Baguio City	Limited Warranty Deeds
Cathedral Heights	Quezon City	Joint Venture
Capitol Plaza	Quezon City	Co-development
Central Park Place	Mandaluyong City	Co-development
Fairways & Bluewaters	Boracay, Aklan	None
Festival Villas	Dueñas, Iloilo	None
Forest Hills	Antipolo City	Joint Venture
Goldridge Estate	Guiguinto, Bulacan	Joint Venture
Holiday Homes	Gen. Trias, Cavite	Joint Venture

Magnificat Executive Village	Lipa, Batangas	Joint Venture
Mango Orchard Plantation	Naic, Cavite	Joint Venture
Monte Cielo De Naga	Naga City	Joint Venture
Monte Cielo De Penafrancia	Naga City	Joint Venture
Mountain Meadows	Cagayan De Oro	Joint Venture
Newcoast Shophouse	Malay, Aklan	Joint Venture
Newcoast Boutique Hotel	Malay, Aklan	Joint Venture
Newcoast Oceanway Res.	Malay, Aklan	None
Newport Hills	Lian, Batangas	Joint Venture
Nasugbu Harbour Town	Nasugbu, Batangas	Joint Venture
Palacio Real	Calamba, Laguna	Joint Venture
Palmridge Point	Talisay, Batangas	Joint Venture
Parco Bello	Muntinlupa City	Joint Venture
Parklane Square	Las Piñas City	Joint Venture
Parkridge Estate	Antipolo City	Joint Venture
Paragon Plaza	Mandaluyong City	Joint Venture
Northpointe (Pines Royal Homes)	Baguio City	Joint Venture
Plaridel Heights	Plaridel, Bulacan	Joint Venture
Puerto Del Mar	Lucena City	Joint Venture
Puerto Real De Iloilo	Iloilo	Joint Venture
Queensborough North	Pampanga	Joint Venture
Residencia Lipa	Lipa, Batangas	Joint Venture
Renaissance 5000	OrtigasCtr, Pasig City	Joint Venture
Richgate Condominium	Baguio City	None
Richgate Square	Baguio City	Joint Venture
Richview Square Exp'n	Baguio City	Joint Venture
Riverina	San Pablo City	Joint Venture
Sherwood Hills	Carmona, Cavite	Joint Venture
Southlakes Garden	Laguna	Joint Venture
Southwoods Peak	Carmona, Cavite	Joint Venture
Suburbia North - Ph 2	Pampanga	Joint Venture
Sta. Barbara Heights	Sta. Barbara, Iloilo	Joint Venture
Tagaytay Twin Lakes	Laurel, Batangas	Joint Venture
Tierra Vista	Lipa, Batangas	Joint Venture
Windsor Heights	Tagaytay	Joint Venture
Woodsgate Expansion	Baguio City	None
West Tower	Makati City	Joint Venture
Villa Maria	Fairways & Bluewater, Boracay	None
Villa Margarita	Fairways & Bluewater, Boracay	None

ITEM 3. LEGAL PROCEEDINGS

The Company and its subsidiaries are parties to certain lawsuits or claims arising from the ordinary course of business. The management and legal counsel believe that the eventual liabilities under these lawsuits or claims, if any, will not have a material effect on the consolidated financial statements, and thus, no provision has been made for these contingent liabilities.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of security holders during the fourth quarter of the fiscal year covered by this report.

In February 2011, the Company submitted for the approval by written assent of its stockholders of record as of 04 March 2011 the following amendments to its Articles of Incorporation:

1. Change of Corporate Name from "Fil-Estate Land, Inc." to "Global-Estate Resorts, Inc."; and
2. Increase in number of directors from seven to nine.

On 28 March 2011, the Company obtained the written assent of its stockholders representing at least two-thirds of its outstanding capital stock to the above amendments.

On 30 June 2011, during the annual stockholders' meeting, stockholders owning or representing at least two-thirds of the total outstanding capital stock unanimously ratified the issuance of 5,000,000,000 common shares to Alliance Global Group, Inc. at a subscription price of P1.00 per share for a total subscription price of Php5,000,000,000.00.

On 08 November 2011, during a special stockholders' meeting, stockholders owning or representing at least two-thirds of the total outstanding capital stock unanimously approved the following:

1) Increase in the Authorized Capital Stock from Php10 billion to Php20 billion and the corresponding amendment to the Articles of Incorporation; and
2) The Executive Stock Option Plan as presented in the Definitive Information Statement that was distributed for the meeting.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

ITEM 5. MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDERS' MATTERS

Market price information

The common shares of the Company are traded on the Philippine Stock Exchange ("PSE") under the symbol of GERI.

	Philippine Stock Exchange Average Closing Price per Share (₱)	
	High	Low
2011		
First Quarter	0.76	0.71
Second Quarter	1.98	1.95
Third Quarter	2.04	1.97
Fourth Quarter	2.58	2.46
January 17, 2012	2.48	2.27
2010		
First Quarter	0.35	0.33
Second Quarter	0.42	0.40
Third Quarter	0.51	0.48
Fourth Quarter	0.75	0.71
2009		
First Quarter	0.25	0.24
Second Quarter	0.24	0.18
Third Quarter	0.33	0.24
Fourth Quarter	0.37	0.29
2008		
First Quarter	1.07	1.03
Second Quarter	0.82	0.79
Third Quarter	0.55	0.53
Fourth Quarter	0.42	0.41

Stockholders

GERI has a total of about 4,788 common shareholders as of September 30, 2011.

TOP 20 STOCKHOLDERS AS OF SEPTEMBER 30, 2011

No.	Stockholder	No. of Shares	% of Ownership
1	Alliance Global Group, Inc.	5,155,000,000	61.692%
2	Fil-Estate Management, Inc.	1,469,260,829	17.583%
3	PCD Nominee Corporation(Filipino)	1,168,665,691	13.986%
4	PCD Nominee Corporation(Foreign)	425,073,005	5.087%
5	Dyanaland Properties & Developers, Inc.	11,700,002	0.140%
6	CAP Pension Trust Fund	9,263,280	0.111%
7	Greenfield Development Corporation	8,640,000	0.108%
8	John T. Lao	7,035,100	0.084%
9	Lim Asia Multi-Strategy Fund, Inc.	6,000,000	0.072%
10	Lucio W. Yan	5,755,000	0.069%
11	Southern Heights Land Development Corporation	4,219,815	0.051%
12	Romeo G. Roxas	3,716,000	0.044%

13	Avesco Marketing Corp.	3,512,106	0.042%
14	RBL Finishing Corporation	2,924,998	0.035%
15	Wilbur L. Chan	2,611,825	0.031%
16	Buenafortuna, Inc.	2,262,992	0.027%
17	Jennifer C. Lee or Josephine C. Lim	2,000,000	0.024%
18	Federal Homes, Inc.	1,939,860	0.023%
19	Philippine Veterans Bank FAO Comprehensive Annuity Plans & Pension Corp	1,837,428	0.022%
20	Fritz L. Dy	1,813,500	0.022%
	Total	**8,293,231,431**	**99.253%**

Dividends

The retained earnings account as of September 30, 2011 is restricted from being declared as dividends to the extent of the undistributed net earnings of subsidiaries associates and joint ventures amounting to ₱ 3.63 billion in 2011 and ₱ 3.61 billion in 2010. No declaration of cash dividends was made in the last three (3) years.

Recent Sales of Unregistered or Exempt Securities (including recent issuance of securities constituting an exempt transaction)

On August 28, 2010, the Company's stockholders approved the increase in the Company's authorized capital stock from P5 billion to P10 billion. The Company's application for increase in authorized capital stock was approved by the SEC on January 20, 2011. Thereafter, the Company issued 5.0 billion fully paid shares to AGI representing sixty-percent (60%) of the outstanding capital stock of the Company.

On September 2011, Lim Asia Multi-Strategy Fund, Inc. a holder of the Company's warrants converted 6.0 million common shares of the Company.

PART III - FINANCIAL INFORMATION

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITIONS

Key Performance Indicators

LEVERAGE OR LONG-RANGE SOLVENCY RATIOS

	September 30, 2011	September 30, 2010	Change Increase (Decrease)
Debt to Total Assets	26%	44%	(19%)
Equity to Total Assets	74%	56%	19%
Debt to Equity	34%	79%	(45%)

Debt to Total Assets
It shows the creditors' contribution to the total resources of the organization. The decrease was due to payment of loans and bonds payable.

Equity to Total Assets
It shows the extent of owners' contribution to the total resources of the organization. There is a decrease compared to last year due to Php5.0 billion investment of Alliance Global Group Inc. (AGI).

Debt to Equity
It relates the exposure of the creditors to that of the owners. To date, the creditors' exposure is significantly decreased than that of the owners due to settlement of bank loans and bonds payable, and additional investment of AGI.

ACTIVITY RATIOS

	September 30, 2011`	September 30, 2010	Change Increase (Decrease)
Assets Turnover	2%	3%	(1%)
Return on Equity	0.1%	(1.6%)	1.7%

Assets Turnover
It measures the level of capital investment relative to sales volume. There is a slight decrease compared to last year.

Return on Equity
It tests the productivity of the owners' investments. There is an increase compared to last year.

PROFITABILITY RATIOS

	September 30, 2011	September 30, 2010	Change Increase (Decrease)
Earnings per Share	₱ 0.003	₱ (0.038)	₱ 0.041

Earnings per Share (EPS)
It indicates the earnings for each of the common shares held. The EPS for the year increased by ₱ 0.041 because of the net income during the year.

<u>Others</u>

As of fiscal year ended September 30, 2011, there are no material events and uncertainties known to management that would have an impact on the future operations such as:

a. Known trends, demands, commitments, events or uncertainties that would have an impact on the Company;

b. Material commitments for capital expenditures, the general purpose of such commitment and the expected sources of funds for such expenditures;
c. Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on the net sales/revenues/income from continuing operations;
d. Significant elements of income or loss that did not arise from the Company's continuing operations;
e. Causes for any material changes from period to period in one or more line item of the Company's financial operations;
f. Seasonal aspects that had a material effect on the financial condition or results of the operations;

No events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

Management's Discussion and Analysis and Plan of Operation

Review of 2011 versus 2010

Results of Operations

During the year 2011 the Group consolidated net income amounted to Php19.4 million, a significant improvement from the previous year net loss of Php153.3 million. Consolidated total revenues composed of real estate sales, rental income, service income and other income increased by 12% from Php776.3 million to Php867.5 million.

Cost and expenses decreased by 16% from Php957.1 million in 2010 to Php802.5 million in 2011, mainly due to decrease in finance cost and operating expenses.

The bulk of consolidated revenues came from real estate sales and finance and other income.

Real estate sale came from the sale of horizontal residential subdivision lots and condominium units amounting to Php326.0 million in 2011 compared to Php381.8 million in 2010, a slight decrease of 15%. The Group's registered sales came from sale of condominium units in Eight Sto Domingo Place in Quezon City, residential lots in Magnificat Exec. Village in Lipa Batangas, Riverina in San Pablo Laguna, Monte Cielo De Naga in Naga City, Sta. Barbara Heights in Ilo-Ilo City and sale of commercial lots in Carmona Cavite.

Financial Condition

The Group's stable financial position has improved further with the Php5.0 billion subscription by Alliance Global Group, Inc. (AGI) Total assets as of September 30, 2011 Php18.6 billion compared to Php15.3 billion as of September 30, 2010 posted an increase of Php3.3 billion or 22%.

Cash and cash equivalents increased by 2,078% to Php1.78 billion as a result of the subscription received from AGI. Trade and other receivables increased by 7% mainly due to revenue recognized for the period. Land for future development increased by 50% due to additional land acquisition for the period. Bank loan and bonds payable were fully paid during the period.

Shareholders' equity increased by 62% from Php8.5 billion to Php13.8 billion

Material Changes in the year 2011 Financial Statements
(Increase/decrease of 5% or more versus September 30, 2010)

Financial Position

- Cash and cash equivalents increased by Php1.80 billion (2,078%) to Php1.78 billion from the end of September 2010 level of Php81.96 million as a result of the subscriptions received from Alliance Global Group Inc.(AGI).
- 7% Increase in Trade and other receivables mainly due to revenue recognized for the period.
- 10% Increase in Real Estate for Sales due to additional project development
- 41% Decrease in Advances to Related parties mainly due to collection and proper classification of accounts.
- 9% Decrease in Other Current and non-current asset mainly due to pre-payments
- 17% Increase in Property development cost as a result of project development
- 50% Increase in Land for future development due to additional land acquisition during the period.
- 19% Decrease in Investment property mainly due to reclassification of account.
- 37% Increase in Property Plant and Equipment due to reclassification of account and additional property acquisition for the period.
- 8% Increase in Customers' deposit as a result of new project launched during the year.
- 7% Increase in Reserve for Property Development Cost due to additional accrual.
- 6% Increase in Deferred Income in relation to sales recognized during the period.
- 60% Decrease in Advances from related party due to payment and reclassification of account.
- Loans payable and Bonds payable were fully paid during the period.
- 14% Decrease in Deferred tax liability pertains to tax effects of taxable deductible temporary difference.

Results of Operations

- 15% Decrease in Sale of Real Estate Sales due to lower sales recognized for the period.
- 100% Increase in Income from assignment of development rights due to agreements with related parties.
- 888% Increase in Realized Gross Profit in prior year sale mainly due to revenue recognition in prior year sales.
- 14% Increase in Rental Income due to escalation and additional tenant for the period.
- 17% Decrease in Finance and other income mainly due to previous year recognition of forex gain.
- 10% Increase in Cost of Sales due to costs adjustment during the period
- 52% Increase in Cost of Services mainly due to increase in prices of materials for the maintenance of golf course.
- 153% Increase in Deferred Gross profit in relation to uncompleted portion of sales recognized during the period.

- 50% Decrease in Finance Cost mainly due to full settlement of loans and bonds payable

Review of 2010 versus 2009

Results of Operations

During the year 2010 the Group consolidated net loss amounted to Php153.3 million 22% lower than the previous year net loss of Php196.2 million. Consolidated total revenues composed of real estate sales, rental income, service income and other income increased by 8% from Php715.8 million to Php776.3 million.

Cost and expenses increased by 13% from Php 843.4 million in 2009 to Php 957 million in 2010, mainly due to increase in finance cost and operating expense

Real estate sales and finance & other income contributed largely to consolidated revenues.

The bulk of real estate sales came from the sale of horizontal residential subdivision lots and condominium units amounting to Php381.8 million in 2010 compared to Php388.5 million in 2009. The Group's registered sales came from sale of condominium units in Eight Sto Domingo Place in Quezon City, residential lots in Magnificat Exec. Village in Lipa Batangas, Riverina in San Pablo Laguna, Monte Cielo De Naga in Naga City, Sta. Barbara Heights in Ilo-Ilo City and sale of commercial lots in Carmona Cavite.

Financial Condition

The Group's Statement of Financial Position reflects stable financial growth. Total assets as of September 30, 2010 Php15.3 billion compared to Php14.8 billion as of September 30, 2009 posted a slight increase of Php539.3 million or 4%.

Cash and cash equivalents decreased by 58% as a result of various commitments of the Group. Trade and other receivables increased by 210% mainly due to revenue recognized for the period. Trade and other payables increased by 6% due to additional trade commitments for the period.

As of September 2010, stockholders' equity amounted to Php8.5 billion

Material Changes in the year 2010 Financial Statements
(Increase/decrease of 5% or more versus September 30, 2009)

Financial Position

- Cash and cash equivalents decreased by Php111.0 million (58%) to Php82.0 million from the end of September 2009 level of Php193.0 million as a result of various commitments of the Group.
- 210% Increase in Trade and other receivables mainly due to revenue recognized for the period.
- 8% Decrease in Real Estate for Sales due to sales recognition.
- 17% Decrease in Advances to Related parties mainly due to collection.

- 6% Decrease in Other Current and non-current asset mainly due to amortization of pre-payments
- 5% Decrease in Property Plant and Equipment due to depreciation expense recognized for the period.
- 62% Increase in Trade and other payables mainly due to additional trade commitments.
- 6% Increase in Customers' deposit due to additional sales reservation
- 30% Decrease in Deferred Income due to adjustment
- 87% Increase in Advances from related party due to additional advances

Results of Operations

- 10% Increase in Maintenance Income due to additional revenue from the golf course operations.
- 91% Increase in Rental Income due to escalation and additional tenant
- 28% Increase in Operating Expense due to cost reduction measures of the Group.
- 41% Decrease in Cost of Sales due to cost adjustment during the period
- 10% Increase in Cost of Services mainly due to increase in prices of materials for the maintenance of golf course.
- 33% Increase in Finance Cost mainly due to increase in interest rate due to the Group's plan to early retire Bonds payable.

Review of 2009 versus 2008

Consolidated revenues decreased to Php715.0 million, down by 10% from the previous year's revenues due to decrease in real estate sales.

The Company incurred a Net Loss of Php196.2 million in 2009. Losses were incurred as a result of an increase in operating and financial expenses. The company has developed strategies to recover from losses incurred. Several projects were completed or is near completion during the year and is expected to bear fruit the coming years like the Cathedral Heights Townhouse Project in Quezon City, the Villas Maria & Margarita Condotel Project in Boracay, Camp John Hay Suites & Forest Cabins in Camp John Hay, Baguio City.

Service and Rental Income went down by P58 Million to P109 Million due to reduced income from golf course maintenance contracts.

Interest income from the amortization of due from other realty and development companies, temporary investment of unutilized funds and unrealized foreign exchange gains were the major contributors of increased Financial Income of the Company which accounted for P200 million of the total consolidated revenues or an increase of 69% from previous year's level of P131 million.

Equity in Net Loss of Associates and Joints Ventures of P29 million was recognized during the year compared to Net Loss of Associates and Joint Ventures of P11 million the previous year.

Other income generated by the company increased by P52 million to P129 million primarily due to gain on dacion en pago transactions.

Financial expenses went up to P308 million from P244 million the previous year due to unrealized and realized foreign exchange losses, interest expense on convertible bonds and increase in amortization of due to other realty and development companies.

Cost of services is at P45 million, with a 57% reduction from previous year's level of P105 million due to decrease in maintenance contracts.

ITEM 7. FINANCIAL STATEMENTS

The consolidated financial statements of the Company are incorporated herein duly signed by the external auditors.

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

In compliance with SEC Memorandum Circular No. 8, Series of 2003, and the Company's Manual of Corporate Governance, which require that the Company's external auditor be rotated or the handling partner changed every five (5) years or earlier, the Company's Board of Directors approved, on June 30, 2011, the designation of Punongbayan and Araullo as new external auditor for the audit of the financial statements of the Company starting the year ending 30 September 2011. The handling partner then designated was Mr. Leonardo D. Cuaresma Jr. who is one of the Audit and Assurance partners of Punongbayan and Araullo.

There are no disagreements with the auditors on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to their satisfaction, would have caused the auditors to make reference thereto in their reports on the financial statements of the Company at its subsidiaries.

<u>Information on Independent Accountant and Other Related Matters</u>

For the audit of the registrant's financial statements provided by the external auditors in connection with statutory and regulatory filings for the last two fiscal years, audit fee was approximately ₱ 1.2 million in 2011 and ₱ 1.0 million in 2010.

No other assurance and related services have been rendered by the external auditors to the registrant other than the items discussed above.

PART IV – MANAGEMENT AND CERTAIN SECURITY HOLDER

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS

The table sets forth each member of the Company's Board as of January 27, 2012

Name	Age	Citizenship	Position
Andrew L. Tan	61	Filipino	Chairman & CEO
Robert John L. Sobrepeña	56	Filipino	Co-Chairman
Ferdinand T. Santos	61	Filipino	President
Wilbur L. Chan	52	Filipino	Executive Director
Cresencio P. Aquino	57	Filipino	Independent Director
Garry V. de Guzman	43	Filipino	Director
Gerardo C. Garcia	70	Filipino	Independent Director
Lourdes G. Clemente	48	Filipino	Director
Robert Edwin C. Lim	54	Filipino	Director

The table below sets forth GERI's executive officers in addition to its executive directors listed above as of January 20, 2012

Name	Age	Citizenship	Position
Roberto S. Roco	58	Filipino	Chief Finance Officer
Edgardo S. Pinga	52	Filipino	VP for Project Development
Catherine D. Marcelo	37	Filipino	VP for Corporate Services
Abraham M. Mercado	34	Filipino	VP for Marketing
Atty. Dominic Isberto	36	Filipino	Corporate Secretary
Rolando D. Siatela	50	Filipino	Asst. Corporate Secretary

Board of Directors

ANDREW L. TAN was elected as Chairman of the Board and Chief Executive Officer of the Company on 12 January 2011. He is also the Chairman of the Board of Alliance Global Group, Inc. since 2006 and concurrently the Chairman of the Board and President of Megaworld Corporation. He has broad experience in the real estate, food and beverage, and quick service restaurants industries. Mr. Tan is concurrently the Chairman of the Board and President of Megaworld Land, Inc., Megaworld Globus Asia, Inc., Megaworld Newport Property Holdings, Inc., Mactan Oceanview Properties and Holdings, Inc., Richmonde Hotel Group International Limited, The Bar Beverage, Inc. and Yorkshire Holdings, Inc. He is also the Chairman of Alliance Global Group Cayman Islands, Inc., Empire East Land Holdings, Inc., Alliance Global Brands, Inc., Suntrust Properties, Inc., Adams Properties, Inc., Consolidated Distillers of the Far East, Inc., Townsquare Development, Inc., and Emperador Distillers, Inc. He sits in the boards of Megaworld Cayman Islands, Inc., Forbes Town Properties & Holdings, Inc., Gilmore Property Marketing Associates, Inc., Eastwood Cyber One Corporation, Megaworld Central Properties, Inc., Raffles & Company, Inc., Travellers International Hotel Group, Inc., The Andresons Group, Inc. and Fairways & Bluewater Resort Golf & Country Club, Inc. He is also the Vice-Chairman and Treasurer of Golden Arches Development Corporation and Golden Arches Realty Corporation and a Director and Treasurer of Andresons Global, Inc. Mr. Tan graduated Magna Cum Laude from the University of the East with a degree of Bachelor of Science in Business Administration.

ROBERT JOHN L. SOBREPEÑA, Filipino, 56 years old, is Co-Chairman of the Board. Currently, he is also the Chairman of the Board of various companies such as Fil-Estate Management Inc., Fil-Estate Corporation, Fil-Estate Properties Inc., Fil-Estate Ecocentrum Corp., Fil-Estate Golf & Development Inc., Fil-Estate Urban & Development Corporation, Fil-Estate Realty Corporation, Fil-Estate Marketing Association, Inc., Fil-Estate Network, Inc., Camp John Hay Development Corporation, Camp John Hay Hotel, Inc., Sherwood Hills Development, Inc., Club Leisure Management, Inc., Manila Southwoods Golf & Country Club, Sherwood Hills Golf & Country Club, Camp John Hay Golf Club, Summit Estate Realty & Development Corporation, Pacific Touch Group Ltd., Metro Rail Transit Holdings, Inc., Metro Rail Transit Holdings II, Inc., Metro Rail Transit Corporation, MRT Development Corporation, and Monumento Rail Transit Corporation. A member of the American Chamber of Commerce and the Rotary Club of Manila, he earned his Bachelor's Degree in Psychology and Marketing from the De La Salle University in 1978.

WILBUR L. CHAN, Filipino, 52 years old, was appointed as Executive Director of the Company on 01 August 2011. He is currently the Chairman and Director of Fairways & Bluewater Resorts Golf & Country Club, Inc. He is also Director in the following corporations: Harbortown Development Corporation, Aklan Holdings Corporation, La Compaña de Sta. Barbara, Inc., Sto. Domingo Place Development Corporation, Fil-Estate Urban Development Corporation, Blue Sky Airways, Inc., Pioneer L-5 Realty Corporation, Novo Sierra Holdings Corporation and MRT Development Corporation. He is also a Director in Uni-Asia Properties,Inc. He has a Masteral Degree in Business Management at Asian Institute of Management, Master Degree in National Security Administration (Silver Medalist) at National Defense College of the Philippines and a Degree in Command & General Staff Course at Command & General Staff College.

CRESENCIO P. AQUINO, 58 years old, Filipino, was elected as Independent Director of the Company on 12 January 2011. He is concurrently an Independent Director of Suntrust Home Developers, Inc. He is the Managing Partner of The Law Firm of CP Aquino and Partners Law Office, a position he has held since June 1998. He is a graduate of the San Sebastian College Manila with degrees in Bachelor of Arts and Bachelor of Laws. Atty. Aquino has extensive experience in both the public and private sector and the former positions he has held are: Corporate Legal Counsel of MBF Card and One Card Corporation from June 1998 to May 2004, the Special Assistant and Chief Legal Counsel of the Government Service Insurance System from September 1992 to June 1998, member of the Board of Directors of the Meat Packaging Corporation of the Philippines from September 1992 to June 1998, Personnel and Administrative Manager, Corporate Secretary and Chief Legal Counsel of ComSavings Bank from September 1992 to June 1998, Executive Director of the Department of Interior and Local Government (DILG) from 1998 to 1992, and Ex-Officio Commissioner of the DILG with the Housing and Land Use Regulatory Board also for the same period. Atty. Aquino has extensive experience in legal and corporate restructuring, management, human resources management, and litigation/collection matters and was formerly an Associate Professor with the San Sebastian College. Atty. Aquino has been a member of the Integrated Bar of the Philippines since 1978 and is also a member of the Capitol Bar Association, Knights of Columbus and the Lawyers League of the Philippines.

GARRY V. DE GUZMAN, 43 years old, was elected as Director of the Company on 12 January 2011 and currently the Treasurer of the Company. He heads the Legal Affairs Department of Megaworld Corporation. Mr. De Guzman serves as director ERA Real Estate Exchange, Inc., Megaworld Resort Estates, Inc. and Oceanic Realty International Group, Inc. He is concurrently Director, Corporate Secretary and Treasurer of Fairways & Bluewater Resort Golf & Country Club, Inc. Mr. De Guzman has been in continuous litigation practice for more than twelve (12) years and is in charge of the Company's litigation, licensing, registration and titling activities. Before joining Megaworld, he was an Associate at the ACCRA Law Offices and Tax Assistant in Punongbayan and Araullo, CPAs. He obtained his Bachelor of Laws in 1994 from San Beda College where he graduated Class Salutatorian and was admitted to the Integrated Bar of the Philippines in 1995. In 1989, he obtained his bachelor's degree in Commerce major in Accounting from the same institution graduating Magna Cum Laude and Class Valedictorian. Mr. De Guzman is a member of the Commercial Law Affiliates, Asia Law, Philippine Institute of Certified Accountants and is Past President of the Rotary Club, Parañaque City Chapter.

FERDINAND T. SANTOS, Filipino, 61 years old, is currently the President of the Company. He has been with the Company since its incorporation in 1994. He is also the President of Fil-Estate Management Inc., Fil-Estate Development Inc., Fil-Estate Properties Inc., Fairways & Bluewater Resort Golf & Country Club, Inc., MRT Development Corporation, St. Benedict Realty & Development Inc., Royal Jade Memorial Inc., and Mt. Zion Memorial Inc. He graduated from Arellano University with Bachelor of Arts degree in 1970 and took his Bachelor of Laws at San Beda College where he graduated Valedictorian and Magna Cum Laude in 1974. He was a topnotcher in the 1974 Philippine Bar (2nd Place).

LOURDES G. CLEMENTE, 48 years old**,** was elected as Director of the Company on 30 June 2011. She is currently the Senior Executive Vice President for Finance and Administration of Megaworld Corporation. Ms. Clemente joined Megaworld in 1990. She is a Certified Public Accountant and is a member of Megaworld's Management Executive Committee. Ms. Clemente graduated Cum Laude from the Far Eastern University with the degree of Bachelor of Science major in Accounting. She is the Chairman of Megaworld's property management arm, First Oceanic Property Management, Inc. and Eastwood Cinema 2000, Inc. She is currently the Director and Vice Chairman of Suntrust Properties, Inc. also the director of Forbes Town Properties & Holdings, Inc., Megaworld Resort Estates, Inc., Megaworld Homes, Inc., Oceantown Properties, Inc., Palm Tree Holdings & Development Corporation, Eastwood Cyber One Corporation, Prestige Hotels & Resorts, Inc. and Lucky Chinatown Cinemas, Inc. She is a trustee and Corporate Secretary of Megaworld Foundation, Inc. Prior to joining Megaworld, she was Audit Manager of Philippine Aluminum Wheels, Inc. and Senior Auditor in Cabanero Katigbak Clemente & Associates and RubberWorld Philippines.

ROBERT EDWIN C. LIM, Filipino, 54 years old, was elected as Director of the Company on 30 June 2011. He is currently the Vice President for Corporate Planning and Landbanking of Empire East Land Holdings, Inc., a position he has held since 1994. Prior to joining Empire East, he worked with Woodland Real Estate Development, Inc. as Head of Project Planning, Supervision and Control. He also worked as Staff Consultant of PSR Consulting, Inc. He worked as Contracts Administrator and Structural Engineer at the DCCD Engineering Corporation. Mr. Lim obtained his bachelor's degree in Civil Engineering and Masters Degree in Business Administration from the University of the Philippines.

GERARDO GARCIA, Filipino, 70 years old, was elected as Independent Director of the Company on 01 August 2011. He concurrently serves as Independent Director in the boards of Megaworld Corporation, Empire East Land Holdings, Inc., He is also a director of Megaworld Land, Inc., Suntrust Properties, Inc. and Philippine Tech. & Development Ventures, Inc. From October 1994 to December 1997, Mr. Garcia previously served as President of Empire East Land Holdings, Inc. Prior to joining Empire East Land Holdings, Inc., Mr. Garcia served as Executive Vice President of UBP Capital Corporation. He holds a bachelor's degree in Chemical Engineering and a Masters Degree in Business Administration from the University of the Philippines.

Key Executive Officers

ROBERTO S. ROCO, Filipino, 58 years old, is Senior Vice President and Chief Finance Officer. He also assumed this year the position of Compliance Officer and Corporate Information Officer of the Company. He is also the Director of the Fil-Estate Ecocentrum Corporation. Mr. Roco was formerly the Executive Vice President and Chief Operating Officer of Smith Bell & Co., Inc. He also held concurrent positions in various Smith Bell companies.

EDGARDO S. PINGA, Filipino, 52 years old, is the Vice President for Project Development and Management Division of the company since 2011. Prior to joining the Company he worked with Megaworld Corporation as Assistant Vice President for project development and construction. He has more than 20 years of experience in design, architecture and construction. Most of the positions he held from previous companies are as Project Director, Construction Manager, Architect/Designer, and Technical Consultant. He obtained his bachelor's degree in Architecture at MLQU School of Architecture.

ABRAHAM M. MERCADO Filipino, age 34, is the Vice President for Sales and Marketing of the company since 2011. He is a Market Strategy Analyst in Real Estate Selling with cross-functional expertise in real estate brokering. He holds a degree in Marketing taken at De La Salle University-College of Saint Benilde in 1998. He also took a course at International Academy of Management and Economics (AIME) in 2001.

CATHERINE D. MARCELO, Filipino, 37 years old, is the Vice President for Human Resources and Corporate Services of the company since 2011. Prior to joining the Company she worked with Lufthansa Technik Philippines, Inc. and ABS-CBN Broadcasting Corporation as Human Resources Head. From May 1996 to July 2001, she has been the Human Resources Division Senior Supervisor and Recruitment Officer, Training and Development Officer, and Overall HR Officer for Fil-Estate Group of Companies. She graduated from University of Santo Tomas with a degree of BS in Psychology in 1996.

DOMINIC V. ISBERTO, 36 years old, Filipino, was elected as the Corporate Secretary and Asst. Corporate Information Officer of the Company on 12 January 2011. He is also the Corporate Secretary of Alliance Global Group, Inc., Twin Lakes Corporation, Suntrust Properties, Inc. and Eastwood City Estates Association, Inc. He is currently a Senior Assistant Vice President for Corporate Management of Megaworld Corporation, where he is primarily responsible for negotiation, preparation and review of joint venture and sale and purchase agreements for the acquisition of property, lease agreements, loan agreements, and other corporate contracts and agreements and the handling of legal cases. Mr. Isberto has experience in litigation and banking and corporate law. He has a degree in Management Engineering from the Ateneo de Manila University and obtained his Bachelor of Laws degree from the University of the Philippines.

ROLANDO D. SIATELA, 50 years old, Filipino was elected as Assistant Corporate Secretary of the Company on 12 January 2011. He concurrently serves in PSE-listed companies, Alliance Global Group, Inc. and Megaworld Corporation as Assistant Corporate Secretary, and in Suntrust Home Developers, Inc. as Corporate Secretary and Corporate Information Officer. He is also the Assistant Vice President for Corporate Management of Megaworld Corporation. Prior to joining Megaworld Corporation, he was employed as Administrative and Personnel Officer with Batarasa Consolidated, Inc. and served as Assistant Corporate Secretary and Chief Administrative Officer of The Andresons Group, Inc. He is a member of the board of Asia Finest Cuisine, Inc., serves as Corporate Secretary of ERA Real Estate Exchange, Inc. and Oceanic Realty Group International, Inc. and as Documentation Officer of Megaworld Foundation.

Significant Employees

The Corporation considers its entire workforce as significant employees. The Corporation relies on the contribution of all employees to achieve its corporate objectives.

Involvement in Certain Legal Proceedings (over the past 5 years)

None of the Directors or Executive Officers is involved in any material pending legal proceedings in any court or administrative agency of the government.

a. None of them has been involved in any bankruptcy petition.

b. None of them has been convicted by final judgment in a criminal proceeding or being subject to a pending criminal proceeding both domestic and foreign.

c. None of them has been subject to any order, judgment or decree of any court of competent jurisdiction (domestic or foreign) permanently or temporarily, enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities.

d. None of them has been found by a domestic or foreign court of competent jurisdiction (in a civil action), the commission or comparable foreign body or a domestic or foreign exchange or other organized trading market or self regulatory organization, to have violated a securities or commodities law or regulation.

ITEM 10. EXECUTIVE COMPENSATION

KEY EXECUTIVE OFFICERS

NAME	POSITION	YEAR	SALARY	Other Annual Compensation
A. Five Most Highly Compensated Officer		Estimated 2012	11.2 Million	1.2 Million
Ferdinand T. Santos	President			
Roberto S. Roco	SVP & Chief Financial Officer			
Edgardo S. Pinga	Vice President			
Abraham M. Mercado	Vice President			
Catherine M. Marcelo	Vice President			
B. All other officers and directors as a group unnamed			7.8 Million	0.8 Million

NAME	POSITION	YEAR	SALARY	Other Annual Compensation
A. Five Most Highly Compensated Officer		2011	6.8 Million	0.7 Million
Ferdinand T. Santos	President			
Roberto S. Roco	SVP & Chief Financial Officer			
Edgardo S. Pinga	Vice President			
Abraham M. Mercado	Vice President			
Catherine M. Marcelo	Vice President			
B. All other officers and directors as a group unnamed			4.9 Million	0.4 Million

NAME	POSITION	YEAR	SALARY	Other Annual Compensation
A. Five Most Highly Compensated Officer		2010	P3.4 Million	P1.4 Million
Ferdinand T. Santos	President			
Roberto S. Roco	SVP & Chief Financial Officer			
Alice Odchigue-Bondoc	Vice President			
Roy V. Movido	Vice President			
Nicholas A. Aquino	Vice President			
B. All other officers and directors as a group unnamed			P19.0 Million	1.6 Million

The total annual compensation paid to all senior personnel from AVP and up are all payable in cash. The total annual compensation includes the basic salary and 13th month pay. The Company has no other arrangement with regard to the remuneration of its existing officers aside from the compensation received as herein stated.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

The Directors receive a per diem of ₽ 50,000 per attendance at board meetings.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Security Ownership of Certain Record and Beneficial Owners

Security ownership of certain record and beneficial owners owning more than 5% of any class of the Corporation's voting securities as of 30 September 2011 are as follows:

Title of Class	Name, address of record owner and relationship with issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent (Based in total shares)

Common shares	Alliance Global Group, Inc. 7th/F 1880 Eastwood Avenue, Eastwood City, E. Rodriguez Jr. Avenue, Bagumbayan, Quezon City	Alliance Global Group, Inc	Filipino	5,155,000,000	61.69%
Common shares	Fil-Estate Management, Inc. 6/F Renaissance Tower, Meralco Avenue, Pasig City	Fil-Estate Management, Inc.	Filipino	1,469,260,829	17.58%
Common shares	PCD Nominee Corporation (Filipino) 6/F MKSE Bldg. Ayala Avenue, Makati City	Various shareholders	Filipino	1,168,665,691	13.99%
Common shares	PCD Nominee Corporation (Foreign) 6/F MKSE Bldg. Ayala Avenue, Makati City	Various shareholders	Non-Filipino	425,073,005	5.09%

Other than the persons identified above, there are no other beneficial owners of more than 5% of the Company's outstanding capital stock that are known to the Company.

Security Ownership of Management

As of September 30, 20011 common shares owned by all directors and executive officers of GERI, representing original issues and stock dividends are as follows:

Title of Class	Name of Beneficial Owner	Amount and nature of Beneficial Ownership	Citizenship	Percent of Class

Common	Andrew L. Tan	1 (direct) 5,155,000,000 (indirect)*	Filipino	0.00% 61.69%
Common	Robert John L. Sobrepena	1,617,485 (direct) 1,469,260,829 (indirect)**	Filipino	0.02%
Common	Ferdinand T. Santos	30,009 (direct)	Filipino	0.00%
Common	Wilbur L. Chan	2,611,826 (direct)	Filipino	0.03%
Common	Cresencio P. Aquino	1(direct)	Filipino	0.00%
Common	Garry V. de Guzman	1 (direct)	Filipino	0.00%
Common	Lourdes G. Clemente	1 (direct)	Filipino	0.00%
Common	Robert Edwin C. Lim	1 (direct)	Filipino	0.00%
Common	Gerardo C. Garcia	1 (direct)	Filipino	0.00%
Other Executive Officers				
Common	Roberto S. Roco	266,448 (direct)	Filipino	0.00%
Common	Edgardo S. Pinga	0	Filipino	n/a
Common	Abraham M. Mercado	0	Filipino	n/a
Common	Catherine D. Marcelo	0	Filipino	n/a
Common	Atty. Dominic V. Isberto	0	Filipino	n/a
Common	Rolando Siatela	0	Filipino	n/a

*Held by Alliance Global Group, Inc. which authorized Andrew L. Tan, in his capacity as Chairman of the Board, or in his absence the Chairman of the Meeting, to vote AGI's common shares in the Company.
**Held by Fil-Estate Management Inc. which authorized Robert John L. Sobrepena, in his capacity as Chairman of the Board, or in his absence the Chairman of the Meeting, to vote FEMI's common shares in the Company.

Voting Trust Holders of 5% or more

The Company knows of no persons holding more than 5% of common shares under voting trust or similar agreement.

Changes in Control

On 22 December 2010, the Company signed a Subscription Agreement with Alliance Global Group, Inc. (Alliance Global) paving the way for Alliance Global to subscribe to 5 billion common shares of the Company at a subscription price of One Peso (P1.00) per share for a total subscription price of P5 billion, Philippine currency, to be issued out of an increase in the capital stock of the Company from P5 billion to P10 billion. On 20 January 2011, said increase was approved by the Securities and Exchange Commission.

On June 30, 2011, the stockholders of the Company representing more than 2/3 of the outstanding capital stock of the Company ratified the P5 billion subscription of Alliance Global which subscription represents sixty percent (60%) of the outstanding capital stock of the Company.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

No transaction was undertaken or to be undertaken by the Company in which any Director or Executive Officer, nominee for election as Director, or any member of their immediate family was or to be involved or had or will have a direct or indirect material interest.

No single Director or Executive Officer, nominee for election as Director, or any member of their immediate family owns or holds more than 10% of the Company's voting shares.

Advances granted to and obtained from subsidiaries, associates and other related parties are for purposes of working capital requirements.

PART V – CORPORATE GOVERNANCE

The Corporation had adopted the Self-Rating System on Corporate Governance being implemented by the Securities and Exchange Commission through SEC Memorandum Circular No. 5, Series of 2003 to assess compliance with leading practices on corporate governance. The Compliance Officer meets with the directors and top-level management from time to time to evaluate compliance with the Corporation's Manual on Corporate Governance.

In order to comply fully with the adopted leading practice on good corporate governance, the Compliance Officer closely coordinates with the Chairman and the President to ensure full compliance with the adopted leading practices on good corporate governance. The Compliance Officer furnishes the Board of Directors and top-level management with copies of new rules, regulations, circulars and orders of the Securities and Exchange Commission and the Philippine Stock Exchange to continuously update its Directors and top-level management with new requirements for compliance with leading practices on corporate governance. In addition, the Compliance Officer requires and encourages its Directors and top-level management to attend seminars on good corporate governance.

There are no material deviations to date from the Corporation's Manual of Corporate Governance. The Board has no immediate plans to adopt new policies for corporate governance.

PART VI – EXHIBITS AND SCHEDULES

A. Reports on SEC Form 17-C

The following reports on SEC Form 17-C were among those filed during the last six month period covered by this report:

- May 06, 2011 – Notice of Annual Stockholders' Meeting
- June 30, 2011 - 2011 Annual Stockholders' Meeting
- June 30, 2011 - Press Release – GERI unveils P20B worth of prime tourism estate projects, prepares Boracay for 350,000 additional visitors per year
- June 30, 2011 - Organizational Meeting of the Board of Directors
- July 28, 2011 - Press Release – Boracay continues to grow its worldwide brand, GERI poised to set a new standard in Philippine Tourism
- August 01, 2011 – Appointment of Executive director and independent director
- September 23, 2011 - Notice of special stockholders' meeting
- November 08, 2011 - Special Stockholders' Meeting
- November 08, 2011 - Press Release – GERI's eyes leadership position in Philippine tourism industry with integrated tourism estates

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized in Pasig City on January 27, 2012.

By:

Atty. Ferdinand T. Santos
President

Roberto S. Roco
Senior Vice President and Chief Finance Officer

Atty. Dominic Isberto
Corporate Secretary

SUBSCRIBED AND SWORN to before me this ________day of 27 JAN 2012, 2010 affiants exhibiting to me their Community Tax Certificates, as follows:

NAMES	Passport/Drivers License	Expiration Date	Place of Issue
Atty. Ferdinand T. Santos	Passport#XX46 96095	10/06/14	Manila
Roberto S. Roco	Driver's License#N1471 037390	03/06/14	Manila
Atty. Dominic Isberto	Passport#ZZ22 3532	03/01/12	Manila

Doc. No. : 509
Page No. : 103
Book No. : V
Series of 2012

ALAN B. QUINTANA
NOTARY PUBLIC
PASIG, SAN JUAN, PATEROS, TAGUIG
APPT. NO. 32 UNTIL DEC. 31, 2012
2F RENAISSANCE, MERALCO AVE., PASIG
ATTORNEY'S ROLL NO. 39468
IBP NO. 877176, PASIG 1-2-12
PTR NO. 7314595, PASIG 1-2-12
MCLE COMPLIANCE NO. III 0004802

GLOBAL ESTATE RESORTS, INC. AND SUBSIDIARIES

TABLE OF CONTENTS

Supplementary Schedules Required
By the Securities and Exchange Commission
As of and for the Year Ended September 30, 2011

GLOBAL-ESTATE RESORTS, INC. AND SUBSIDIARIES
INDEX TO EXHIBITS
Form 17 - A

No.		
(3)	Plan of Acquisition, Reorganization, Arrangement, Liquidation, or Succession	n.a.
(5)	Instruments Defining the Rights of Security Holders, Including Indentures	n.a.
(8)	Voting Trust Agreement	n.a.
(9)	Material Contracts	n.a.
(10)	Annual Report to Security Holders, FORM 17 – Q or Quarterly Report to Security Holders	n.a
(13)	Letter re: Change in Certifying Accountant	n.a.
(16)	Report Furnished to Security Holders	n.a.
(18)	Subsidiaries and Associates of the Registrant	5
(19)	Published Report Regarding Matters Submitted to a Vote of Security Holders	n.a.
(20)	Consents of Experts and Independent Counsel	n.a.
(21)	Power of Attorney	n.a.
(22)	Additional Exhibits	n.a.

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n. a. Not applicable or require no answer.

GLOBAL ESTATE RESORTS, INC. AND SUBSIDIARIES
SCHEDULE A - MARKETABLE SECURITIES

Name of issuing entity and association of each issue	Amount shown Sept 30, 2011	Interest Income Received and Accrued
Global-Estate Resorts, Inc (GERI)		
Banco De Oro	1,143,568,005.34	27,762,659.14
UNIONBANK	437,751,177.40	16,250,396.79
BOC	-	82,578.46
RCBC	-	4,363,769.39
MBTC	-	1,520,425.52
BPI	-	4,758,393.36
TOTAL	**1,581,319,182.74**	**54,738,222.66**

GLOBAL-ESTATE RESORTS, INC. AND SUBSIDIARIES
SCHEDULE D – INDEBTEDNESS OF UNCONSOLIDATED SUBSIDIARIES AND AFFILIATES
AS OF SEPTEMBER 30, 2011
(amounts in thousands)

Name of Affiliate		**Beginning Balance**			**Ending Balance**
Oceanfront Properties, Inc		-			111,907
Fil-Estate Marketing Companies		105,410			-
Others - Net		-			103,997
		105,410			215,904

GLOBAL ESTATE RESORTS, INC. AND SUBSIDIARIES
SCHEDULE I - INDEBTEDNESS TO AFFILIATES AND RELATED PARTIES
AS OF SEPTEMBER 30, 2011
(amounts in thousands)

Name of Affiliate		Beginning Balance			Ending Balance
Joint Venture Projects	₱	821,497		₱	328,655
Others - Net		22,886			10,784
		844,383			339,439

GLOBAL ESTATE RESORTS, INC. AND SUBSIDIARIES
SCHEDULE K – CAPITAL STOCK
AS OF SEPTEMBER 30, 2011

Title of Issue	Number of shares authorized	Number of shares outstanding	Number of shares reserved for options, warrants, conversions and other rights	Affiliates	Number of shares held by Directors, officers and employees	Others
Capital Stock	10,000,000,000	8,356,000,000	-	6,625,379,349	4,525,767	1,726,094,884

GLOBAL ESTATE RESORTS, INC.
SUBSIDIARIES AND AFFILIATES
As of September 30, 2011

SUBSIDIARIES	OWNERSHIP % By GERI	By the Subsidiary/ Affiliate	REMARKS
Fil-Estate Properties, Inc.	100%		
Fil-Estate Subic Development Corporation		100%	Still in the pre-operation stage
Golden Sun Airways, Inc.		100%	Dormant company
Blue Sky Airways, Inc.		100%	Dormant company
Prime Airways, Inc.		100%	Dormant company
Fil-Power Construction Equipment Leasing Corp.		100%	Leasing company
Fil-Power Concrete Block Corporation		100%	Dormant company
La Compaña De Sta. Barbara Inc.		100%	Residential and golf development est. in 2002
Sto. Domingo Development Place Corp.		100%	With condominium project incorporated in 2004
Fil-Estate Industrial Park, Inc.		78.9%	The company has no commercial operation yet.
Sherwood Hills Development (SHDI), Inc.		55%	Integrated residential and golf development
Pioneer L-5 Realty		100%	This company was acquired in 2007
Aklan Holdings, Inc.		100%	Wholly owned subsidiary acquired in 2005
MCX Corporation		100%	Wholly owned subsidiary acquired in 2005
Fil-Estate Golf & Development, Inc.	100%		
Golforce, Inc.		100%	Golf course maintenance
Fil-Estate Ecocentrum Corp.		56%	Leisure development
Fil-Aquatic Leisure Corp		56%	
Fil-Estate Urban Development Corp.	100%		Started hotel operations in 2011
Novo Sierra Holdings Corp.	100%		Trading of properties, incorporated in 2010
Megaworld Global Estate, Inc.	60%		Geri's marketing arm incorporated in 2011
Twinlakes Corporation	100%		Integrated residential and leisure development established in 2011

AFFILIATES

Oceanfront Properties, Inc.	50%		Acquired by the group in 2011
MRT Development Corp.	15%		Property development
Nasugbu Properties, Inc.	14%		The company is still in the pre-operation stage.
Fil-Estate Marketing Associates, Inc.	20%		Marketing real estate projects
Fil-Estate Network, Inc.	20%		- do -
Fil-Estate Sales, Inc.	20%		- do-
Fil-Estate Realty Corporation	20%		- do -
Fil-Estate Realty Sales Associates, Inc.	20%		- do-

COVER SHEET

S.E.C. Registration Number

GLOBAL-ESTATE RESORTS, INC.
AND SUBSIDIARIES

(Company's Full Name)

7TH FLOOR RENAISSANCE TOWERS,
MERALCO AVE. PASIG CITY

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

Roberto S. Roco	6376581
Contact Person	Company Telephone Number

09	30	AAFS		
Month	Day	FORM TYPE	Month	Day
Fiscal Year			Annual Meeting	

Secondary License Type, If Applicable

Dept. Requiring this Doc

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

GLOBAL-ESTATE RESORTS, INC.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Global-Estate Resorts, Inc. and Subsidiaries** is responsible for the preparation and fair presentation of the financial statements for the years ended **September 30, 2011, 2010 and 2009** in accordance with Philippine Financial Reporting Standards. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements and submits the same to the stockholders.

Punongbayan & Araullo, the independent auditors and appointed by the stockholders, has examined the financial statements of the Company in accordance with Philippine Standards on Auditing and in its report to the Board of Directors and stockholders has expressed its opinion on the fairness of presentation upon completion of such examination.

Signed under oath by the following

Andrew L. Tan
Chairman of the Board

Ferdinand T. Santos
President

Roberto S. Roco
Chief Finance Officer

5th Floor, Renaissance Tower, Meralco Avenue, Pasig City 1600
Telephone No. (632) 6370100

SUBSCRIBED AND SWORN to before me this _____ day of JAN 2 6 2012 at PASIG CITY, Philippines, affiants exhibiting to me their respective Tax Identification No, as follows:

NAMES	Tax Identification No:
Andrew L. Tan	125-960-003
Ferdinand T. Santos	106-807-161
Roberto S. Roco	105-774-632

Doc. No. 38;
Page No. 9;
Book No. X:
Series of 2012.

AIMEE C. ROSALES
Notary Public for Pasig City
Commission expires on December 31, 2012
Penthouse, Anson's Bldg., 23 ADB Ave.,
Ortigas Center, Pasig City
PTR No. 3173365; Makati; 1/4/2012
IBP No. 877854; Makati; 1/4/2012
Roll No. 52759

Punongbayan & Araullo

Member firm within Grant Thornton International Ltd

Consolidated Financial Statements and Independent Auditors' Report

Global-Estate Resorts, Inc. and Subsidiaries

September 30, 2011
(With Comparative Figures for 2010 and 2009)

Punongbayan & Araullo

Report of Independent Auditors

20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 886-5511
F +63 2 886-5506; +63 2 886-5507
www.punongbayan-araullo.com

The Board of Directors and Stockholders
Global-Estate Resorts, Inc. and Subsidiaries
7th Floor, Renaissance Towers
Meralco Avenue
Pasig City

We have audited the accompanying consolidated financial statements of Global-Estate Resorts, Inc. and subsidiaries, which comprise the consolidated statement of financial position as at September 30, 2011, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

Punongbayan & Araullo CPA

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Global-Estate Resorts, Inc. and subsidiaries as at September 30, 2011, and of their consolidated financial performance and their cash flows for the year then ended in accordance with Philippine Financial Reporting Standards.

We also audited the adjustments described in Note 23 that were applied to restate the 2010 and 2009 consolidated financial statements. In our opinion, such adjustments are appropriate and have been properly applied.

Other Matter

The consolidated financial statements of Global-Estate Resorts, Inc. and Subsidiaries as of and for the years ended September 30, 2010 and 2009 were audited by other auditors whose report, dated January 28, 2011, expressed an unqualified opinion on those statements prior to restatements.

PUNONGBAYAN & ARAULLO

By: Leonardo D. Cuaresma, Jr.
Partner

CPA Reg. No. 0058647
TIN 109-227-862
PTR No. 3174799, January 2, 2012, Makati City
SEC Group A Accreditation
Partner - No. 0007-AR-3 (until Jan. 18, 2015)
Firm - No. 0002-FR-3 (until Jan. 18, 2015)
BIR AN 08-002511-7-2011 (until Sept. 21, 2014)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Dec. 31, 2012)

January 27, 2012

GLOBAL-ESTATE RESORTS, INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2011
(With Comparative Figures for 2010 and 2009)
(Amounts in Philippine Pesos)

	Notes	2011	2010 (As Restated - see Note 23)	2009 (As Restated - see Note 23)
A S S E T S				
CURRENT ASSETS				
Cash and cash equivalents	5	**P 1,784,697,369**	P 81,957,165	P 192,967,796
Trade and other receivables - net	6	**1,397,665,916**	889,835,931	321,565,087
Advances to related parties	22	**741,752,826**	1,250,881,154	1,514,794,161
Real estate and resort shares for sale - net	7	**6,876,264,844**	6,253,096,194	6,783,737,932
Property development costs	7	**1,925,423,473**	1,647,286,388	1,500,500,535
Prepayments and other current assets - net	8	**371,082,004**	362,574,645	382,372,124
Total Current Assets		**13,096,886,432**	10,485,631,477	10,695,937,635
NON-CURRENT ASSETS				
Trade and other receivables - net	6	**361,592,561**	747,462,648	205,767,100
Advances to real estate property owners	9	**972,301,850**	877,120,497	970,634,692
Land for future development	2	**2,635,256,621**	1,757,220,341	1,417,758,490
Investments in associates	10	**752,355,435**	757,851,317	764,959,464
Investment properties - net	11	**205,975,437**	255,152,864	261,377,004
Property and equipment - net	12	**495,779,568**	363,165,846	382,210,303
Other non-current assets		**91,423,842**	61,562,987	67,188,131
Total Non-current Assets		**5,514,685,314**	4,819,536,500	4,069,895,184
TOTAL ASSETS		**P 18,611,571,746**	P 15,305,167,977	P 14,765,832,819

	Notes	2011	2010 (As Restated - see Note 23)	2009 (As Restated - see Note 23)
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Loan and mortgage payable	13	-	P 4,100,000	-
Trade and other payables	15	**1,911,561,665**	1,951,215,357	1,204,600,543
Customers' deposits	2	**621,873,660**	576,215,726	545,707,207
Advances from related parties	22	**339,439,359**	844,383,010	451,069,411
Reserve for property development	2	**83,787,072**	13,507,573	23,464,931
Deferred income on real estate sales	2	**512,522,836**	420,389,725	764,787,021
Total Current Liabilities		**3,469,184,592**	3,809,811,391	2,989,629,113
NON-CURRENT LIABILITIES				
Loan and mortgage payable	13	-	501,001,457	468,157,174
Bonds payable	14	-	1,097,400,000	1,189,800,000
Due to joint venture partners	16	**189,587,365**	169,739,357	149,741,350
Reserve for property development	2	**618,493,326**	644,597,420	657,210,530
Deferred income on real estate sales	2	**352,483,192**	396,767,665	405,574,886
Deferred tax liabilities - net	21	**75,527,656**	87,679,339	154,135,862
Retirement benefit obligation	20	**58,090,565**	63,238,394	63,238,394
Total Non-current Liabilities		**1,294,182,104**	2,960,423,632	3,087,858,196
Total Liabilities		**4,763,366,696**	6,770,235,023	6,077,487,309
EQUITY				
Equity attributable to owners of the parent company:				
Capital stock	23	**8,356,000,000**	3,066,877,964	3,066,877,964
Additional paid-in capital	23	**1,597,739,274**	1,597,739,274	1,597,739,274
Unrealized losses on available-for-sale financial assets		**1,100,000**	891,026	748,106
Retained earnings	23	**3,630,016,207**	3,610,047,664	3,738,833,793
		13,582,655,481	P 8,273,773,876	8,402,702,925
Non-controlling interest		**265,549,569**	261,159,078	285,642,585
Total Equity		**13,848,205,050**	8,534,932,954	8,688,345,510
TOTAL LIABILITIES AND EQUITY		**P 18,611,571,746**	P 15,305,167,977	P 14,765,832,819

See Notes to Consolidated Financial Statements.

GLOBAL-ESTATE RESORTS, INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED SEPTEMBER 30, 2011
(With Comparative Figures for 2010 and 2009)
(Amounts in Philippine Pesos)

	Notes	2011	2010 (As Restated - see Note 23)	2009 (As Restated - see Note 23)
REVENUES				
Real estate sales	2	**P 326,066,713**	P 381,814,171	P 388,469,249
Income from assignment of developmental rights	7, 22	**153,872,321**	-	-
Maintenance income	2	**99,530,252**	101,409,733	92,234,564
Realized gross profit on prior years' real estate sales	2	**38,989,311**	3,947,147	-
Rental income	11	**37,029,922**	32,415,657	16,985,120
Finance and other income	17	**212,013,305**	256,674,202	218,121,196
		867,501,824	776,260,910	715,810,129
COSTS AND EXPENSES				
Operating expenses	19	**335,019,369**	346,314,312	269,814,670
Cost of real estate sales	19	**142,739,219**	129,290,415	219,032,930
Cost of services	19	**75,528,892**	49,712,081	45,214,320
Deferred gross profit on real estate sales	2	**37,114,660**	14,659,378	-
Equity in net losses of associates	10	**8,621,107**	7,108,147	757,781
Finance costs and other charges	18	**203,511,939**	409,978,034	308,584,458
		802,535,186	957,062,367	843,404,159
PROFIT (LOSS) BEFORE TAX		**64,966,638**	(180,801,457)	(127,594,030)
TAX EXPENSE (INCOME)	21	**45,607,606**	(27,531,821)	68,637,524
NET PROFIT (LOSS)		**19,359,032**	(153,269,636)	(196,231,554)
OTHER COMPREHENSIVE LOSS				
Unrealized fair value losses on available-for-sale financial assets		**208,974**	142,920	64,047
TOTAL COMPREHENSIVE INCOME (LOSS)		**P 19,150,058**	(P 153,412,556)	(P 196,295,601)
Net profit (loss) attributable to:				
Parent company's shareholders		**P 19,968,543**	(P 128,786,129)	(P 164,178,109)
Non-controlling interest		**(609,511)**	(24,483,507)	(32,053,445)
		P 19,359,032	(P 153,269,636)	(P 196,231,554)
Total comprehensive income (loss) attributable to:				
Parent company's shareholders		**P 19,759,569**	(P 128,929,049)	(P 164,242,156)
Non-controlling interest		**(609,511)**	(24,483,507)	(32,053,445)
		P 19,150,058	(P 153,412,556)	(P 196,295,601)
EARNINGS (LOSS) PER SHARES	24			
Basic		**P 0.003**	(P 0.038)	(P 0.049)
Diluted		**P 0.003**	P 0.005	(P 0.008)

See Notes to Consolidated Financial Statements.

GLOBAL-ESTATE RESORTS, INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED SEPTEMBER 30, 2011
(With Comparative Figures for 2010 and 2009)
(Amounts in Philippine Pesos)

	Note	2011	2010 (As Restated - see Note 23)	2009 (As Restated - see Note 23)
CAPITAL STOCK	23			
Balance at beginning of year		**P 3,350,000,000**	P 3,350,000,000	P 3,350,000,000
Additional issuances during the year		**5,006,000,000**	-	-
Subscriptions receivable		**-**	(283,122,036)	(283,122,036)
Balance at end of year		**8,356,000,000**	3,066,877,964	3,066,877,964
ADDITIONAL PAID-IN CAPITAL	23	**1,597,739,274**	1,597,739,274	1,597,739,274
UNREALIZED LOSSES ON AVAILABLE-FOR-SALE FINANCIAL ASSETS				
Balance at beginning of year		**891,026**	748,106	684,059
Other comprehensive loss for the year		**208,974**	142,920	64,047
Balance at end of year		**1,100,000**	891,026	748,106
RETAINED EARNINGS	23			
Balance at beginning of year				
As previously reported		**4,137,061,683**	4,298,746,306	4,450,836,066
Prior period restatements		**(527,014,019)**	(559,912,513)	(547,824,164)
As restated		**3,610,047,664**	3,738,833,793	3,903,011,902
Net profit (loss) attributable to parent company's shareholders		**19,968,543**	(128,786,129)	(164,178,109)
Balance at end of year		**3,630,016,207**	3,610,047,664	3,738,833,793
Total equity attributable to parent company's shareholders		**13,582,655,481**	8,273,773,876	8,402,702,925
NON-CONTROLLING INTEREST				
Balance at beginning of year		**261,159,078**	285,642,585	317,696,030
Additions during the year		**5,000,002**	-	-
Net loss attributable to non-controlling interest		**(609,511)**	(24,483,507)	(32,053,445)
Balance at end of year		**265,549,569**	261,159,078	285,642,585
TOTAL EQUITY		**P 13,848,205,050**	P 8,534,932,954	P 8,688,345,510

See Notes to Consolidated Financial Statements.

GLOBAL-ESTATE RESORTS, INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2011
(With Comparative Figures for 2010 and 2009)
(Amounts in Philippine Pesos)

	Notes	2011	2010 (As Restated - see Note 23)	2009 (As Restated - see Note 23)
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) before tax		P 64,966,638	(P 180,801,457)	(P 127,594,030)
Adjustments for:				
Interest income	17	(139,635,283)	(110,952,770)	(187,760,042)
Finance costs	18	183,517,312	382,386,456	286,209,569
Depreciation and amortization	19	23,934,008	25,116,651	32,587,790
Impairment losses	7,19	10,203,547	12,376,443	27,735,527
Equity in net losses of associates	10	8,621,107	7,108,147	757,781
Operating profit before working capital changes		151,607,329	135,233,470	31,936,595
Decrease (increase) in trade and other receivables		(258,773,321)	(1,109,872,273)	251,351,524
Decrease (increase) in real estate and resort shares for sale		(633,372,197)	518,265,295	(18,236,000)
Decrease (increase) in property development costs		(278,137,085)	(146,785,853)	-
Decrease (increase) in prepayments and other current assets		(8,507,359)	19,797,479	-
Decrease (increase) in advances to real estate property owners		(33,034,194)	155,661,353	-
Increase (decrease) in trade and other payables		(98,111,828)	784,425,236	(553,398,547)
Increase in customers' deposits		45,657,934	30,508,519	15,359,104
Increase (decrease) in reserve for property development		44,175,405	(22,570,468)	-
Increase (decrease) in deferred income on real estate sales		47,848,638	(353,204,517)	-
Increase in retirement benefit obligation		(5,147,829)	-	-
Cash generated from (used in) operations		(1,025,794,507)	11,458,241	(276,231,366)
Interest received		73,138,288	44,455,776	121,263,048
Interest paid		(163,669,304)	(321,188,449)	-
Cash paid for income taxes		-	(76,735,124)	-
Net Cash Used in Operating Activities		(1,116,325,523)	(342,009,556)	(154,968,318)
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to:				
Land for future development		(833,488,280)	(339,461,851)	-
Investment properties	11	(3,512,539)	-	-
Property and equipment	12	(10,219,090)	(180,359)	(8,199,537)
Proceeds from disposals of:				
Investment properties	11	3,200,000	-	-
Property and equipment	12	266,458	332,305	182,048
Decrease in advances to related parties		509,128,328	263,913,007	102,517
Net decrease (increase) in other non-current assets		(29,860,855)	5,482,224	40,825,304
Additional investments in associates	10	1,874,777	-	(14,047,000)
Net Cash From (Used in) Investing Activities		(362,611,201)	(69,914,674)	18,863,332
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of capital stock	24	5,000,000,000	-	-
Payment of bonds payable	14	(1,097,400,000)	-	-
Decrease (increase) in advances from related parties		(504,943,651)	393,313,599	152,782
Payments of loans and mortgage payable	13	(505,101,457)	(92,400,000)	-
Collections of subscriptions receivable	23	283,122,036	-	-
Proceeds from exercise of warrants	24	6,000,000	-	-
Net Cash From Financing Activities		3,181,676,928	300,913,599	152,782
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		1,702,740,204	(111,010,631)	(135,952,204)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		81,957,165	192,967,796	328,920,000
CASH AND CASH EQUIVALENTS AT END OF YEAR		P 1,784,697,369	P 81,957,165	P 192,967,796

Supplemental Information on Non-cash Investing and Financing Activities

See Notes to Consolidated Financial Statements.

GLOBAL-ESTATE RESORTS, INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2011
(With Comparative Figures for 2010 and 2009)
(Amounts in Philippine Pesos)

1. GENERAL INFORMATION

1.1 Corporate Information

Global-Estate Resorts, Inc. (the Company or GERI) was incorporated in the Philippines on May 18, 1994, primarily to engage in the horizontal development of residential subdivision lots, integrated residential, golf and other leisure-related properties, and vertical development of mixed-use towers in Metro Manila. The Group is also tasked to engage in land acquisitions and to maintain an inventory of raw land for future development.

The Company's shares of stock are listed at the Philippine Stock Exchange (PSE).

The registered office of the Company, which is also its principal place of business, is located at the 7th Floor, Renaissance Towers, Meralco Avenue, Pasig City.

Alliance Global Group, Inc. (AGI), also a publicly listed Company in the Philippines, is the Company's parent company, owning 60% of the Company's shares that it acquired in January 2011. AGI is a holding company with diversified investments in real estate, food and beverage, manufacturing, quick service restaurants and tourism-oriented businesses. AGI's registered office, which is also its primary place of business, is located at the 7th Floor, 1880 Eastwood Avenue, Eastwood City CyberPark, 188 E. Rodriguez Jr. Avenue, Quezon City.

The Company holds interests in the following subsidiaries and associates (collectively, together with the Company, hereinafter referred to as the Group):

Subsidiaries/Associates	Explanatory Notes	Percentage of Ownership 2011	2010	2009
Subsidiaries:				
Fil-Estate Properties, Inc. (FEPI)		**100%**	100%	100%
Aklan Holdings Inc. (AHI)	(a)	**100%**	100%	100%
Blu Sky Airways, Inc. (BSAI)	(a)	**100%**	100%	100%
Fil-Estate Subic Development Corp. (FESDC)	(a)	**100%**	100%	100%
Fil-Power Construction Equipment Leasing Corp. (FPCELC)		**100%**	100%	100%
Golden Sun Airways, Inc. (GSAI)	(a)	**100%**	100%	100%
La Compaña De Sta. Barbara, Inc. (LCSBI)	(a)	**100%**	100%	100%
MCX Corporation (MCX)	(a)	**100%**	100%	100%
Pioneer L-5 Realty Corp. (PLRC)	(a)	**100%**	100%	100%
Prime Airways, Inc. (PAI)	(a)	**100%**	100%	100%
Sto. Domingo Place Development Corp. (SDPDC)	(a)	**100%**	100%	100%
Fil-Power Concrete Blocks Corp. (FPCBC)	(a)	**100%**	100%	100%
Fil-Estate Industrial Park, Inc. (FEIPI)	(a)	**79%**	79%	79%
Sherwood Hills Development Inc. (SHDI)	(a)	**55%**	55%	55%
Fil-Estate Golf and Development, Inc. (FEGDI)		**100%**	100%	100%
Golforce, Inc. (Golforce)	(b)	**100%**	100%	100%
Fil-Estate Ecocentrum Corp. (FEEC)	(b)	**56%**	56%	56%
Philippine Aquatic Leisure Corp. (PALC)	(c)	**56%**	56%	56%

Subsidiaries/Associates	Explanatory Notes	Percentage of Ownership 2011	2010	2009
Subsidiaries:				
Fil-Estate Urban Development Corp. (FEUDC)		**100%**	100%	100%
Novo Sierra Holdings Corp. (NSHC)		**100%**	100%	-
Twin Lakes Corp. (TLC)	(d)	**100%**	-	-
Megaworld Global-Estates, Inc. (MGEI)	(e)	**60%**	-	-
Associates:				
Oceanfront Properties, Inc. (OPI)	(f)	**50%**	-	-
Fil-Estate Network, Inc. (FENI)		**20%**	20%	20%
Fil-Estate Sales, Inc. (FESI)		**20%**	20%	20%
Fil-Estate Realty and Sales Associates Inc. (FERSAI)		**20%**	20%	20%
Fil-Estate Realty Corp. (FERC)		**20%**	20%	20%
Nasugbu Properties, Inc. (NPI)		**14%**	14%	14%

Explanatory notes:

(a) Subsidiaries of FEPI; Percentage ownership represents effective ownership of GERI.

(b) Subsidiaries of FEGDI; Percentage ownership represents effective ownership of GERI.

(c) Subsidiary of FEEC.

(d) Subsidiary acquired in 2011; Engaged in the real estate business.

(e) Subsidiary acquired in 2011 primarily to market the Group's projects.

(f) Associate acquired in 2011; Engaged in the real estate business.

1.2 Change in the Company's Name

In their meetings on January 12, 2011 and March 28, 2011, the Company's Board of Directors (BOD) and stockholders, respectively, approved the change in the name of the Company from Fil-Estate Land, Inc. to Global-Estate Resorts, Inc. The change was approved by the Securities and Exchange Commission (SEC) on March 29, 2011.

1.3 Approval of the Financial statements

The consolidated financial statements of the Group for the year ended September 30, 2011 (including the comparatives for the years ended September 30, 2010 and 2009) were authorized for issue by the Company's BOD on January 27, 2012.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarized below. The policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation of Consolidated Financial statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS are adopted by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the International Accounting Standards Board.

The consolidated financial statements have been prepared using the measurement basis specified by PFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) Presentation of Financial Statements

The consolidated financial statements are presented in accordance with Philippine Accounting Standard (PAS 1), *Presentation of Financial Statements*. The Group presents all items of income and expense in a single consolidated statement of comprehensive income. Two comparative periods are presented for the consolidated statement of financial position when the Group applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or reclassifies items in the financial statements.

In 2011, two comparative periods are presented for the consolidated statement of financial position due to the retrospective restatements and reclassifications of certain accounts in the 2010 and 2009 consolidated financial statements (see Note 23.3).

(c) Functional and Presentation Currency

These consolidated financial statements are presented in Philippine pesos, the Group's presentation and functional currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the consolidated financial statements of the Group are measured using the Group's functional currency. Functional currency is the currency of the primary economic environment in which an entity operates.

2.2 Adoption of New Interpretations, Revisions and Amendments to PFRS

(a) Effective in Fiscal Year 2011 that are Relevant to the Group

In fiscal year 2011, the Group adopted the following revisions, interpretation and annual improvements to existing PFRS that are relevant to the Group and effective for consolidated financial statements for the annual period beginning on or after July 1, 2009 or January 1, 2010:

PAS 27 (Revised)	:	Consolidated and Separate Financial Statements
PFRS 3 (Revised 2008)	:	Business Combinations
Philippine Interpretation International Financial Reporting Interpretations Committee (IFRIC) 17	:	Distribution of Non-cash Assets to Owners
Various Standards	:	2009 Annual Improvements to PFRS

Below is a discussion of the impact of these accounting standards.

(i) PAS 27 (Revised 2008), *Consolidated and Separate Financial Statements*. The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value and a gain or loss is recognized in profit or loss. The adoption of the revised standard did not result in any adjustment to the financial statements as there were no transactions including changes in non-controlling interests during the year.

(ii) PFRS 3 (Revised 2008), *Business Combinations*. The revised standard continues to apply the acquisition method to business combination with significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the profit or loss. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share in the acquiree's identifiable assets. All acquisition-related costs should be expensed. The adoption of the revised standard has no significant effect on the 2011 consolidated financial statements.

(iii) Philippine Interpretation IFRIC 17, *Distribution of Non-cash Assets to Owner*, clarifies that dividend payable should be recognized when the dividend is appropriately authorized and is no longer at the discretion of the entity. Also, an entity should measure the dividend payable at the fair value of the net assets to be distributed and the difference between the dividend paid and the carrying amount of the net assets distributed should be recognized in profit or loss. The Group's adoption of this interpretation did not have a material impact on the consolidated financial statements because the Group did not distribute non-cash assets to stockholders during the year.

(iv) 2009 Annual Improvements to PFRS. The FRSC has adopted the *Improvements to PFRS 2009*. Most of these amendments became effective for annual periods beginning on or after July 1, 2009 or January 1, 2010. Among those improvements, only the following amendments were identified to be relevant to the Group's consolidated financial statements but which did not also have any material impact on its consolidated financial statements:

- PAS 1 (Amendment), *Presentation of Financial statements*. The amendment clarifies the current and non-current classification of a liability that can, at the option of the counterparty, be settled by the issue of the entity's equity instruments.

- PAS 7 (Amendment), *Statement of Cash Flows*. The amendment clarifies that only an expenditure that results in a recognized asset can be classified as a cash flow from investing activities. Under its current policies, only recognized assets are classified by the Group as cash flows from investing activities.

- PAS 17 (Amendment), *Leases*. The amendment clarifies that when a lease includes both land and building elements, an entity assesses the classification of each element as finance or an operating lease separately in accordance with the general guidance on lease classification set out in PAS 17. The Group currently has no lease agreements that include both land and building.

- PAS 18 (Amendment), *Revenue*. The amendment provides guidance on determining whether an entity is acting as a principal or as an agent. Presently, the Group is the principal in all of its business undertakings.

- PAS 36 (Amendment), *Impairment of Assets*. PAS 36 clarifies that the largest unit permitted for the purpose of allocating goodwill to cash-generating units for goodwill impairment is the operating segment level defined in PFRS 8 before aggregation.

- PFRS 8 (Amendment), *Operating Segments*. It clarifies that a measure of segment assets should be disclosed only if the amount is regularly provided to the chief operating decision maker (CODM). The Group reports total assets for each of its reportable segments as they are regularly provided to the CODM, hence, does not have any significant effect on the Group's segment reporting.

(b) Effective in Fiscal Year 2011 that are not Relevant to the Group

The following amendments and interpretations to published standards are mandatory for accounting periods beginning on or after January 1, 2010 but are not relevant to the Group's consolidated financial statements:

PAS 32 (Amendment)	:	Financial Instruments: Presentation
PAS 39 (Amendment)	:	Financial Instruments: Recognition and Measurement – Eligible Hedged Items
PFRS 1 (Amendment)	:	Additional Exemptions for First-time Adopters

PFRS 2 (Amendment)	:	Group Cash-settled Shared-based Payment Transactions
Philippine Interpretations		
IFRIC 9	:	Embedded Derivatives – Amendments to IFRIC 9 and PAS 39
IFRIC 18	:	Transfers of Assets from Customers

(c) Effective Subsequent to Fiscal Year 2011

There are new PFRS and revisions, amendments, annual improvements and interpretations to existing standards that are effective for periods subsequent to fiscal year 2011. Management has initially determined the following pronouncements, which the Group will apply in accordance with their transitional provisions, to be relevant to its consolidated financial statements:

(i) PAS 24 (Revised), *Related Party Disclosures* (effective from January 1, 2011). Earlier application of the standard, in whole or in part, is permitted but the Group opted not to early adopt the standard. The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The Group is currently reviewing the impact of the standard on its related party disclosures in time for its adoption of the revised standard in fiscal year 2012.

(ii) Philippine Interpretation IFRIC 14, *Prepayments of a Minimum Funding Requirement – Amendment* to IFRIC 14 (effective from January 1, 2011). This interpretation addresses unintended consequences that can arise from the previous requirements when an entity prepays future contributions into a defined benefit pension plan. It sets out guidance on when an entity recognizes an asset in relation to a PAS 19, *Employee Benefits*, surplus for defined benefit plans that are subject to a minimum funding requirement. Management does not expect that its future adoption of the amendment will have a material effect on the Group's consolidated financial statements because it does not usually make substantial advance contributions to its retirement fund.

(iii) Philippine Interpretation IFRIC 15, *Agreements for Construction of Real Estate*, (effective from January 1, 2015). This interpretation provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of PAS 11, *Construction Contracts*, or PAS 18, *Revenue*, and accordingly, when revenue from the construction should be recognized.

The main expected change in practice is a shift from recognizing revenue using the percentage-of-completion method (i.e., as a construction progresses, by reference to the stage of completion of the development) to recognizing revenue at a single time (i.e., at completion upon or after delivery). The Group will adopt this interpretation in fiscal year 2016 and is currently evaluating the impact of such adoption in the consolidated financial statements.

(iv) Philippine Interpretation IFRIC 19, *Extinguishing Financial Liabilities with Equity Instruments* (effective from July 1, 2010). It addresses accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor to extinguish all or part of the financial liability. These transactions are sometimes referred to as "debt for equity" exchanges or swaps. The interpretation requires the debtor to account for a financial liability which is extinguished by equity instruments as follows:

- the issue of equity instruments to a creditor to extinguish all or part of a financial liability is consideration paid in accordance with PAS 39, *Financial Instruments: Recognition and Measurement*;

- the entity measures the equity instruments issued at fair value, unless this cannot be reliably measured;

- if the fair value of the equity instruments cannot be reliably measured, then the fair value of the financial liability extinguished is used; and,

- the difference between the carrying amount of the financial liability extinguished and the consideration paid is recognized in profit or loss.

Management has determined that the adoption of the interpretation will not have a material effect on its consolidated financial statements as management does not anticipate to extinguish financial liabilities through equity swap in the subsequent periods.

(v) PFRS 7 (Amendment), *Financial Instruments: Disclosures* (effective for annual periods beginning on or after July 1, 2011). The amendments will allow users of financial statements to improve their understanding of transfer transactions of financial assets (e.g., securitizations), including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken at the end of a reporting period. The Group believes that adoption of the amendments in 2012 will not have any significant effect on its consolidated financial statements as they only affect disclosures and the Group usually provides adequate information in its consolidated financial statements in compliance with disclosure requirements.

(vi) PAS 1 (Amendment) *Financial Statements Presentation – Presentation of Items of Other Comprehensive Income* (effective from July 1, 2012). The amendment requires an entity to group items presented in Other Comprehensive Income into those that, in accordance with others PFRSs: (a) will not be reclassified subsequently to profit or loss and (b) will be reclassified subsequently to profit or loss when specific conditions are met. The management expects that this will not have a significant effect on the consolidated financial statements as there are no material items included in Other Comprehensive Income.

(vii) PAS 12 (Amendment), *Income Taxes – Deferred Tax: Recovery of Underlying Assets* (effective from January 1, 2012). The amendment introduces an exception to the existing principle in PAS 12 that recovery of the carrying amount of investment property measured at fair value under PAS 40, *Investment Property*, will be or normally be through sale. This is applicable when an entity holds a depreciable investment property (e.g., building) measured at fair value, but whose objective is to consume substantially the economic benefits embodied in the asset over time, rather than through sale. As a result of the amendment, Philippine Interpretation Standard Interpretation Committee (SIC) 21 *Income Taxes – Recovery of Revalued Non-Depreciable Assets*, would no longer apply to investment properties carried at fair value. The amendment also incorporates into PAS 12 the remaining guidance previously contained in Philippine Interpretation SIC 21, which is accordingly withdrawn. This amendment is not expected to have a significant effect on the Group's consolidated financial statements as its investment is measured at cost.

(viii) PFRS 9, *Financial Instruments: Classification and Measurement* (effective from January 1, 2015). This is the first part of a new standard on classification and measurement of financial assets and financial liabilities that will replace PAS 39 in its entirety. This chapter deals with two measurement categories for financial assets: amortized cost and fair value. All equity instruments will be measured at fair value while debt instruments will be measured at amortized cost only if the entity is holding it to collect contractual cash flows which represent payment of principal and interest. The accounting for embedded derivatives in host contracts that are financial assets is simplified by removing the requirement to consider whether or not they are closely related, and, in most arrangement, does not require separation from the host contract.

For liabilities, the standard retains most of the PAS 39 requirements which include amortized-cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in case where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than in profit or loss, unless this creates an accounting mismatch.

To date, other chapters of PFRS 9 dealing with impairment methodology and hedge accounting are still being completed.

The Group does not expect to implement and adopt PFRS 9 until its effective date or until all chapters of this new standard have been published. In addition, management is currently assessing the impact of PFRS 9 on the financial statements of the Group and is committed to conduct a comprehensive study of the potential impact of this standard early in 2012 to assess the impact of all changes.

(ix) PFRS 10, *Consolidated Financial Statements* (effective from January 1, 2013). This standard builds on existing principles of consolidation by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements. The standard also provides additional guidance to assist in determining control where this is difficult to assess. The Group is currently reviewing the impact of the above standard on its consolidated financial statements in time for its adoption in fiscal year 2014.

(x) PAS 27 (Revised), *Separate Financial Statements* (effective from January 1, 2013). This revised standard now covers the requirements pertaining solely to separate financial statements after the relevant discussions on control and consolidated financial statements have been standard have been transferred and included in the new PFRS 10. No new major changes relating to separate financial statements have been introduced as a result of the revision.

(xi) PAS 28 (Revised), *Investments in Associate and Joint Venture* (effective from January 1, 2013). This revised standard includes the requirements for joint ventures, as well as associates, to be accounted for using equity method following the issuance of PFRS 11, *Joint Arrangement*. The Group is currently assessing the impact of this revision.

(xii) PFRS 11, *Joint Arrangements* (effective from January 1, 2013). This standard provides a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. This standard replaces the three categories under PAS 31, mainly, jointly controlled entities, jointly controlled operations and jointly controlled assets, with two new categories – joint operations and joint ventures. Moreover, this also eliminates the option of using proportionate consolidation for joint ventures. The Group is currently reviewing the impact of the above standard on its consolidated financial statements in time for its adoption in 2013.

(xiii) PFRS 12, *Disclosure of Interest in Other Entities* (effective January 1, 2013). This standard integrates and makes consistent the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles, and unconsolidated structured entities. This also introduces new disclosure requirements about the risks to which an entity is exposed from its involvement with structured entities. Management has determined that the adoption of the interpretation will not have a material effect on its consolidated financial statements.

(xiv) PFRS 13, *Fair Value Measurement* (effective January 1, 2013). This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across PFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. The Group is yet to assess the impact of this new standard.

(xv) 2010 Annual Improvements to PFRS. The FRSC has adopted the *Improvements to PFRS 2010* (the 2010 Improvements). Most of these amendments became effective for annual periods beginning on or after July 1, 2010, or January 1, 2011. The 2010 Improvements amend certain provisions of PFRS 3 (Revised 2008), clarify presentation of the reconciliation of each of the components of other comprehensive income and clarify certain disclosure requirements for financial instruments.

The Group's preliminary assessments indicate that the 2010 Improvements will not have a material impact on its consolidated financial statements.

2.3 Basis of Consolidation

The Company obtains and exercises control through voting rights. The Group's consolidated financial statements comprise the accounts of the Company and its subsidiaries as enumerated in Note 1, after the elimination of material intercompany transactions. All intercompany balances and transactions with subsidiaries, including income, expenses, dividends and unrealized profits and losses from intercompany transactions that are recognized in assets are also eliminated in full. Unrealized profits and losses from intercompany transactions that are recognized in assets are also eliminated in full. In addition, shares of stock of the Company, if any, held by the subsidiaries are recognized as treasury stock and these are presented as deduction in the consolidated statement of changes in equity. Any changes in the market values of such shares as recognized separately by the subsidiaries are likewise eliminated in full. Intercompany losses that indicate impairment are recognized in the consolidated financial statements.

The financial statements of subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. In case the financial statements of a subsidiary are prepared as of a date different from that of the Company's financial statements, adjustments are made for the effects of significant transactions or events that occur between that date and the date of the Company's financial statements. Adjustments are also made to bring into line any dissimilar accounting policies that may exist.

The Group accounts for its investments in subsidiaries, associates, interests in jointly controlled operations and transactions with non-controlling interest as follows:

(a) Investments in Subsidiaries

Subsidiaries are all entities over which the Group has the power to control the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date the Group obtains control, direct or indirect, until such time that such control ceases.

The acquisition method is applied to account for acquired subsidiaries. This requires recognizing and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group, if any. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred and subsequent change in the fair value of contingent consideration is recognized directly in profit or loss.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the identifiable net assets acquired is recognized as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in profit or loss as gain (see also Note 2.9).

(b) Investments in Associates

Associates are those entities over which the Group is able to exert significant influence but not control and which are neither subsidiaries nor interests in a joint venture. Investments in associates are initially recognized at cost and subsequently accounted for using the equity method.

Acquired investments in associates are also subject to purchase accounting. However, any goodwill or fair value adjustment attributable to the share in the associates is included in the amount recognized as investment in associates. All subsequent changes to the share of interest in the equity of the associate are recognized in the carrying amount of the Group's investment. Changes resulting from the profit or loss generated by the associate are shown as Equity in Net Profits (Losses) of Associates in the Group's consolidated statement of comprehensive income and therefore affect the net results of operations of the Group. These changes include subsequent depreciation, amortization or impairment of the fair value adjustments of the associate's assets and liabilities.

Changes resulting from other comprehensive income of the associates or items that have been directly recognized in the associate's equity, for example, resulting from the associate's accounting for available-for-sale financial assets, are recognized in consolidated other comprehensive income or equity of the Group, as applicable. Any non-income related equity movements of the associate that arise, for example, from the distribution of dividends or other transactions with the associate's shareholders, are charged against the proceeds received or granted. No effect on the Group's net result or equity is recognized in the course of these transactions. However, when the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments in behalf of the associate. If the associate subsequently reports profits, the Group resumes recognizing its share of those profits only after its share of the profits exceeded the accumulated share of losses that has previously not been recognized.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Interests in Jointly Controlled Operations

For interest in jointly controlled operations, the Group recognizes in its consolidated financial statements its share of the assets that it controls, the liabilities and the expenses that it incurs and its share in the income from the sale of goods or services by the joint venture. No adjustment or other consolidation procedures are required since the assets, liabilities, income and expenses of the joint venture are recognized in the separate financial statements of the venturers.

(d) Transactions with Non-controlling Interest

The Group applies a policy of treating transactions with non-controlling interests as transactions with equity owners of the Group. Any difference between any consideration paid and the relevant share acquired of the carrying value of the net assets of the subsidiary is recognized in equity. Disposals of equity investments to non-controlling interests result in gains and losses for the Group that are also recognized in equity.

When the Group ceases to have control over a subsidiary, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities which may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

Upon adoption in fiscal year 2011 of PAS 27 (Revised 2008), the Group has changed its accounting policy for transactions with non-controlling interests and the accounting for loss of control or significant influence. It has applied the new policy prospectively as required by the standards. As a result, no adjustments were necessary to any of the amounts previously recognized and reported in the financial statements.

Before the adoption of the revised PAS 27, transactions with non-controlling interests were accounted for as transactions with parties external to the Group. As such, disposals resulted in gains or losses in profit or loss and purchases resulted in the recognition of goodwill. On disposal or partial disposal, a proportionate interest in reserves attributable to the subsidiary was reclassified to profit or loss or directly to retained earnings.

Also previously, when the Group ceased to have control or significant influence over an entity, the carrying amount of the investment at the date control or significant influence became its cost for the purposes of subsequently accounting for the retained interests as associates, jointly controlled entity or financial assets.

2.4 Financial Assets

Financial assets are recognized when the Group becomes a party to the contractual terms of the financial instrument. Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories: financial assets at fair value through profit or loss (FVTPL), loans and receivables, held-to-maturity investments and available-for-sale (AFS) financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired.

Regular purchases and sales of financial assets are recognized on their trade date. All financial assets that are not classified as at FVTPL are initially recognized at fair value plus any directly attributable transaction costs. Financial assets carried at FVTPL are initially recorded at fair value and transaction costs related to it are recognized in profit or loss.

The Group's relevant financial assets are categorized as follows:

(a) 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. They are included in current assets, except for maturities greater than 12 months after the reporting period which are classified as non-current assets.

Loans and receivables are subsequently measured at amortized cost using the effective interest method, less impairment loss, if any. Any change in their value is recognized in profit or loss. Impairment loss is provided when there is objective evidence that the Group will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the impairment loss is determined as the difference between the assets' carrying amount and the present value of estimated cash flows.

The Group's financial assets categorized as loans and receivables are presented in the consolidated statement of financial position as Cash and Cash Equivalents, Trade and Other Receivables, and Advances to Related Parties. Cash and cash equivalents are defined as cash on hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

(b) AFS Financial Assets

This category includes non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. They are included in non-current assets in the statement of financial position unless management intends to dispose of the investment within 12 months from the reporting period. The Group's AFS financial assets include proprietary golf club membership shares and is presented as part of the Other Non-current Assets account in the consolidated statement of financial position.

All financial assets within this category are subsequently measured at fair value, unless otherwise disclosed. Gains and losses from changes in fair value are recognized in other comprehensive income, net of any effects arising from income taxes, and are reported as Unrealized Losses on AFS Financial Assets in equity. When the financial asset is disposed of or is determined to be impaired, the cumulative fair value gains or losses recognized in other comprehensive income is reclassified from equity to profit or loss and is presented as a reclassification adjustment within other comprehensive income.

Reversal of impairment losses is recognized in other comprehensive income, except for financial assets that are debt securities which are recognized in profit or loss only if the reversal can be objectively related to an event occurring after the impairment loss was recognized.

All income and expenses, if any, including impairment losses, relating to financial assets that are recognized in profit or loss are presented as part of Finance Costs or Finance Income in the consolidated statement of comprehensive income.

Non-compounding interest, dividend income and other cash flows resulting from holding financial assets are recognized in profit or loss when earned, regardless of how the related carrying amount of financial assets is measured.

Derecognition of financial assets occurs when the rights to receive cash flows from the financial instruments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

2.5 Real Estate Transactions

Acquisition costs of raw land intended for future development, including other costs and expenses incurred to effect the transfer of title of the property to the Group, are charged to the Land for Future Development account. These costs are reclassified to Property Development Costs account when the development of the property starts. Related property development costs are then accumulated in this account. Borrowing costs on certain loans, if any, incurred during the development of the real estate properties are also capitalized by the Group as part of Property Development Costs.

The cost of real estate property sold before completion of the development, if any, is determined based on the actual costs incurred to date plus estimated costs to complete the development of the property. The estimated expenditures for the development of sold real estate property, as determined by the project engineers, are charged to the cost of residential and condominium units sold presented in the statement of comprehensive income with a corresponding credit to the liability account, Reserve for Property Development account.

Land for Future Development, Property Development Costs and Real Estate and Resort Shares For Sale are valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs to complete and the estimated costs necessary to make the sale.

The Group recognizes the effect of revisions in the total project cost estimates in the year in which these changes become known. Any impairment loss from a real estate project is charged to operations during the period in which the loss is determined.

2.6 Property and Equipment

Property and equipment are carried at acquisition or construction cost less subsequent depreciation, amortization and any impairment losses.

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, major improvements and renewals are capitalized; expenditures for repairs and maintenance are charged to expenses as incurred. When assets are sold, retired or otherwise disposed of, their cost and related accumulated depreciation and amortization and any impairment losses are removed from the accounts and any resulting gain or loss is reflected in profit or loss for the period.

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

Building	50 years
Office furniture, fixtures and equipment	3-5 years
Transportaion and other equipment	5 years
Office improvements	5-10 years

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 (see also Note 2.15).

The residual values and estimated useful lives of property and equipment are reviewed, and adjusted if appropriate, at the end of 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 profit or loss in the year the item is derecognized.

2.7 Investment Properties

Investment properties consist of parcels of land and buildings held for lease. Buildings are carried at cost less accumulated depreciation and any impairment losses. Land is stated at cost less any impairment losses.

The cost of an asset comprises its purchase price and any directly attributable expenditure. Expenditures for additions, major improvements and renewals are capitalized; expenditures for repairs and maintenance are charged to expense as incurred. When investment property is sold, retired or otherwise disposed of, its cost and related accumulated depreciation and any impairment losses are derecognized and any resulting gain or loss is reflected in profit or loss for the period.

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

Land development and improvements	20 years
Building and improvements	10-50 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its recoverable amount (see Note 2.15).

An item of investment properties 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 profit or loss in the year the item is derecognized.

2.8 Financial Liabilities

Financial liabilities of the Group include Loan and Mortgage Payable, Bonds Payable, Trade and Other Payables, Advances from Related Parties, and Due to Joint Venture Partners.

Financial liabilities are recognized when the Group becomes a party to the contractual terms of the instrument. All interest-related charges are recognized as expense in profit or loss under the caption Finance Costs and Other Charges account in the consolidated statement of comprehensive income.

Loan and Mortgage Payable and Bonds Payable are raised for support of long-term funding of operations. These are recognized at proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are charged to profit or loss on an accrual basis using the effective interest method and are added to the carrying amount of the instrument to the extent that these are not settled in the period in which they arise.

All other financial liabilities are initially recognized at their fair value and subsequently measured at amortized cost less settlement payments.

Dividend distributions to shareholders are recognized as financial liabilities when the dividends are approved by the BOD.

Financial liabilities are classified as current liabilities if payment is due to be settled within one year or less after the reporting period (or in the normal operating cycle of the business, if longer), or the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Otherwise, these are presented as non-current liabilities.

Financial liabilities are derecognized from the consolidated statement of financial position only when the obligations are extinguished either through discharge, cancellation or expiration.

2.9 Business Combination

Business acquisitions are accounted for using the acquisition method of accounting.

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Subsequent to initial recognition, goodwill, if any, is measured at cost less any accumulated impairment losses. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses (see also Note 2.15). Impairment losses on goodwill are not reversed.

Negative goodwill, which is the excess of the Group's interest in the net fair value of net identifiable assets acquired over acquisition cost, is charged directly to income.

For the purpose of impairment testing, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The cash-generating units or groups of cash-generating units are identified according to operating segment.

Gains and losses on the disposal of an interest in a subsidiary include the carrying amount of goodwill relating to it.

Prior to January 1, 2010, certain items are treated as follows as opposed to how they will now be treated based on the changes in accounting policy of the Group as a result of the adoption of the revised PFRS 3 and PAS 27 (see Note 2.2):

(a) Transaction costs directly attributable to business acquisition previously formed part of the acquisition costs. These costs are now required to be expensed.

(b) The non-controlling interest was previously measured at the proportionate share of the acquiree's identifiable net assets. There is now an option to measure this at fair value.

(c) Business combinations achieved in stages were accounted for as separate steps or acquisitions. Any additional shares acquired of interest did not affect previously recognized goodwill. Currently, business combination achieved in stages requires the acquirer to remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss, if any, in profit or loss or other comprehensive income, as appropriate.

(d) Contingent consideration was recognized if, and only if, payment was probable; i.e. the Group had a present obligation, the economic outflow was more likely than not, and a reliable estimate is determinable. Subsequent adjustment to the contingent consideration was recognized as an adjustment to goodwill. Changes in the fair value of contingent consideration as a result of additional information that existed after the acquisition date are now accounted for as follows:

    (i) Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

(ii) Contingent consideration classified as an asset or liability that:

- is a financial instrument and is within the scope of PAS 39 is measured at fair value, with any resulting gain or loss recognized either in profit or loss or in other comprehensive income in accordance with PAS 39, as applicable.

- is not within the scope of PAS 39 is accounted for in accordance with PAS 37 or other PFRSs, as appropriate.

2.10 Segment Reporting

In identifying its operating segments, management generally follows the Group's products and service lines as disclosed in Note 4, which represent the main products and services provided by the Group.

Each of these operating segments is managed separately as each of these service lines requires different technologies and other resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

The measurement policies the Group uses for segment reporting is the same as those used in its consolidated financial statements. In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

2.11 Provisions and Contingencies

Provisions are recognized when present obligations 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.

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. 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 obligations as a whole. When time value of money is material, long-term provisions are discounted to their present values using a pretax rate that reflects market assessments and the risks specific to the obligation. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the consolidated financial statements. Similarly, probable inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the consolidated financial statements. On the other hand, any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

2.12 Revenue and Expense Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

(a) *Sale of real estate* – For financial reporting purposes, revenues from transactions covering sales of real estate are recognized under the percentage-of-completion method. Under this method, realization of gross profit is recognized by reference to the stage of development of the properties, i.e., revenue is recognized in the period in which the work is performed. The unrealized gross profit on a year's sales is presented as Deferred Gross Profit on Real Estate Sales in the consolidated statement of comprehensive income; the cumulative unrealized gross profit as of the end of the year is shown as Deferred Income on Real Estate Sales in the consolidated statement of financial position.

The sale is recognized when a certain percentage of the total contract price has already been collected. If the transaction does not yet qualify as sale, the deposit method is applied until all conditions for recording the sale are met. Pending the recognition of sale, payments received from buyer are initially recorded as part of Customers' Deposits account in the consolidated statement of financial position.

Revenues on sales of undeveloped land and golf and resort shares for sale, on the other hand, are recognized using the full accrual method. Under the full accrual method, revenue is recognized when the risks and rewards of ownership in the undeveloped land and golf and resort shares have passed to the buyer and the amount of revenue can be measured reliably.

Any adjustments relative to previous years' sales are recorded in the current year as they occur.

For tax reporting purposes, a modified basis of computing the taxable income for the year based on collections from sales is used by the Group.

(b) *Maintenance income* – Revenue is recognized when performance of mutually agreed tasks has been rendered.

(c) *Rental income* – Rental income is recognized on a straight-line basis over the lease terms. Advance rentals and refundable rental deposits are recorded as deferred rental income.

(d) *Interest* – Revenue is recognized as the interest accrues taking into account the effective yield on the asset.

(e) *Dividends* – Revenue is recorded when the stockholders' right to receive the payment is established.

Costs of real estate sold before completion of the projects include the acquisition cost of the land, development costs incurred to date, applicable borrowing costs (see Note 2.17) and estimated costs to complete the project, determined based on estimates made by the project engineers on the stage of completion of the real estate project (see Note 2.5).

Cost and expenses and other costs (other than costs of real estate sold) are recognized in profit or loss upon utilization of the services or goods or at the date they are incurred.

2.13 Leases

The Group accounts for its leases as follows:

(a) *Group as Lessee*

Leases, which do not transfer to the Group substantially all the risks and benefits of ownership of the asset, are classified as operating leases. Operating lease payments are recognized as expense in the profit or loss on a straight-line basis over the lease term. Associated costs, such as repairs and maintenance and insurance, are expensed as incurred.

(b) *Group as Lessor*

Leases, which do not transfer to the lessee substantially all the risks and benefits of ownership of the asset, are classified as operating leases. Operating lease income is recognized as income in profit or loss on a straight-line basis over the lease term.

The Group determines whether an arrangement is, or contains, a lease based on the substance of the arrangement. It makes an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

2.14 Foreign Currency Transactions

The accounting records of the Group are maintained in Philippine pesos. Foreign currency transactions during the year are translated into the functional currency at exchange rates which approximate those prevailing on transaction dates.

Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of comprehensive income as part of income or loss from operations.

2.15 Impairment of Non-financial Assets

The Group's investments in associates, investment properties and property and equipment are subject to impairment testing. 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, assets are tested for impairment either individually or at the cash-generating unit level.

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

2.16 Employee Benefits

(a) *Post-employment Benefits*

Retirement benefit cost is actuarially determined using the projected unit credit method as computed by actuaries covering all regular full-time employees.

A defined benefit plan is a post-employment plan that defines an amount of post-employment benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and salary. The legal obligation for any benefits from this kind of post-employment plan remains with an entity, even if plan assets for funding the defined benefit plan have been acquired.

The liability recognized in the consolidated statement of financial position for defined benefit plan is the present value of the defined benefit obligation (DBO) at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The present value of the DBO is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximate to the terms of the related post-employment liability.

Actuarial gains and losses are not recognized as an expense unless the total unrecognized gain or loss exceeds 10% of the greater of the obligation and related plan assets. The amount exceeding this 10% corridor is charged or credited to profit or loss over the employees' expected average remaining working lives. Actuarial gains and losses within the 10% corridor are disclosed separately. Past service costs are recognized immediately in profit or loss, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortized on a straight-line basis over the vesting period.

(b) *Compensated Absences*

Compensated absences are recognized for the number of paid leave days (including holiday entitlement) remaining at the end of the reporting period. They are included in the Trade and Other Payables account of the consolidated statement of financial position at the undiscounted amount that the Group expects to pay as a result of the unused entitlement.

2.17 Borrowing Costs

For financial reporting purposes, borrowing costs are recognized as expenses in the period in which they are incurred, except to the extent that they are capitalized. Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset (i.e., an asset that takes a substantial period of time to get ready for its intended use or sale) are capitalized as part of the cost of such asset. The capitalization of borrowing costs commences when expenditures for the asset are being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalization ceases when substantially all such activities are complete. For income tax purposes, interest and other borrowing costs are charged to expense as incurred.

2.18 Income Taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity, if any.

Current income tax assets or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the reporting period. They are calculated using the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in the profit or loss.

Deferred tax is provided, using the liability method on temporary differences at the end of the reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Under the 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 income tax asset can 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 provided such tax rates have been enacted or substantively enacted at the end of the reporting period.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in the profit or loss. 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.

2.19 Related Party Transactions

Related party transactions are transfers of resources, services or obligations between the entities in the Group and their related parties, regardless whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Group; (b) associates; and, (c) individuals owning, directly or indirectly, an interest in the voting power of the entities in the Group that gives them significant influence over the Group and close members of the family of any such individual.

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

2.20 Equity

Capital stock is determined using the nominal value of shares that have been issued.

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

Net unrealized gains (losses) on AFS financial assets represent gains or losses recognized due to changes in fair values of these assets.

Retained earnings include all current and prior period results of operations as reported in profit or loss in the consolidated statement of comprehensive income.

2.21 Basic and Diluted Earnings (Loss) Per Share

Basic earnings (loss) per share is determined by dividing net profit (loss) by the weighted average number of common shares subscribed and issued during the year, after giving retroactive effect to any stock dividends, stock split or reverse stock split declared in the current year. Diluted earnings (loss) per share is computed in the same manner as the basic earnings (loss) per share and assuming further that at the beginning of the year or at the time of issuance during the year, all outstanding convertible instruments were converted to common stock.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The Group's consolidated financial statements prepared in accordance with PFRS require management to make judgments and estimates that affect amounts reported in the consolidated financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately vary from these estimates.

*3.1*Critical Management Judgments in Applying Accounting Policies

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

(a) *Distinction Between Investment Properties, Owner-Occupied Properties and Land for Future Development*

The Group determines whether an asset qualifies as an item of investment properties. In making its judgment, the Group considers whether the property generates cash flows largely independently of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in the production or supply process while Land for Future Development are properties intended solely for future development.

Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for administrative purposes. If these portions can be sold separately (or leased out separately under finance lease), the Group accounts for the portions separately. If the portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held 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.

(b) Operating and Finance Leases

The Group has entered into various lease agreements. Critical judgment was exercised by management to distinguish each lease agreement as either an operating or finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities.

(c) Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. Accounting policies on recognition and disclosure of provision are discussed in Note 2.11 and relevant disclosures of contingencies are presented in Note 25.

3.2 Key Sources of Estimation Uncertainty

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

(a) Revenue Recognition Using the Percentage-of-Completion Method

The Group uses the percentage-of-completion method in accounting for its realized gross profit on real estate sales. The use of the percentage-of-completion method requires the Group to estimate the portion completed using relevant information such as costs incurred to date as a proportion of the total budgeted cost of the project and estimates by engineers and other experts.

(b) Determining Net Realizable Value of Real Estate and Resort Shares For Sale, Property Development Costs and Land For Future Development

In determining the net realizable value of real estate and resort shares for sale, property development costs and land for future development, management takes into account the most reliable evidence available at the times the estimates are made. The future realization of the carrying amounts of these assets are affected by price changes in the different market segments as well as the trends in the real estate industry. These are considered key sources of estimation and uncertainty and may cause significant adjustments to the Group's Real Estate and Resort Shares for Sale, Property Development Costs and Land For Future Development within the next financial year.

Considering the Group's pricing policy, the net realizable values of real estate and resort shares for sale, property development costs and land for future development are higher than their related carrying values as of the end of the reporting periods.

(c) *Principal Assumptions for Management's Estimation of Fair Value*

Investment Properties are measured using the cost model. The fair value disclosed in Note 11 to the consolidated financial statements is estimated by the Group using the fair value of similar properties in the same location and condition.

(d) *Useful Lives of Investment Properties and Property and Equipment*

The Group estimates the useful lives of investment properties and property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of investment properties and property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. The carrying amounts of investment properties and property and equipment are analyzed in Notes 11 and 12, respectively. Based on management's assessment as at September 30, 2011, 2010 and 2009, there is no change in estimated useful lives of investment properties and property and equipment during the year. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

(e) *Allowance for Impairment of Trade and Other Receivables*

Allowance is made for specific and groups of accounts, where objective evidence of impairment exists. The Group evaluates these accounts based on available facts and circumstances, including, but not limited to, the length of the Group's relationship with the customers, the customers' current credit status based on known market forces, average age of accounts, collection experience and historical loss experience.

(f) *Realizable Amount of Deferred Tax Assets*

The Group reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. The carrying values of deferred tax assets as of September 30, 2011, 2010 and 2009 are disclosed in Note 21.

(g) *Impairment of Non-financial Assets*

Except for intangible assets with indefinite useful lives, PFRS requires that an impairment review be performed when certain impairment indicators are present. The Group's policy on estimating the impairment of non-financial assets is discussed in detail in Note 2.15. 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 a material adverse effect on the results of operations.

No impairment losses were recognized on investments in associates, investment properties and property and equipment in 2011, 2010 and 2009 (see Notes 10, 11 and 12).

(h) Retirement and Other Benefits

The determination of the Group's obligation and cost of post-employment benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in Note 20.2 and include, among others, discount rates, expected return on plan assets and salary increase rate. In accordance with PFRS, actual results that differ from the assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded obligation in such future periods.

The net movement in the estimated present value of the retirement benefit obligation is presented in Note 20.2.

4. SEGMENT INFORMATION

4.1 Business Segments

The Group's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Group is engaged in the development of residential and office units including urban centers integrating office, residential and commercial components. The Real Estate segment pertains to the development and sale of residential and office projects. The Rental segment includes leasing of office and commercial spaces. The Maintenance Services segment relates to maintenance of golf courses. The Corporate and Others segment includes marketing services, general and corporate income and expense items. Segment accounting policies are the same as the policies described in Note 2.10. The Group generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

4.2 Segment Assets and Liabilities

Segment assets are allocated based on their physical location and use or direct association with a specific segment and they include all operating assets used by a segment and consist principally of operating cash, receivables, real estate inventories, property and equipment, and investment property, net of allowances and provisions. Similar to segment assets, segment liabilities are also allocated based on their use or direct association with a specific segment. Segment liabilities include all operating liabilities and consist principally of accounts, wages, taxes currently payable and accrued liabilities.

4.3 Intersegment Transactions

Segment revenues, expenses and performance include sales and purchases between business segments. Such sales and purchases are eliminated in consolidation.

4.4 Analysis of Segment Information

The following tables present revenue and profit information regarding industry segments for the years ended September 30, 2011, 2010 and 2009 and certain asset and liability information regarding segments at September 30, 2011, 2010 and 2009.

2011

	Real Estate	Rental	Maintenance Services	Corporate and Others	Elimination	Consolidated
TOTAL REVENUES						
Sales to external customers	P 365,056,024	P 37,029,922	P 99,530,252	P 225,975,056	P -	P 727,591,254
Intersegment sales	-	10,268,491	-	-	(10,268,491)	-
Total revenues	P 365,056,024	P 47,298,413	P 99,530,252	P 225,975,056	(P 10,268,491)	P 727,591,254
RESULTS						
Segment results	P 99,841,585	P 25,068,870	P 7,622,566	P 61,385,218	P -	P 193,918,239
Unallocated expenses						(56,729,125)
Income from operations						137,189,114
Interest income	-	-	-	139,635,283	-	139,635,283
Finance costs	-	-	-	(203,511,939)	-	(203,511,939)
Equity in net losses of associates	-	-	-	(8,621,107)	-	(8,621,107)
Foreign currency gains – net	-	-	-	275,287	-	275,287
Profit before tax						64,966,638
Tax expense						(45,607,606)
Net profit before non-controlling interest						19,359,032
Non-controlling interest share in net loss						609,511
Net profit attributable to parent company's shareholders						P 19,968,543
ASSETS AND LIABILITIES						
Segment assets	P 13,221,620,808	P 205,975,437	P 114,262,247	P 3,007,184,210	P -	P16,549,042,702
Investments in and advances to associates and other related parties	-	-	-	1,494,108,261	-	1,494,108,261
Unallocated assets	-	-	-	568,420,783	-	568,420,783
Total assets	P 13,221,620,808	P 205,975,437	P 114,262,247	P 5,069,713,254	P -	P18,611,571,746
Segment liabilities	P 4,274,811,836	P 11,285,722	P 107,550,488	P 369,718,650	P -	P 4,763,366,696
OTHER SEGMENT INFORMATION						
Project and capital expenditures	P 514,919,401	P 3,172,983	P 32,011,626	P 13,480,952	P -	P 563,584,962
Depreciation and amortization	5,623,275	4,954,526	6,012,532	7,343,675	-	23,934,008

2010

	Real Estate	Rental	Maintenance Services	Corporate and Others	Elimination	Consolidated
TOTAL REVENUES						
Sales to external customers	P 385,761,318	P 32,415,657	P 101,409,733	P 146,202,723	P -	P 665,789,431
Intersegment sales	-	8,991,296	-	-	(8,991,296)	-
Total revenues	P 385,761,318	P 41,406,953	P 101,409,733	P 146,202,723	(P 8,991,296)	P 665,789,431
RESULTS						
Segment results	P 91,577,114	P 20,554,461	P 18,948,779	P 37,555,620	P -	P 168,635,975
Unallocated expenses						(151,383,609)
Income from operations						17,252,366
Interest income	-	-	-	110,952,770	-	110,952,770
Finance costs	-	-	-	(409,978,034)	-	(409,978,034)
Equity in net losses of associates	-	-	-	(7,108,147)	-	(7,108,147)
Foreign currency gains – net	-	-	-	108,079,588	-	108,079,588
Loss before tax						180,801,457
Tax income						27,531,821
Net loss before non-controlling interest						153,269,636
Non-controlling interest share in net loss						(24,483,507)
Net loss attributable to parent company's shareholders						P 128,786,129
ASSETS AND LIABILITIES						
Segment assets	P 11,424,559,351	P 255,152,864	P 101,671,924	P 1,192,246,749	P -	P12,973,630,888
Investments in and advances to associates and other related parties	-	-	-	2,008,732,471	-	2,008,732,471
Unallocated assets	-	-	-	322,804,618	-	322,804,618
Total assets	P 11,424,559,351	P 255,152,864	P 101,671,924	P 3,523,783,838	P -	P15,305,167,977
Segment liabilities	P 6,137,248,400	P 9,242,129	P 84,734,050	P 539,010,444	P -	P 6,770,235,023
OTHER SEGMENT INFORMATION						
Project and capital expenditures	P 109,406,483	P 462,494	P 3,838,702	P 1,915,882	P -	P 115,623,562
Depreciation and amortization	5,296,712	4,742,161	7,012,532	8,065,246	-	25,116,651

2009

	Real Estate	Rental	Maintenance Service	Corporate and Others	Elimination	Consolidated
TOTAL REVENUES						
Sales to external customers	P 388,469,249	P 16,985,120	P 92,234,564	P 220,948,876	P -	P 718,637,809
Intersegment sales	-	8,679,478	-	-	(8,679,478)	-
Total revenues	P 388,469,249	P 25,664,598	P 92,234,564	P 220,948,876	(P 8,679,478)	P 718,637,809
RESULTS						
Segment results	P 46,480,625	P 5,055,947	P 2,241,068	(P 38,011,727)	P -	P 15,765,913
Unallocated expenses						(25,438,484)
Income from operations						(9,672,571)
Interest income	-	-	-	187,760,042	-	187,760,042
Finance costs	-	-	-	(308,584,458)	-	(308,584,458)
Equity in net losses of associates	-	-	-	(757,781)	-	(757,781)
Foreign currency gains – net	-	-	-	3,660,738	-	3,660,738
Loss before tax						127,594,030
Tax expense						68,637,524
Net loss before non-controlling interest						196,231,554
Non-controlling interest share in net loss						(32,053,445)
Net loss attributable to parent company's shareholders						P 164,178,109
ASSETS AND LIABILITIES						
Segment assets	P 10,613,628,167	P 261,377,004	P 99,492,383	P 1,238,578,539	P -	P12,213,076,093
Investments in and advances to associates and other related parties	-	-	-	2,279,753,625	-	2,279,753,625
Unallocated assets	-	-	-	273,003,101	-	273,003,101
Total assets	P 10,613,628,167	P 261,377,004	P 99,492,383	P 3,791,335,265	P -	P14,765,832,819
Segment liabilities	P 5,414,223,666	P 11,334,514	P 148,316,682	P 503,612,448	P -	P 6,077,487,309
OTHER SEGMENT INFORMATION						
Project and capital expenditures	P 44,668,162	P 1,203,562	P 2,562,344	P 2,189,444	P -	P 50,623,512
Depreciation and amortization	5,936,267	5,326,588	12,012,532	9,312,403	-	32,587,790

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components as of September 30:

	2011	2010	2009
Cash on hand and in banks	**P 203,378,187**	P 81,957,165	P 110,781,512
Short-term placements	**1,581,319,182**	-	82,186,284
	P 1,784,697,369	P 81,957,165	P 192,967,796

Cash in banks and short-term placements generally earn interest at rates based on daily bank deposit rates. Short-term placements are made for varying periods between 30 to 70 days and earn effective interest ranging from 1% to 5% in 2011 and 2009.

6. TRADE AND OTHER RECEIVABLES

This account is composed of the following:

	2011	2010 (As Restated - see Note 23.3)	2009 (As Restated - see Note 23.3)
Current:			
Installment contract receivables	**P 1,571,899,683**	P 1,076,766,696	P 514,819,223
Advances to contractors and suppliers	**223,099,488**	198,665,586	200,392,595
Advances to officers and employees (see Note 22.4)	**42,104,266**	51,694,555	45,004,485
Advances to raw landowners	**23,283,098**	23,283,098	23,283,098
Others	**72,279,958**	64,076,837	52,670,121
	1,932,666,493	1,414,486,772	836,169,522
Allowance for impairment	**(535,000,577)**	(524,650,841)	(514,604,435)
	1,397,665,916	889,835,931	321,565,087
Non-current			
Installment contract receivables	**399,105,492**	789,325,415	247,764,143
Unearned discount and interest	**(37,512,931)**	(41,862,767)	(41,997,043)
	361,592,561	747,462,648	205,767,100
	P 1,759,258,477	P 1,637,298,579	P 527,332,187

Installment contract receivables represent receivables from sale of real estate and resort shares for sale and normally collectible monthly without interest. The titles to the real estate and resort shares sold remain with the Group until such receivables are fully collected. The installment period of sales contracts averages from three to five years.

Installment contract receivables are noninterest-bearing and are measured at amortized cost using the effective interest method based on the interest rate of comparable financial instruments in the market. To appropriately recognize long-term, noninterest-bearing installment contract receivables at amortized cost using the effective interest method, the Group restated its consolidated financial statements to record the discount on installment contract receivables amounting to P41.9 million, P42.0 million and P42.1 million as of October 1, 2010, 2009 and 2008 (see Note 23.3). Interest income from amortization amounted to P4.4 million in 2011, P0.1 million in 2010 and nil in 2009. These amounts are presented as part of Finance Income under the Finance and Other Income account in the consolidated statements of comprehensive income (see Note 17).

Advances to contractors and suppliers are noninterest-bearing and pertain to amounts advanced to the Group's contractors and suppliers as downpayment for services to be rendered and goods to be delivered.

Advances to officers and employees are noninterest-bearing, unsecured and settled through salary deduction or liquidation.

Advances to raw landowners are non-interest bearing cash advances pertaining to amounts paid by the Group to certain raw landowners as downpayment for lots to be acquired.

All of the Group's receivables have been reviewed for indicators of impairment. Certain receivables were found to be impaired; hence, adequate amounts of allowance for impairment have been recorded. The additional impairment losses recognized in 2011, 2010 and 2009 amounting to P10.3 million, P10.0 million and P10.0 million, respectively, are presented as Impairment Losses under Finance Costs and Other Charges (see Note 18). A reconciliation of the allowance for impairment at the beginning and end of 2011, 2010 and 2009 is shown below.

	2011	2010 (As Restated - see Note 23.3)	2009 (As Restated - see Note 23.3)
Balance at beginning of year	**P 524,650,841**	P 514,604,435	P 504,572,924
Impairment losses during the year	**10,349,736**	10,046,406	10,031,511
Balance at end of year	**P 535,000,577**	P 524,650,841	P 514,604,435

Based on the current reassessment made by management, impairment losses on certain installment contract receivables amounting to P191.4 million and certain advances to contractors and suppliers amounting to P13.6 million should have been recognized in years prior to 2009 when an objective evidence has been determined at that time that such receivables and advances may no longer be recoverable. Accordingly, the financial statements were restated to recognize these impairment losses (see Note 23.3).

Management also determined in 2011 that impairment losses on the portion of advances to officers and employees amounting to P10.0 million should have been recognized in 2010 when the advances were deemed no longer collectible. Accordingly, the 2010 consolidated financial statements were restated to recognized impairment losses amounting to P10.0 million (see Note 23.3).

The net carrying value of trade and other receivables is considered a reasonable approximation of fair value (see Note 27).

7. REAL ESTATE TRANSACTIONS

7.1 Real Estate and Resort Shares for Sale

The composition of this account is shown below.

	2011	2010 (As Restated - see Note 23.3)	2009 (As Restated - see Note 23.3)
Real estate for sale	**P 4,743,686,909**	P 4,319,536,103	P 4,839,419,524
Golf and resort shares for sale	**2,220,989,437**	2,011,768,046	2,010,149,920
	6,964,676,346	6,331,304,149	6,849,569,444
Allowance for impairment	**(88,411,502)**	(78,207,955)	(65,831,512)
	P 6,876,264,844	P 6,253,096,194	P 6,783,737,932

A reconciliation of the allowance for impairment at the beginning and end of 2011, 2010 and 2009 is shown below.

		2011		2010 (As Restated see Note 23.3)		2009 (As Restated see Note 23.3)
Balance at beginning of year	**P**	**78,207,955**	P	65,831,512	P	48,127,496
Impairment losses during the year		**10,203,547**		12,376,443		17,704,016
Balance at end of year	**P**	**88,411,502**	P	78,207,955	P	65,831,512

Real estate for sale mainly pertains to accumulated costs incurred in developing the Group's horizontal and condominium projects, including capitalized borrowing cost of P9.8 million, P74.8 million and P20.0 million in 2011, 2010 and 2009, respectively. The capitalization rate averaged 3.21% in 2011, 12.0% in 2010 and 12.0% in 2009.

Golf and resort shares for sale comprise of proprietary or membership shares (landowner shares and founders shares) that are of various types and costs. The cost of the landowner resort shares is based on the acquisition and development costs of the land and the project. The cost of the founders shares is based on the par value of the resort shares which is P100.

In previous years, certain real estate for sale were used as loan security to LIM Asia Arbitrage Fund Ltd. (LIM). As of September 30, 2011, the encumbrances on these properties were lifted upon settlement by the Group of its loan obligations (see Note 13).

The additional allowance for impairment recognized in 2011, 2010 and 2009 amounting to P10.2 million, P12.4 million and P17.7 million, respectively, are presented as Impairment Losses under Cost of Real Estate Sales in the consolidated statement of comprehensive income.

Based on its current reassessment, the Group's management believes that impairment losses should have been recognized in years prior to 2009 when the Group has noted objective evidence that the carrying amounts of certain real estate and resort shares for sale are higher than the related net realizable values. Accordingly, the financial statements in prior years were restated to recognize such impairment losses on real estate and resort shares for sale amounting toP46.4 million (see Note 23.3).

Moreover, management determined that the previously reported balances of real estate and resort shares for sale account were understated by P18.1 million, P7.1 million and P4.4 million as of October 1, 2010, 2009 and 2008, respectively, compared to the appropriate balances in accordance with the Group's policy on recognizing sales based on the projects' percentage of completion. As such, the prior year financial statements were restated to reflect this correction (see Note 23.3).

Furthermore, as reassessed by management in 2011, the correction in the application of the Group's revenue recognition policy based on percentage-of-completion also resulted in the retrospective adjustment of the overstatement in unearned revenues amounting to P23.6 million in years prior to 2009 pertaining to completed projects at that time (see Note 23.3). The realized gross profit previously reported in 2010, 2009 and 2008 were also retrospectively adjusted to correct the overstatement of realized gross profit on those years amounting to P9.6 million, P4.9 million and P23.2 million, respectively.

7.2 *Property Development Costs*

Property development costs include on-going costs incurred by the Group for its own projects. Also included in this account are the costs incurred by the Group for the joint development of various projects that are treated as jointly controlled operations; there were no separate entities created by these joint venture agreements. Joint ventures are project agreements with different venture partners. These joint ventures represents the amount of investments placed by the Group as original investor/developer or as assigned/transferred to the Group associates or by related parties who were the original investors/developers in the project agreement with the following carrying values:

	2011	2010	2009
High-rise projects	**P 689,537,519**	P 657,007,929	P 510,182,077
Nasugbu	**273,328,293**	273,328,293	273,328,293
Laurel, Batangas	**101,226,194**	101,226,194	101,226,194
Boracay terraces resort	**44,070,282**	44,070,282	44,070,282
R5000	**49,650,840**	49,650,840	49,650,840
Olango Bay Project	**6,200,000**	6,200,000	6,200,000
CJDEVCO	**3,900,000**	3,900,000	3,900,000
	P 1,167,913,128	P1,135,383,538	P 988,557,686

In 2011, FEPI agreed to enter in a joint venture/co-development agreement with Suntrust Properties, Inc. (SPI), a related party whose ultimate parent is also AGI. Under the terms of the agreement FEPI shall transfer the right to complete a mixed-used, high-rise, commercial and residential condominium located at Diliman, Quezon City to SPI for a consideration. FEPI shall receive from SPI an upfront non-refundable cash consideration amounting to P93.5 million. Also FEPI will share in the sales proceeds of the project based on agreed terms. The upfront non-refundable cash consideration is presented as part of Income from Assignment of Developmental Rights in the 2011 consolidated statement of comprehensive income.

8. PREPAYMENTS AND OTHER CURRENT ASSETS

The composition of this account is shown below.

	2011	2010 (As Restated - see Note 23.3)	2009 (As Restated - see Note23.3)
Input tax	**P 184,098,418**	P 147,452,577	P 123,836,974
Creditable withholding tax	**92,005,520**	79,138,124	77,942,632
Deferred commission	**60,905,115**	85,253,278	119,853,924
Others	**34,072,951**	50,730,666	60,738,594
	P 371,082,004	P 362,574,645	P 382,372,124

Deferred commission represents commission advanced to the agents of the Group for the sale of real estate inventory that are to be realized as incurred in proportion with the Installment Contract Receivables using the percentage of completion method.

Based on the current review by management of the balance of deferred commission account, portion of the account should have been expensed out in prior years on the basis of the percentage-of-completion method of the related projects. Accordingly, prior year adjustments were made to appropriately reduce the balance of Deferred Commission by P90.5 million, P89.4 million and P88.9 million as of October 1, 2010, 2009 and 2008, respectively (see Note 23.3).

Also, based on management's reassessment in 2011, certain portion of other current assets amounting to P42.0 should have been written off in 2010, when the Group has noted that such assets are no longer recoverable (see Note 23.3).

9. ADVANCES TO REAL ESTATE PROPERTY OWNERS

This account represents advances to real estate property owners and charges in connection with various project agreements entered into by the Group. The terms of the agreements provide that the Group will undertake the improvement, subdivision and development of the properties. The agreements further stipulate that the Group and the property owners share either in the form of the developed real estate properties or upon collection of sales proceeds using certain pre-agreed sharing ratios. Collections of the advances from the said property owners are generally received upon sale of property owners' shares in the project.

The details of the account are as follows as of September 30:

	Note	**2011**	2010	2009
Advances to joint ventures		**P 726,409,503**	P 741,880,480	P 731,223,425
Advances to landowners		**158,496,564**	158,376,564	158,399,594
Advances to other realty companies		**235,876,451**	187,491,280	353,786,658
		1,120,782,518	1,087,748,324	1,243,409,677
Unearned discount and interest	17	**(148,480,668)**	(210,627,827)	(272,774,985)
		P 972,301,850	P 877,120,497	P 970,634,692

Amortization of deferred interest amounting to P62.2 million in 2011, 2010 and 2009 were presented as part of Finance Income under Finance and Other Income account in the consolidated statement of comprehensive income (see Note 17).

Based on the current reassessment of management, advances to lot owners that were determined to be no longer collectible should have been written off in 2010. The consolidated financial statements in prior years were restated to recognize the write off in 2010 of advances to real property owners amounting to P24.9 million (see Note 23.3).

All of the Group's advances have been reviewed for indicators of impairment. Based on management's evaluation, no impairment loss needs to be recognized in 2011, 2010 and 2009.

10. INVESTMENTS IN ASSOCIATES

The components of the carrying values of investments in associates accounted for under the equity method are as follows:

	2011	2010	2009
Acquisition costs:			
NPI	**P 734,396,528**	P 734,396,528	P 734,396,528
FERC	**28,000,000**	28,000,000	28,000,000
FENI	**10,000,003**	10,000,003	10,000,003
FESI	**7,808,360**	7,808,360	7,808,360
FERSAI	**4,000,000**	4,000,000	4,000,000
OPI	**3,125,225**	-	-
	787,330,116	784,204,891	784,204,891
Accumulated equity share in net losses:			
Balance at beginning of year	**26,353,574**	19,245,427	18,487,646
Equity in net losses for the year	**8,621,107**	7,108,147	757,781
Balance at end of year	**34,974,681**	26,353,574	19,245,427
	P 752,355,435	P 757,851,317	P 764,959,464

FEPI also has 15% equity investment in MRT Development Corporation amounting to P169.9 million but it was derecognized when there was an objective evidence that it is no longer recoverable.

The aggregated amounts of assets, liabilities and net profit (loss) of the associates are as follows:

	Assets	**Liabilities**	**Revenues**	**Net Profit (Loss)**
2011:				
NPI	P 1,325,049,848	P 1,315,149,848	P -	P -
FERC	373,125,164	427,591,626	4,869,737	(9,594,150)
FERSAI	155,357,445	149,006,025	5,489,074	(20,748,792)
FESI	145,640,573	40,117,440	20,872,124	(3,288,191)
OPI	120,720,311	115,735,187	-	(1,265,326)
FENI	101,122,956	101,593,862	10,867,204	(9,474,402)
	P 2,221,016,297	**P 2,149,193,988**	**P 42,098,139**	**(P 44,370,861)**
2010:				
NPI	P 1,295,049,848	P 1,285,049,848	P -	P -
FENI	109,916,817	100,919,314	5,111,391	(6,011,779)
FERC	375,701,043	408,732,203	8,878,963	(12,496,639)
FERSAI	159,503,641	147,822,568	5,850,077	(15,419,139)
FESI	186,951,082	152,297,133	36,769,960	(4,004,809)
	P 2,127,122,431	P 2,094,821,066	P 56,610,391	(P 37,932,366)

	Assets	Liabilities	Revenues	Net Profit (Loss)
2009:				
NPI	P 1,295,049,848	P 1,285,049,848	P -	P -
FENI	109,800,012	94,790,730	19,433,464	3,255,696
FERC	327,015,599	258,896,610	13,485,246	(9,131,538)
FERSAI	159,328,380	132,228,168	7,937,689	(5,416,877)
FESI	186,515,273	147,856,515	49,201,041	1,217,001
	P 2,077,709,112	P 1,918,821,871	P 90,057,440	(P 10,075,718)

Based on the assessment of the management, the investments in associates were not impaired due to the active efforts of the Group to raise funds in order to push through with the projects.

11. INVESTMENT PROPERTIES

The Group's investment properties include a building and several parcels of land which are owned to earn rental income or for capital appreciation or for both. The gross carrying amounts and accumulated depreciation at the beginning and end of 2011, 2010 and 2009 are shown below.

	Building and Improvements	Land and Land Development and Improvements	Total (As Restated - see Note 23.3)
September 30, 2011			
Cost	P 314,354,529	P 250,960,932	P 565,315,461
Accumulated depreciation and amortization	(229,272,084)	(130,067,940)	(359,340,024)
Net carrying value	**P 85,082,445**	**P 120,892,992**	**P 205,975,437**
September 30, 2010			
Cost	P 314,354,529	P 295,196,393	P 609,550,922
Accumulated depreciation and amortization	(226,262,822)	(128,135,236)	(354,398,058)
Net carrying value	P 88,091,707	P 167,061,157	P 255,152,864
Land and Total			
September 30, 2009			
Cost	P 314,354,529	P 295,196,393	P 609,550,922
Accumulated depreciation and amortization	(222,336,215)	(125,837,703)	(348,173,918)
Net carrying value	P 92,018,314	P 169,358,690	P 261,377,004

A reconciliation of the carrying amounts at the beginning and end of 2011, 2010 and 2009 of investment properties is shown below.

	Building and Improvements	Land and Land Development and Improvements	Total (As Restated - see Note 23.3)
Balance at October 1, 2010, net of accumulated depreciation and amortization	P 88,091,707	P 167,061,157	P 255,152,864
Addition	-	3,512,539	3,512,539
Reclassifications	-	(44,548,000)	(44,548,000)
Disposals	-	(3,200,000)	(3,200,000)
Depreciation and amortization charges for the year	(3,009,262)	(1,932,704)	(4,941,966)
Balance at September 31, 2011, net of accumulated depreciation and amortization	**P 85,082,445**	**P 120,892,992**	**P 205,975,437**
Balance at October 1, 2009, net of accumulated depreciation and amortization	P 92,018,314	P 169,358,690	P 261,377,004
Depreciation and amortization charges for the year	(3,926,607)	(2,297,533)	(6,224,140)
Balance at September 31, 2010, net of accumulated depreciation and amortization	P 88,091,707	P 167,061,157	P 255,152,864
Balance at October 1, 2008, net of accumulated depreciation and amortization	P 96,842,555	P 171,994,503	P 268,837,058
Depreciation and amortization charges for the year	(4,824,241)	(2,635,813)	(7,460,054)
Balance at September 31, 2009, net of accumulated depreciation and amortization	P 92,018,314	P 169,358,690	P 261,377,004

Rental revenues recognized for the years ended September 30, 2011, 2010 and 2009 amounted to P37.0 million, P32.4 million and P17.0 million, respectively, and are presented as part of Rental Income in the consolidated statements of comprehensive income. Depreciation charges substantially represent the major direct costs in leasing these properties.

The fair value of building and improvements amounted to P105.0 million, P103.0 million and and P101.0 million as of September 30, 2011, 2010 and 2009, respectively as determined by reference to similar properties within the area where the building is situated. The fair market values of land and land improvements amounted to P138.0 million, P97.2 million and P97.2 million as of September 30, 2011, 2010 and 2009, respectively. These are determined by reference to current prices for similar properties in the same location and condition as of the end of the reporting period.

12. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization at the beginning and end of 2011, 2010 and 2009 are shown below.

	Land	Building	Office Furniture, Fixtures and Equipment	Transportation and Other Equipment	Office Improvement	Total (As Restated - see Note 23.3)
September 30, 2011						
Cost	P 1,750,000	P 679,827,514	P 53,658,735	P 17,245,028	P 3,852,681	P 756,333,958
Accumulated depreciation and amortization	-	(198,125,205)	(47,552,749)	(12,485,758)	(2,390,678)	(260,554,390)
Net carrying amount	**P 1,750,000**	**P 481,702,309**	**P 6,105,986**	**P 4,759,270**	**P 1,462,003**	**P 495,779,568**
September 30, 2010						
Cost	P 150,000	P 539,374,383	P 49,480,458	P 13,485,336	P 2,417,289	P 604,907,466
Accumulated depreciation and amortization	-	(180,607,541)	(46,823,118)	(12,035,572)	(2,275,389)	(241,741,620)
Net carrying amount	P 150,000	P 358,766,842	P 2,657,340	P 1,449,764	P 141,900	P 363,165,846
September 30, 2009						
Cost	P 150,000	P 539,374,383	P 51,200,281	P 13,872,111	P 2,380,687	P 606,977,462
depreciation and amortization	-	(163,991,595)	(46,521,512)	(12,018,124)	(2,235,928)	(224,767,159)
Net carrying Accumulated amount	P 150,000	P 375,382,788	P 4,678,769	P 1,853,987	P 144,759	P 382,210,303

A reconciliation of the carrying amounts at the beginning and end of 2011, 2010 and 2009 of property and equipment is shown below.

	Land	Building	Office Furniture, Fixtures and Equipment	Transportation and Other Equipment	Office Improvement	Total (As Restated - see Note 23.3)
Balance at October 1, 2010, net of accumulated depreciation and amortization	P 150,000	P 358,766,842	P 2,657,340	P 1,449,764	P 141,900	P 363,165,846
Additions	-	400,000	4,214,006	4,169,692	1,435,392	10,219,090
Disposals	-	-	(21,833)	(244,625)	-	(266,458)
Reclassifications	1,600,000	140,053,132	-	-	-	141,653,132
Depreciation and amortization charges for the year	-	(17,517,665)	(743,527)	(615,561)	(115,289)	(18,992,042)
Balance at September 30, 2011, net of accumulated depreciation and amortization	**P 1,750,000**	**P 481,702,309**	**P 6,105,986**	**P 4,759,270**	**P 1,462,003**	**P 495,779,568**

	Land	Building	Office Furniture, Fixtures and Equipment	Transportation and Other Equipment	Office Improvement	Total (As Restated - see Note 23.3)
Balance at January 1, 2009, net of accumulated depreciation and amortization	P 150,000	P 375,382,788	P 4,678,768	P 1,853,987	P 144,759	P 382,210,302
Additions	-	-	33,400	110,357	36,602	180,359
Disposals	-	-	(332,304)	-	-	(332,304)
Depreciation and amortization charges for the year	-	(16,615,946)	(1,722,524)	(514,580)	(39,461)	(18,892,511)
Balance at September 30, 2010 net of accumulated depreciation and amortization	P 150,000	P 358,766,842	P 2,657,340	P 1,449,764	P 141,900	P 363,165,846
Balance at October 1, 2008, net of accumulated depreciation and amortization	P 150,000	P 392,023,474	P 5,158,261	P 1,952,392	P 36,423	P 399,320,550
Additions	-	-	7,665,800	410,000	123,737	8,199,537
Disposals	-	-	-	(182,048)		(182,048)
Depreciation and amortization charges for the year	-	(16,640,686)	(8,145,293)	(326,357)	(15,400)	(25,127,736)
Balance at September 30, 2009 net of accumulated depreciation and amortization	P 150,000	P 375,382,788	P 4,678,768	P 1,853,987	P 144,759	P 382,210,303

Management reviewed the composition of its property and equipment and determined that certain portion should have been classified as part of Real Estate and Resort Shares for Sale since the cost forms part of the development of a particular project. This resulted to a retrospective adjustment to decrease the balance of Accumulated Depreciation and Amortization account by P54.5 million, P46.6 million and P38.8 million as of October 1, 2010, 2009 and 2008, respectively (see Note 23.3).

13. LOAN AND MORTGAGE PAYABLE

Loan and mortgage payable pertained to a $12.5 million dollar loan facility from the Omnibus Agreement with LIM which was paid in full in 2011. The loan was intended to fund the development of the Group's real estate projects. Certain properties were used as security on drawdowns of the Group (see Note 7).

Interest on this loan amounted to P27.3 million, P30.1 million and P32.7 million in 2011, 2010 and 2009, respectively, and are shown as part of Finance Costs under Finance Costs and Other Charges in the statement of comprehensive income (see Note 18).

14. BONDS PAYABLE

On September 14, 2007, the Company entered into a Convertible Bonds Issuance Facility Agreement with LIM, the Hong Kong and Shanghai Banking Corporation Limited Manila (trustee), Banco de Oro Trust Banking Group (transfer agent) and LIM Advisors Limited (arranger) whereby the Group intends to issue a five-year and one-day fixed rate convertible bonds with a face value of up to $25.0 million.

Pursuant to the Convertible Bonds Issuance Facility Agreement, the first tranche and second tranche, both amounting to $12.5 million each, were issued on November 8, 2007 and January 18, 2008, respectively. The bonds which were issued at par, bear annual interest of 4.0% and due in five years and one day from date of issuance. The proceeds of the bond issuance were intended to be used by the Group to finance their working capital and real estate development projects.

Each convertible bond may be converted into capital shares of the Company at P1.50 per share. The convertible bonds may either be redeemed at the option of the Company or LIM.

In fiscal year 2010, the Company offered for an early redemption of the convertible bonds, to which LIM agreed subject to the terms of the early redemption and bond repayment agreement, and an interest of 2% per annum. However, the bonds, inclusive of all accrued interest, were fully paid only on February 1, 2011. The outstanding balances of the bonds as of September 30, 2010 and 2009 amounted to P1,097.4 million and P1,189.8 million, respectively. The interest charges arising from these bonds amounted to P103.9 million, P269.4 million and P233.7 million in 2011, 2010 and 2009, respectively and are shown as part of Finance Costs under Finance Costs and Other Charges in the statements of comprehensive income (see Note 18).

15. TRADE AND OTHER PAYABLES

This account consists of:

	Note	2011	2010 (As Restated see Note 23.3)	2009 (As Restated see Note 23.3)
Trade payables		**P 1,066,922,511**	P 852,903,124	P 564,362,229
Liabilities for land acquisition		**325,981,503**	-	-
Payable to landowners		**166,357,420**	159,343,027	159,343,027
Payable to buyers		**64,859,600**	91,702,377	89,221,829
Accrued expenses		**82,283,075**	13,654,026	22,832,454
Withholding tax payable		**8,250,620**	124,431,387	70,407,376
Accrued interest	14	**-**	457,074,844	279,785,377
Others		**196,906,936**	252,106,572	18,648,251
		P 1,911,561,665	P 1,951,215,357	P 1,204,600,543

Liabilities for land acquisition represent the unpaid portion of land for future development acquired by the Group.

Other payables consist primarily of accrual of salaries and wages and utilities.

Due to their short duration, the carrying amounts of current trade and other payables recognized in the statements of financial position are considered by management to be a reasonable approximation of fair value.

In 2009, Trade and Other Payables included a liability for collection of an unconsolidated related party's receivables assigned to the FEUDC amounting to P17.5 million. However, based on management's reassessment in 2011, the amount was inadvertently recognized as a liability and should have been taken up as revenue as the assigned receivables represent compensation for the FEUDC's development of the related party's projects. Accordingly, the financial statements in prior years were restated to recognize such revenue and to derecognize such liability amounting to P17.5 million as of October 1, 2010 and 2009 (see Note 23.3).

16. DUE TO JOINT VENTURE PARTNERS

This account represents the share of joint venture (JV) partners on sale of certain projects in accordance with various JV agreements entered into by the Group.

The details of the account as of September 30 are as follows:

	2011	2010 (As Restated - see Note 23.3)	2009 (As Restated - see Note 23.3)
Due to golf share partners	**P 256,622,894**	P 256,622,894	P 256,472,894
Due to lot owners	**67,788,065**	67,788,065	67,788,065
	324,410,959	324,410,959	324,260,959
Deferred interest expense	**(134,823,594)**	(154,671,602)	(174,519,609)
	P 189,587,365	P 169,739,357	P 149,741,350

Amortization of deferred interest amounting to P19.8 million in 2011, 2010 and 2009, is presented as part of Finance Cost under Finance Costs and Other Charges in the consolidated statements of comprehensive income (see Note 18).

17. FINANCE AND OTHER INCOME

Presented below are the details of this account.

	Notes	2011	2010 (As Restated see Note 23.3)	2009 (As Restated see Note 23.3)
Finance income	6, 9	**P 139,635,283**	P 110,952,770	P 187,760,042
Guarantee income	22	**50,000,000**	-	-
Foreign currency gains - net		**275,287**	108,079,588	3,660,738
Miscellaneous		**22,102,735**	37,641,844	26,700,416
		P 212,013,305	P 256,674,202	P 218,121,196

18. FINANCE COSTS AND OTHER CHARGES

Presented below are the details of this account.

	Notes	2011	2010 (As Restated see Note 23.3)	2009 (As Restated see Note 23.3)
Finance costs	13, 14, 16	**P 183,517,312**	P 382,386,456	P 286,209,569
Impairment losses on trade and other receivables	6	**10,349,736**	10,046,406	10,031,511
Miscellaneous		**9,644,891**	17,545,172	12,343,378
		P 203,511,939	P 409,978,034	P 308,584,458

19. OPERATING EXPENSE BY NATURE

Presented below are the details of this account.

	Notes	2011	2010 (As Restated see Note 23.3)	2009 (As Restated see Note 23.3)
Cost of real estate sales		**P 142,739,219**	P 129,290,415	P 219,032,930
Taxes and licenses		**112,554,176**	18,928,070	23,571,196
Salaries and employee benefits	20.1	**75,835,996**	107,944,012	98,549,171
Professional fees and outside services		**59,656,600**	73,444,442	57,137,966
Utilities and supplies		**26,285,748**	32,360,914	9,530,978
Depreciation and amortization	11, 12	**23,934,008**	25,116,651	32,587,790
Loss on refund		**21,777,361**	26,810,548	20,857,946
Rent		**13,492,437**	16,610,811	12,922,802
Transportation		**10,647,874**	13,108,812	8,767,589
Impairment losses on real estate and resort shares for sale	7	**10,203,547**	12,376,443	17,704,016
Representation		**9,154,063**	11,269,752	10,198,333
Advertising and promotions		**6,894,023**	8,487,371	3,395,929
Repairs and maintenance		**3,733,346**	4,596,197	3,575,728
Communication		**2,573,031**	3,167,710	2,464,400
Gas and oil		**2,170,661**	2,672,344	2,079,018
Miscellaneous		**31,635,390**	39,132,316	11,686,128
		P 553,287,480	P 525,316,808	P 534,061,920

These expenses are classified in the statement of comprehensive income as follows:

		2011		2010 (As Restated see Note 23.3)		2009 (As Restated see Note 23.3)
Operating expenses	**P**	**335,019,369**	P	346,314,312	P	269,814,670
Cost of real estate sales		**142,739,219**		129,290,415		219,032,930
Cost of services		**75,528,892**		49,712,081		45,214,320
	P	**553,287,480**	P	525,316,808	P	534,061,920

20. EMPLOYEE BENEFITS

20.1 Salaries and Employee Benefits

Expenses recognized for salaries and employee benefits are presented below (see Note 19).

		2011		2010		2009
Salaries and wages	**P**	**56,659,746**	P	100,776,863	P	91,510,335
Post-employment benefits		**19,176,250**		7,167,149		7,038,836
	P	**75,835,996**	P	107,944,012	P	98,549,171

20.2 Post-employment Benefits

The Group has an unfunded, non-contributory defined benefit plan covering all regular employees. The plan provides for lump-sum benefits equivalent to 85% to 150% of the employee's monthly salary for every year of service depending on the number of years of service. The normal retirement age is 60 years old and applicable upon completion of five years of faithful and continuous service to the Group. However, an employee who attains the age of 50 with the completion of no less than 10 years of service; or upon completion of 15 years of service and opts for an early retirement is likewise entitled to the same benefits.

The amounts of retirement benefit obligation, presented as non-current liability in the statements of financial position, are determined as follows:

		2011		2010		2009
Present value of the obligation	**P**	**43,982,504**	P	50,966,535	P	50,839,336
Unrecognized actuarial losses (gains)		**14,107,561**		12,271,859		12,399,058
	P	**58,090,065**	P	63,238,394	P	63,238,394

The amounts of post-employment benefit recognized in the statements of income are as follows:

	2011	2010	2009
Current service cost	**P 1,745,179**	P 13,226,665	P 13,226,665
Interest cost	**3,372,549**	1,064,063	1,068,216
Net actuarial losses (gains) recognized during the year	**(404,886)**	(2,579,479)	(2,606,339)
Effects of settlement/curtailment	**14,463,408**	(4,544,100)	(4,649,706)
	P 19,176,250	P 7,167,149	P 7,038,836

In determining the amount of retirement benefit obligation, the following actuarial assumptions were used in 2011, 2010 and 2009:

	2011	2010	2009
Discount rates	**7.3%**	8.0%	10.5%
Expected rate of salary increase	**3.0%**	3.0%	3.0%

Assumptions regarding future mortality are based on published statistics and mortality tables. The average life expectancy of an individual retiring at the age of 65 is 27 years for both males and females.

21. TAXES

21.1 Current and Deferred Tax

For the years ended September 30, 2010 and 2009, the Group had tax income of P27.5 million and tax expense of P68.6 million, respectively. For the year ended September 30, 2011, the components of tax expense as reported in the 2011 consolidated statement of comprehensive income are as follows:

Current tax expense	
Final tax at 20%	P 16,200,750
Minimum corporate income tax (MCIT) at 2%	7,216,886
	23,417,636
Deferred tax expense relating to origination and reversal of temporary differences	22,189,970
	P 45,607,606

A reconciliation of tax on pretax profit computed at the applicable statutory rates to income tax expense reported in the 2011 consolidated statement of comprehensive income is as follows:

Tax on pretax profit at 30%	P 34,390,590
Adjustment for income subjected to lower income tax rates	(6,440,701)
Non-taxable income	(13,313,044)
Non-deductible expenses	7,671,592
Non-deductible interest expense	2,948
Unrecognized deferred tax assets	22,504,523
Expired deferred tax assets	791,698
	P 45,607,606

As of September 30, 2010 and 2009, the Group's net deferred tax liabilities amounted to P87.7 million and P154.1 million, respectively. As of September 30, 2011, the net deferred tax liabilities as of September 30, 2011 relate to the following:

Deferred tax liabilities:	
Unrealized gross profit on real estate sales	P 226,325,352
Capitalized interest	167,901,377
Deferred commission	18,271,535
Unrealized foreign currency gains	3,266,662
	415,764,926
Deferred tax assets:	
Allowance for impairment	141,486,275
NOLCO	169,919,369
MCIT	17,747,590
Retirement benefit obligation	11,084,036
	340,237,270
Deferred tax liabilities - net	**P 75,527,656**

The details of NOLCO, which can be claimed as deduction from the respective entities' future taxable income within three years from the year the loss was incurred, are shown below.

Year Incurred	Amount	Used	Balance	Expiry Date
2011	P 12,221,017	P -	P 12,221,017	2014
2010	641,148,319	-	641,148,319	2013
2009	65,472,041	20,980,500	44,491,541	2012
	P 718,841,377	P 20,980,500	P 697,860,877	

The Group is subject to the MCIT which is computed at 2% of gross income, as defined under the tax regulations. The details of MCIT, which can be applied as deduction from the entities' respective future regular income tax payable within three years from the year the MCIT was paid, are shown below.

Year Incurred	Amount	Expiry Date
2011	P 9,993,717	2014
2010	8,981,029	2013
2009	822,687	2012
	P 19,797,433	

Majority of the entities within the Group are subject to the MCIT which is computed at 2% of gross income, as defined under the tax regulations.

Certain subsidiaries within the Group did not recognize the deferred tax assets on their NOLCO and MCIT in accordance with relevant accounting standards.

Management has assessed that for other entities in the Group the net losses incurred, as well as the related NOLCO, can be recovered through future operations of the Group.

21.2 Optional Standard Deduction

Effective July 2008, Republic Act (RA) 9504 was approved giving corporate taxpayers an option to claim itemized deductions or optional standard deduction (OSD) equivalent to 40% of gross sales. Once the option to use OSD is made, it shall be irrevocable for that particular taxable year.

In 2011, 2010 and 2009, the Group opted to continue claiming itemized deductions.

21.3 Change in Applicable Tax Rate

In accordance with RA 9337, RCIT rate was reduced from 35% to 30% and nonallowable deductions for interest expense from 42% to 33% of interest income subjected to final tax effective January 1, 2009.

21.4 Tax Effect of Prior Period Adjustments

The retrospective adjustments mentioned in Note 23.3 resulted to a net adjustment to tax expense in prior years, including the derecognition of the previously recognized deferred tax assets of P121.2 million, P176.1 million and P160.7 million as of October 1, 2010, 2009 and 2008, respectively (see Note 23.3).

22. RELATED PARTY TRANSACTIONS

The Group's related parties include its associates, stockholders, entities owned by certain stockholders the Company's key management personnel and others as described below.

Transactions with related parties are also discussed below.

22.1 Rentals

	Amount of Transactions		
	2011	2010	2009
Associates	**P 5,246,590**	P 4,542,429	P 4,007,604
Other related parties	**3,158,725**	2,917,885	2,120,436
	P 8,405,315	P 7,460,314	P 6,128,040

The resulting receivables from these transactions amounted to P8.4 million, P7.5 million, and P6.1 million as of September 30, 2011, 2010 and 2009 respectively and are presented under Trade and Other Receivables in the statement of financial position.

22.2 Memorandum of Agreement with CJH Development Corporation

On July 1, 2008, the Company and FEUDC entered into a Memorandum of Agreement (MOA) with CJDEVCO. The MOA was entered into by the parties for the completion of the development of Camp John Hay Suites and Forest Cabins. CJDEVCO shall contribute leasehold rights over the projects and technical data undertaken in relation to the projects. FEUDC shall finance the completion of the projects and shall assume CJDEVCO's specific development obligations with respect to the projects while the Company shall guarantee the funding necessary to complete the projects by drawdowns from LIM bonds (see Note 14).

By virtue of the MOA and in consideration of the guarantee of the Company, CJDEVCO assigned to the Company the rights to construct the buildings for leisure homes over certain lots and rights to another development agreement previously entered into by CJDEVCO with a landowner including the right to be reimbursed for advances made to the landowner amounting to P50.0 million. The assigned development agreement with the landowners did not push through. In 2011, in accordance with the MOA, the landowners instead refunded to the Company the P50.0 million advances previously given to them by CJDEVCO. The Company recorded the amount it received as Guarantee Income and shown as part of Finance and Other Income account (see Note 17).

22.3 Deed of Assignment

In June 2011, FEPI has agreed to assign to Empire East Land Holdings, Inc. (EELHI), a related party under common ownership, the right to develop the Pioneer lot project known as the "Central Park Place." In consideration of the assignment, EELHI, shall pay FEPI a non-refundable cash consideration amounting to P60.0 million. The non-refundable cash consideration is presented as part of Income from Assignment of Development Rights in the 2011 consolidated statement of comprehensive income.

22.4 Advances to Related Parties

The Group grants advances to its associates and other related parties for working capital purposes. These transactions and advances to Related parties are unsecured and are due and demandable any time. These advances are generally settled in cash. The balances of these advances, shown as Advances to Related Parties account in the statement of financial position, as of September 30 are as follows:

	2011	2010 (As Restated - see Note 23.3)	2009 (As Restated - see Note 23.3)
Associates	**P 215,904,195**	P 105,409,663	P 104,650,031
Other related parties	**525,848,631**	1,145,471,491	1,410,144,130
	P 741,752,826	P 1,250,881,154	P 1,514,794,161

The details of advances to related parties as of September 30, 2011 are as follows:

Associates:	
OPI	P 111,907,496
FESI	33,813,076
FENI	31,568,725
FERSAI	24,755,873
FERC	13,859,025
	215,904,195
Other Related Parties:	
Fil-Estate Development, Inc.	322,461,239
Fairways and Bluewater Resorts and Country Club	111,261,924
Club Leisure Management, Inc.	48,498,016
Harbor Town Development Corp.	26,133,116
Others	17,494,336
	525,848,631
	P 741,752,826

For the years ended September 30, 2011, 2010 and 2009, the total Advances to Related Parties showed a net collection of P509.1 million, P263.9 million and P0.1 million, respectively.

Based on management's assessment, the Group's advances to related parties are not impaired due to the active efforts of the Group to fund their operations to push through with their respective projects.

The Group has also unsecured and noninterest-bearing outstanding Advances to Officers and Employees which are presented under Trade and Other Receivables (see Note 6) in the consolidated statement of financial position. These are settled through salary deductions or liquidation.

22.5 Advances from Related Parties

Certain expenses of the entities within the Group are paid by other related parties on behalf of the former. These advances are unsecured, non-interest bearing and repayable generally in cash upon demand. The outstanding balances from these transactions are presented as Advances from Other Related Parties account in the consolidated statements of financial position and are broken down as follows:

	2011	2010	2009
Other related parties	**P 339,439,359**	P 821,496,551	P 433,081,411
Associates	**-**	22,886,459	17,988,000
	P 339,439,359	P 844,383,010	P 451,069,411

The details of advances from other related parties as of September 30, 2011 are as follows:

Capitol Plaza	P 167,063,053
R3000	72,896,784
FEMI	30,646,114
Megaworld Corp.	27,715,232
Belvedere	30,333,726
Others	10,784,450
Balance at end of year	**P 339,439,359**

For the years ended September 30, 2011, 2010 and 2009, Advances from Related Parties showed net payments of P504.9 million, net advances of P393.3 million and net advances of P0.2 million, respectively.

22.6 Key Management Personnel Compensations

The Group's key management personnel compensation includes the following:

	2011	2010	2009
Short-term benefits	**P 8,823,400**	P 9,762,325	P 9,462,000
Post-employment benefits	**1,151,950**	2,792,000	3,547,000
	P 9,975,350	P 12,554,325	P 13,009,000

23. EQUITY

Capital stock consists of:

	Shares			Amount		
	2011	2010	2009	**2011**	2010	2009
Common shares – P1 par value						
Authorized	**10,000,000,000**	5,000,000,000	5,000,000,000	**P 10,000,000,000**	P 5,000,000,000	P 5,000,000,000
Issued and outstanding:						
Balance at beginning of year	**3,350,000,000**	3,350,000,000	3,350,000,000	**P 3,350,000,000**	P 3,350,000,000	P 3,350,000,000
Issued during the year	**5,006,000,000**	**-**	-	**5,006,000,000**	-	**-**
Balance at end of year	**8,356,000,000**	3,350,000,000	3,350,000,000	**8,356,000,000**	3,350,000,000	3,350,000,000
Subscriptions receivable:						
Balance at beginning of year				**283,122,036**	283,122,036	283,122,036
Collections during the year				**(283,122,036)**	-	-
Balance at end of year				**-**	283,122,036	283,122,036
				P 8,356,000,000	P 3,066,877,964	P 3,066,877,964

23.1 Common Shares

On August 28, 2010, the Company's stockholders approved the increase in the Company's authorized capital stock from P5 billion divided into 5 billion shares to P10 billion divided into 10 billion shares, both with P1 par value. The Company's application for increase in authorized capital stock was approved by the SEC on January 20, 2011. Thereafter, the Company issued 5.0 billion fully paid shares to AGI representing 60% of the outstanding capital stock of the Company.

On February 8, 2007, as part of the consideration for the private placement subscriptions made by LIM and LIM Asia Alternative Real Estate Fund and their agreement to provide a financial facility for ongoing and future real estate projects, the Company's Board of Directors authorized the issuance of 136 million warrants resulting to 136 million unissued shares of common stocks of the Company with an exercise price of P1. There is no value assigned to the warrants since the interest rate of the loan granted is higher than the prevailing market rates at the time the loans were availed of. In September 2011, LIM Asia Multi-Strategy Fund, Inc. a holder of the Company's warrants, converted 6.0 million of its holdings into 6.0 million common shares of the Company.

23.2 Additional Paid-in Capital

The additional paid-in capital pertains to the excess of the total proceeds received from the Company's shareholders over the total par value of the subscribed common shares.

23.3 Prior Period Adjustments And Reclassifications of Accounts

The balances of retained earnings as of September 30, 2010, 2009 and 2008 have been restated from the amount previously reported to reflect the following adjustments in the financial statements for prior years. These prior period adjustments resulted in the decrease of Retained Earnings balances by P527.6 million, P559.9 million and P547.8 million as of October 1, 2010, 2009 and 2008, respectively. Moreover, the prior period adjustments also decreased the previously reported 2010 net loss by P32.9 million and increased the previously reported 2009 net loss by P12.1 million. The details of these adjustments and their effects on the Retained Earnings balances as of October 1, 2010, 2009 and 2008 are as follows:

		Increase (decrease) Retained Earnings as of		
	Notes	**October 1, 2010**	October 1, 2009	October 1, 2008
To recognize impairment losses on instalment contract receivables	6	**(P 191,446,065)**	(P 191,446,065)	(P 191,446,065)
To derecognize deferred tax assets	21	**(121,160,231)**	(176,071,808)	(160,739,417)
To recognize commission expense incurred in prior years	8	**(90,537,237)**	(89,446,673)	(88,925,661)
To correct the carrying values of property and equipment	12	**54,505,030**	46,580,298	38,783,216
To recognize impairment on golf club shares for sale	7	**(46,352,977)**	(46,352,977)	(46,352,977)
To recognize effects on income taxes	21	**(46,204,804)**	(93,886,721)	(93,886,722)
To write-off other current assets no longer recoverable	8	**(41,990,451)**	-	-
To recognize unearned interest on trade and other receivables	6	**(41,862,767)**	(41,997,043)	(42,131,319)
To write-off advances to real property owners	9	**(24,902,594)**	-	-
To recognize income from unearned revenues	7	**23,554,285**	23,554,285	23,554,,285
To correct valuation of real estate for sale	7	**18,113,420**	7,073,115	4,379,654
To recognize income from write-off of liability	15	**17,484,299**	17,484,299	-
To recognize impairment loss on advances to contractors and suppliers	6	**(13,599,572)**	(13,599,572)	(13,599,572)
To recognize impairment losses on advances to resigned officers and employees	6	**(10,046,406)**	-	-
To correct overstatement of realized gross profit	7	**(9,559,015)**	(4,941,470)	23,238.797
To recognize unearned rental received in advance		**(3,534,226)**	-	-
To recognize income based on percentage of completion		**525,292**	3,836,202	-

(P 527,014,019)	(P 559,912,513)	(P 547,824,164)

The Group also reclassified certain statement of financial position accounts for proper presentation and classification. Details of such reclassifications are as follows:

(a) Advances to related parties amounting to P1,243.1 million and P1,507.5 million as of September 30, 2010 and 2009, respectively, previously presented as part of Trade and Other Receivables are now presented as a separate line item in the consolidated statements of financial position.

(b) Advances to Real Estate Property Owners amounting to P831.7 million as of September 30, 2010 previously presented as part of Trade and Other Receivables are now presented as a separate line item in the 2010 consolidated statements of financial position.

(c) Certain advances to real estate property owners totaling P929.1 million previously included as part of Trade and Other Receivables and Investments in Joint Ventures were reclassified as part of Advances to Real Estate Property Owners in the 2009 consolidated statement of financial position.

(d) Certain Trade and Other Receivables amounting to P378.0 million were reclassified as part of Trade and Other Receivables – Non-current in the 2010 consolidated statement of financial position.

(e) Certain Trade and Other Receivables and Investments in Associates and Joint Ventures totaling P370.3 million and P571.2 million were reclassified to Advances to Real Estate Owners account in the 2009 consolidated statement of financial position.

(f) Land investments included as part of Investments in Associates and Joint Ventures amounting to P338.5 million were reclassified as part of Land for Future Development in the 2010 consolidated statement of financial position.

(g) Portion of the building with carrying amount of P89.9 million and P92.5 million as of September 30, 2010 and 2009, respectively, previously classified as part of Property and Equipment account was reclassified to Investment Properties account in the 2010 and 2009 consolidated statement of financial position (see Notes 11 and 12).

(h) Customers' Deposits, Reserve for Property Development, Deferred Income on Real Estate Sales and Advances from Related Parties amounting to P590.9 million, P13.5 million, P276.0 million and P844.4 million, respectively, as of September 30, 2010 previously classified as part of Other Current Liabilities are now presented as separate line items in the 2010 consolidated statement of financial position.

(i) Customers' Deposits, Reserve for Property Development, Deferred Income on Real Estate Sales and Advances from Related Parties amounting to P561.0 million, P23.5 million, P618.9 million and P451.1 million, respectively, as of September 30, 2009 previously classified as part of Other Current Liabilities are now presented as separate line items in the 2009 consolidated statement of financial position.

(j) Reserve for Property Development amounting to P638.0 million previously presented as part of Trade and Other Payables account are now presented as a separate line item in the 2010 consolidated statement of financial position.

(k) Deferred Income on Real Estate Sales and Retirement Benefit Obligation amounting to P396.8 million and P63.2 million, respectively, as of September 30, 2010 previously included as part of Other Non-current Liabilities are now presented as separate line items in the 2010 consolidated statement of financial position.

(l) Deferred Income on Real Estate Sales amounting to P405.6 million as of September 30, 2009 previously included as part of Other Non-Current Liabilities is now presented as a separate line item in the 2009 consolidated statement of financial position.

(m) Reserve for Property Development amounting to P657.2 million as of September 30, 2009 previously included as part of Trade and Other Payables is now presented as a separate line item in the 2009 statement of financial position.

(n) Certain parcels of land previously presented as Investment Properties account with carrying value of P1.4 billion as of September 30, 2010 and 2009 were reclassified to Land for Future Development. Management determined that due to its nature, the cost of this land should form part Land for Future Development account.

(o) Certain non-current liabilities totaling P53.5 million as of September 30, 2010 and 2009 were reclassified to Trade and Other Payables, Retention Liability and Deferred Income on Real Estate Sales.

(p) Available-for-sale financial assets amounting to P0.2 million as of September 30, 2010 and 2009 and presented as part of Investments account is now presented as part of Other Non-current Assets account in the consolidated statement of financial position.

(q) The Group's Investment Properties amounting to P616.2 million as of September 30, 2010 and 2009 are now presented as part of Real Estate and Golf Club Shares for Sale and Property Development Costs in the 2010 and 2009 consolidated statements of financial position.

The effects of the prior period adjustments and reclassifications in the statement of financial position accounts as of September 30, 2010 are summarized as follows:

	Notes	As Previously Reported	Reclassifications Add(Deduct)	Balance Before Prior Period Adjustments	Prior Period Adjustments Add(Deduct)	As Restated
September 30, 2010						
Changes in assets:						
Trade and other receivables – net	6	P 3,762,063,108	(P 2,465,725,694)	P 1,296,337,414	(P 406,501,483)	P 889,835,931
Advances to related parties	22	-	1,243,170,175	1,243,170,175	7,710,979	1,250,881,154
Real estate and resort shares for sale	7	5,986,924,869	-	5,986,924,869	266,171,325	6,253,096,194
Property development costs	2	1,135,383,538	-	1,135,383,538	511,902,850	1,647,286,388
Prepayments and other current assets – net	8	495,062,334	-	495,062,334	(132,487,689)	362,574,645
Trade and other receivables – net – non-current	6	377,137,830	378,035,797	755,173,627	(7,710,979)	747,462,648
Advances to real estate property owners	9	-	831,761,909	831,761,909	45,358,588	877,120,497
Investments in associates	10	1,096,322,885	(338,471,568)	757,851,317	-	757,851,317
Land for future development	2	-	1,058,612,703	1,058,612,703	698,607,638	1,757,220,341
Investment properties-net	11	2,202,743,396	(720,141,136)	1,482,602,260	(1,227,449,396)	255,152,864
Property and equipment – net	12	556,656,559	(45,555,295)	511,101,264	(147,935,418)	363,165,846
Other non-current assets		16,007,692	58,313,109	74,320,801	(12,757,814)	61,562,987
		15,628,302,211	-	15,628,302,211	(405,091,399)	15,223,210,812
Changes in liabilities:						
Loan and mortgage payable – current	13	4,100,000	-	4,100,000	-	4,100,000
Trade and other payables	15	2,689,298,785	(638,017,817)	2,051,280,968	(100,065,611)	1,951,215,357
Customers' deposits	2	-	590,872,481	590,872,481	(14,656,755)	576,215,726
Advances from related parties	22	-	844,383,010	844,383,010	-	844,383,010
Reserve for property development – current	2	-	13,507,573	13,507,573	-	13,507,573
Deferred income on real estate sales – current	2	-	275,985,585	275,985,585	144,404,140	420,389,725
Other current liabilities		1,935,847,093	(1,935,847,093)	-	-	-
Loan and mortgage payable – non–current	13	501,001,457	-	501,001,457	-	501,001,457
Bonds payable	14	1,097,400,000	-	1,097,400,000	-	1,097,400,000
Due to joint venture partners	16	-	-	-	169,739,357	169,739,357
Reserve for property development – non-current	2	-	644,597,420	644,597,420	-	644,597,420
Deferred income on real estate sales	2	-	396,767,665	396,767,665	-	396,767,665
Deferred tax liability (asset)	21	(79,954,305)	266,231,871	186,277,566	(98,598,227)	87,679,339
Retirement benefit obligation	20	-	63,238,394	63,238,394	-	63,238,394
Retention liability		-	(21,099,716)	(21,099,716)	21,099,716	-
Other non-current liabilities		500,619,373	(500,619,373)	-	-	-
		P 6,648,312,403	P -	P 6,648,312,403	121,922,620	P 6,770,790,289
Net adjustments to equity					(527,014,019)	
Prior period adjustments to Retained earnings					(P 527,014,019)	

The effects of the prior period adjustments and the reclassifications in the statement of financial position accounts as of September 30, 2009 are summarized as follows:

	Notes	As Previously Reported	Reclassifications Add(Deduct)	Balance Before Prior Period Adjustments	Prior Period Adjustments Add(Deduct)	As Restated
September 30, 2009						
Changes in assets:						
Trade and other receivables – net	6	P 2,507,389,161	(P 1,786,039,156)	P 721,350,005	(P 399,784,918)	P 321,565,087
Advances to related parties	22	-	1,507,538,749	1,507,538,749	7,255,412	1,514,794,161
Real estate and resort shares for sale	7	6,511,024,764	-	6,511,024,764	272,713,168	6,783,737,932
Property development costs	2	988,557,686	-	988,557,686	511,942,849	1,500,500,535
Prepayments and other current assets – net	8	469,108,767	-	469,108,767	(86,736,643)	382,372,124
Trade and other receivables – net – non-current	6	304,815,310	(91,792,798)	213,022,512	(7,255,412)	205,767,100
Advances to real estate property owners	9	-	929,113,747	929,113,747	41,520,945	970,634,692
Land for future development	2	-	719,150,852	719,150,852	698,607,638	1,417,758,490
Investments in associates	10	1,336202,960	(571,243,496)	764,959,464	-	764,959,464
Investment properties-net	11	2,205,431,736	(719,150,852)	1,486,280,883	(1,224,903,879)	261,377,004
Property and equipment – net	12	584,881,005	(44,264,962)	540,616,043	(158,405,740)	382,210,303
Other non-current assets		22,923,168	56,687,917	79,611,085	(12,422,954)	67,188,131
		P14,930,334,557	P -	P14,930,334,557	(P 357,469,534)	P14,572,865,023
Changes in liabilities:						
Trade and other payables	15	P 2,332,203,488	(P 720,354,825)	P 1,611,848,663	(P 407,248,120)	P 1,204,600,543
Customers' deposits	2	-	561,025,740	561,025,740	(15,318,533)	545,707,207
Advances from related parties	22	-	451,069,411	451,069,411	-	451,069,411
Reserve for property development – current	2	-	23,464,931	23,464,931	-	23,464,931
Deferred income on real estate sales – current	2	-	618,875,748	618,875,748	145,911,273	764,787,021
Other current liabilities		1,551,918,476	(1,551,918,476)	-	-	-
Loan and mortgage payable – non-current	13	468,157,174	-	468,157,174	-	468,157,174
Bonds payable	14	1,189,800,000	-	1,189,800,000	-	1,189,800,000
Due to joint venture partners	16	-	-	-	149,741,350	149,741,350
Reserve for property development – non-current	2	-	657,210,530	657,210,530	-	657,210,530
Deferred income on real estate sales	2	-	405,574,886	405,574,886	-	405,574,886
Deferred tax liability (asset)	21	(154,121,431)	-	(154,121,431)	308,257,293	154,135,862
Retirement benefit obligation	20	-	63,238,394	63,238,394	-	63,238,394
Retention liability		-	(21,099,716)	(21,099,716)	21,099,716	-
Other non-current liabilities		487,086,623	(487,086,623)	-	-	-
		P 5,875,044,330	P -	P 5,875,044,330	202,442,979	P 6,077,487,309
Net Adjustments to equity					**(559,912,513)**	
Prior period adjustments to Retained earnings					**(P 559,912,513)**	

The restatement of the items of statement of comprehensive income for the year ended September 30, 2010 is summarized as follows:

	As Previously Reported	Effects of Prior Period Adjustments	As Restated
Revenues:			
Real estate sales	P 366,459,863	P 15,354,308	P 381,814,171
Maintenance income	101,409,733	-	101,409,733
Realized gross profit on prior years' sales	-	3,947,147	3,947,147
Rental income	19,591,984	12,823,673	32,415,657
Finance and other income	269,362,883	(12,688,681)	256,674,202
	756,824,463	19,436,447	776,260,910
Costs and expenses:			
Operating expenses	315,201,181	31,113,131	346,314,312
Cost of real estate sales	119,937,188	9,259,622	129,196,810
Cost of services	49,712,081	-	49,712,081
Deferred gross profit on real estate sales	-	14,659,378	14,659,378
Equity in net losses of associates	7,201,752	-	7,108,147
Finance costs and other charges	382,413,456	27,564,578	409,978,034
	874,372,053	82,596,709	957,062,367
Loss before tax	117,641,195	63,160,262	180,801,457
Tax expense (income)	68,526,935	(96,058,756)	(27,531,821)
Net loss	186,168,130	(32,898,494)	153,269,636
Other comprehensive loss	142,920	-	142,920
Total comprehensive loss	P 186,311,050	(P 32,898,494)	P 153,412,556

The restatement of the items of statement of comprehensive income for the year ended September 30, 2009 is summarized as follows:

	As Previously Reported	Effects of Prior Period Adjustments	As Restated
Revenues:			
Real estate sales	P 388,469,249	P -	P 388,469,249
Maintenance income	92,234,564	-	92,234,564
Rental income	16,985,120	-	16,985,120
Finance and other income	246,167,186	(28,045,990)	218,121,196
	743,856,119	(28,045,990)	715,810,129
Costs and expenses:			
Operating expenses	301,104,702	(31,290,032)	269,814,670
Cost of real estate sales	219,032,930	-	219,032,930
Cost of services	45,214,320	-	45,214,320
Equity in net losses of associates	757,781	-	757,781
Finance costs and other charges	308,584,458	-	308,584,458
	874,694,191	(31,290,032)	843,404,159
Loss before tax	130,838,072	(3,244,042)	127,594,030
Tax expense	53,305,133	15,332,391	68,637,524
Net loss	184,143,205	12,088,349	196,231,554
Other comprehensive loss	64,047	-	64,047
Total comprehensive loss	P 184,207,252	P 12,088,349	P 196,295,601

24. EARNINGS (LOSS) PER SHARE

Earnings (loss) per share amounts were computed as follows:

	2011	2010 (As Restated - see Note 23.3)	2009 (As Restated - see Note 23.3)
Basic:			
Net profit (loss) attributable to owners of the parent company	**P 19,968,543**	(P 128,786,129)	(P 164,178,109)
Divided by weighted number of outstanding common shares	**6,592,959,321**	3,350,000,000	3,350,000,000
Basic earnings (loss) per share	**P 0.003**	(P 0.038)	(P 0.049)
Diluted:			
Net profit (loss) attributable	**P 19,968,543**	P 19,277,405	(P 33,910,166)
Divided by weighted number of outstanding common shares	**6,722,959,321**	4,258,266,667	4,258,266,667
Basic earnings (loss) per share	**P 0.003**	P 0.005	(P 0.008)

In 2010 and 2009, the potentially dilutive shares arising from warrants and convertible bonds totaled 908.3 million shares. In 2011, potentially dilutive shares pertain to outstanding warrants of 130 million.

25. COMMITMENTS AND CONTINGENCIES

25.1 Operating Lease Commitments – Group as Lessor

The Group is a lessor under several operating leases covering real estate properties for commercial use (see Note 11). The leases have terms ranging from 1 to 33 years, with renewal options, and include annual escalation rates of 5% to 7%. The average annual rental covering these agreements amounts to about P17.2 million for the consolidated balances. Future minimum lease payments receivable under these agreements are as follows:

	2011	2010	2009
Within one year	**P 45,329,587**	P 44,880,781	P 22,042,190
After one year but not more than five years	**172,098,897**	157,641,476	21,981,258
More than five years	**403,944,228**	433,386,886	-
	P 621,372,712	P 635,909,143	P 44,023,448

25.2 Operating Lease Commitments – Group as Lessee

The Group is a lessee under several operating leases covering condominium units for administrative use. The leases have terms ranging from 1 to 11 years, with renewal options, and include a 5% to 10% annual escalation rate. The average annual rental covering these agreements amounts to about P1.2 million for the consolidated balances. The future minimum rental payables under these non-cancelable leases as of September 30 are as follows:

	2011	2010	2009
Within one year	**P 1,280,125**	P 1,760,000	P -
After one year but not more than five years	**401,100**	167,125	-
	P 1,681,225	P 1,927,125	P -

26. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has various financial instruments such as cash and cash equivalents, financial assets at FVTPL, AFS securities, bank loans, bonds, trade receivables and payables which arise directly from the Group's business operations. The financial liabilities were issued to raise funds for the Group's capital expenditures.

The Group does not actively engage in the trading of financial assets for speculative purposes.

26.1 Foreign Currency Sensitivity

Most of the Company's transactions are carried out in Philippine pesos, its functional currency. Exposures to currency exchange rates arise mainly from the Company's U.S. dollar-denominated cash and cash equivalents and bonds payable which have been used to fund new projects.

Management assessed that the foreign currency risks related to these U.S. dollar-denominated cash and cash equivalents and bonds payable to be not material.

26.2 Interest Rate Sensitivity

The Company has no significant exposure to interest rate risk as financial assets and liabilities are non-interest bearing (trade and other receivables and payables) or are carried at fixed interest rates (cash in banks, bonds payable and loan and mortgage payable).

26.3 Credit Risk

Generally, the Group's credit risk is attributable to trade receivables, rental receivables and other financial assets. The Group maintains defined credit policies and continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. Where available at a reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties. In addition, for a significant proportion of sales, advance payments are received to mitigate credit risk.

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown in the consolidated statements of financial position (or in the detailed analysis provided in the notes to consolidated financial statements), as summarized below.

	Notes	**2011**	2010	2009
Cash and cash equivalents	5	**P 1,784,697,369**	P 81,957,165	P 192,967,796
Trade and other receivables	6	**1,759,258,477**	1,637,298,579	527,332,187
Advances to associates and other related parties	10, 23.3	**741,752,826**	1,250,881,154	1,514,794,161
AFS financial assets		**1,250,000**	1,250,000	1,250,000
		P 4,286,958,672	P 2,971,386,898	P 2,236,344,144

(a) *Cash and Cash Equivalents*

The credit risk for cash and cash equivalents is considered negligible since the counterparties are reputable banks with high quality external credit ratings *(b) Trade and Other Receivables*

All trade receivables are subject to credit risk exposure. However, the Group does not identify specific concentrations of credit risk with regard to Trade and Other Receivables as the amounts recognized resemble a large number of receivables from various customers. Certain receivables from trade customers are covered by post-dated checks. Certain past due accounts are not provided with allowance for impairment to the extent of the expected market value of the property sold to the customer. The title to the real estate properties remains with the Group until the receivables are fully collected.

26.4 Liquidity Risk

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week, as well as on the basis of a rolling 30-day projection. Long-term needs for a six-month and one-year period are identified monthly.

The Group maintains cash to meet its liquidity requirements for up to 60-day periods. Excess cash is invested in time deposits or short-term marketable securities. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

As at September 30, 2011, 2010 and 2009, the Group's financial liabilities have contractual maturities which are presented below.

	2011			
	Current		**Non-current**	
	Within 6 Months	**6 to 12 Months**	**1 to 5 Years**	**Later 5 Years**
Trade and other payables	**P1,087,999,542**	**P 823,562,123**	**P -**	**P -**
Advances from other related parties	**339,439,359**	**-**	**-**	**-**
	P1,427,438,901	**P 823,562,123**	**P -**	**P -**

	2010			
	Current		Non-current	
	Within 6 Months	6 to 12 Months	1 to 5 Years	Later 5 Years
Bonds payable	P -	P -	P 1,097,400,000	P -
Trade and other payables	594,269,820	1,356,945,537	-	- -
Advances from other related parties	844,383,010	-	-	-
	P1,438,652,830	P 1,356,945,537	P 1,097,400,000	P -

	2009			
	Current		Non-current	
	Within 6 Months	6 to 12 Months	1 to 5 Years	Later 5 Years
Bonds payable	P -	P -	P 1,189,800,000	P -
Trade and other payables	352,882,206	851,718,337	-	-
Advances from other related parties	451,069,411	-	-	-
	P 803,951,617	P 851,718,337	P 1,189,800,000	P -

The above contractual maturities reflect the gross cash flows, which may differ from the carrying values of the liabilities at the reporting dates.

27. CATEGORIES AND FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

Comparison of Carrying Amounts and Fair Values

The carrying amounts and fair values of the categories of financial assets and liabilities presented in the consolidated statements of financial position are shown below.

	2011		2010		2009	
	Carrying Values	**Fair Values**	Carrying Values	Fair Values	Carrying Values	Fair Values
Financial Assets						
Loans and receivables:						
Cash and cash equivalents	**P 1,784,697,369**	**P 1,784,697,369**	P 81,957,165	P 81,957,165	P 192,967,796	P 192,967,796
Trade and other receivables – net	**1,759,258,477**	**1,759,258,477**	1,637,298,579	1,637,298,579	527,332,187	527,332,187
Advances to associates and other related parties	**741,752,826**	**741,752,826**	1,250,881,154	1,250,881,154	1,514,794,161	1,514,794,161
	P 4,285,708,672	**P 4,285,708,672**	P 2,970,136,898	P 2,970,136,898	P 2,235,094,144	P 2,235,094,144
Golf club shares	**P 1,250,000**	**P 150,000**	P 1,250,000	P 150,000	P 1,250,000	P 200,000
Financial Liabilities						
Financial liabilities at amortized cost						
Loan and mortgage payable	**P -**	**P -**	P 505,101,457	P 505,101,457	P 468,157,174	P 468,157,174
Bonds payable	**-**	**-**	1,097,400,000	1,097,400,000	1,189,800,000	1,189,800,000
Trade and other payables	**1,911,561,665**	**1,911,561,665**	1,951,215,357	1,951,215,357	1,204,600,543	1,204,600,543
Advances from other related parties	**339,439,359**	**339,439,359**	844,383,010	844,383,010	451,069,411	451,069,411
	P 2,251,001,024	**P 2,251,001,024**	P 4,398,099,824	P 4,398,099,824	P 3,313,627,128	P 3,313,627,128

See Notes 2.5 and 2.9 for a description of the accounting policies for each category of financial instrument. A description of the Group's risk management objectives and policies for financial instruments is provided in Note 27.

28. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders.

The Group sets the amount of capital in proportion to its overall financing structure, i.e., equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in the 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 amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the carrying amount of equity as presented on the face of the statements of financial position. Capital for the reporting periods under review is summarized as follows:

	2011	2010	2009
Total Liabilities	**P 4,763,366,696**	P 6,770,790,289	P 6,077,487,309
Total Equity	**13,848,205,050**	8,534,377,688	8,688,345,510
Debt-to-equity ratio	**0.34:1**	0.79:1	0.70:1