SEC Number **37535**
File Number ________

ATN HOLDINGS, INC.

(Company)

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

(Address)

717-0523

(Telephone Number)

March 31

(Fiscal Year Ending)
(month & day)

SEC 17Q

(Form Type)

Amendment Designation (if applicable)

June 30, 2014

(Period Ended Date)

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended June 30, 2014

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

4. ATN Holdings, Inc. (the "Company")

5. Philippines

6. Industry Classification Code:

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

8. Telephone No. 717-0523/ 718-3721

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

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

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Stock, P1.00	
Class "A"	370,000,000
Class "B"	80,000,000

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

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

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

I. Financial Statements.

ATN HOLDINGS, INC. and Subsidiaries

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	(Unaudited) June 30 2014	Audited March 31 2014
ASSETS			
Current Assets			
Cash and cash equivalent	9	P3,576,896	P4,162,441
Accounts receivable	10	854,537	1,688,548
Real estate inventories	11	4,485,000	4,485,000
Other current assets	12	2,329,461	2,485,652
		11,245,894	**12,821,641**
Noncurrent Assets			
Investments in:			
Associates-Net	13	29,108,006	29,512,050
Available-for-sale investments	14	55,881,033	55,881,033
Investment in properties	15	2,275,270,963	2,283,560,812
Property and equipment - net	16	29,425,930	31,328,342
Intangible asset	17	8,825,000	9,250,000
Advances to related parties	25	76,522,652	68,232,802
		2,475,033,584	**2,477,765,039**
TOTAL ASSETS		**P2,486,279,478**	**P2,490,586,680**

	Notes	(Unaudited) June 30 2014	Audited March 31 2014
LIABILITIES AND EQUITY			
LIABILITIES			
Current Liabilities			
Accounts payable and accrued expenses	18	P2,801,301	P2,838,720
Income tax payable		3,955	-
		2,805,256	2,838,720
Noncurrent Liabilities			
Bank loans	19	28,541,230	28,541,230
Deposits	20	25,272,094	21,061,514
Payable to related parties	25	28,931,329	35,392,732
Retirement liability		138,118	138,118
Deferred tax liabilities		582,209,391	582,209,391
		665,092,162	667,342,985
Total Liabilities		**667,897,418**	**670,181,705**
EQUITY			
Share capital	21	450,000,000	450,000,000
Additional paid-in capital		22,373,956	22,373,956
Unrealized gain on available-for sale financial asset-net of tax		49,505,293	49,505,293
Retained earnings		1,296,502,811	1,298,525,726
TOTAL EQUITY		**1,818,382,060**	**1,820,404,975**
TOTAL LIABILITIES AND EQUITY		**P2,486,279,478**	**P2,490,586,680**

See accompanying Notes to Financial Statements.

ATN HOLDINGS, INC. and Subsidiaries
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	First Quarter Ending June 30, 2014	June 30, 2013
REVENUES	22	P8,066,562	P8,403,857
DIRECT COST	23	3,347,798	4,931,194
GROSS PROFIT (LOSS)		4,718,764	3,472,663
OTHER INCOME			
Interest		4,348	432
		4,723,112	3,473,095
EXPENSES			
Administrative expenses	24	5,823,330	3,850,909
Finance cost	19	424,641	446,628
Equity in net loss of an associate	13	404,044	-
INCOME (LOSS) BEFORE INCOME TAX		(1,928,903)	(824,442)
INCOME TAX EXPENSE		94,012	71,349
NET PROFIT (LOSS) FOR THE PERIOD		**(P2,022,915)**	(P895,791)
EARNINGS PER SHARE	27	**(0.0045)**	**(0.0020)**

See accompanying Notes to Financial Statements.

ATN HOLDINGS, INC. and Subsidiaries
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	1st Qtr. Ending	
	June 30, 2014	June 30, 2013
SHARE CAPITAL		
Balance at beginning of fiscal year	P450,000,000	P450,000,000
Issuance during the year	-	-
Balance at end of fiscal year	450,000,000	450,000,000
ADDITIONAL PAID-IN CAPITAL	22,373,956	22,373,956
UNREALIZED GAIN ON AVAILABLE-FOR-SALE		
FINANCIAL ASSETS - net of tax		
Balance at beginning of fiscal year	49,505,293	48,754,088
Change in fair value	-	-
	49,505,293	48,754,088
RETAINED EARNINGS		
Balance at beginning of fiscal year	1,298,525,726	837,886,771
Net profit (loss)	(2,022,915)	(895,791)
	1,296,502,811	836,990,980
	P1,818,382,060	**P1,358,119,024**

See accompanying Notes to Financial Statements.

ATN HOLDINGS, INC. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

	First Quarter Ending	
	June 30, 2014	June 30, 2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before tax	(P2,022,915)	(P895,791)
Adjustments to reconcile net income to cash		
Depreciation and amortization	2,327,412	2,327,412
Equity in net loss of an associate	404,044	-
Interest income	(4,348)	(432)
Interest expense	424,641	446,628
Operating income before working capital changes	1,128,834	1,877,817
Decrease (increase) in current assets		
Receivables	834,011	(48,289)
Other current assets	156,191	333,959
Increase (decrease) in current liabilities		
Accounts payable and accrued expenses	(33,464)	(480,937)
Cash (used in) provided by operations	2,085,572	1,682,550
Interest income	4,348	432
Cash flows from Operating Activities	2,089,920	1,682,982
CASH FLOWS FROM INVESTING ACTIVITIES		
Net (Increased) decreased in :		-
Advances to related party	(14,751,253)	(1,395,015)
Disposal of Investment properties	8,289,849	-
Increased (decreased) in deposits	4,210,580	2,426,525
	(2,250,824)	1,031,510
CASH FLOWS FROM FINANCING ACTIVITIES		
Debt servicing:		
Principal	-	(2,250,000)
Interest	(424,641)	(446,628)
	(424,641)	(2,696,628)
NET INCREASE/(DECREASE) IN CASH	(585,545)	17,864
CASH AT BEGINNING OF PERIOD	4,162,441	1,048,041
CASH AT END OF PERIOD	P3,576,896	P1,065,905

See accompanying Notes to Financial Statements.

ATN HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2014

1. Corporate Information

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

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

2. Basis of Preparation and Presentation

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

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

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

Basis for Consolidation
The consolidated financial statements comprise the financial statements of the Parent Company and those of the subsidiaries. The reporting dates of the subsidiaries are December 31. The length of the reporting periods and the difference in the reporting dates are the same from period to period.

The financial statements of the Group are consolidated using uniform accounting policies for the transactions and other events in similar circumstances adjusted for known facts. Intercompany balances and transactions are eliminated.

The consolidated subsidiaries include the following:

Name of Subsidiary	Principal Activity	% of Ownership
Palladian Land Dev. Inc. (PLDI)	Real Property Developer	99.98%
Advanced Home Concept Dev. Corp. (AHCDC)	Real Property developer	99.98%
Managed Care Phils., Inc. (MCPI)	Healthcare Provider	99.98%

For consolidation purposes, the financial statements of the subsidiaries with calendar period ending December 31, are consolidated in the Parent Company's financial statements as of March 31 as allowed by the existing standard if the difference is not more than three months. Adjustments and disclosures are made for the effects of significant transactions or events that occurred between the date of subsidiaries financial statements and the date of the consolidated financial statements.

Subsidiaries are consolidated from the date when control is transferred to the ATN Group and cease to be consolidated when control is transferred out of the ATN Group. Ambulatory Health Care Institute, Inc. was temporarily transferred out of the Group in 2006 while ownerships of certain blocks of shares are under dispute for having been declared null and void by the courts because of technical issues. Prior period's consolidated financial statements were restated to consider this event.

3. Summary of Significant Accounting Policies

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

Cash and Cash Equivalents

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

Financial Instruments

Date of Recognition

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

Initial Recognition

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

Determination of Fair Value

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

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

Classification of Financial Instruments

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

(i) Financial Assets at FVPL

Financial assets are classified as a FVPL where the financial asset is either held-for-trading or it is designated as FVPL.

A financial asset is classified as held for trading if:

It has been acquired principally for the purpose of selling in the near future; or

- It is part of an identified portfolio of financial instruments that the Company manages together and has recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVPL upon initial recognition if:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing gains or losses on a different basis; or
- The financial asset forms part of a group of financial assets which is managed and its performance is evaluated on a fair value basis.
- It forms part of a contract containing one or more embedded derivatives.

Financial assets at FVPL are stated at fair value, any resulting gain or loss is recognized in consolidated statements of comprehensive income. Fair value is determined in the manner described in Note 6.

(ii) Available-for-sale (AFS)
AFS are non-derivative financial assets that are either designated on this category or not classified in any of the other categories. Subsequent to initial recognition, AFS assets are carried at fair value in the consolidated statements of financial position. Changes in the fair value are recognized directly in equity accounted as “Unrealized gain on available-for-sale financial assets”. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognized in equity is included in statement of income.

Included under this category are shares of stock of publicly listed companies (see Note 15).

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

Included under this category are the group’s cash and cash equivalents and trade and other receivables which are all measured at amortized cost.

(iv) Held-to-maturity (HTM)
HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturities wherein the Group has the positive intention and ability to hold to maturity. After initial measurement, HTM assets are carried at amortized cost using the effective interest method, less impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are integral parts of the effective interest rate. Any changes to the carrying amount of the investment are recognized in consolidated statements of income.

As of June 30, 2014 and March 31, 2014 there are no financial assets under this category.

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

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

Included under this category are accounts payable and accrued expenses, bank loans, deposits and due to related parties.

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

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

Impairment

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

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

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed.

Any subsequent reversal of an impairment loss is recognized in the profit and loss accounts, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

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

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

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

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

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

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

Derecognition of Financial Instruments

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

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

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

Financial Liabilities
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

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

As of June 30, 2014 and March 31, 2014, real estate inventories are carried at cost.

Other Current Assets
Other current assets include excess of value added tax (VAT) input over VAT output, tax credits which represent the accumulated creditable withholding tax for current year and prior year's excess credit and security deposits. Other current assets are carried at original amounts.

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

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

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

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

investor's share of the profit or loss of the investee is recognized in the investor's profit or loss. Distributions received from an investee reduce the carrying amount of the investment.

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

Property and Equipment

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

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

	No. of years
Medical equipment and fixtures	15
Office furniture and fixtures	3-13 or lease term whichever is shorter
Transportation equipment	5

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

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

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

Intangible Asset

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

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

Accounts Payable and Accrued Expenses

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

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

Bank Loans

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

Deposits

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

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

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

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

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

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

Comprehensive Income
Comprehensive income, if any are recognized as part of total comprehensive income, outside of profit or loss, when they arise. Comprehensive income may represent some gains and losses arising on translating the financial statements of a foreign corporation, some actuarial gains and losses, and some changes in fair values of hedging instruments.

The Company has no comprehensive income for the periods ending June 30, 201 and June 30, 2013.

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

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

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

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

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

(v) Dividends - dividends are recognized in the period in which they are declared.
(vi) Fair value gains on investment properties-

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

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

Retirement Benefit Cost
The Group accrues retirement expense based on the provision of the Retirement Pay Law (R.A. 7641).

The Groups provision for retirement benefit is equivalent to one (1) month plan salary for every year of credited service plus 13th month pay and unused vacation leave and sick leaves.

Borrowing Costs

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

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

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

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of reporting period.

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

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

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

Provisions
Provisions are recognized when present obligation will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example legal disputes for onerous contract.

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

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

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

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

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

Related Party Transactions and Relationships
Related party relationships exist when one party has the ability to control directly or indirectly through one or more of the intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among the reporting entity and its key management personnel, directors or its shareholders. Transactions between related parties are accounted for at arm’s length prices or on terms similar to those offered to non-related entities in an economically comparable market.
In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

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

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

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4. Changes in Accounting Standards

New Accounting Standards and Amendments to Existing Standards Effective as of April 1, 2013

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following amendments to PFRS effective beginning January 1, 2013. The adoption however did not result to any material changes in the consolidated financial statements.

PFRS 7, Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities
These amendments require an entity to disclose information about rights of set-off and related arrangements (such as collateral agreements). The new disclosures are required for all recognized financial instruments that are set off in accordance with PAS 32. These disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or ‘similar agreement’, irrespective of whether they are set-off in accordance with PAS 32. The amendments require entities to disclose, in a tabular format unless another format is more appropriate, the following minimum quantitative information. This is presented separately for financial assets and financial liabilities recognized at the end of the reporting period:

(a) The gross amounts of those recognized financial assets and recognized financial liabilities;
(b) The amounts that are set off in accordance with the criteria in PAS 32 when determining the net amounts presented in the statements of financial position;
(c) The net amounts presented in the statements of financial position;
(d) The amounts subject to an enforceable master netting arrangement or similar agreement that are not otherwise included in (b) above, including:
    - amounts related to recognized financial instruments that do not meet some or all of the offsetting criteria in PAS 32; and
    - amounts related to financial collateral (including cash collateral); and
(e) The net amount after deducting the amounts in (d) from the amounts in (c) above.

The amendments to PFRS 7 are to be retrospectively applied for annual periods beginning on or after January 1, 2013. The amendment affects disclosures only and has no impact on the Group’s financial position or performance.

PFRS 10, “Consolidated Financial Statements”
This standard replaces a portion of PAS 27, “Consolidated and Separate Financial Statements” that addresses accounting for consolidated financial statements. It also addresses issues raised in SIC-12, “Consolidation - Special Purpose Entities”.

PFRS 10 establishes a single control model that applies to all entities, including special purpose entities. The changes introduced by PFRS 10 require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in PAS 27. The Company assessed whether or not it has control over its subsidiaries in accordance with the new definition of control and the related guidance set out in PFRS 10 and has determined that it has control on all its current subsidiaries and that all its controlled entities have been included in consolidation. The adoption of the standard did not affect the financial position and performance of the Group.

PFRS 11, “Joint Arrangements”
PFRS 11 replaces PAS 31, “Interests in Joint Ventures”, and SIC 13, “Jointly Controlled Entities - Non-Monetary Contributions by Venturers”. PFRS 11 removes the option to account for jointly controlled entities using proportionate consolidation. Instead, jointly controlled entities that meet the definition of a joint venture must be accounted for using the equity method. This standard did not significantly affect the Group’s consolidated financial statements.

PFRS 12, “Disclosure of Interest in Other Entities”
PFRS 12 includes all of the disclosures related to consolidated financial statements that were previously in PAS 27, as well as all the disclosures that were previously included in PAS 31 and PAS 28, “Investments in Associates”. These disclosures relate to an entity’s interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. The adoption of the standard affected disclosures only and did not affect the financial position and performance of the Group.

PFRS 13, Fair Value Measurement
PFRS 13 establishes a single source of guidance under PFRS for all fair value measurements. PFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under PFRS when fair value is required or permitted. This standard becomes effective for annual periods beginning on or after January 1, 2013. This standard did not significantly affect the Group’s consolidated financial statements.
Amendments to PAS 1, “Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income
The amendments to PAS 1 change the grouping of items presented in OCI. Items that can be reclassified (or “recycled”) to profit or loss at a future point in time (for example, upon de-recognition or settlement) will be presented separately from the items that will never be recycled. The amendments affected the presentation of items of OCI and have no impact on the Group’s financial position and performance.

The amendments affect presentation only and have no impact on the Group’s financial statements. The amendment becomes effective for annual periods beginning on or after January 1, 2013.

Amendments to PAS 19, “Employee Benefits”
The revised PAS 19 requires all actuarial gains and losses to be recognized in OCI and unvested past service costs previously recognized over the average vesting period to be recognized in the statements of comprehensive income when incurred. The Amendment also include the non-recognition of corridor approach and the replacement of interest cost and expected return on plan assets with the concept of net interest on defined benefit liability or asset, which is calculated by multiplying the net defined liability or asset at the beginning of the year by the discount rate used to measure the defined benefit obligation.
Amendment to PAS 27, “Separate Financial Statements”
As a consequence of the issuance of PFRS 10 and PFRS 12, what remains of PAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in the separate financial statements. The adoption of the amended standard did not affect the financial position and performance of the Group.

Amendment to PAS 28, “Investments in Associates and Joint Ventures”
As a consequence of the issuance of PFRS 11 and PFRS 12, PAS 28 has been renamed PAS 28, “Investments in Associates and Joint Ventures”, and describes the application of the equity method

to investments in joint ventures in addition to associates. The adoption of the amended standard did not affect the financial position and performance of the Group.

Annual Improvements to PFRS (2009 to 2011 cycle)
The Annual Improvements to PFRS (2009 to 2011 cycle) contain non-urgent but necessary amendments to PFRS. These amendments are effective for annual periods beginning January 1, 2013 and are applied retrospectively. Earlier application is permitted.

PFRS 1, “First-time Adoption of PFRS - Borrowing Costs”
The amendment clarifies that, upon adoption of PFRS, an entity that capitalized borrowing costs in accordance with its previous generally accepted accounting principles, may carry forward, without any adjustment, the amount previously capitalized in its opening statement of financial position at the date of transition. Subsequent to the adoption of PFRS, borrowing costs are recognized in accordance with PAS 23, “Borrowing Costs”. The amendment does not apply to the Group as it is not a first time adopter of PFRS.

PAS 1, “Presentation of Financial Statements - Clarification of the Requirements for Comparative Presentation”
The amendments clarify the requirements for comparative information that are disclosed voluntarily and those that are mandatory due to retrospective application of an accounting policy, or retrospective restatement or reclassification of items in the financial statements.

An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The additional comparative period does not need to contain a complete set of financial statements. On the other hand, supporting notes for the third balance sheet (which are mandatory when there is a retrospective application of an accounting policy, or retrospective restatement or reclassification of items in the financial statements) are not required. The amendments affect disclosures only and have no impact on the Group’s financial position or performance.

PAS 16, “Property, Plant and Equipment - Classification of Servicing Equipment”
The amendment clarifies that spare parts, stand-by equipment and servicing equipment should be recognized as property, plant and equipment when they meet the definition of property, plant and equipment and should be recognized as inventory if otherwise. The amendment has no any impact on the Group’s financial position or performance.

PAS 32, “Financial Instruments: Presentation - Tax Effect of Distribution to Holders of Equity Instruments”
The amendment clarifies that income taxes relating to distributions to equity holders and to transaction costs of an equity transaction are accounted for in accordance with PAS 12, “Income Taxes”. The Group expects that this amendment have no any impact on its financial position or performance.

PAS 34, “Interim Financial Reporting - Interim Financial Reporting and Segment Information for Total Assets and Liabilities”
The amendment clarifies that the total assets and liabilities for a particular reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change from the amount disclosed in the entity’s previous annual financial statements for that reportable segment. The amendment affects disclosures only and has no impact on the Group’s financial position or performance.

Philippine Interpretation IFRIC 20, Stripping Costs in the Production Phase of a Surface Mine
This interpretation applies to waste removal costs that are incurred in surface mining activity during the production phase of the mine (“production stripping costs”) and provides guidance on the recognition of production stripping costs as an asset and measurement of the stripping activity asset. The Group assesses the impact of these amendments on its financial position or performance when they become effective.

New Accounting Standard, Amendments to Existing Standards and Interpretations Effective Subsequent to March 31, 2014
Standards issued but not yet effective up to date of the issuance of the Group’s consolidated financial statements are listed below. The listing consists of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt

these standards when they become effective. The Group does not expect the adoption of these new and amended PFRS and Philippine Interpretations to have significant impact on its consolidated financial statements.

Effective in 2014

PAS 32, "Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities"

The amendments clarify the meaning of "currently has a legally enforceable right to set-off" and also clarify the application of the PAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments will affect presentation only and will have no impact on the Group's financial position or performance.

PAS 36, Impairment of Assets

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

Amendments to PFRS 10, PFRS 12 and PAS 27, *Investment Entities* (effective for annual periods beginning on or after January 1, 2014)

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under PFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. The Group may do not expect that these amendments will have material financial impact in the consolidated financial statements.

Philippine Interpretation IFRIC 21, *Levies* (effective for annual periods beginning on or after January 1, 2014)

IFRIC 21 clarifies that an entity recognizes a liability for a levy when the activity that trigger payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. The Group does not expect that IFRIC 21 will have material financial impact in the consolidated financial statements.

Amendments to PFRS 10, PFRS 12 and PAS 27, *Investment Entities*(effective for annual periods beginning on or after January 1, 2014)

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under PFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. The Group does not expect that these amendments will have material financial impact in the consolidated financial statements.

Effective in 2015

The Annual Improvements to PFRS (2010 to 2012 cycle and 2011 to 2013) contain non-urgent but necessary amendments to PFRS. These amendments are effective for annual periods beginning on or after January 1, 2015 and are applied retrospectively. Earlier application is permitted.

Annual Improvements to PFRS (2010 to 2012 cycle)

PFRS 2, "Share-based Payments"

The amendment clarifies the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition' (which were previously part of the definition of 'vesting condition').

PFRS 3, "Business Combinations"

The amendment clarifies that contingent consideration that is classified as an asset or a liability shall be measured at fair value at each reporting date.

PFRS 8, "Operating Segments"

The amendment requires an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments. It also clarifies that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly.

PFRS 13, “Fair Value Measurement”
The amendment clarifies that issuing PFRS 13 and amending PFRS 9 and PAS 39 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting if the effect of not discounting is immaterial.

PAS 16, “Property, Plant and Equipment”
The amendment clarifies that when an item of property, plant and equipment is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.

PAS 24, “Related Party Disclosures”
The amendment clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.

PAS 38, “Intangible Assets”
The amendment clarifies that when an intangible asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.

Annual Improvements to PFRS (2011 to 2013 cycle)

PFRS 1, “First-time Adoption of Philippine Financial Reporting Standards”
The amendment clarifies that an entity, in its first PFRS financial statements, has the choice between applying an existing and currently effective PFRS or applying early a new or revised PFRS that is not yet mandatorily effective, provided that the new or revised PFRS permits early application. An entity is required to apply the same version of the PFRS throughout the periods covered by those first PFRS financial statements.

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

PFRS 13,”Fair Value Measurement”
The amendment clarifies that the scope of the portfolio exception defined in paragraph 52 of PFRS 13 includes all contracts accounted for within the scope of PAS 39 *Financial Instruments: Recognition and Measurement* or PFRS 9 *Financial Instruments*, regardless of whether they meet the definition of financial assets or financial liabilities as defined in PAS 32 *Financial Instruments: Presentation*.

PAS 40, “Investment Property”
The amendment clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in PFRS 3 *Business Combinations* and investment property as defined in PAS 40 *Investment Property* requires the separate application of both standards independently of each other.

PAS 19, “Defined Benefit Plans: Employee Contributions (*Amendments to PAS 19 Employee Benefits)*
The amendment clarifies that the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service, in those contributions, can, but are not required, to be recognized as a reduction in the service cost in the period in which the related service is rendered.

PFRS 9, “Financial Instruments: Classification and Measurement”
PFRS 9, as issued, reflects the first phase on the replacement of PAS 39 and applies to the classification and measurement of financial assets and liabilities as defined in PAS 39, “Financial Instruments: Recognition and Measurement”. Work on impairment of financial instruments and hedge accounting is still ongoing, with a view to replacing PAS 39 in its entirety. PFRS 9 requires all financial assets to be measured at fair value at initial recognition.

A debt financial asset may, if the fair value option (FVO) is not invoked, be subsequently measured at amortized cost if it is held within a business model that has the objective to hold the assets to collect the contractual cash flows and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding. All other debt instruments are subsequently measured at fair value through profit or loss. All equity financial assets are measured at fair value either through other comprehensive income (OCI) or profit or loss. Equity financial assets held for trading must be measured at fair value through profit or loss. For FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI.

The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other PAS 39 classification and measurement requirements for financial liabilities have been carried forward into PFRS 9, including the embedded derivative separation rules and the criteria for using the FVO.

The adoption of the first phase of PFRS 9 will have an effect on the classification and measurement of the Group's financial assets but will potentially have no impact on classification and measurement of financial liabilities. The Group, however, has yet to conduct a quantification of the full impact of this standard. The Group will quantify the effect of this standard in conjunction with the other phases, when issued, to present a more comprehensive picture.

Philippine Interpretation IFRIC 15, Agreements for the Construction of Real Estate
This interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The interpretation requires that revenue on construction of real estate be recognized only upon completion, except when such contract qualifies as construction contract to be accounted for under PAS 11, Construction Contracts, or involves rendering of services in which case revenue is recognized based on stage of completion. Contracts involving provision of services with the construction materials and where the risks and reward of ownership are transferred to the buyer on a continuous basis will also be accounted for based on stage of completion. The SEC and the Financial Reporting Standards Council (FRSC) have deferred the effectivity of this interpretation until the final Revenue standard is issued by International Accounting Standards Board (IASB) and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed.

5. Summary of Significant Accounting Judgments and Estimates

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

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

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

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

Estimating net realizable value of real estate inventories
The carrying value of real estate inventories is carried at lower of cost or net realizable value (NRV). The estimates used in determining NRV is dependent on the recoverability of its cost with reference

to existing market prices, location or the recent market transactions. The amount and timing of recorded cost for any period would differ if different estimates were used.

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

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of services or for administrative purposes. If these portions cannot be sold separately as of the end of reporting period, the property is accounted for as investment property only if an insignificant portion is held for use to the production or supply of services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The group considers each property separately in making its judgment.
Operating leases – Group as lessor
The Group has entered into property leases on a portion of its investment property. The Group has determined that it retains all significant risks and rewards of ownership of those properties which are leased out on operating leases.

The Group’s rental income amounted to P8,066,562 as of June 30, 2014, P8,403,857 as of June 30, 2013.

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

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

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

Determination of fair value of assets and liabilities
The fair value of assets and liabilities were determined in a manner disclosed in Note 6.
Estimated useful lives of property and equipment
The Group reviews annually the estimated useful lives of property and equipment, based on the period on which the assets are expected to be available for use. It is possible that future results of operation could be materially affected by changes in these estimates. A reduction in the estimated useful lives of property and equipment would increase recorded depreciation and decrease the related asset account.

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

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

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

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

The net carrying value of Investment in and Advances to Associates is as follows:

	Quarter Ending June 30, 2014			FY Ending March 31, 2014		
	Gross carrying amount	Allowance for impairment	Net carrying value	Gross carrying amount	Allowance for impairment	Net carrying value
Investment in associates						
ATN Solar	P29,108,006	-	P29,108,006	P29,512,050	-	P29,512,050
Advances to related parties						
Unipage Mgt. Inc.	76,522,652	-	76,522,652	68,232,802	-	68,232,802
	P105,630,658	-	P105,630,658	P97,744,852	-	P97,744,852

6. Fair Value Measurement

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

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

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

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

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

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

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

June 30, 2014	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	P3,576,896	P-	P-	P3,576,896
Available-for-sale financial assets	25,583,533	30,297,500	-	55,881,033
Accounts receivable	-	854,537	-	854,537
Other current assets	2,329,461	-	-	2,329,461
Advances to related parties	76,522,652	-	-	76,522,652
Investment properties	-	2.275,270,963	-	2,275,270,963
Accounts payable and accrued expenses	-	(2,801,301)	-	(2,801,301)
Bank loans	(28,541,230)	-	-	(28,541,230)
Deposits	(25,272,094)	-	-	(25,272,094)
Payable to related party	(28,931,329			(28,931,329

FY March 31, 2014	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	P4,157,441	P-	P-	P4,157,441
Available-for-sale financial assets	25,583,533	30,297,500	-	55,881,033
Accounts receivable	-	1,688,548	-	1,688,548
Other current assets	2,485,652	-	-	2,485,652
Advances to related parties	68,232,802	-	-	68,232,802
Investment properties	-	2.283,560,812	-	2.283,560,812
Accounts payable and accrued expenses	-	(2,838,720)	-	(2,838,720)
Bank loans	(28,541,230)	-	-	(28,541,230)
Deposits	(21,061,514)	-	-	(21,061,514)
Payable to related parties	(35,392,732)	-	-	(35,392,732)

Fair values were determined as follows:

- *Cash and cash equivalents, receivables, other current assets, deposits and other financial liabilities* – the fair values are approximately the carrying amounts at initial recognition due to short-term nature.

- *Quoted AFS financial asset (equity securities)* – the fair values were determined from the published references from Philippine Stock Exchange.

- *Non-quoted AFS investment* – valuation technique using significant observable inputs. Where valuation technique is not representative of fair values, the acquisition cost is used as fair value.

- *Investment properties* – fair value was based on appraiser's report. It is estimated using Sales Comparison Approach, which is based on sales and listings of comparable property registered within the vicinity that considered factors such as locations, size and shape of the properties.

7. Financial Instruments, Risk Management Objectives and Policies

Liquidity Risk

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

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

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

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

June 30, 2014	Not later than one month	Later than 1 month & not later than 3 months	Later than 3 month & not later than 1 year	Later than 1 year & not later than 5 years	Total
Accounts payable and accrued expenses	P980,455	P1,820,846	P-	P-	P2,801,301
Bank loans				28,541,230	28,541,230
Deposits				25,541,230	25,541,230
Payable to related parties				28,931,329	28,931,329
	P980,455	P1,820,846	p-	P82,744,653	P85,545,934

FY March 31, 2014	Not later than one month	Later than 1 month & not later than 3 months	Later than 3 month & not later than 1 year	Later than 1 year & not later than 5 years	Total
Accounts payable and accrued expenses	P403,229	P2,435,491	p-	p-	P2,838,720
Bank loans				28,541,230	28,541,230
Deposits				21,061,514	21,061,514
Payable to related parties				35,392,732	35,392,732
	P403,229	**P2,435,491**	**p-**	**P84,995,476**	**P87,834,196**

Credit Risk

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

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

The table below shows the gross maximum exposure to credit risk of the Group. Net maximum exposure is the effect after considering the collaterals and other credit enhancements.

	Gross maximum exposure	
	June 30, 2014	FY March 31, 2014
Cash and cash equivalents	3,576,896	P4,157,441
Available-for-sale financial assets	55,881,038	55,881,033
Accounts receivable	854,537	1,688,548
Advances to related parties	76,522,652	79,988,802
	P136,835,118	P141,715,824

Credit quality of the Group's assets is as follows:

June 30, 2014	Neither past due nor impaired		Past due but not impaired	Past due and impaired	Total
	High grade	Standard grade			
Cash and cash equivalents	P3,576,896	P-	P-	P-	P3,576,896
Available-for-sale financial assets	-	55,881,033	-	-	55,881,033
Accounts receivable	-	-	854,537	-	854,537
Advances to related parties	-	-	70,644,652	5,878,000	76,522,652
	P3,576,896	P55,881,033	P71,499,189	P5,878,000	P136,835,118

Credit quality of the Group's assets is as follows:

FY March 31, 2014	Neither past due nor impaired		Past due but not impaired	Past due and impaired	Total
	High grade	Standard grade			
Cash and cash equivalents	P4,157,441	P-	P-	P-	P4,157,441
Available-for-sale financial assets	-	55,881,033	-	-	55,881,033
Accounts receivable	-	-	1,688,548	-	1,688,548
Advances to related parties	-	-	68,232,802	11,756,000	79,988,802
	P4,157,771	P55,881,033	P69,921,350	P11,756,000	P141,715,824

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

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

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

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

June 30, 2014	Accounts receivable	Receivable from related parties	Total
Past due 31-60 days	P854,537	P-	P854,537
Over 120 days	-	76,522,652	76,522,652
	P854,537	P76,522,652	P77,377,189

FY March 31, 2014	Accounts receivable	Receivable from related parties	Total
Past due 31-60 days	P1,688,548	P-	P1,688,548
Over 120 days	-	68,232,802	68,232,802
	P1,688,548	**P68,232,802**	**P69,921,350**

Market Risk
The Group is exposed to market risk with respects to financial instruments it holds in equity securities.

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

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

	June 30, 2014		FY March 31, 2014	
	Peso Equivalent	Foreign Currency Equivalent	Peso Equivalent	Foreign Currency Equivalent
Japanese Ye Loan	P25,432,250	JPY57,565,074	P25,432,250	JPY57,565,074
US Dollar Loan	3,108,890	$70,000	3,108,890	$70,000
	P28,541,230		**P28,541,230**	

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

March 31, 2014	Effect on Income Before taxes
Increase/Decrease in Peso to US Dollar Rate	
+5%	+.16 Million
-5%	-.16 Million
Increase/Decrease in Peso to Japanese Yen Rate	
+5%	+.1.3 Million
-5%	-1.3 Million

Interest Rate Risk
The primary source of the Group's interest rates risk relates to debt instruments. The interest rates on this liability are disclosed in Note 21.

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

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

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

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

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

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

	June 30, 2014	FY March 31, 2014
Equity	P1,818,382,060	P1,820,404,975
Total assets	2,486,279,478	2,490,586,680
Ratio	0.73	0.73

8. Segment information

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

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

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

The segment information in the consolidated financial statements as of June 30, 2014 and June 30, 2013 follows:

June 30, 2014	Real estate	Healthcare	Corporate and others	Total
Revenues	P4,352,278	3,654,156	-	P8,006,434
Direct costs	273,848	3,073,950	-	3,347,798
Gross profit	4,078,430	580,206	-	4,658,636
Other income (expenses)	3,298	1,050	60,128	64,476
	4,081,728	581,256	60,128	4,723,112
Administrative expenses	4,373,658	1,242,227	611,489	6,227,374
Finance cost	424,641	-	-	424,641
	4,798,299	1,242,227	611,489	6,652,015
Loss before income taxes	(716,571)	(660,971)	(551,361)	(1,928,903
Income tax expense	81,206	11,604	1,202	94,012
Income (Loss)	(797,777)	(672,575)	(552,563)	(2,022,915)

	Real estate	Healthcare	Corporate and others	Total
Segment assets	P2,207,001,587	36,776,125	502,763,959	2,746,541,671
Segment liabilities	612,597,456	32,832,012	32,494,025	677,923,493
Other information:				
Depreciation and amortization	407,258	1,670,154	-	2,077,412

June 30, 2013	Real estate	Healthcare	Corporate and others	Total
Revenues	3,951,633	4,139,279	312,946	8,403,857
Direct costs	697,105	4,234,088	-	4,931,193
Gross profit	2,254,527	-94,809	312,946	3,472,664
Other income (expenses)	423	-	9	432
	3,254,951	-94,809	312,955	3,473,095
Administrative expenses	2,307,145	1,348,897	194,867	3,850,909
Finance cost	446,628	-	-	446,628
	2,753,773	1,348,897	194,867	4,297,537
Income before income taxes	501,177	-1,443707	118,088	-824,442
Income tax expense	65,091	-	6,259	71,349
Loss	436,087	-1,443,707	111,829	-895,791

	Real estate	Healthcare	Corporate and others	Total
Segment assets	1,532,253,809	41,171,435	490,243,182	1,805,058,066
Segment liabilities	433,980,624	32,824,743	11,649,160	446,939,042
Other information:				
Depreciation and amortization	657,259	1,670,154	-	2,327,412

9. Cash and Cash Equivalents

The composition of this account consist of:

	June 30, 2014	March 31, 2014
Cash in banks	P3,571,896	P4,157,441
Cash on hand	5,000	5,000
	P3,576,896	P4,162,441

Cash account with the banks generally earn interest at rates based on prevailing bank deposits.

10. Accounts Receivable

The composition of this account is as follows:

	June 30, 2014	March 31, 2014
Trade		
Real estate	P465,033	P1,097,033
Medical and health related services	389,504	591,515
	P854,537	P1,688,548

As of June 30, 2014 management believes that amounts are fully collectible and no provision for doubtful accounts is necessary.

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

- Receivables from real estate buyers are collectible in monthly installments. These receivables are not subject to interest.
- Trade receivables from medical and health related services are normally collectible on a 30 to 90 days term.

11. Real Estate Inventories

Real estate inventories consist of residential lots stated at cost amounting to P4,485,000 as of June 30, 2014 and March 31, 2014. Portion of these inventories is mortgaged to secure the Company's bank loans.

There was no sale of real estate during the year.

12. Other Current Assets

The composition of this account is as follows:

	June 30, 2014	March 31, 2014
Prepaid taxes	P1,491,880	P1,369,380
Input taxes	738,781	1,017,472
Other assets	98,800	98,800
	P2,329,461	P2,485,652

Prepaid taxes are portion of rental income withheld by various tenants. The same may be applied against future income tax liabilities.

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

13. Investments in Associates

This account consists of the following:

	June 30, 2014	March 31, 2014
Cost:		
ATN Solar	P30,000,000	P12,500,000
Mariestad Mining	7,000,000	7,000,000
	P37,000,000	P19,000,000
Additions during the year	-	17,500,000
	37,000,000	37,000,000
Equity in net losses		
Beginning of the year	(487,950)	(198,895)
Equity in net losses for the year	(404,044)	(289,055)
	(891,994)	(487,950)
Total	36,108,009	36,512,050
Less: Allowance for impairment	7,000,000	7,000,000
	P29,108,006	P29,512,050

Movement of impairment losses is as follows:

	June 30, 2014	March 31, 2014
Balance at beginning of year	P7,000,000	P3,500,000
Provision during the year	-	3,500,000
	P7,000,000	P7,000,000

14. Available-for-Sale Investments

Investment in AFS securities represents a block of shares in Transpacific Broadband Group International (TBGI), a publicly listed company in the Philippine Stock Exchange. Fair value was determined thru reference to published price quotations.

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

	June 30, 2014	March 31, 2014
Balance at beginning of the year	P55,881,033	P30,854,354
Acquisition through:		
Exchange	-	21,684,000
Reclassification	-	472.500
Changes in fair value	-	2,870,179)
	P55,881,033	P55,881,033

15. Investment Properties

Investment properties consist of land, raw land, condominium units and townhouses, details of which are broken down as follows:

	June 30, 2014	March 31, 2014
Cost:		
Balance at beginning of the year	P352,199,446	P352,199,446
Disposal during the year	(8,289,850)	-
	343,909,596	352,199,446
Unrealized gain on fair value adjustment		
Of investment properties:	P1,931,361,336	P1,931,361,366
	P2,275,270,963	P2,283,560,812

During 2012, condominium units with a net floor area of 560.91 square meters are subject of contracts to sell executed with a third party for a total contract price of P21.7 million. Advance payment received pertinent to such sale amounted to P8.3 million in 2014 and P5.6 million in 2013. The amount is lodge under "Deposit" in the statement of financial position (see Note 15).

On March 27, 2014, certain investment properties were re-appraised to properly reflect its fair market value. The appraisal resulted to an increase in value of investment amounting to P676.7 million. The increase in fair value is included in the statement of comprehensive income, net of deferred income tax as "Unrealized gain on investment properties". Fair market value is determined in a manner described in Note 6.

16. Property and Equipment

Property and equipment consists of:

June 30, 2014	Medical Equipment & Fixtures	Office Furniture & Fixtures	Leasehold Improvements	Transportation Equipment	Total
Costs					
April 1, 2014	P34,194,095	P6,138,644	P19,969,173	P995,536	P61,297,448
June. 30, 2014	P34,194,095	P6,138,644	P19,969,173	P995,536	P61,297,448
Accumulated dep'n					
At April 1, 2014	14,673,179	4,004,306	10,296,085	995,536	29,969,106
Provisions	902,882	224,633	774,897	-	1,902,412
June. 30, 2014	15,576,061	4,228,939	11,070,982	995,536	31,871,518
Net Book Value					
June.. 30, 2014	P18,618,034	P1,909,705	P8,898,191	-	P29,425,930

March 31, 2014	Medical Equipment & Fixtures	Office Furniture & Fixtures	Leasehold Improvements	Transportation Equipment	Total
Costs					
April 1, 2013	P34,194,095	P8,158,853	P19,969,173	P995,536	P63,141,157
Disposal	-	(2,466,637)	-	-	(2,466,637)
March 31, 2014	P34,194,095	P6,138,644	P19,969,173	P995,536	P61,297,448
Accumulated dep'n					
At April 1, 2013	P12,867,416	P6,021,677	P8,846,290	P978,942	P28,630,919
Provisions	1,805,783	449,266	1,549,795	16,594	3,804,824
Disposal	-	(2,466,637)	-	-	(2,466,637)
March 31, 2013	14,673,179	4,004,306	10,296,085	995,536	29,969,106
Net Book Value					
March 31, 2014	P19,520,916	P2,134,338	P9,673,088	-	P31,328,342

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

	June 30, 2014	March 31, 2014
Direct costs	P2,155,763	P1,805,763
Administrative expenses	2,499,061	2,126,956
	P4,654,824	P3,932,719

17. Intangible Asset

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

The movement in intangible asset is as follows:

	June 30, 2014	March 31, 2014
Cost	P15,000,000	P15,000,000
Accumulated amortizations		
Balance	5,750,000	4,900,000
Provisions	425,000	850,000
Balance	6,175,000	5,750,000
Net Book Value	P8,825,000	P9,250,000

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

	June 30, 2014	March 31, 2014
Direct costs	P175,000	P350,000
Administrative expenses	250,000	500,000
	P425,000	P850,000

18. Accounts payable and accrued expenses

This account consists of the following:

	June 30, 2014	March 31, 2014
Trade	P2,381,889	P2,068,394
Accrued expenses	419,412	675,451
Others	-	94,875
	P2,801,301	P2,838,720

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

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

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

19. Bank loans

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

On 2013, the group renewed these bank loans for another 3 years payable up to 2016. Interest is payable monthly at the rates specified by the bank. Interest on these loans at the end of reporting period ranges from 2.68% to 2.70% for dollar loan and 3% for yen loan per month.

The outstanding balances of this account are as follows:

	June 30, 2014	March 31, 2014
USD loan	3,108,980	3,108,980
Yen loan	25,432,250	25,432,250
	P28,541,230	P28,541,230

20. Deposits

This account consists of the following:

	June 30, 2014	March 31, 2014
Deposit on operating leases	P15,590,677	12,725,965
Deposit on contract to sell	9,681,417	8,335,549
	P25,572,094	P21,061,514

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

Deposit on contract-to-sell is advance payments made by third parties for the purchase of the company’s investment property discussed in Note 16. The contract to sell provides for a down payment equivalent to 20.83% and balance is payable in 120 equal monthly payments. Revenue on such sale will be recognized when the title to the property is transferred or the collection of the unpaid balance is reasonably assured.

21. Equity

Share capital

The Group's capital structure as of June 30, 2014 and March 31, 2014 is as follows:

	June 30, 2014	March 31, 2014
Authorized – P1 par value per share	1,200,000,000	1,200,000,000
Issued and outstanding		
Class "A"	P370,000,000	P370,000,000
Class "B"	80,000,000	80,000,000
	P450,000,000	P450,000,000

In accordance with the Articles of Incorporation, certain restrictions have been imposed regarding issuance and transfer of share capital as follows:

Class "A" common shares are to be issued only to citizens of the Philippines or to partnership, association or corporation organized under the laws of the Philippines, at least 60% of the capital or share capital outstanding is owned and held by Filipino citizens.

Class "B" common shares are to be issued to any person subject to the limitation that at any time the total number of shares subscribed, issued or outstanding does not exceed 2/4 of the total number of Common Class "A" shares subscribed, issued or outstanding.

22. Revenues

The breakdown of this account is as follows:

	June 30, 2014	June 30, 2013
Lease of properties	P4,412,406	P4,264,128
Heath care services	3,654,156	4,139,279
	P8,066,562	P8,403,279

23. Direct Costs

The breakdown of this account is as follows:

	June 30, 2014	June 30, 2013
Communication and utilities	P512,813	P983,865
Medical supplies	324,657	390,251
Professional fees	440,770	448,118
Real estate and other taxes	273,848	288,872
Rent	355,183	615,827
Salaries, wages and other benefits	537,645	1,126,379
	P3,347,798	P4,931,194

24. Administrative expenses

The breakdown of this account is as follows:

	June 30, 2014	June 30, 2013
Communication, dues and utilities	P919,025	P183,349
Depreciation and amortization	1,424,530	1,249,531
Office supplies	162,362	216,100
Professional fees	194,475	156,555
Rent	665,080	364,454
Repairs and maintenance	123,053	59,357
Representation and entertainment	194,585	-
Salaries, wages and other benefits	1,135,274	275,126
Security services	195,788	368,395
Taxes, licenses and permits	234,323	325,509
Transportation and travel	498,529	541,815
Miscellaneous	76,306	110,570
	P5,803,330	P3,850,909

Pursuant to a *Teaming Agreement* executed in January 2013, a 75%-25% cost sharing of cost/ expenses related to technical operations was implemented. All other cost including, but not limited to salaries and utilities shall be borne solely by the Group.

Accordingly, certain cost and expenses of the Group have significantly increased during 2014.

25. Related Party Transactions

i) Due from associates and affiliated companies

Year-end balances of due from related parties are as follows:

	June 30, 2014	March 31, 2014
Related parties		
Unipage Management Inc.	P76,522,652	P68,232,802

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Mariestad Mining Corporation (MMC) and Sierra Madre Consolidated Mines (SMCM)
Due from MMC and SMCM arose from various advances for working capital requirement. These advances are not subject to interest and have no fixed repayment period.

During 2013, management provided an impairment loss on its advances to MMC amounting to P3.725 million since the associate's mining activities did not result to profitable operations. Further provision for impairment amounting to P3.725 million was recorded in 2014.

Unipage Management, Inc. (UMI)
Receivable from UMI arose from an Investment Agreement executed in 2002, where the both parties are to acquire a controlling block in Transpacific Broadband Group, Inc (TBGI), a publicly listed company. In 2010, the Investment Agreement was terminated following the sale of 16 million shares worth P50 million. Proceeds from the said sale will be remitted by UMI.

Receivable from UMI are not subject to interest and is collectible on demand.

Transpacific Broadband Group International, Inc. (TBGI)
On January 10, 2002, the Group entered into an investment agreement with TBGI. Under the terms of the agreement, both parties shall contribute to the value of project investment amounting to P30 million.

In particular, the project investment pertains to the 9th floor of Summit One Tower Building consisting of 852.62 square meters. The Group being the developer of Summit One Tower Building earned the entire 9th floor as part of its investment allocation.

Both parties, as co-investors, can jointly use the space not exceeding 50% of the entire area. After five (5) years from the date of this agreement, either party can terminate this investment agreement via sale or buy out of the invested amount of either party, in case either party cannot agree on sale or buy out at the original price of investment, termination of the investment may proceed via sale of the project to a third party. The net proceeds from sale to a third party shall be shared equally by the co-investors.

On December 28, 2007, via supplemental investment agreement, TBGI decided to buy out the remaining ATN financial interest in the 9th floor of Summit One Tower Building at its fair market value of P19.18 million for P13 million TBGI shares.

Accordingly, TBGI issued its 13 million unlisted common shares to the Group with fair value of P21.7 million. (see Note 15)
The transaction did not result to any cash transaction.

(ii) Payable to related parties

The balance of this account consists of the following:

	June 30, 2014	March 31, 2014
Due to stockholder	P22,832,908	P29,557,194
Due to TBGI	6,098,421	5,835,538
	P28,931,329	P35,392,732

These advances are not subject to interest and have no fixed repayment period.

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

	June 30, 2014	March 31, 2014
PLDI	P19,548,847	P27,994,662
MCPI	27,948,790	28,022,328
AHCDC	11,367,392	10,768,677
	P58,865,029	P66,785,667

26. Retirement Benefits

The Group provides for estimated retirement benefits costs required to be paid under RA 7641 to qualifying employees. The cost of defined retirement benefits, including those mandated under RA 7641 should be determined using the accrued benefits valuation method or projected benefit valuation method. Both methods require an actuarial valuation which the Group has not undertaken. Management believes, however, that the effect on the financial statements of the difference between the retirement cost determined under the current method used by the Group and an acceptable actuarial valuation method is not significant.

The balance of retirement liability account as of June 30, 2014 and March 31, 2014 is P138,118.

27. Earnings (Loss) Per Share

Loss per share is computed by dividing the loss by the weighted average number of common shares as follows:

	June 30, 2014	June 30, 2013
Income / loss (A)	(P2,022,915)	(P895,791)
Divided by:		
Weighted Average Shares (B)	450,000,000	450,000,000
Loss per share (A/B)	(P0.004)	(P0.002)

28. Commitments and contingencies

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

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

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

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

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

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

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

29. Non cash investing and financing activities

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

During the fiscal year, an appraisal of the Group's investment properties resulted to an increase in the carrying value amounting to P674.6 million (see Note 15).

As of discussed in Notes 15 and 28, the Company received a total of 13 million shares of TBGI equivalent to P2.1 million in settlement of the investment agreement with the latter.

30. Other SEC requirements

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

1. There is no seasonality or cyclicality of interim operations.
2. There is no item that has unusual effect on asset, liabilities, equity, net income and cash flows.
3. There is no change in the nature and amounts reported in prior interim periods of the current financial year or prior financial year.
4. There is no issuance, repurchase nor repayment of debt and equity securities during the interim period.
5. There is no dividend paid for ordinary or other shares.
6. There is no material event subsequent to the end of the interim period that has not been reflected in the financial statements.
7. There is no change in the composition of the issuer such as business combination, acquisition, disposal of subsidiary and long-term investment, and restructuring during the interim period.
8. There is no change in contingent assets or contingent liabilities since the last annual balance sheet date.
9. There is no seasonal effect that had material effect on financial condition or result of operation.

Item 2. Management's Discussion and Analysis of Operation

(B) Interim Periods

Corporate revenues are segmented as follows:

Revenue from Real Estate Business	Php	4,416,755
Revenue from Health Care Business	Php	3,654,156

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

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

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

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

	ATN Holdings		Palladian Land		Advanced Home		Managed Care	
	2014	2013	2014	2013	2014	2013	2014	2013
Current Ratio	4.01	4.52	4.86	9.64	37.67	11.22	7.79	10.58
Debt to Equity Ratio	0.37	0.37	0.42	0.38	-2.98	0.26	4.02	3.93
Asset-to-Equity Ratio	1.37	1.37	1.42	1.38	-.1.98	3.14	5.02	-4.93
Interest Rate Coverage Ratio	-3.54	-0.85	0.39	0.16	-	-	-	-
Gross Profit Margin	58%	41%	94%	82%	-	-	16%	-2.3%
EBITDA	P398,509	P1,502,971	68,752	P1,160,535	-P127,015	-	1,008,133	P4,226,447
Net Income to Sales Ratio	-0.25	-11	0.15	-0.11	-	-	-0.18	-0.35
Net Income (Loss) in Pesos	-P2,022,915	P895,791	(P669,712)	P438,187	-P127,015	-	-P673,625	-P1,443,706

On a consolidated basis, ATN accounts that changed by more than 5% compared to quarter ending June 30, 2014 financial statements are as follows:

1. Cash and cash equivalent decreased to Php3.576 million from Php4.162 million (-14%).
2. Accounts receivable decreased to Php854 thousand from Php1.688 (-50%) million due to collection.
3. Other current assets decreased to Php2.329 million from Php2.485 million (-6.28%).
4. Advances to related parties increased to Php76 million from Php68 million (12%)
5. Payable to related parties decreased from Php35.392 million to Php28.931 million (-18.26%). These advances made are without interest to augment working capital requirements.
6. Increase in gross income to Php4.718 million as of June 30, 2014 from Php3.472 million (35.88%) compared to June 30, 2013 due to the following:

a. Decrease in medical supplies by Php 65 thousand (-17%) from Php390 thousand in 2013.
b. Decrease in depreciation and amortization by Php175 thousand (-16%) from Php1.077 million in 2013.
c. Decrease in rent expense by Php260 thousand (-42%) from Php615 thousand in 2013.
d. Decrease in salaries and wages by Php589 thousand (-52%) from Php1.126 million in 2013.
e. Decrease in utilities and communication by Php471 thousand (-48%) from Php984 thousand in 2013.

The decrease in depreciation and amortization; rent; salaries and wages; and utilities and communication are due to reclassification from direct cost to administrative expenses in 2014.

7. Administrative expenses increased from Php3.850 million in 2013 compared to Php5.823 million in 2014. The following are the accounts with more than 5% change:
   a. Increase in communication, dues and utilities by Php735 thousand (401%).
   b. Increase in depreciation and amortization by Php175 thousand (14%)
   c. Decrease in office supplies by Php54 thousand (-25%) due to lesser procurement.
   d. Increase in professional fees by Php38 thousand (24%) due to more consultation made.
   e. Increase in rent expense by Php300 thousand (82%).
   f. Increase on repairs and maintenance by Php63 thousand (107%) due to non recurring expenses.
   g. Increase in representation and entertainment by Php194 thousand (100%).
   h. Increase in salaries, wages and other benefits by Php860 thousand (313%) due to adjustments.
   i. Decrease in security services by Php172 thousand (-47%) due to adjustment in contract.
   j. Decrease in taxes, licenses and permits by Php91 thousand (-28%) due to non recurring expenses.
   k. Decrease in transportation and travel by Php43 thousand (-8%).

Corporate Development

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

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

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

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

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

SIGNATURES

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

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

PAUL B. SARIA
Principal Financial Officer
February 12, 2014

CELINIA FAELMOCA
Principal Accounting Officer
February 12, 2014