COVER SHEET

4 1 3 7 6

S.E.C. Registration Number

SYNERGY GRID & DEVELOPMENT PHILS., INC. (formerly: UEM DEVELOPMENT PHILS., INC.

(Company's Full Name)

1607 16TH FLOOR TYCOON CENTER BLDG. CONDOMINIUM PEARL DRIVE, PASIG CITY, METRO MANILA

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

Anna May B. Agustin

Contact Person

633-9757

Company Telephone Number

Month *Day*

Fiscal Year

SEC Form 17-Q

FORM TYPE

Month *Day*

Annual Meeting

N/A

Secondary License Type, if Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

SYNERGY GRID & DEVELOPMENT PHILS., INC.
(formerly: UEM Development Phils., Inc.)
1607, 16th Floor, Tycoon Center Bldg. Condominium
Pearl Drive, Pasig City

15 May 2013

PHILIPPINE STOCK EXCHANGE, INC.
Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City

Attention: Ms. Janet A. Encarnacion
Head, Disclosure Department

Re: Synergy Grid & Development Phils., Inc.

Gentlemen:

Please see the attached SEC Form 17-Q.

Very truly yours,

SYNERGY GRID & DEVELOPMENT PHILS., INC.

By:
ANNA MAY B. AGUSTIN
Compliance Officer

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: **31 March 2013**

2. SEC Identification Number: **41376** 3. BIR Tax Identification No.**: 000-593-240**

4. Exact name of issuer as specified in its charter: **SYNERGY GRID & DEVELOPMENT PHILS., INC.**

5. Province, country or other jurisdiction of incorporation or organization
   Pasig City, Republic of the Philippines

6. Industry Classification Code. [ ] (SEC Use Only)

7. Address of issuer's principal office — Postal Code
   1607, 16th Floor, Tycoon Center Bldg. — **1605**
   Condominium Pearl Drive, Pasig City, Metro Manila

8. Issuer's telephone number, including area code
   (**632) 584-3930**

9. Former name, former address, and former fiscal year. If changed since last report.
   N/A

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA (as of 31 December 2004)

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	**49,466,000**
Outstanding Debts	**P12,292,040,400**

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

    Yes [**X**] No [ ]

12. Check whether the issuer:

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

    Yes [**X**] No [ ]

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

Yes [**X**] No [ ]

APPLICABLE ONLY TO REGISTRANTS INVOLVED IN INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS DURING THE PRECEDING FIVE (5) YEARS

13. Check whether the registrant has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes [ ] No [**X**] This item is not applicable to SGP.

DOCUMENTS INCORPORATED BY REFERENCE:

SGP likewise attaches to this form and incorporates by reference as a component of Part I hereof its Financial Statements for the first quarter of 2013, period ending 31 March 2013.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Financial Statements and, if applicable, Pro Forma Financial Statements meeting the requirements of SRC Rule 68, Form and Content of Financial Statements , shall be furnished as specified therein.

The Company also attaches to this form and incorporates by reference as a component of Part 1, its Financial Statements for the first quarter of 2013, period ending 31 March 2013.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

On January 25, 2011, the Company entered into a Secured Facilities Agreement (Original Facility Agreement) with a bank with aggregate amount of US$190 million (P8.39billion). The proceeds of the US$172.35 million (P7.61 billion) loan were applied to the existing loans obtained from a bank by Calaca High Power Corporation (CHPC), a non-related entity. All costs, fees and interests related and in connection with the Original Facility Agreement are for the account of CHPC. The loans are for a period of two years and with an interest rate equivalent to the aggregate of the London Interbank Offered Rate (Libor) plus a spread. The loan was fully paid on April 27, 2012.

On February 16, 2011 and in connection with the resolutions approved by the Board on November 5 and 9, 2010 relating to the increase in the authorized capital stock of the Company and a proposed share swap with the stockholders of One Taipan Holdings, Inc.(One Taipan) and Pacifica 21 Holdings, Inc. (Pacifica). After a review of the financials of One Taipan and Pacifica and consultations with advisors and regulators, the Board passed a resolution authorizing the Company to issue, out of the P165 million increase in the authorized capital stock of the Company, 100,000,000 common shares at a price of P20 per share, to the stockholders of One Taipan and Pacifica in exchange for their shares in One Taipan and Pacifica.

Name of Subscriber	Number of Common Shares to be Subscribed from the Increase
Henry Sy Jr.	63,630,000
Robert Coyuito, Jr.	36,370,000
Total	100,000,000

The share swap was approved by the stockholders on December 21, 2010.

On March 14, 2011, the Original Facility Agreement was amended increasing the amount of the Company's loans by US$210 million (P9.20 billion) (First Amendment Agreement). The loan proceeds were applied as partial payment of the existing loans obtained from a bank by One Taipan, a related party through a common stockholder.

On March 28, 2011, the SEC approved the share swap and increase in the Company's authorized capital stock from P50.00 million divided into 50 million shares at P1 par value per share to P215.00 million divided into 100 million common shares at P1 par value per share and 65 million non-voting preferred shares with a par value of P1 per share.

However, the share swap agreement has not yet been completed pending the delivery of all conditions as agreed upon by the parties involved and as such, the Company is taking the position that the shares issued out of the increase in authorized capital stock should not yet be reflected.

Upon effectivity of the share swap, the Company will own 68.34% of Pacifica and 100% of One Taipan.

On December 14, 2011, the Original Facility Agreement was further amended (Second Amendment Agreement) increasing the total commitments of US$400 million (P17.65 billion) by US$305.50 million (P13.48 billion). The additional US$305.50 million (P13.48 billion) was applied in full payment of the existing One Taipan loans, together with the accrued interest and penalties. All costs, fees and interest related and in connection with the First and Second Amendment Agreements are for the account of One Taipan.

On April 30, 2012, the board approved the Guarantee of the US $100,000,000 loan of Power Access Global Inc.(Third Amendment) from a bank, and a Side Letter extending the security granted by the Company to Power Access Global Inc. under certain terms and conditions.

In August 2012, the board approved additional Guarantee of US $80,000,000 loan of Power Access Global, Inc. (4^{th} Amendment) from the same bank, under same terms and conditions.

Except for the advances which its major stockholders/affiliates made to SGP, there are no transactions between SGP and any of its directors, executive officers, or stockholders owning more than five (5%) of its outstanding capital stock and any member of their immediate family.

The Corporation has no subsisting construction, consultancy, sub-contracting, supply, sales or other major agreements with any party. It has no material commitment for any capital expenditure.

As of 31 March 2013, the Corporation currently has one employee, a Financial Comptroller but has plans to hire employees in the ensuing twelve (12) months.

There are no major risks that the Corporation is involved in other than the credit and liquidity risks discussed in Note 15 of the Notes to Financial Statements.

In addition to the information disclosed above, the Company further discloses that:

a. SGP does not anticipate any cash flow or liquidity problem within the next 12 months. SGP is not in default in any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments.

b. SGP does not have or is not aware of any trends, demands commitments, events or uncertainties that will have a material impact on its liquidity. As stated above, the major stockholders of SGP advance the amounts necessary to cover its expenses.

c. At present, SGP has no material commitments for any capital expenditure.

d. There are no significant elements of income or loss that did not arise from its operations. For the past several years, the Corporation has continuously sustained losses due to lack of income stream attributable to its non-operation. The Corporation's proposed corporate re-organization and diversification of its business is intended to improve the Corporation's performance and address its current financial losses.

e. All expenses of the Corporation are current and the Corporation does not expect any direct or contingent financial obligation that is substantial or material.

f. The following is an explanation of material changes in certain items of SGP's financial statements:

<u>1st Quarter 2012 vs. 1st Quarter 2013</u>

Cash balance during the current period decreased by P111.16 million (90%) compared to the 1st quarter of 2012. This is mainly due to available cash at the end of 1st quarter of 2012 intended for the payment of existing loans which fell due on April 2012.

Other current assets increased during the current period by P792,126 due to increase in input tax on services received and goods purchased and advances to employees as against 1st quarter of 2012.

Current and noncurrent other receivables decreased by P6.48 billion, as well as loans payable (current and noncurrent portion) which also decreased by P6.56 billion (34.80%) compared to the 1st quarter of 2012 due to payment of loans obtained by the company for the account of Onetaipan Holdings, Inc. and Calaca High Power Corporation .

SGP derived income from interest earned on short term money market placements and bank deposits. Operating expenses of the Company increased by P93,681 (3%) this 1st quarter of 2013 particularly for professional fees, when compared to the 1st quarter of 2012.

Out of net loss of P2.87 million and net income of P416,723 for 2013 and 2012, P7,337 and P2.43 million represents unrealized foreign exchange loss and gain for 2013 and 2012, respectively.

Loss per share for the 1st quarter of 2013 is P0.06 while P0.005 gain per share for the same period in 2012.

FY 2012 vs. 1st Quarter 2013

Revenue recognized during the period March 31, 2013 and for year end 2012 arose from interest income from short term placements and savings deposit amounting to P.075 million and P1.95 million respectively.

Expenses as of 31 March 2013 and 31 December 2012 amounted to P2.94 million and P8.23 million respectively as a result of decrease in professional and filing fees of the Company. This resulted to a P.06 loss per share for the period compared to P0.14 for year-end 2012.

Key Performance Indicators

Performance Indicators	Formula	31 March 2012	31 March 2013
Current Ratio	Current Asset /Current Liabilities	1.027 : 1 1,361,869,031 / 1,325,868,044	3.492 : 1 19,274,578 / 5,518,719
Debt to Equity Ratio	Total Liabilities / Total Equity	746.07 : 1 18,875,856,044 / 25,300,234	815.24 : 1 12,297,559,119 / 15,084,511
Equity to Debt Ratio	Total Equity / Total Liabilities	.0013 : 1 25,300,234 / 18,875,856,044	.0012 : 1 15,084,511 / 12,297,559,119
Book Value per share	Total Equity / Total number of shares	.51 : 1 25,300,234/ 49,466,000	.030 : 1 15,084,511/ 49,466,000
Income (Loss) per share	Net Income (Loss) / Total number of shares	.005 : 1 251,757 / 49,466,000	(0.06) : 1 (2,885,629) / 49,466,000

Assets

Total assets as of 31 March 2013 amounted to P 12,312,643,630 where 0.10% represents cash and cash equivalents and 99.87% represents current and noncurrent receivables. As of 31 March 2012, total assets amounted to P 18,901,156,278.

Liquidity and Capital Resources

As of 31 March 2013, the Company's current assets exceeded the current liabilities by P13.76 million. The current ratio as of 31 March 2013 increased as compared to 2012.

		31 March 2012		31 March 2013
Current Assets	P	1,361,869,031	P	19,274,578
Current Liabilities		1,325,868,044		5,518,719
Difference		36,000,987		13,755,859

Current Ratio	1.027	3.493

Expenses

The Company incurred expenses such as filing fees, salaries and wages, retainer fees, professional fees, taxes and licenses and other operating expenses totaling to P2,939,826 as of 31 March 2013, 3% more than the P 2,846,145 operating expenses for the quarter ending 31 March 2012.

Interest Income

The Company earned interest income of P 74,991 and P 833,831 from cash deposits and short term placements with banks for the quarters ended 31 March 2013 and 31 March 2012, respectively.

PART II--OTHER INFORMATION

The issuer may, at its option, report under this item any information not previously reported in a report on SEC Form 17-C. If disclosure of such information is made under this Part II, it need not be repeated in a report on Form 17-C which would otherwise be required to be filed with respect to such information or in a subsequent report on Form 17-Q.

SIGNATURES

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

SYNERGY GRID & DEVELOPMENT PHILS., INC.

By:

ANNA MAY AGUSTIN
Treasurer/Compliance Officer

MA. THERESITA DE GUZMAN YULO
Comptroller

Date: 14 May 2013

SYNERGY GRID & DEVELOPMENT PHILS., INC.
(Formerly UEM Development Phils., Inc.)

INTERIM STATEMENTS OF FINANCIAL POSITION
31 March 2013
(With Comparative figures for 31 March 2012)

			Audited		Unaudited Year to Date		
	Note		31 December 2012		31 March 2012		**31 March 2013**
ASSETS							
Current Assets							
Cash and cash equivalents	*4,15*	P	15,142,981	P	123,231,056	**P**	**12,074,306**
Current portion of other receivables	*8,9,15*		177,793,219		1,236,854,522		**4,624,692**
Other current assets	*5,15*		2,420,478		1,783,454		**2,575,580**
Total Current Assets			195,356,678		1,361,869,032		**19,274,578**
Noncurrent Assets							
Other receivables - net of current portion	*8,9.15*		13,004,722,100		17,537,426,464		**12,292,040,400**
Property and equipment - net	*6*		1,344,584		1,756,032		**1,223,902**
Other noncurrent assets	*15*		104,750		104,750		**104,750**
Total Noncurrent Assets			13,006,171,434		17,539,287,246		**12,293,369,052**
		P	13,201,528,112	P	18,901,156,278	**P**	**12,312,643,630**
LIABILITIES AND EQUITY							
Current Liabilities							
Accrued expenses and other current liabilities	*7,15*	P	178,835,872	P	23,246,044	**P**	**5,518,719**
Current portion of loans payable	*9,15*		-		1,302,622,000		**-**
Total Current Liabilities			178,835,872		1,325,868,044		**5,518,719**
Noncurrent Liability							
Loans payable - net of current portion	*9,15*		13,004,722,100		17,549,988,000		**12,292,040,400**
Total Liabilities			13,183,557,972		18,875,856,044		**12,297,559,119**
Equity							
Capital stock	*11*		49,466,000		49,466,000		**49,466,000**
Deficit			(31,495,860)		(24,165,766)		**(34,381,489)**
Total Equity			17,970,140		25,300,234		**15,084,511**
		P	13,201,528,112	P	18,901,156,278	**P**	**12,312,643,630**

See Notes to Financial Statements

SYNERGY GRID & DEVELOPMENT PHILS., INC.
(Formerly UEM Development Phils., Inc.)

INTERIM STATEMENTS OF COMPREHENSIVE INCOME
31 March 2013
(With Comparative figures for 31 March 2012)

		Audited	Unaudited Year to Date		Unaudited Quarter Ending	
	Note	31 December 2012	31 March 2012	**31 March 2013**	31 March 2012	**31 March 2013**
INCOME						
Interest income	*4*	P 1,953,153	P 833,831	**P 74,991**	P 833,831	**P 74,991**
OPERATING EXPENSES						
Filing fees		2,005,000	2,000,000	**1,854,975**	2,000,000	**1,854,975**
Salaries and wages	*8*	3,001,946	604,695	**692,176**	604,695	**692,176**
Professional fees		1,971,997	13,000	**222,432**	13,000	**222,432**
Depreciation		482,737	71,289	**120,684**	71,289	**120,684**
Taxes and licenses		19,318	500	**17,994**	500	**17,994**
Office supplies		79,737	-	**16,638**	-	**16,638**
Repairs and maintenance		11,948	-	**6,075**	-	**6,075**
Transportation		59,866	32,716	**1,445**	32,716	**1,445**
Insurance		30,943	-	**1,122**	-	**1,122**
Communications		4,819	-	**413**	-	**413**
Meetings and conferences		210,851	-	**-**	-	**-**
Bank charges		9,590	-	**-**	-	**-**
Miscellaneous	*12*	338,678	123,945	**5,871**	123,945	**5,871**
		8,227,430	2,846,145	**2,939,826**	2,846,145	**2,939,826**
LOSS FROM OPERATIONS		(6,274,277)	(2,012,314)	**(2,864,835)**	(2,012,314)	**(2,864,835)**
FOREIGN EXCHANGE GAIN (LOSS)	*13*	(418,871)	2,429,037	**(7,337)**	2,429,037	**(7,337)**
INCOME (LOSS) BEFORE INCOME TAX		(6,693,148)	416,723	**(2,872,172)**	416,723	**(2,872,172)**
INCOME TAX EXPENSE	*14*	385,189	164,966	**13,457**	164,966	**13,457**
TOTAL COMPREHENSIVE INCOME (LOSS)		P (7,078,337)	P 251,757	**(2,885,629)**	P 251,757	**(2,885,629)**
BASIC AND DILUTED GAIN (LOSS) PER SHARE	*11*	P (0.14)	P 0.005	**P (0.06)**	P 0.005	**P (0.06)**

See Notes to Financial Statements

SYNERGY GRID & DEVELOPMENT PHILS., INC.
(Formerly UEM Development Phils., Inc.)

INTERIM STATEMENTS OF CHANGES IN EQUITY
31 March 2013
(With Comparative figures for 31 March 2012)

	Note		**Audited**		**Unaudited Year to Date**		
			31 December 2012		31 March 2012		**31 March 2013**
CAPITAL STOCK - P1 par value	*11*						
Authorized - 50,000,000 shares							
Issued/subscribed (paid)		P	49,466,000	P	49,466,000	**P**	**49,466,000**
RETAINED EARNINGS (DEFICIT)							
Balance at beginning of period			(24,417,523)		(24,417,523)		**(31,495,860)**
Net income (loss) for the period			(7,078,337)		251,757		**(2,885,629)**
Balance at end of the period			(31,495,860)		(24,165,766)		**(34,381,489)**
		P	17,970,140	P	25,300,234	**P**	**15,084,511**

See Notes to Financial Statements

SYNERGY GRID & DEVELOPMENT PHILS., INC.
(Formerly UEM Development Phils., Inc.)

INTERIM STATEMENTS OF CASH FLOWS
31 March 2013
(With Comparative figures for 31 March 2012)

		Audited	Unaudited Year to Date	
	Note	31 December 2012	31 March 2012	**31 March 2013**
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) before income tax		P (6,693,148)	P 416,723	**P (2,872,172)**
Adjustments for:				
Interest income	*4*	(1,953,153)	(833,831)	**(74,991)**
Unrealized foreign exchange (gain) loss		418,871	(2,429,037)	**7,337**
Depreciation and amortization		482,737	71,289	**120,682**
Operating loss before working capital changes		(7,744,693)	(2,774,856)	**(2,819,144)**
Decrease (increase) in:				
Other current assets		(831,804)	(194,780)	**(155,102)**
Other receivables	*8*	7,976,560,227	2,384,794,560	**885,850,227**
Decrease in accrued expenses and other current liabilites		(18,808,197)	(1,977,840,025)	**(173,317,153)**
Cash generated from operations		7,949,175,533	403,984,899	**709,558,828**
Interest received		1,953,153	833,831	**74,991**
Income tax paid		(385,189)	(164,966)	**(13,457)**
Net cash provided by operating activities		7,950,743,497	404,653,764	**709,620,362**
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of loans	*9*	(8,027,517,900)	(376,188,000)	**(712,681,700)**
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(418,871)	2,429,037	**(7,337)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(77,193,274)	30,894,801	**(3,068,675)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	*4*	92,336,255	92,336,255	**15,142,981**
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	*4*	p 15,142,981	p 123,231,056	**p 12,074,306**

See Notes to Financial Statements

SYNERGY GRID & DEVELOPMENT PHILS., INC.
(Formerly UEM Development Phils., Inc.)

NOTES TO THE FINANCIAL STATEMENTS
AS OF 31 MARCH 2013
(With comparatives as of 31 December 2012)
(All amounts are in Philippine Peso, unless otherwise indicated**)**

1. Reporting Entity

Synergy Grid & Development Phils., Inc. (the "Company") was originally a mining corporation and registered with the Securities and Exchange Commission (SEC) on June 1, 1970 under the name Mankayan Minerals Development Company, Inc.

On February 22, 1994, the SEC approved the Company's change of corporate name to UEM Development Phils., Inc. and the change in its primary purpose from engaging in mining activities to general construction and other allied businesses. The amendment of its primary purpose was due to the potential opportunity in the construction industry brought about by the entry of a new foreign investor.

On October 10, 1997, the SEC approved the Amendment to the Seventh Article of the Company's Articles of Incorporation increasing the par value of its authorized capital stock from P0.01 to P1.00, decreasing the Company's shares of stock from 500,000,000 shares to 5,000,000 shares, and stating that the stockholders shall have no pre-emptive rights.

On November 5 and 9, and December 14, 2010, the Board of Directors ("Board") considered and approved the Amendment of the Articles of Incorporation and By-Laws of the Company for the purpose of, among others, changing the Company's corporate name to Synergy Grid & Development Phils., Inc., changing its primary purpose to enable it to engage in power, energy, utilities, infrastructure and allied businesses (including investing in such entities), expanding the secondary purpose of the Company, and increasing the Company's authorized capital stock to P215,000,000. The amendments to the Articles of Incorporation and By-Laws of the Company were approved by the stockholders on December 21, 2010. The SEC approved the Amended Articles of Incorporation on March 28, 2011 (see Note 11).

The Company's shares of stock are listed on the Philippine Stock Exchange (PSE) under the stock symbol "SGP".

The Company's registered office address is 1607, 16th Floor, Tycoon Center Bldg. Condominium Pearl Drive, Pasig City, Metro Manila.

2. Basis of Preparation

<u>Statement of Compliance</u>
The financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS includes statements named PFRS and Philippine Accounting Standards (PAS) and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC) issued by the Financial Reporting Standards Council (FRSC).

Basis of Measurement
The financial statements have been prepared on the historical cost basis of accounting.

Functional and Presentation Currency
The financial statements are presented in Philippine peso, which is also the Company's functional currency. All financial information presented in Philippine peso has been rounded off to the nearest peso, unless otherwise indicated.

Use of Judgments and Estimates
The preparation of the financial statements in conformity with PFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the financial statements. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Judgments are made by management on the development, selection and disclosure of the Company's critical accounting policies and estimates and the application of these policies and estimates.

In particular, the following is the information about significant areas of estimates, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements:

Determining Functional Currency
Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency has been determined to be the Philippine peso. The Philippine peso is the currency of the primary economic environment in which the Company operates. It is the currency that mainly influences the investing activities of the Company.

Impairment of Nonfinancial Assets
The Company assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Company considers important which could trigger an impairment review include the following:

- significant underperformance relative to the expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends

Estimating Useful Lives of Property and Equipment
The Company estimates the useful lives of its property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

Property and equipment, net of accumulated depreciation amounted P1.22 million as at March 31, 2013 (see Note 6).

Estimating Realizability of Deferred Tax Assets
The Company reviews its deferred tax assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. The Company's assessment on the recognition of deferred tax assets on deductible temporary difference and carryforward benefits of NOLCO is based on the projected taxable income within the prescription period.

The Company did not recognize the deferred tax assets as at March 31, 2013 and December 31, 2012 since management does not expect to have sufficient taxable profit that will be available against which the company deferred tax assets can utilize the benefit there from.

Provisions and Contingencies
The Company, in the ordinary course of business, sets up appropriate provisions for its present legal or constructive obligations, if any, in accordance with its policies on provisions and contingencies. In recognizing and measuring provisions, management takes risk and uncertainties into account. The Company does not have any contingent legal or constructive obligation that requires provision or disclosure as at March 31, 2013 and December 31, 2012.

3. Summary of Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except for the changes in accounting policies as explained below:

Adoption of New or Revised Standards, Amendments to Standards and Interpretations
The Company has adopted the following amendments to standards and interpretations starting January 1, 2012 and accordingly, changed its accounting policies. Except as otherwise indicated, the adoption of these amendments to standards and interpretations did not have any significant impact on the Company's financial statements.

- *Disclosures - Transfers of Financial Assets (Amendments to PFRS 7)*, require additional disclosures about transfers of financial assets. The amendments require disclosure of information that enables users of financial statements to understand the relationship between transferred financial assets that are not derecognized in their entirety and the associated liabilities; and to evaluate the nature of, and risks associated with, the entity's continuing involvement in derecognized financial assets. Entities are required to apply the amendments for annual periods beginning on or after July 1, 2011.

New or Revised Standards, Amendments to Standards and Interpretations Not Yet Adopted
A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2012, and have not been applied in preparing these financial statements. Except as otherwise indicated, none of these is expected to have a significant effect on the financial statements. Those which may be relevant to the Company are set out below. The Company does not plan to adopt this standard early and the extent of the impact has not been determined.

The Company will adopt the following new or revised standards, amendments to standards and interpretations in the respective effective dates:

To be Adopted on January 1, 2013

- Presentation of Items of Other Comprehensive Income (*Amendments to PAS 1, Presentation of Financial Statements*). The amendments: (a) require that an entity presents separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss; (b) do not change the existing option to present profit or loss and other comprehensive income in two statements; and, (c) change the title of the statement of comprehensive income to the statement of profit or loss and other comprehensive income. However, an entity is still allowed to use other titles. The amendments do not address which items are presented in other comprehensive income or which items need to be reclassified. The requirements of other PFRSs continue to apply in this regard. These amendments are effective on or after July 1, 2012 with early application permitted and are to be applied restrospectively.

- *Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to PFRS 7).* These amendments include minimum disclosure requirements related to financial assets and financial liabilities that are: (a) offset in the statements of financial position; or (b) subject to enforceable master netting arrangements or similar agreements. They include a tabular reconciliation of gross and net amounts of financial assets and financial liabilities, separately showing amounts offset and not offset in the statements of financial position. These amendments are effective for annual periods beginning on or after January 1, 2013 and are to be applied retrospectively.

- *Annual Improvements to PFRSs 2009 - 2011 Cycle* - various standards contain amendments to five standards with consequential amendments to other standards and interpretations. The amendments are effective for annual periods beginning on or after January 1, 2013. The following are the said improvements or amendments to PFRSs, none of which has a significant effect on the financial statements of the Company:

    - PAS 1 *Presentation of Financial Statements* - Comparative Information beyond Minimum Requirements. This is amended to clarify that only one comparative period which is the preceding period - is required for a complete set of financial statements. If an entity presents additional comparative information, then that additional information need not be in the form of a complete set of financial statements. However, such information should be accompanied by related notes and should be in accordance with PFRSs. For example, if an entity elects to present a third statement of comprehensive income, then this additional statement should be accompanied by all related notes, and all such additional information should be in accordance with PFRSs. However, the entity need not present: (a) other primary statements for that additional comparative period, such as a third statement of cash flows; or (b) the notes related to these other primary statements.

    - PAS 1 - *Presentation of the Opening Statement of Financial Position and Related Notes*. This is amended to clarify that: (a) the opening statement of financial position is required only if: (i) a change in accounting policy; (ii) a retrospective restatement; or (iii) a reclassification has a material effect upon the information in that statement of financial position; (b) except for the disclosures required under PAS 8, notes related to the opening statement of financial position are no longer required; and (c) the appropriate date for the opening statement of financial position is the beginning of the preceding period, rather than the beginning of the earliest comparative period presented. This is regardless of whether an entity provides additional comparative information beyond the minimum comparative information requirements. The amendment explains that the requirements for the presentation of notes related to additional comparative information and those related to the opening statement of financial statements are different, because the underlying objectives are different. Consequential amendments have been made to PFRS 1.

    - PAS 32, *Financial Instruments Presentation* - Income Tax Consequences of Distributions. This is amended to clarify that PAS 12, *Income Taxes* applies to the accounting for income taxes relating to: (a) distributions to holders of an equity instrument; and (b) transaction costs of an equity transaction. This amendment removes a perceived inconsistency between PAS 32 and PAS 12. Before the amendment, PAS 32 indicated that distributions to holders of an equity instrument are recognized directly in equity, net of any related income tax. However, PAS 12 generally requires the tax consequences of dividends to be recognized in profit or loss. A similar consequential amendment has also been made to Philippine Interpretation IFRIC 2, *Members' Share in Co-operative Entities and Similar Instruments.*

To be Adopted on January 1, 2014

- *Offsetting Financial Assets and Financial Liabilities (Amendments to PAS 32).* These amendments clarify that: (a) an entity currently has a legally enforceable right to set-off if that right is: (i) not contingent on a future event; and (ii) enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties; and (b) gross settlement is equivalent to net settlement if and only if the gross settlement mechanism has features that: (i) eliminate or result in insignificant credit and liquidity risk; and (ii) process receivables and payables in a single settlement process or cycle. These amendments are effective for annual periods beginning on or after January 1, 2014 and are to be applied retrospectively.

To be Adopted on January 1, 2015

- PFRS 9, *Financial Instruments (2010),* PFRS 9 *(2009).* PFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under PFRS 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. PFRS 9 (2010) introduces additions relating to financial liabilities. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of PFRS 9 and add new requirements to address the impairment of financial assets and hedge accounting. The adoption of PFRS 9 (2010) is expected to have an impact on the Company's financial statements and could change the classification and measurement of financial assets. PFRS 9 (2010 and 2009) is effective for annual periods beginning on or after January 1, 2015.

The Company will assess the impact of the above amendments to standards and interpretations on the financial statements upon their adoption in their respective effective dates.

Financial Instruments

Date of Recognition. The Company recognizes a financial asset or a financial liability in the statements of financial position when it becomes a party to the contractual provisions of the instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, is done using settlement date accounting.

Initial Recognition of Financial Instruments. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given or received. The initial measurement of financial instruments, except for those designated at fair value through profit or loss (FVPL), includes directly attributable transaction cost.

Subsequent to initial recognition, the Company classifies its financial assets in the following categories: held-to-maturity (HTM) investments, available-for-sale (AFS) financial assets, FVPL financial assets, and loans and receivables. The Company classifies its financial liabilities as either FVPL financial liabilities or other financial liabilities. The classification depends on the purpose for which the investments are acquired and whether they are quoted in an active market. Management determines the classification of the Company's financial assets and financial liabilities at initial recognition and, where allowed and appropriate, reevaluates such designation at every reporting date.

The Company has no HTM investments, FVPL financial assets and FVPL financial liabilities as at March 31, 2013 and December 31, 2012.

AFS Financial Assets. AFS financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other financial asset categories. Subsequent to initial recognition, AFS financial assets are measured at fair value and changes therein, other than impairment losses and foreign currency differences on AFS debt instruments, are recognized in other comprehensive income and presented in the "Fair value reserve" in equity. Dividends earned on holding AFS financial assets are recognized as "Dividend income" when the right to receive payment has been established. When individual AFS financial assets are either derecognized or impaired, the related accumulated unrealized gains or losses previously reported in equity are transferred to and recognized in profit or loss.

AFS financial assets also include unquoted equity instruments with fair values which cannot be reliably determined. These instruments are carried at cost less impairment in value, if any.

The Company's investments in AFS financial assets are included under "Other noncurrent assets" account in the statements of financial position.

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 are not entered into with the intention of immediate or short-term resale and are not designated as AFS financial assets or financial asset at FVPL.

Subsequent to initial measurement, loans and receivables are carried at amortized cost using the effective interest rate method, less impairment in value. Any interest earned on loans and receivables shall be recognized as part of "Interest income" in profit or loss on an accrual basis. Gains and losses are recognized in profit or loss when loans and receivables are derecognized or impaired.

The Company's cash and cash equivalents, other receivables and advances to employees are included in this category.

Cash includes cash on hand and in banks and is stated at face value. Cash equivalents are short-term, highly liquid instruments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of acquisition and that are subject to an insignificant risk of change in value.

The combined carrying amount of financial assets under this category amounted to P12.31 billion and P13.20 billion as at March 31, 2013 and December 31, 2012, respectively (Note 15).

Other Financial Liabilities. This category pertains to financial liabilities that are not designated or classified as at FVPL. After initial measurement, other financial liabilities are carried at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any premium or discount and any directly attributable transaction costs that are considered an integral part of the effective interest rate of the liability.

Included in this category are accrued expenses and other current liabilities and loans payable.

The combined carrying amounts of financial liabilities under this category amounted to P12.29 billion and P13.16 billion as at March 31, 2013 and December 31, 2012, respectively (Note 15).

Derecognition of Financial Assets and Liabilities
Financial Assets. A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;

- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or

- the Company 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 control of the asset.

When the Company has transferred its right to receive cash flow from an asset 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 Company'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 the original carrying amount of the asset or the maximum amount of consideration that the Company could be required to pay.

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

Offsetting Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, where the related assets and liabilities are presented gross in the statements of financial position.

Property and Equipment
Property and equipment are carried at cost less accumulated depreciation and impairment loss, if any.

The initial cost of property and equipment consists of its purchase price, including any directly attributable costs in bringing the asset to its working condition and location for its intended use. Expenditures incurred after the properties have been put into operation, such as repairs and maintenance, are normally recognized in profit or loss in the year the costs are incurred. Major expenditures are capitalized as additional costs of property and equipment only when it is probable that future economic benefits associated with the items will flow to the Company and the costs of the items can be measured reliably.

Depreciation is computed using the straight-line method over the following estimated useful lives of the assets:

	Number of Years
Transportation equipment	5
Furniture and fixtures	3
Office equipment	3
Computer equipment	5

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

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation is recognized in profit or loss. Assets are derecognized upon disposal or when there is no longer future economic benefits expected from the use or disposal of these items. 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 asset) is included in profit or loss in which the asset is derecognized.

<u>Impairment of Assets</u>

Financial Assets

The Company assesses at the reporting date whether a financial asset or group of financial assets is impaired.

A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Assets Carried at Amortized Cost. For assets carried at amortized cost such as loans and receivables, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If no objective evidence of impairment has been identified for a particular financial asset that was individually assessed, the Company includes the asset as part of a group of financial assets pooled according to their credit risk characteristics and collectively assesses the group for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in the collective impairment assessment.

Evidence of impairment for specific impairment purposes may include indications that the borrower or a group of borrowers is experiencing financial difficulty, default or delinquency in principal or interest payments, or may enter into bankruptcy or other form of financial reorganization intended to alleviate the financial condition of the borrower. For collective impairment purposes, evidence of impairment may include observable data on existing economic conditions or industry-wide developments indicating that there is a measurable decrease in the estimated future cash flows of the related assets.

If there is objective evidence of impairment, the amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). Time value is generally not considered when the effect of discounting the cash flows is not material. If a loan or receivable has a variable rate, the discount rate for measuring any impairment loss is the current effective interest rate, adjusted for the original credit risk premium. For collective impairment purposes, impairment loss is computed based on their respective default and historical loss experience.

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

Non-financial Assets
The carrying amounts of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, and if the carrying amount exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of the asset is the greater of fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such a reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Capital Stock
Common Shares
Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

Earnings Per Share
Basic Earnings Per Share (EPS) is calculated by dividing income applicable to common shares by the weighted average number of common shares outstanding during the year with retroactive adjustments for stock dividends, if any. Diluted EPS is computed in the same manner as basic EPS, however, net income attributable to common shares and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential common shares, if any.

Operating Segments
A segment is a distinguishable component of the Company that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those other segments.

The Company, having no operations, assessed that it has no reportable segment. Accordingly, the Company does not present segment information.

Taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current income tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits - Minimum Corporate Income Tax (MCIT) and unused tax losses - Net Operating Loss Carry Over (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward benefits of MCIT and NOLCO can be utilized, except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- with respect to deductible temporary differences associated with investments in subsidiaries and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year 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 reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Value Added Tax (VAT). Revenues, expenses and assets are recognized net of the amount of VAT, except:

- where the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of tax included.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of revenue can be measured reliably. The following specific recognition criteria must also be met before revenue is recognized.

Interest Income

Interest income from cash in bank, which is subject to final withholding tax, is presented at gross amount and the tax paid or withheld is included in income tax expense.

Expense Recognition

Expenses are recognized when decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably. Expenses are recognized when they are incurred.

Related Party Transactions and Relationship

Related party relationship exists when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between and/or among entities which are under control with reporting enterprise and its key management personnel, directors, or its stockholders. Transactions between related parties are accounted for at arms' length prices or on terms similar to those offered to non-related entities in an economically comparable market.

Foreign Currency Transactions

Transactions in foreign currencies are converted to Philippine peso at exchange rates prevailing at the transaction dates. Foreign currency-denominated monetary assets and liabilities are retranslated into Philippine peso at the exchange rates prevailing at the reporting date. The resulting foreign exchange gains or losses are recognized in profit or loss.

Provisions

Provisions are recognized when the Company has: (a) a present obligation (legal or constructive) as a result of past event; (b) it is probable (i.e., more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and those risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. Where some or all of the expenditures required to settle a provision are expected to be reimbursed by another party, the reimbursement shall be recognized when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognized for the reimbursement shall not exceed the amount of the provision. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingencies

Contingent liabilities are not recognized in the financial statements but are disclosed in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable.

Events After the Reporting Date

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

4. Cash and cash equivalents

This account consist of:

	March 2013	December 2012
Cash in banks	**P 3,999,071**	P 5,116,973
Short-term placements	**8,075,235**	10,026,008
	P 12,074,306	P 15,142,981

Cash in banks earn annual interest at the respective bank deposit rates. Short-term placements represent money market placements made for varying periods from fourteen (14) days to thirty one (31) days earning interest ranging from 1.50% to 4.63% per annum. Interest income amounted to P.075 million and P1.95 million for the periods ended March 31, 2013 and December 31, 2012, respectively.

5. Other Current Assets

This account consist of:

	March 2013	December 2012
Input tax	**P 2,056,021**	P 1,796,831
Creditable income tax	**147,997**	147,997
Advances to employees and contractors	**371,562**	475,650
	P 2,575,580	P 2,420,478

6. Property and Equipment

The movement and balances of this account as at and for the period ended March 31, 2013 are as follows:

	Transportation Equipment	**Furniture and Fixture**	**Office Equipment**	**Computer Equipment**	**Total**
Cost :					
Additions and balances as at December 31, 2012	P1,182,143	P37,665	P18,781	P 682,474	P1,921,063
Accumulated depreciation:					
As of December 31, 2012	315,257	20,444	7,794	232,984	576,479
Depreciation for the period	59,107	3,138	1,565	56,872	120,682
March 31, 2013	**374,364**	**23,582**	**9,359**	**289,856**	**697,161**

Net carrying value:					
March 31, 2013	**P 807,779**	**P14,083**	**P9,422**	**P392,618**	**P1,223,902**

7. Accrued Expenses and Other Current Liabilities

This account consist of:

	March 2013	December 2012
Accrued interest	**P -**	P 153,076,158
Government payables	**4,703,944**	23,094,802
Professional fees	**63,000**	1,913,137
Others	**751,775**	751,775
	P 5,518,719	P 178,835,872

Government payables include withholding tax, final tax and other payables to various government agencies.

8. Related Party Transaction

- Other receivables include loans obtained by the Company on behalf of OneTaipan Holdings, Inc. (OneTaipan), a related party through a common major stockholder, amounting to P12.29 billion as at March 31, 2013 and P13.00 billion as at December 31, 2012 (see Note 9).

- Short-term employee benefits for the period ended March 31, 2013 and December 31, 2012 amounted to P0.69 million and P3.00 million, respectively, which are included under "Salaries and other employee benefits" account in the statements of comprehensive income.

9. Loans Payable

On January 25, 2011, the Company entered into a Secured Facilities Agreement (Original Facility Agreement) with a bank with aggregate amount of US$190 million (P8.39 billion). The proceeds of US$172.35 million (P7.61 billion) loan were applied to the existing loans obtained from a bank by Calaca High Power Corporation (CHPC), a non related entity. All costs, fees and interests related and in connection with the Original Facility Agreement are for the account of CHPC. The loans are for a period of two years and with an interest rate equivalent to the aggregate of the London Interbank Offered Rate (LIBOR) plus a spread.

On March 14, 2011, the Original Facility Agreement was amended increasing the amount by US$210 million (P9.20 billion) (First Amendment Agreement). The loan proceeds were applied as partial payment of the existing loans obtained from a bank by OneTaipan, a related party through a common stockholder.

On December 14, 2011, the Original Facility Agreement was further amended (Second Amendment Agreement) increasing the total commitments of US$400.00 million (P17.65 billion) by US$305.50 million (P13.48 billion). The additional US$305.50 million (P13.48 billion) was applied in the full payment of the existing OneTaipan loans, together with accrued interest and penalties. All costs, fees and interests related and in connection with the First and Second Amendment Agreements are for the account of OneTaipan.

Management is in the process of negotiating with the bank for the possible extension of the loan.

On April 30 and August 22, 2012, the Original Facility Agreement was further amended under the Third and Fourth Amendment Agreement, respectively, to include Power Access Global Inc. (Power Access) as the "Facility C Borrower" and increasing the total commitments by US$100 million (P4.22 billion) and US$80 million (P3.38 billion), respectively. The Company guarantees the obligations of Power Access and extends the securities granted by the Company under the Secured Facilities Agreement dated January 25, 2011 to the Facility C Borrower in the event of default. All additional loans, costs, fees and interest related and in connection with the Third and Fourth Amendment Agreement are for the account of Power Access. The balance of the loan guaranteed by the Company under the Third and Fourth Amendment amounted to $120.66 million (P4.92 billion) as at March 31, 2013.

There were no additional loans obtained by the Company as at March 31, 2013. Total amount of loan obtained in 2011 amounted to P30.19 billion. Total loans paid as of March 31, 2013 and 2012 amounted to P712.68 million and P8.03 billion, respectively.

The above loans are secured, among others, by 92.5% of the Company's shares of stock, shares of stock of the other parties in the loan agreements and receivables resulting from the assignment of the proceeds of the loans to OneTaipan and CHPC.

The balance of the loans assigned to OneTaipan amounted to US$ 301.28 (P12.29 billion) as at March 31, 2013 and is recognized under "Other receivables" in the statements of financial position (see Note 8). The loan for the account of CHPC was fully paid in 2012.

In addition, interest, cost and other expenses, including impact of foreign exchange translation for the loans which is receivable from OneTaipan are recognized under "Other receivables" amounts to P4.6 million and P177.79 million as at March 31, 2013 and December 31, 2012, respectively.

10. Other Commitments and Contingent Liabilities

The Company has no outstanding commitments and contingent liabilities as of 31 March 2013 and 31 December 2012.

11. Capital Stock

Details of share capital as at March 31, 2013 and December 31, 2012 are as follows:

	Number of shares	Amount
Authorized shares (at P1 par value per share – Common	50,000,000	P 50,000,000
Issued shares (fully paid) Common	49,466,000	P49,466,000

Basic/diluted income (loss) per share amounts are computed as follows:

	March 2013	December 2012
Net loss attributable to shareholders	**(P 2,885,629)**	(P 7,078,337)
Divided by weighted average number of outstanding common shares	**49,466,000**	49,466,000
	(P0.06)	(P0.14)

There were no dilutive potential common shares, hence basic and diluted EPS are the same for the years presented.

Increase in Authorized Capital Stock/Share Swap
On November 5, 2010, the Board resolved and approved the increase in the authorized capital stock of the Company from P50 million to P215 million, with the increase of P165 million to be divided into 100 million common shares at a par value of P1 per share and 65 million non-voting, non-cumulative preferred shares at a par value of P1 per share with other terms and conditions to be determined by the BOD at a later date.

The above were approved by the stockholders on December 21, 2010.

In connection with the above resolutions and with a proposed share swap with the stockholders of Pacifica21 Holdings, Inc. ("Pacifica") and OneTaipan, on February 16, 2011, the BOD passed a resolution authorizing the Company to issue, out of the P165 million increase in the authorized capital stock of the Company, 100,000,000 common shares at a price of P20 per share, to the stockholders of OneTaipan and Pacifica in exchange for their shares in OneTaipan and Pacifica.

The share swap was approved by the stockholders on December 21, 2010.

On March 28, 2011, the SEC approved the share swap and increase in the Company's authorized capital stock from P50.00 million divided into 50 million shares at P1 par value per share to P215.00 million divided into 100 million common shares at P1 par value per share and 65 million non-voting preferred shares at a par value of P1 per share.

However, the share swap agreement has not yet been completed pending the delivery of all the conditions as agreed upon by the parties involved.

Upon effectivity of the share swap, the Company will own 68.34% of Pacifica and 100% of OneTaipan.

12. Miscellaneous Expenses

The account includes expenses like rent, representation and others.

13. Net Foreign Exchange Gain (Loss)

The Net Foreign Exchange Gain (Loss) pertains to the results on the restatement of Loans and Cash in Bank (Dollar Account). These monetary asset and liability denominated in foreign currency at the reporting date were restated using the PDEX closing exchange rate.

14. Income Tax

The Company's temporary differences of which deferred tax assets were not recognized by the Company as of 31 March 2013 and 31 December 2012 are shown below:

	March 31, 2013	December 31, 2012
Allowance for impairment	**P 1,800,000**	P 1,800,000
Unrealized foreign exchange loss	**7,337**	418,870
Net operating loss carry-over (NOLCO)	**27,066,141**	23,707,444
	P28,873,478	P 25,926,314

As of 31 March 2013, the Company has NOLCO which can be claimed as deduction from future taxable income. Details of NOLCO are as follows:

Year Incurred	Amount	Expired	Applied	Balance	Expiry Date
2009	P 2,242,990	P 2,242,990	P -	P -	December 31, 2012
2010	2,011,297	-	-	2,011,297	December 31, 2013
2011	12,924,557	-	-	12,924,557	December 31, 2014
2012	8,771,590	-	-	8,771,590	December 31, 2015
2013	3,358,697			3,358,697	December 31, 2016
	P 29,309,131	P 2,242,990	P -	P 27,066,141	

15. Financial Risks and Capital Management

The Company's financial instruments comprise of cash in banks, other receivables, advances to employees, available-for-sale financial assets, accrued expenses and other current liabilities and loans payable.

The Company has exposure to credit risk and liquidity risk primarily from its use of financial instruments.

This note presents information about the Company's exposure to each of the foregoing risks, the Company's objectives, policies and processes for measuring and managing these risks, and the Company's management of capital.

The Company's aim is to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Company's financial performance. The Board of Directors provides written principles for overall risk management.

The BOD constituted the Company's Audit Committee to assist the BOD in fulfilling its oversight responsibility of the Company's corporate governance process relating to the: (a) quality and integrety of the Company's financial statements and financial reporting process and the Company's system of internal accounting and financial controls; (b) performance of the internal auditors; (c) annual independent audit of the Company's financial statements, the engagement of the independent auditors and the evaluation of the independent auditors' qualifications, independence and performance; (d) compliance by the Company with legal and regulatory requirements, including the Company disclosures control and procedures; (e) evaluation of management's process to access and manage the Company's enterprise risk issues; and (f) fulfillment of the other responsibilities set out by BOD. The Audit Committee shall also prepare the reports required to be included in the Company's annual report.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from cash, advances and refundable deposit.

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

	Note	**2013**	2012
Cash & cash equivalents	4	**P 12,064,306**	P 15,132,981
Advances to employees		**317,262**	421,350
Other receivables	8	**12,296,665,092**	13,182,515,319
		P12,309,046,660	P13,198,069,650

To reduce its credit risk on cash, the Company concentrates its main cash activities with a bank that has good financial ratings. Also, the utilization of credit limits with the bank is regularly monitored.

Other receivables are collected on due date and are secured by shares of stock of the debtors.

Liquidity Risk

Liquidity risk is the risk that the Company is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay creditors and fulfill commitments.

To manage liquidity risk, the Company maintains sufficient liquid assets to meet its maturing obligations and to meet current operating requirements.

The table below summarizes the maturity profile of the Company's financial assets and financial liabilities based on contractual undiscounted payments used for liquidity management as of March 31, 2013 and December 31, 2012.

2013

	Carrying Amount	**Contractual Cash Flows**	**1 Year**	**More than 1 Year to 2 Years**	**More than 2 Years**
Financial assets					
Cash and cash equivalents	**P 12,074,306**	**P 12,074,306**	**P 12,074,306**	**P -**	**P -**
Advances to employees (included under "Other Current assets")	**317,262**	**317,262**	**317,262**	**-**	**-**
Other receivables	**12,296,665,092**	**12,296,665,092**	**12,296,665,092**	**-**	**-**
Financial liabilites					
Accrued expenses and other current liabilities*	**823,855**	**823,855**	**823,855**	**-**	**-**
Loans payable	**12,292,040,400**	**12,292,040,400**	**-**	**-**	**12,292,040,400**

2012

	Carrying Amount	Contractual Cash Flows	1 Year	1 Year to 2 Years	More than More than 2 Years
Financial assets					
Cash and cash equivalents	P 15,142,981	P 15,142,981	P 15,142,981	P -	P -
Advances to employees (included under "Other Current assets")	421,350	421,350	421,350	-	-
Other receivables	13,182,515,319	13,182,515,319	13,182,515,319	-	-
Financial liabilites					
Accrued expenses and other current liabilities*	155,741,070	155,741,070	155,741,070	-	-
Loans payable	13,004,722,100	13,004,722,100	-	-	13,004,722,100

**Excluding government payables*

Fair Value of Financial Assets and Liabilities

The carrying amounts of the Company's financial assets and financial liabilities at reporting period approximate their fair values considering that these have short-term maturities.

Fair Value Hierarchy

The table below analyses financial instruments carried at fair value, by valuation method.

The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

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

2013 and 2012	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets				
Available-for-sale financial assets	**P78,750**	**P -**	**P -**	**P78,750**

In 2013 and 2012, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

Capital Management
The Company defines capital as capital stock, fair value reserve and deficit for the period as shown in the interim statement of financial position.

Management's objectives in managing capital are to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns to its shareholders and to maintain an optimal capital structure to reduce the cost of capital.

15. Supplementary Information Required by Bureau of Internal Revenue's Revenue Regulations (RR) No. 15-2010

In addition to the disclosures mandated under PFRSs, and such other standards and/or conventions as maybe adopted, companies are required by the BIR to provide in the notes to the financial statements, certain supplementary information for the taxable year. The amounts relating to such information may not necessarily be the same with those amounts disclosed in the financial statements which were prepared in accordance with the PFRS.

SYNERGY GRID & DEVELOPMENT PHILS., INC.
SCHEDULES TO FINANCIAL STATEMENTS

Schedule A. Financial Assets

Name of Issuing entity and asssociation of each issue	Number of shares or principal amounts of bonds	Amount shown in balance sheet	Valued based on market quotation at end of reporting period	Income received and accrued
Philippine Long Distance Telephone Company - Common shares	7,500	Php78,750		

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than related parties)

Name and Designation of debtor	Balance December 31, 2012	Additions	Amounts Collected	Amounts written off	Current	Not Current	Balance MARCH 2013
OneTaipan Holdings, Inc.	13,182,515,319		885,850,227		4,624,692	12,292,040,400	12,296,665,092
TOTAL	**13,182,515,319**	**-**	**885,850,227**	**-**	**4,624,692**	**12,292,040,400**	**12,296,665,092**

Schedule C. Amounts Receivable from Related Parties which are eliminated during the consolidation of financial statements

Name and Designation of debtor	Balance December 31, 2012	Additions	Amounts Collected	Amounts written off	Current	Not Current	Balance MARCH 2013
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**-**

SYNERGY GRID & DEVELOPMENT PHILS., INC.
SCHEDULES TO FINANCIAL STATEMENTS

Schedule D. Other Assets

Description	Balance December 31, 2012	Additions at Cost	Charged to cost and expense	Charged to other accounts	Other Changes	Balance March 31, 2013
Creditable income tax	147,997	-	-	-	-	147,997
Input tax	1,796,831	-	-	259,190	-	2,056,021
Other Receivables	475,650	-	-	(104,088)	-	371,562
TOTAL	**2,420,478**	**-**	**-**	**155,102**	**-**	**2,575,580**

Schedule E. Long Term Debt

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption " Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet
Loans Payable		-	12,292,040,400
			-
			-
TOTAL	**-**	**-**	**12,292,040,400**

SYNERGY GRID & DEVELOPMENT PHILS., INC.
SCHEDULES TO FINANCIAL STATEMENTS

Schedule F. Indebtedness to Related Parties (Long-Term Loans from Related Companies)

Name of related party	Balance December 31, 2012	Balance March 31, 2013
TOTAL	**-**	**-**

Schedule G. Guarantees of Securities of Other Isssuers

Name of Issuing entity of Securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of Guarantee
	Not Applicable			

SYNERGY GRID & DEVELOPMENT PHILS., INC.
SCHEDULES TO FINANCIAL STATEMENTS

Schedule H. Capital Stock

Title of Issue	Number of shares authorized	No. of shares issued and outstanding	No. of shares reserved for options, warrants convertion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common	50,000,000	49,466,000	-		22,014,312	27,451,688
TOTAL	**50,000,000**	**49,466,000**	**-**	**-**	**22,014,312**	**27,451,688**

SYNERGY GRID & DEVELOPMENT PHILS., INC.
AGING OF ACCOUNTS RECEIVABLE
As of March 31, 2013

	Total	1 Month	2 Months	3 Months	4 Months& Over	Past Due Accounts & Items in Litigation
a. Trade Receivables						
Subtotal					1,800,000	
Less: Allowance					(1,800,000)	
Net Trade Receivables	-	-	-	-	-	-
b. Non-Trade Receivables						
Subtotal	4,624,692	4,624,692				
Less: Allowance						
Net Non-Trade Receivables	4,624,692	4,624,692	-	-	-	-
TOTAL RECEIVABLES	4,624,692	4,624,692	-	-	-	-

Type of Receivable	Nature / Description	Collection Period
1 Trade Receivables 2 Non Trade		