

SEC Number: 031-050

File Number: _____

STA. LUCIA LAND, INC. AND SUBSIDIARIES

(Company's Full Name)

Penthouse Building 3, Sta. Lucia East Grand Mall,
Marcos Highway Cor. Imelda Ave., Cainta Rizal

(Company Address)

(632) 681-7332

(Telephone Number)

September 30, 2014

(Quarter Ended)

2014 3rd Quarter Report – SEC Form 17-Q

(Form Type)

(Amendments)

**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 September 30, 2014
2. Commission identification number. 31050 3. BIR Tax Identification No. 000-152-291-000

STA. LUCIA LAND, INC. AND SUBSIDIARIES

4. Exact name of issuer as specified in its charter
- Republic of the Philippines
5. Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code: (SEC Use Only)
- Penthouse, Bldg. III, Sta. Lucia East Grand Mall, Marcos Highway cor. Imelda Ave., Cainta, Rizal 1900
7. Address of issuer's principal office Postal Code

- (02) 681-7332
8. Issuer's telephone number, including area code

9. Former name, former address and former fiscal year, if changed since last report

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

Title of each class	Number of shares of common Stock outstanding
<u>Common and Treasury</u>	<u>8,546,450,000</u>

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

Yes No

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

12. Indicate by check mark whether the registrant:

- (a) 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 Rule 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)

Yes No

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

Yes No

TABLE OF CONTENTS

PART I: FINANCIAL INFORMATION

Item 1. Financial Statements

- Consolidated Statements of Financial Position as at September 30, 2014 and December 31, 2013
- Consolidated Statements of Comprehensive Income for the period ended September 30, 2014 and September 30, 2013 and December 31, 2013
- Consolidated Statements of Changes in Stockholders' Equity for the period ended September 30, 2014 and September 30, 2013
- Consolidated Statements of Cash Flows for the period ended September 30, 2014 and September 30, 2013
- Notes to Financial Statements
 - Corporate Information
 - Summary of Accounting Policies
 - Aging of Receivables
 - Segment Information
 - Financial Instruments

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

- Result of Operations for the period ended September 30, 2014
- Financial Condition
- Key Performance Indicators
- Material Change – Balance Sheet (September 30, 2014 versus December 31, 2013)
- Material Change – Income Statement (September 30, 2014 versus September 30, 2013)

PART II: OTHER INFORMATION

Item 3. 3rd Quarter of 2014 Developments

Item 4. Other notes to Operations and Financials as of September 30, 2014

FINANCIAL RATIOS

SIGNATURES

PART I - FINANCIAL INFORMATION

ITEM 1: FINANCIAL STATEMENTS

STA. LUCIA LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

For the Nine Months ended September 30, 2014 and December 31, 2013

	September 30	December 31
	2014 (Unaudited)	2013(Audited)
ASSETS		
Current Assets		
Cash	₱52,868,756	₱30,463,668
Receivables	1,585,060,641	944,959,359
Real estate inventories	8,455,597,728	8,111,110,094
Deposits on land purchase	–	1,358,686,369
Other current assets	1,380,901,382	963,080,645
Total Current Assets	11,474,428,507	11,408,300,135
Noncurrent Assets		
Noncurrent installment contracts receivables	614,903,044	589,211,657
Available for sale financial assets	693,001,824	730,556,350
Investment properties	4,335,358,726	4,416,427,502
Property and equipment	32,994,492	23,730,920
Other noncurrent assets	18,586,318	16,800,989
Total Noncurrent Assets	5,694,844,404	5,776,727,418
	₱17,169,272,911	₱17,185,027,553
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables	₱1,567,847,742	₱1,431,651,521
Loans payable	2,780,379,054	2,673,156,842
Customers' deposits	797,456,760	673,280,256
Income tax payable	20,386,147	21,330,363
Total Current Liabilities	5,166,069,703	4,799,418,982
Noncurrent Liabilities		
Pension liability	1,024,900	1,024,900
Deferred tax liabilities - net	429,022,860	300,185,599
Total Noncurrent Liabilities	430,047,760	301,210,499
Total Liabilities	5,596,117,463	5,100,629,481
Equity		
Capital stock	10,796,450,000	10,796,450,000
Additional paid-in capital	192,053,636	192,053,636
Retained earnings	1,115,324,309	689,012,407
Unrealized gain on fair value of AFS	369,626,856	407,181,382
Remeasurement losses on pension liabilities	(299,353)	(299,353)
Treasury stock	(900,000,000)	–
Total Equity	11,573,155,448	12,084,398,072
	₱17,169,272,911	₱17,185,027,553

STA. LUCIA LAND, INC. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

For the Nine Months ended September 30, 2014 and September 30, 2013 and December 31, 2013

	September 2014	September 2013	December 2013
REVENUE			
Real estate sales	₱1,099,330,998	₱565,844,543	₱820,269,748
Rental income	262,701,389	273,319,494	355,102,666
Interest income	45,442,276	37,241,373	88,760,073
Dividend income	–	4,874,456	5,544,035
Others	54,096,262	38,200,503	57,236,458
	1,461,570,925	919,480,369	1,326,912,980
COSTS AND EXPENSES			
Costs of real estate	381,373,507	266,244,836	420,502,156
Interest expense	104,245,385	94,503,000	102,572,198
Depreciation and amortization	86,958,573	83,791,183	112,557,745
Commissions	157,319,788	66,351,979	85,423,330
Advertising	22,516,318	43,093,990	56,801,392
Taxes, licenses and fees	44,837,138	36,014,735	45,972,397
Salaries and wages	21,760,711	15,018,592	29,356,188
Professional fees	6,367,944	6,810,625	9,714,129
Representation	4,394,599	3,952,843	6,258,495
Utilities	2,806,342	1,710,710	2,716,712
Repairs and maintenance	1,418,673	1,722,664	3,263,122
Provision for doubtful account	–	–	267,050
Miscellaneous	11,911,868	9,216,624	16,815,650
	845,910,846	628,431,781	892,220,564
INCOME BEFORE INCOME TAX	615,660,079	291,048,588	434,692,416
PROVISION FOR INCOME TAX	189,348,177	89,945,477	134,689,298
NET INCOME	426,311,902	201,103,111	300,003,118
OTHER COMPREHENSIVE INCOME			
Unrealized gain (loss) for fair value of AFS	(37,554,526)	35,155,705	208,452,452
Remeasurement losses on pension liabilities	–	–	(80,361)
TOTAL COMPREHENSIVE INCOME	₱388,757,377	₱236,258,813	₱302,448,637
Basic/Diluted Earnings Per Share	₱0.050	₱0.019	₱0.028

STA. LUCIA LAND, INC. AND SUBSIDIARY**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

For the quarter ended September 30, 2014 and September 30, 2013

	July-September 2014(Unaudited)	July-September 2013(Unaudited)
REVENUE		
Real estate sales	₱401,010,601	₱234,479,864
Rental income	68,968,306	92,667,276
Interest income	16,808,775	15,703,008
Dividend income	–	4,874,456
Others	17,846,079	10,260,470
	504,633,761	357,985,074
COSTS AND EXPENSES		
Costs of real estate	182,748,899	110,784,238
Interest expense	35,776,794	32,006,709
Depreciation and amortization	29,118,001	28,151,350
Commissions	39,650,377	22,191,169
Advertising	8,668,276	16,773,476
Taxes, licenses and fees	18,435,560	17,646,801
Salaries and wages	7,425,849	5,549,889
Professional fees	2,728,914	2,052,807
Representation	1,336,548	1,837,205
Utilities	972,846	426,494
Repairs and maintenance	409,667	61,398
Provision for doubtful account	–	–
Miscellaneous	5,674,827	4,114,505
	332,946,558	241,596,041
INCOME BEFORE INCOME TAX	171,687,203	116,389,033
PROVISION FOR INCOME TAX	52,464,305	35,793,678
NET INCOME	119,222,898	80,595,355
OTHER COMPREHENSIVE INCOME(LOSS)	(38,262,841)	29,249,857
TOTAL COMPREHENSIVE INCOME	₱80,960,057	₱109,845,212

STA. LUCIA LAND, INC. AND SUBSIDIARY**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

For the nine months ended September 30, 2014 and September 30, 2013

	September 30	September 30
	2014(Unaudited)	2013(Unaudited)
CAPITAL STOCK		
Common shares - ₱1 par value		
Authorized - 16,000,000,000 shares		
Issued and outstanding – 10,796,450,000 shares	₱10,796,450,000	₱10,796,450,000
	10,796,450,000	10,796,450,000
ADDITIONAL PAID-IN CAPITAL	1,537,373,636	192,053,636
RETAINED EARNINGS (DEFICIT)		
Balance at beginning of year	689,012,407	389,007,656
Net income	426,311,902	201,103,111
Balance at end of year	1,115,324,309	590,110,767
UNREALIZED GAIN ON FAIR VALUE OF AVAILABLE FOR SALE FINANCIAL ASSETS	369,626,856	439,811,207
REMEASUREMENT LOSSES ON PENSION LIABILITIES- NET OF TAX	(299,353)	–
TREASURY STOCK	(2,250,000,000)	–
	₱11,568,475,449	₱12,018,425,610

STA. LUCIA LAND, INC. AND SUBSIDIARY**CONSOLIDATED STATEMENTS OF CASH FLOWS**

For the nine months ended September 30, 2014 and September 30, 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱615,660,080	₱291,048,588
Adjustments for:		
Depreciation and amortization expense	86,958,573	83,791,183
Interest expense	104,245,385	94,503,000
Interest income	(45,442,276)	(37,241,373)
Operating income before changes in working capital	761,421,762	432,101,398
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Receivables	178,082,946	4,032,277
Real estate inventories	(344,487,634)	(498,618,264)
Due from related parties	(499,353,954)	(35,731,805)
Other current assets	(417,820,737)	(445,142,095)
Increase (decrease) in:		
Accounts and other payables	176,409,018	85,976,193
Customers' deposits	124,176,504	364,705,661
Net cash generated from (used in) operations	(21,572,095)	(92,676,635)
Interest paid	(104,245,385)	(94,503,000)
Income taxes paid	(28,583,221)	(5,862,650)
Interest received	45,442,276	37,241,373
Net cash used in operating activities	(108,958,425)	(155,800,912)
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposals of (additions to):		
Property and equipment	(15,153,370)	(14,215,206)
Other noncurrent asset	(1,785,329)	(4,926,844)
Net cash used in investing activities	(16,938,699)	(19,142,050)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans	690,000,000	409,500,000
Payment of loans	(541,697,788)	(269,809,524)
Net cash provided by financing activities	148,302,212	139,690,476
NET INCREASE (DECREASE) IN CASH	22,405,088	(35,252,486)
CASH AT BEGINNING OF YEAR	30,463,668	65,087,317
CASH AT END OF YEAR	₱52,868,756	₱29,834,831

STA. LUCIA LAND, INC. AND SUBSIDIARY

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Sta. Lucia Land, Inc. (the Company) is a publicly-listed company incorporated in the Republic of the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on December 6, 1996 under the name Zipporah Mining and Industrial Corporation to engage in mining. On August 14, 1996, the Parent Company's Articles of Incorporation was amended (a) changing the corporate name to Zipporah Realty Holdings, Inc., (b) transferring the original primary purpose to secondary purpose from being a mining firm to a real estate company, the primary purpose of which is to acquire by purchase, lease, donation, or otherwise and to own, use, improve, develop and hold for investment or otherwise, real estate of all kinds, improve, manage or otherwise dispose of buildings, houses, apartments and other structures of whatever kind, together with their appurtenances.

The Company has a 99.98% owned subsidiary, Sta. Lucia Homes, Inc. (SLHI), which was incorporated on February 20, 2013. Its primary purpose is to construct, develop, improve, mortgage, pledge, deal in residential structure for lot buyers of the Sta. Lucia Group of Companies, to acquire by purchase, exchange, assign, gift, or otherwise, and to sell, assign, transfer, exchange, with and otherwise operate, manage, enjoy, and dispose of all or any of its properties of every kind and description and whatever situated as to the extent permitted by law including but not limited to real estate of all kinds, whether improved or unimproved, and any interest or right therein, and bonds, debentures, shares of stock, promissory notes, or other securities or obligations created, negotiated, or issued by any corporation or entity, foreign or domestic and while the owner thereof, to exercise all the rights, power and privileges or ownership or interest therein, including the right to receive, collect or dispose of all income derived therefrom provided that the Corporation shall not engage in the business of an opened investment Company as defined in Republic Act No. 2629 or as a stock broker or as a dealer in securities.

The Company and its Subsidiary's (the Group) registered office address is at the Penthouse, Bldg. 3, Sta. Lucia East Grand Mall, Marcos Highway corner Imelda Avenue, Cainta, Rizal. The Company is 89.85% owned by Sta. Lucia Realty and Development, Inc. (SLRDI) and the rest by the public.

2. Summary of Significant Accounting Policies:

Basis of Preparation

The accompanying consolidated financial statements have been prepared using the historical cost basis, except for available-for-sale (AFS) financial assets that have been measured at fair value. The financial statements are presented in Philippine Peso (₱), which is also the Group's functional currency and all values are rounded to the nearest Philippine peso except when otherwise indicated.

Statement of Compliance

The financial statements of the Group have been prepared in compliance with the Philippine Financial Reporting Standards (PFRS).

Basis of Consolidation

The consolidated statements of financial position, consolidated statements of comprehensive income, consolidated statements of changes in stockholders' equity, and consolidated statements of cash flows for the period ended September 30, 2013 include the accounts of the Company and its subsidiary SLHI. All significant intercompany accounts and transactions have been eliminated in consolidation.

Adoption of New and Amended Accounting Standards and Interpretations

The accounting policies adopted in the preparation of the Group's financial statements are consistent with those of the previous financial year except for the adoption of the following amended PFRS which became effective January 1, 2012. Except as otherwise indicated, the adoption of the amended standards did not have any significant impact on the Company's financial statements.

PFRS 7, Financial Instruments: Disclosures - Transfers of Financial Assets (Amendments)

The Amendments require additional disclosures about financial assets that have been transferred but not derecognized to enhance the understanding of the relationship between those assets that have not been derecognized and their associated liabilities. In addition, the amendments require disclosures about continuing involvement in derecognized assets to enable users of financial statements to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognized assets. The amendments affect disclosures only and have no impact on the Company's financial position or performance.

PAS 12, Income Taxes - Deferred Tax: Recovery of Underlying Assets (Amendment)

The amendment clarified the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that the carrying amount of investment property measured using the fair value model in PAS 40, *Investment Property*, will be recovered through sale and accordingly, requires that any related deferred tax should be measured on a 'sale' basis. The presumption is rebutted if the investment property is depreciable and it is held within a business model whose objective is to consume substantially all of the economic benefits in the investment property over time ('use' basis), rather than through sale. Furthermore, the amendment introduces the requirement that deferred tax on non-depreciable assets measured using the revaluation model in PAS 16, *Property, Plant and Equipment*, shall always be measured on a sale basis of the asset. The amendments are effective for periods beginning on or after January 1, 2012.

The Group has neither investment properties at fair value nor assets under PAS 16 carried under the revaluation model. Thus the amendment has no impact on the Group's financial statements.

Future Changes in Accounting Policies

The Group will adopt the following new and amended PFRS and Philippine Interpretations enumerated when these become effective. Except as otherwise indicated, the Group does not expect the adoption of these new and amended PFRS and Philippine Interpretations to have a significant impact on the financial statements.

Annual Improvements to PFRSs (2009-2011 cycle)

The *Annual Improvements to PFRSs (2009-2011 cycle)* contain non-urgent but necessary amendments to PFRSs. The amendments are effective for annual periods beginning on or after 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 information

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 (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 will not have any significant 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 will not have 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 will affect disclosures only and will have no impact on the Group's financial position or performance.

Effective 2013

PFRS 7, Financial instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities (Amendments)

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;

Sta. Lucia Land, Inc.

SEC Form 17Q – 3rd Quarter 2014

- b) The amounts that are set-off in accordance with the criteria in PAS 32 when determining the net amounts presented in the statement of financial position;
 - c) The net amounts presented in the statement 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:
 - i. Amounts related to recognized financial instruments that do not meet some or all of the offsetting criteria in PAS 32; and
 - ii. 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 and are effective for annual periods beginning on or after January 1, 2013. The amendments will affect disclosures only and will have no impact on the Group's financial position or performance.

PFRS 10, Consolidated Financial Statements

PFRS 10 replaces the portion of PAS 27, *Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements. It also includes the 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 will require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated by a parent company, compared with the requirements that were in PAS 27. The standard becomes effective for annual periods beginning on or after January 1, 2013. The amendments have no impact on the Group's financial position or performance.

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. The standard becomes effective for annual periods beginning on or after January 1, 2013.

PFRS 12, Disclosure of Interests 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 standard becomes effective for annual periods beginning on or after January 1, 2013. The adoption of PFRS 12 will affect disclosures only and have no impact on the Group's financial position or performance.

PFRS 13, Fair Value Measurement

PFRS 13 establishes a single source of guidance under PFRSs 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 should be applied prospectively as of the beginning of the annual period in which it is initially applied. Its disclosure requirements need not be applied in comparative information provided for periods before initial application of PFRS 13. The standard becomes effective for annual periods beginning on or after January 1, 2013. The Group does not anticipate that the adoption of this standard will have a significant impact on its financial position and performance.

PAS 1, Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income or OCI (Amendments)

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 derecognition or settlement) will be presented separately from items that will never be recycled.

Sta. Lucia Land, Inc.

SEC Form 17Q – 3rd Quarter 2014

The amendments affect presentation only and have no impact on the Group's financial position or performance. The amendment becomes effective for annual periods beginning on or after July 1, 2012. The amendments will be applied retrospectively and will result to the modification of the presentation of items of OCI.

PAS 19, Employee Benefits (Revised)

Amendments to PAS 19 range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and rewording. The revised standard also requires new disclosures such as, among others, a sensitivity analysis for each significant actuarial assumption, information on asset-liability matching strategies, duration of the defined benefit obligation, and disaggregation of plan assets by nature and risk. The amendments become effective for annual periods beginning on or after January 1, 2013. Once effective, the Group has to apply the amendments retroactively to the earliest period presented. The Company reviewed its existing employee benefits and determined that the amended standard has significant impact on its accounting for retirement benefits.

PAS 27, Separate Financial Statements (as revised in 2011)

As a consequence of the issuance of the new PFRS 10, *Consolidated Financial Statements*, and PFRS 12, *Disclosure of Interests in Other Entities*, 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 PAS 27 will not have a significant impact on the separate financial statements of the entities in the Group. The amendment becomes effective for annual periods beginning on or after January 1, 2013.

PAS 28, Investments in Associates and Joint Ventures (as revised in 2011)

As a consequence of the issuance of the new PFRS 11, *Joint Arrangements*, and PFRS 12, *Disclosure of Interests in Other Entities*, 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 amendment becomes effective for annual periods beginning on or after January 1, 2013.

Effective 2014

PAS 32, Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities (Amendments)

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 affect presentation only and have no impact on the Group's financial position or performance. The amendments to PAS 32 are to be retrospectively applied for annual periods beginning on or after January 1, 2014.

Effective 2015

PFRS 9, Financial Instruments

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 OCI or profit or loss. Equity financial assets held for trading must be measured at fair value through profit

Sta. Lucia Land, Inc.

SEC Form 17Q – 3rd Quarter 2014

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 Group has conducted an initial evaluation and has assessed that the standard does not have significant impact to the Group. No early adoption will be made as of date of this report as there are still major changes that are expected to be made in the existing draft of the standard that could impact the Group's decision to early adopt or not. PFRS 9 is effective for annual periods beginning on or after January 1, 2015.

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 the 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. The adoption of this interpretation may significantly affect the determination of the Group's revenue from real estate sales and the corresponding costs, and the related trade receivables, deferred tax liabilities and retained earnings accounts.

4. Aging of Receivables

As of September 30, 2014(Unaudited)

	Neither Past		Past Due but not Impaired					Total	Impaired	Total
	Due nor Impaired	1-30 days	31-60 days	61-90 days	91-120 days	>120 days				
Trade	P1,087,363,371	P 2,281,274	P2,796,760	P5,145,185	P6,190,511	P17,502,461	P33,916,191	P-	P1,121,279,562	
Nontrade	463,781,079	-	-	-	-	-	-	-	463,781,079	
Total	P1,551,144,450	P2,281,274	P2,796,760	P5,145,185	P6,190,511	P17,502,461	P33,916,191	P-	P1,585,060,641	

As of September 30, 2013(Unaudited)

	Neither Past		Past Due but not Impaired					Total	Impaired	Total
	Due nor Impaired	1-30 days	31-60 days	61-90 days	91-120 days	>120 days				
Trade	P930,257,678	P63,776	P-	P91,117	P1,945,190	P3,137,543	P5,237,626	P-	P935,495,304	
Nontrade	563,790,949	-	-	-	-	-	-	-	563,790,949	
Total	P1,494,048,627	P63,776	P0	P91,117	P1,945,190	P3,137,543	P5,237,626	P-	P1,499,286,253	

5. Segment Information

The following tables regarding business segments present assets and liabilities as of September 30, 2014 and September 30, 2013 and revenue and income information for each of the two periods September 30, 2014 and September 30, 2013.

As of September 30, 2014	Leasing	Residential Development	Total
Rental income	P262,701,389	P–	P262,701,389
Depreciation	(81,068,775)	–	(81,068,775)
Real estate sales	–	1,099,330,998	1,099,330,998
Cost of real estate sales	–	(381,373,507)	(381,373,507)
Segment profit	181,632,614	717,957,491	899,590,105
General and administrative expense	(8,206,650)	(250,450,676)	(258,657,326)
Interest income	–	45,442,276	45,442,276
Interest expense	–	(104,245,385)	(104,245,385)
Other income	–	45,442,276	45,442,276
Other expense	–	(11,911,867)	(11,911,867)
Provision for income tax	(43,179,367)	(146,168,810)	(189,348,177)
Net income	P130,246,597	P296,065,305	P426,311,902
Segment assets	P4,335,358,726	P12,833,914,185	P17,169,272,911
Deposit on land purchase	–	–	–
Total segment assets	P4,335,358,726	P12,833,914,185	P17,169,272,911
Segment liabilities	P144,000,000	P3,434,860,716	P3,578,860,716
Accounts and other payables	–	1,567,847,742	1,567,847,742
Income tax payable	43,179,367	(22,793,221)	20,386,146
Deferred tax liability	185,501,906	243,520,953	429,022,859
Total liabilities	P372,681,273	P5,223,436,190	P5,596,117,463

As of September 30, 2013	Leasing	Residential Development	Total
Rental income	P273,319,494	P–	P273,319,494
Depreciation	(81,068,775)	–	(81,068,775)
Real estate sales	–	565,844,543	565,844,543
Cost of real estate sales	–	(266,244,836)	(266,244,836)
Segment profit	192,250,719	299,599,707	491,850,426
General and administrative expense	(11,016,970)	(166,381,574)	(177,398,544)
Interest income	–	37,241,373	37,241,373
Interest expense	–	(94,503,000)	(94,503,000)
Other income	–	43,074,959	43,074,959
Other expense	–	(9,216,628)	(9,216,628)
Provision for income tax	(39,574,277)	(50,371,200)	(89,945,477)
Net income	P141,659,472	P59,443,637	P201,103,109
Segment assets	P4,270,516,151	P11,501,929,412	P15,772,445,563
Deposit on land purchase	598,574,775	760,111,594	1,358,686,369
Total segment assets	P4,869,090,926	P12,262,041,006	P17,131,131,932
Segment liabilities	P144,000,000	P3,192,514,064	P3,336,514,064
Accounts and other payables	–	1,485,620,488	1,485,620,488
Income tax payable	2,413,070	3,071,420	5,522,490
Deferred tax liability	164,497,312	120,589,968	285,087,280
Total liabilities	P310,910,382	P4,801,795,940	P5,112,706,322

6. Financial Instruments

Fair Value Information

The methods and assumptions used by the Group in estimating fair value of the financial instruments are as follows:

Cash, receivable from related parties, accrued interest receivable, dividend receivable, accounts and other payables and loans payable - Carrying amounts approximate fair values due to the relatively short-term maturities of these financial instruments.

Noncurrent receivables - The fair values of real estate receivable are calculated by discounting expected future cash flows at applicable rates for similar instruments using the remaining terms of maturity.

AFS financial assets - Fair values are based on quoted prices published in markets.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As of September 30, 2014, the Company's AFS financial assets amounting to P693.00 million are carried at fair value based on Level 1. There were no transfers between and among levels 1, 2 and 3 in 2014 and 2013.

Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise of cash, receivables, AFS financial assets and bank loans. The Company has other financial liabilities such as accounts and other payables which arise directly from the conduct of its operations.

Management closely monitors the cash fund and financial transactions of the Group. These strategies, to an extent, mitigate the Group's interest rate and credit risks.

Exposure to liquidity and credit risks arise in the normal course of the Group's business activities. The main objectives of the Group's financial risk management are as follows:

- to identify and monitor such risks on an ongoing basis;
- to minimize and mitigate such risks; and
- to provide a degree of certainty about costs.

The Group's financing and treasury function operates as a centralized service for managing financial risks and activities as well as providing optimum investment yield and cost-efficient funding for the Company.

Liquidity risk

The Group actively manages its liquidity position so as to ensure that all operating, investing and financing needs are met. In mitigating liquidity risk, management measures and forecasts its cash commitments, matches debt maturities with the assets being financed, maintains a diversity of funding sources with its unhampered access to bank financing and the capital markets. As part of the liquidity risk management, the Company currently transacts with local banks for an extension and negotiation of higher undrawn credit lines to meet the suppliers' and contractors' obligations and business expansion.

Through scenario analysis and contingency planning, the Group also assesses its ability to withstand both temporary and longer-term disruptions relative to its capacity to finance its activities and commitments in a timely manner and at reasonable cost, and ensures the availability of ample unused credit facilities as back-up liquidity.

Cash are maintained at a level that will enable it to fund its general and administrative expenses as well as to have additional funds as buffer for any opportunities or emergencies that may arise.

Credit risk

Financial assets comprise of cash on hand and in bank, trade receivable, interest receivable and AFS financial assets. The Company adheres to fixed limits and guidelines in its dealings with counterparty banks and its investment in financial instruments. Given the high credit standing of its accredited counterparty banks, management does not expect any of these financial institutions to fail in meeting their obligations. The Group's exposure to credit risk from cash on hand and in bank and AFS financial assets arise from the default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Real estate contracts

Receivable balances are being monitored on a regular basis to ensure timely execution of necessary intervention efforts. In addition, the credit risk for installment contracts receivables is mitigated as the Group has the right to cancel the sales contract without need for any court action and take possession of the subject lot in case of refusal by the buyer to pay on time the due installment contracts receivable. This risk is further mitigated because the corresponding title to the subdivision units sold under this arrangement is transferred to the buyers only upon full payment of the contract price.

Equity price risk

Equity price risk is the risk that the fair values of equities decrease as a result of changes in the levels of equity indices and the value of individual stocks. The Company manages the equity price risk through diversification and placing limits on equity instruments.

Interest rate risk

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

The Company manages its interest rate risk by leveraging on its premier credit rating and maintaining a debt portfolio mix of both fixed and floating interest rates. The portfolio mix is a function of historical, current trend and outlook of interest rates, volatility of short-term interest rates, the steepness of the yield curve, and degree of variability of cash flows.

ITEM 2: MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULT OF OPERATIONS

Result of Operations

(Nine months ended September 30, 2014 compared to the Nine Months ended September 30, 2013)

Revenue

Sta. Lucia Land, Inc. and Subsidiaries (the Group) posts P1,461.57 million in revenue for the nine months of 2014, 59% higher than last year's period. The growth was contributed by the Group's 94% increase in its real estate revenues amounted to P1,099.33 Million. New projects sales booking was a factor in the increase in revenues such as Colinas Verdes (Bulacan), Greenmeadows (Iloilo), Ponte Verde (Davao), Sta Lucia Residenzes 1 Monte Carlo (Cainta, Rizal), East Bel-Air 1 & 2 (Cainta, Rizal), and Neopolitan Condominiums (Fairview). The Group will continue to be aggressive in strategies of marketing, developments and financing. With this, the Company is on track to achieve its goals for the 2014.

Cost and Expense

As a result of aggressive activities in developing, selling and financing, an increase by P845.91 million to the Group's cost of sales, selling and administrative expenses was observed for the nine months of 2014 from P628.43 million of the same period last year. This was evident in the P206.10 million increase in cost of sales and selling activities.

Comprehensive Income

Market to market gain of the Group's investments in Available for Sale posted a decrease in market value hence a 207% drop observed from last year's same period. As a result the Group's total comprehensive income is P388.76 million.

Financial Condition

(Nine months ended September 30, 2014 compared to year ended December 31, 2013)

Total Assets

Total assets amounted to P17,169.27 million in the nine months of 2014, showing P15.75 million decrease from December 31, 2013. The decrease was due to the Group's repurchase of its own shares amounting to P900.00 million for 2,250,000,000 shares as payment of SLRDI's advances from the Group.

Total Liabilities

Total liabilities is up by 10% from P5,100.63 million of last year to P5,596.12 million as at this year due to increase in customer's deposit from reservation fee and option down payments of buyers and loan availments during the year.

Key Performance Indicators

	September 30,2014	December 31,2013
Current Ratio	2.39	2.38
Debt to Equity	.24	.22
Interest Coverage Ratio	590.59%	423.79%
Return on Asset	2.48%	1.75%
Return on Equity	3.68%	2.48%

*Notes to Key Performance Indicator:

1. Current Ratio = current assets (*cash, receivables, inventories, due from affiliates, prepaid commissions, and other current asset*) over current liabilities (*accounts payable, customer deposit, current portion of bank loans and income tax payables*).
2. Debt to Equity = Total liabilities over shareholder's equity.
3. Interest Coverage Ratio= Earnings before Income Tax over Interest Expense
4. Return on Asset = Net Income over Total Assets
5. Return on Equity = Net Income over shareholder's equity.

Material Changes in the Balance Sheet (+/- 5%) as of September 30, 2014 versus the Balance Sheet as of December 31, 2013

74% increase in cash and cash equivalents

The Group's increasing results of operation is a factor in the cash position increase.

72% increase in receivables

Growth in the sales booking of the book reflects the increase in receivables.

100% decrease in deposits on land purchase

The deposit on land purchase was rescinded and the payment of advances was made through payment of the Company's own shares.

79% increase in other current assets

The increase primarily was due to the increase in prepaid commissions and contractor advances as an effect of the Group's aggressive marketing and developing activities.

39% increase in property and equipment

Mainly due to the additional acquisition of new office and transportation equipments.

11% increase in other noncurrent assets

Mainly due to long term deposits made relative mainly to project developments.

6% increase in accounts and other payables

Aggressive project developments of the Group spiked the increase in payables.

10% increase in customer's deposit

Increase in new reservations applications and collections under down payment period due to new projects launched.

43% increase in deferred tax liabilities

Identified deductible items in accounting profit increased during the period.

62% increase in retained earnings

The increase was mainly due to the net income recognized for the period.

Material Changes in the Income Statement (+/-5%) for the Nine Months Period Ended September 30, 2014 versus the Income Statement for the Nine Months Period Ended Nine 30, 2013

94% increase in Real Estate Sales

Growth in new projects were booked as sales during the period.

22% increase in interest income

Mainly due to the mix of buyers under interest bearing installment schemes.

1010% increase in other income

Primarily due to the continuous increase in revenue other than its real estate sales such as booking of surcharges/penalties, processing fees and other services.

43% increase in cost of sales

Related increase in real estate sales.

10% increase in interest expense

Due to the interest payments of loans outstanding in 2013 and additional availments of loans during the year.

48% decrease in advertising

The Group let its Marketing Arms handle the advertising of its projects.

137% increase in commission

Relates to the additional selling costs of aggressive marketing strategies.

5% decrease in taxes and licenses

Mainly due to the tax efficiency management activities of the Group.

46% decrease in utilities expense

This was due to the decrease in costs in maintenance and utilities of subdivision projects.

29% increase in miscellaneous expenses

Increase of various immaterial expenses.

45% increase in salaries and wages

The increase was due to the increase of manpower to supports its operations.

6% decrease in professional fee

The decrease was due to the termination of contract from various consultant and professionals for the continuous project developments.

PART II – OTHER INFORMATION

Item 3: Nine Months of 2014 Developments

A. Parent Company, SLRDI, has partially paid its advances in the form of the Company's own shares amounting to P900.00 million for 2,250.00 billion shares.

B. Composition of Board of Directors

Vicente R. Santos	Chairman
Exequiel D. Robles	President
Mariza Santos-Tan	Treasurer
Aurora D. Robles	Assistant Treasurer
Antonio D. Robles	Director
Orestes R. Santos	Director
Santiago Cua	Director
Jose Ferdinand R. Guiang	Independent Director
Osmundo De Guzman, Jr.	Independent Director

C. Performance of the corporation or result/progress of operations.

Please see the unaudited Financial Statements and Management's Discussion and Analysis (MD&A) on result of operation with regards to the performance of the corporation or result/process of operations.

D. Declaration of Dividends.

None

E. Contracts of merger, consolidation or joint venture; contract of management, licensing, marketing, distributorship, technical assistance or similar agreements.

None

F. Offering of rights, granting of Stock Options and corresponding plans thereof.

None

G. Acquisition of additional mining claims or other capital assets or patents, formula, real estate.

Not Applicable

H. Other information, material events or happenings that may have affected or may affect market price of security.

None

I. Transferring of assets, except in normal course of business.

None

Item 4: Other notes to Operations and Financials as of September 30, 2014

- J. Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidents
None
- K. Nature and amount of change in estimates of amounts reported in prior periods and their material effect in the current period.
There were no changes in estimates of amounts reported in prior interim period or prior financial years that have a material effect in the current interim period.
- L. New financing through loans/ issuances, repurchases and repayments of debt and equity securities.
Availment of additional loans
- M. All Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.
There were no material events subsequent to the end of the interim period that has not been reflected in the financial statements for the period covered.
- N. The effect of changes in the composition of the issuer during the interim period including business combinations, acquisition or disposal of subsidiaries and long term investment restructurings, and discontinuing operations.
None
- O. Changes in contingent liabilities or contingent assets since the last annual balance sheet date.
None
- P. Existence of material contingencies and other material events or transactions during the interim period.
None
- Q. Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.
None
- R. Material off-balance sheet transactions, arrangements, obligations (including contingent obligations) , and other relationships of the company with unconsolidated entities or others persons created during the reporting period.
None
- S. Material commitments for capital expenditures, general purpose and expected sources of funds.
None
- T. Known trends, events or uncertainties that have had or that are reasonably expected to have impact on sales/revenues/income from continuing operations.
None
- U. Significant elements of income or loss that did not arise from continuing operations.
None

- V. Causes for any material change/s from period to period in one or more line items of the financial statements.
See Management Discussion & Analysis portion of the quarter report
- W. Seasonal aspects that had material effect on the financial condition or results of operations.
None
- X. Disclosures not made under SEC Form 17-C
None

STA. LUCIA LAND, INC. AND SUBSIDIARY**FINANCIAL RATIOS**

As of September 30, 2014

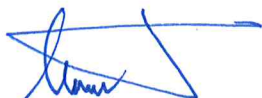
	September 30, 2014	December 31, 2013
Current Ratio	2.22	2.38
Debt to Equity	.24	.22
Interest Coverage Ratio	590.59%	423.79%
Return on Asset	2.48%	1.75%
Return on Equity	3.68%	2.48%

	September 30, 2014	September 30, 2013
Gross Profit Margin	65.31%	32.58%
Net Profit Margin	29.17%	21.87%

SIGNATURES

Pursuant to the Requirements of the Revised Securities Act, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

STA. LUCIA LAND, INC.
Issuer



EXEQUIEL D. ROBLES
President
Date: November 12, 2014



VICENTE R. SANTOS
Chairman
Date: November 12, 2014



MARIZA R. SANTOS-TAN
Treasurer
Date: November 12, 2014