

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 March 31, 2010
2. Commission identification number 13174 3. BIR tax identification number 321-000-108-278

LEISURE & RESORTS WORLD CORPORATION

4. Exact name of issuer as specified in its charter
- MAKATI CITY, METRO MANILA, PHILIPPINES
5. Province, country or other jurisdiction of incorporation or organization
6. Industry Classification Code: _____ (SEC use only)

26 Flr, WEST TOWER, PSE CENTER, EXCHANGE ROAD, ORTIGAS CENTER, PASIG CITY

7. Address of registrant's principal office
- (02) 687-03-70; 637-5292-93
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 Section 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 and amount of debt outstanding
Common	849,877,094

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

Yes No

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

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Please see attached.

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

Comparable Discussion on Material Changes in Results of Operations and Financial Condition

LRWC Operations

LRWC is functioning basically as a holding company with minimal operations. The company is still focusing its endeavor in supporting the productivity programs of its wholly owned operating subsidiary, AB Leisure Exponent, Inc. (ABLE), its newly incorporated subsidiary, LR Land Developers, Inc. (LRLDI) and its 69.68% owned subsidiary, First Cagayan Leisure and Resort Corporation (FCLRC). Based on PFRS 3, Business Combination, LRWC has not amortized the goodwill on its investments in its subsidiaries. Instead, PFRS 3 requires for an annual test for goodwill impairment. On the basis of the test for impairment of goodwill, there is no need to provide for allowance for impairment for the first quarter of 2010.

LRWC's total operating expenses amounted to ₱2.4 million and ₱2.0 million during the first quarter of 2010 and 2009, respectively.

LRWC recorded its 30% share in losses from Binondo Leisure Resources, Inc. (BLRI) amounting to ₱0.9 million for the first quarter of 2009. However, for the first quarter of 2010, LRWC did not recognize any losses from BLRI as its investment balance has already been consumed.

On December 11, 2007, the Securities and Exchange Commission (SEC) approved the incorporation of a wholly owned subsidiary, Northern Philippines Land and Property Development, Inc. (NPLPDI), whose primary purpose is to engage in the business of purchasing, leasing owning, using, improving, developing, subdividing, selling, mortgaging, exchanging, leasing and holding for investment or otherwise, real estates of all kinds and build or cause to be built on any such land owned, held or occupied for management or disposition buildings, houses, or other structures with their appurtenances. On March 3, 2008, SEC approved the amendment of the Articles of Incorporation changing its name to LR Land Developers, Inc (LRLDI). LRLDI has incurred expenses totaling ₱ 0.4 million and ₱ 0.3 million during the first quarter of 2010 and 2009 respectively. LRWC's consolidated financial statements for the first quarter of 2010 include LRLDI's financial condition and said expenses.

ABLE Operations First Quarter 2010 vs. First Quarter 2009

Revenues

ABLE generated total sales of ₱903.7 million for the first quarter of 2010, a ₱23.8 million or 2.7% increase from the ₱879.9 million total sales for the same period in 2009. The increase is attributable to the increase in sales of Electronic Bingo by ₱46.6 million or 28.1% and partly offset by the decrease in sales of Traditional Bingo by ₱19.3 million or 3.4% and Instant Charity Bingo by ₱4.4 million or 45.5%.

The traditional bingo remains the Company's principal product line with a sales contribution in the first quarter of 61.6% to total sales. Sales for the first quarter of 2010 was ₱556.2 million, a decrease of ₱19.3 million or 3.4% from ₱575.5 million during the same period in 2009.

E-bingo total sales for the first quarter of 2010 amounted to ₱212.8 million, an increase of ₱46.6 million or 28.1% from ₱166.2 million sales during the same period in 2009. The growth in sales was due to the increase in the number of E-bingo machines as well as higher sales generated per machine. As of March 31, 2010, there were a total of 1,891 E-bingo machines in 40 bingo parlors as compared to 1,507 E-bingo machines in 33 bingo parlors in the first quarter of 2009.

ABLE, in its continuing expansion through the introduction of new games, launched Rapid Bingo in August 2005 with 14 terminals in 14 bingo parlors. During the first quarter of 2010, sales from Rapid bingo contributed ₱123.9 million or 13.7% to total sales as compared to ₱122.2 million or 13.9% contribution to total sales for the same period last year. There was an increase in sales amounting to ₱1.7 million or 1.4% from the first quarter of 2010 due to the increase in the number of Rapid bingo terminals. By the end of March 31, 2010, there were a total of 72 Rapid bingo terminals in 57 bingo parlors as compared to 67 Rapid bingo terminals in 53 bingo parlors for the first quarter of last year.

ABLE introduced the Pull Tabs in December 2005 in 32 bingo parlors. During the first quarter of the year, it contributed ₱5.6 million as compared to ₱6.4 million for the same period last year.

PAGCOR granted ABLE the authority to be the primary and exclusive distributor of the Instant Charity Bingo Game II (ICBG2) on June 13, 2000. However, because of the poor sales performance, ABLE discontinued the distribution of the cards in 2005. On December 12, 2008, ABLE resumed commercial operations of the ICBG2 scratch cards, it contributed ₱5.3 million to total sales during the first quarter of 2010 as compared to ₱9.7 million for the same period last year.

Expenses

ABLE's consolidated costs and operating expenses for the first quarter of 2010 of ₱594.4 million decreased by ₱6.6 million or 1.1% from ₱601.0 million in 2009. The decrease in expenses can be attributed to the following: (1) Contracted Services of ₱1.1 million or 5.1%; (2) Cards and Supplies of ₱1.4 million or 12.1%; and (3) Communication and Utilities of ₱2.5 million or 6.7% due to management's continuous implementation of ABLE's cost reduction program. These decreases were offset by the following increases in expenses mainly due to the increase in the volume of programmed bingo game operations (Rapid and E-bingo): (1) Employees' Benefit of ₱2.0 million or 9.4% and (2) "Others-net account" of ₱9.7 million or 387.1% owing to enhanced marketing activities for programmed bingo games.

Net Income

ABLE posted a consolidated net income of ₱22.6 million for the first quarter of 2010, a growth of ₱2.4 million or 11.9% from the ₱20.2 million net income for the same period in 2009. The increase in net income is due mainly to the increase in revenues and a slight decrease in operating expenses..

FCLRC Operations First Quarter 2010 and First Quarter of 2009

The Cagayan Economic Zone Authority (CEZA), mandated by law to manage Cagayan Special Economic Zone and Free Port (CSEZFP), has authorized FCLRC to license, regulate and supervise the operations of registered online gaming enterprise in CSEZFP. FCLRC, on behalf of CEZA, can issue two types of licenses: (1) interactive gaming licenses which cover all types of online gaming including casinos, lotteries, bingo, sportsbooks; and (2) restrictive licenses which limit the offerings to sports betting only. As the master licensor, FCLRC is entitled to half of the gaming levy imposed by CEZA on the gaming operators in the CSEZFP.

FCLRC generated ₱85.5 million gross revenues for the first quarter of 2010, representing a ₱15.0 or 21.3% increase from last year's first quarter of ₱70.5 million. The growth in revenues is attributable to the increase in number of operating locators as well as an increase in the locators' revenues. For the period ending March 31, 2010, there were 76 licensed locators – 37 of which are operational and 39 are non-operational while for the period ending March 31, 2009, there were 65 licensed locators – 29 of which are operational and 36 non-operational. Hosting fees from restrictive and interactive gaming locators contributed 83.1% to total revenues or ₱71.0 million, while license

application and renewal fees accounted for ₱14.4 million or 16.9%. Hosting fees of ₱ 60.8 million during the first quarter of 2009 increased by ₱ 10.2 million or 16.8%, while application fees for the same period also increased by ₱ 4.8 million or 49.2%.

FCLRC posted a net income of ₱ 28.9 million for the first quarter of 2010, a ₱ 12.3 million or 73.7% increase versus last year's ₱16.6 million. Total cost and operating expenses of ₱ 24.9 million slightly increased by ₱ 0.3 million or 1.4% from last year mainly due to provide adequate and efficient service to locators operating in the Cagayan Special Economic Zone Freeport (CSEZFP) as follows: (1) Depreciation of ₱ 0.2 million or 5.1%, (2) Taxes and Licenses of ₱0.1 million or 131.5% and (3) "Others" Expenses by ₱ 0.3million or 9.9% partially offset by a decrease in Rental of ₱ 0.4 million or 9.1% owing to the decrease in leased staff houses. The resulting net income in the "Other Income (Expense) account" of ₱ 3.6 million or 184.7% improvement from last year's resulting net income of ₱ 1.9 was mainly due to the increase in Other Income attributable to the rental income derived from gaming facility as agreed upon with locators.

LRWC Consolidated Net Income

As a result of the foregoing developments, LRWC posted a consolidated net income of ₱40.0 million for the first quarter of 2010, a ₱11.3 million or 39.6% increase from the ₱28.7 million consolidated net income of the same period last year. The improvement is mainly due to the increases in net income of FCLRC and ABLE.

Financial Condition – March 31, 2010 vs. December 31, 2009

On a consolidated basis, the Balance Sheet of Leisure & Resorts World Corporation (LRWC) and its subsidiaries, ABLE, LRLDI and FCLRC, remains strong. Total assets as of March 31, 2010 amounted to ₱2,308.2 million which increased by ₱47.0 million or 2.1% from ₱2,261.2 million as of December 31, 2009. Increases in assets are attributable to the following: (1) Prepaid Expenses and Other Current Assets of ₱8.6 million mainly due to prepayment of expenses made during the first few months of the year which will be properly amortized in the future short term periods; and (2) Investments and Advances – net of ₱114.1 million, attributable to ongoing projects which will benefit the Group in the long term. These increases were partly offset by the following decreases: (1) Cash of ₱27.8 million mainly due to investing activities; (2) Bingo Cards and Supplies of ₱2.3 million attributable to the decrease in bingo cards usage as substantiated in ABLE's decrease in revenues from traditional bingo; (3) Other Assets of ₱ 58.4 million mainly due to the recovery of advances to a joint venture entity.

Total Liabilities decreased by ₱1.0 million primarily due to ABLE and FLRC's settlement of liabilities to its trade and other payable creditors, partially offset by an increase in Short-term Loans Payable attributable to ABLE's increased bank borrowings to support its operations.

Cash Flows – Three Months Ended March 31, 2010 vs. March 31, 2009

Cash balance as of March 31, 2010 of ₱74.6 million decreased by ₱ 27.7 million or 27.1% from ₱102.3 million for the same period last year. The decrease is due to Cash used in investing activities in new projects. The decrease was partly offset by the following increases: (1) Cash provided by investing activities owing to the full recovery of advances to a joint venture entity; and (2) Cash availment from short term bank borrowings.

Key Performance Indicators

The Company monitors its performance and benchmarks itself to prior years' results in terms of the following indicators:

	<u>As Of</u>	
	<u>March 31, 2010</u>	<u>December 31, 2009</u>
<i>Liquidity</i>		
Current Ratio	98%	100%
<i>Leverage Ratio</i>		
Debt to Equity	46%	47%
	<u>For the Three Months Ended</u>	
	<u>March 31, 2010</u>	<u>March 31, 2009</u>
<i>Profitability Ratio</i>		
Rate of Payout to Net Revenue	59.0%	61.3%
Return on Average Equity	2.6%	2.1%
Return on Average Assets	1.8%	1.3%

The manner by which the Company calculates the above indicators is as follows:

Key Performance Indicator	Formula
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Debt to Equity Ratio	$\frac{\text{Total Liability}}{\text{Stockholders' Equity}}$
Payout Turn-over	$\frac{\text{Payout}}{\text{Net Revenues}}$
Return on Average Equity	$\frac{\text{Net Income}}{\text{Average Equity}}$
Return on Average Assets	$\frac{\text{Net Income}}{\text{Average Total Assets}}$

Discussion and Analysis of Material Events and Uncertainties Known to Management

The Management of LRWC and subsidiary is not aware of any material events/and uncertainties that would address the past and would have impact on future operations of the following:

1. Any trends, demands, commitments, events or uncertainties that will have a material impact on LRWC's liquidity;
2. Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;
3. Any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons created during the reporting period

4. Any material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures;
5. Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable impact on net sales/revenues/income from continuing operations;
6. Any significant elements of income or loss that did not arise from LRWC continuing operations;
7. Any seasonal aspects that had a material effect on the financial condition and results of operations;

Plans for 2010

For 2010, ABLE plans to expand by applying for permits to open new bingo parlors in high traffic areas, specifically in new SM and Robinson's Malls/Supercenters and several other bingo parlors with a smaller area in Metro Manila.

On the other hand, FCLRC's plan for 2010 is to have more licensed and operating locators by the end of the year. Major capital expenditures shall mainly be pertaining to the development of the information technology (IT) and telecommunications facilities of CSEZFP and the development of the Cagayan Business Park.

PART II – FINANCIAL INFORMATION

There is no significant information that needs to be reported under this section not previously reported in a report on SEC Form 17-C.

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.

Registrant: **LEISURE & RESORTS WORLD CORPORATION**



Signature and Title: ALFREDO B. BENITEZ, President/Director

Date: 05/14/2010



Signature and Title: GEOFFREY L. UYMATIAO, Treasurer/Director

Date: 05/14/2010



Signature and Title: MILAGROS P. MIRANDA, Finance Manager

Date: 05/14/2010

LEISURE & RESORTS WORLD CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

		31-Mar-10	31-Dec-09
		(Unaudited)	(Audited)
ASSETS			
Current Assets			
Cash and cash equivalents	Schedule 1	74,596,858	102,348,403
Receivables - net	Schedule 2	500,035,896	493,920,365
Bingo cards and supplies		15,916,079	18,206,039
Prepaid expenses and other current assets	Schedule 3	29,747,842	21,128,668
Due from related parties - net	Schedule 2	43,110,555	41,341,014
Total Current Assets		663,407,229	676,944,489
Noncurrent Assets			
Property and equipment - net	Schedule 4	177,648,508	172,794,301
Investment properties	Schedule 5	77,373,494	77,373,494
Investments and advances - net	Schedule 6	348,506,726	234,386,692
Goodwill - net		530,988,731	530,988,731
Other assets	Schedule 7	510,309,503	568,712,470
Total Noncurrent Assets		1,644,826,963	1,584,255,688
TOTAL ASSETS		2,308,234,192	2,261,200,177
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities			
Short-term loans payable	Schedule 10	146,416,350	98,057,099
Trade and other payables	Schedule 8	496,732,438	543,737,292
Income tax payable		6,328,774	4,722,909
Due to related party	Schedule 9	9,070,691	9,070,691
Current portion of obligation under finance lease		5,987,992	5,987,992
Current portion of long-term loans payable	Schedule 10	13,400,000	13,400,000
Total Current Liabilities		677,936,245	674,975,983
Noncurrent Liabilities			
Long-term obligation under finance lease		3,196,319	3,322,755
Long-term loans payable	Schedule 10	14,400,000	19,200,000
Retirement benefits liability		29,968,780	29,052,288
Total Noncurrent Liabilities		47,565,098	51,575,043
Stockholders' Equity			
Common Stock - P 1 par value			
Authorized - 1,600,000,000 shares			
Issued - 849,877,094 shares		849,877,094	849,877,094
Additional paid-in capital		128,881,860	128,881,859
Retained earnings		528,823,205	488,815,290
Treasury shares		(20,785,694)	(19,780,317)
		1,486,796,464	1,447,793,926
Minority Interests		95,936,385	86,855,225
TOTAL STOCKHOLDERS' EQUITY		1,582,732,849	1,534,649,151
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		2,308,234,192	2,261,200,177

LEISURE & RESORTS WORLD CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
Unaudited

For the Three Months Ended March 31

	<u>2010</u>	<u>2009</u>
SALES		
Traditional bingo	556,182,449	575,498,356
Electronic bingo - net	212,795,569	166,186,813
Rapid bingo - net	123,851,477	122,184,358
Service and hosting fees	85,486,474	70,505,846
Pull tabs	5,582,860	6,407,750
Instant charity bingo	5,263,500	9,665,220
	989,162,328	950,448,343
FRANCHISE FEES AND TAXES	316,424,046	283,223,139
NET REVENUES	672,738,282	667,225,203
COSTS AND OPERATING EXPENSES		
Payout	397,142,690	408,686,014
Rentals	50,374,379	52,374,162
Salaries and wages	42,113,052	42,057,802
Communication and utilities	36,211,854	38,650,916
Employee benefits	23,712,280	21,430,717
Contracted services	25,700,798	26,814,181
Depreciation and amortization	14,539,141	14,381,149
Bingo cards	9,974,992	11,339,870
Taxes and licenses	6,159,346	5,938,193
Others - net	16,201,805	6,282,850
	622,130,335	627,955,855
OPERATING INCOME	50,607,947	39,269,349
OTHER INCOME (CHARGES)		
Equity in net earnings of a joint venture	6,235,972	5,158,615
Equity in net loss of an associate	-	(836,556)
Interest - net	(6,148,980)	(8,818,532)
	86,992	(4,496,473)
INCOME BEFORE INCOME TAX	50,694,938	34,772,876
INCOME TAX EXPENSE	1,605,865	774,021
NET INCOME	49,089,074	33,998,854
Attributable to:		
Equity holders of the Parent Company	40,007,915	28,651,737
Minority interest	9,081,159	5,347,117
	49,089,074	33,998,854
EARNINGS PER SHARE	0.047	0.034

INCOME PER SHARE IS COMPUTED AS FOLLOWS:

a) Net Income	40,007,915	28,651,737
b) Weighted average number of common shares	849,877,094	849,877,094 *
c) Basis (a/b)	0.047	0.034 *

* After retroactive adjustment in 2009 to include 10% stock dividend issued on September 22, 2009

LEISURE & RESORTS WORLD CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

(Unaudited)

	March-10						March-09					
	Capital Stock	Additional Paid-in Capital	Retained Earnings	Treasury Shares	Minority Interests	Total	Capital Stock	Additional Paid-in Capital	Retained Earnings	Treasury Shares	Minority Interests	Total
Balance at beginning of the period	849,877,094	114,790,986	488,815,290	(19,780,317)	86,855,225	1,520,558,278	772,614,784	128,881,859	413,514,404	(10,880,051)	71,880,724	1,376,011,721
Acquisition for the period				(1,005,377)		(1,005,377)				(4,200,583)		(4,200,583)
APIC - treasury shares		14,090,873				14,090,873						
Minority interests					9,081,160	9,081,160					5,347,117	5,347,117
Net income for the period			40,007,915			40,007,915			28,651,737			28,651,737
Balance at end of the period	849,877,094	128,881,859	528,823,205	(20,785,694)	95,936,385	1,582,732,849	772,614,784	128,881,859	442,166,141	(15,080,634)	77,227,842	1,405,809,992

(Audited)

	December-09					
	Capital Stock	Additional Paid-in Capital	Retained Earnings	Treasury Shares	Minority Interests	Total
Balance at beginning of year	849,877,094	114,790,986	287,577,338	0	71,880,724	1,324,126,142
Acquisitions for the year				(19,780,317)		(19,780,317)
Additional capital stock - Issuance of treasury shares		14,090,873				14,090,873
Minority interests					14,974,501	14,974,501
Net income for the period			201,237,952			201,237,952
Balance of end of year	849,877,094	128,881,859	488,815,290	(19,780,317)	86,855,225	1,534,649,151

LEISURE & RESORTS WORLD CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Three Months Ended	
	31-Mar-10	31-Mar-09
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before franchise fees and taxes	356,431,961	311,874,876
Adjustments for:		
Depreciation	14,539,141	14,381,149
Equity in net loss of an associate	-	836,557
Equity in net income of a joint venture	(6,235,972)	(5,158,615)
Interest expense	6,148,980	8,818,532
Operating income before working capital changes	370,884,110	330,752,499
Decrease (increase) in:		
Receivables	(6,115,531)	(8,904,239)
Bingo cards	2,289,960	(3,875,422)
Prepaid expenses and other current assets	(8,619,174)	(6,273,978)
Increase (decrease) in:		
Trade and other payables	(47,004,854)	6,010,579
Income tax payable	1,605,865	774,021
Due to related parties	0	(5,181,545)
Retirement liability	916,492	916,492
Cash generated from operations	313,956,868	314,218,408
Interest paid	(6,148,980)	(8,818,532)
Franchise fees and taxes paid	(316,424,046)	(283,223,139)
Net cash from operating activities	(8,616,159)	22,176,737
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	(19,393,348)	(32,271,140)
Acquisitions of treasury shares	(1,005,377)	(4,200,583)
Decrease (increase) in investment and advances	(107,884,062)	1,282,839
Decrease (increase) in due from related parties	(1,769,541)	1,019,231
Decrease (increase) in other assets	58,402,967	(8,720,905)
Net cash used in investing activities	(71,649,361)	(42,890,558)
CASH FLOWS FROM FINANCING ACTIVITIES		
Availment (payment) of loans payable	43,432,815	(14,050,456)
Increase in minority interest	9,081,160	5,347,118
Net cash provided (used) in financing activities	52,513,975	(8,703,338)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(27,751,545)	(29,417,159)
CASH AT BEGINNING OF PERIOD	102,348,403	100,749,379
CASH AND CASH EQUIVALENTS AT END OF PERIOD	74,596,858	71,332,220

LEISURE & RESORTS WORLD CORPORATION AND SUBSIDIARIES
Attachments to Unaudited Consolidated Financial Statements
As of March 31, 2010

Schedule 1 - Cash and Cash Equivalents

Cash on hand and in banks	74,596,858
	<u><u>74,596,858</u></u>

Schedule 3 - Prepaid Expenses and Other Current Assets

Prepaid expenses	22,869,911
Other current assets	6,877,931
	<u><u>29,747,842</u></u>

Schedule 4 - Property and Equipment

Leasehold improvements	226,874,379
Bingo equipment & paraphernalia	35,304,407
Office furnitures, fixtures and equipment	122,360,643
Transportation equipment	43,664,436
Total	<u>428,203,865</u>
Less: Accumulated depreciation	(250,555,357)
Net	<u><u>177,648,508</u></u>

Schedule 5 - Investment Properties

Land	200,000
Construction in progress	77,173,494
	<u><u>77,373,494</u></u>

Schedule 6 - Investment and Advances

Investment - at equity	
Acquisition costs:	
Associate:	
Binondo Leisure Resources, Inc. (BLRI) - 30%	21,200,000
	<u>21,200,000</u>
Joint venture:	
First Cagayan Converge (FC Converge) - 60%	
<i>(net of subscription payable of 7,500,000)</i>	7,500,000
	<u>7,500,000</u>
Accumulated equity in net income (loss) of an associate and joint venture:	
Balance at beginning of year	
BLRI (Associate)	(26,303,101)
FCCDCI (Joint Venture)	37,755,516
Net equity in earnings (losses) for the quarter	
BLRI (Associate)	-
FCCDCI (Joint Venture)	6,235,972
Balance at end of the period	
BLRI (Associate)	(26,303,101)
FCCDCI (Joint Venture)	43,991,488
	<u>17,688,387</u>
	<u><u>46,388,387</u></u>

Advances	
Bindondo Leisure Resources, Inc. (BLRI)	215,471,171
Allowance for Impairment	(40,000,000)
First Cagayan Converge (FC Converge)	10,947,563
Cagayan Premium Ventures	114,943,105
Investments - at cost	756,500
	<u>348,506,726</u>

Schedule 7 - Other Assets

Advances for development of Phase I of Master Development Plan project	297,212,435
Airstrip improvements - net of amortization	89,815,139
Venue rental deposits and other deposits	85,971,521
Advances to Beau Geste Corporation	-
Advance regulatory fee on Instant Charity Bingo Game 2 (ICBG2)	15,535,416
Cash and performance bonds	14,832,400
Operating licenses	4,253,690
Others	2,688,901
	<u>510,309,503</u>

Schedule 8 - Trade and Other Payables

Payable to CEZA	245,857,393
Unearned hosting fees	43,672,232
Payable to PAGCOR	13,885,035
Venue rental payable	17,702,122
Cards and supplies	3,066,254
Capital expenditures	18,741,843
Accrued expenses and other payables (arising from normal business operations)	153,807,558
	<u>496,732,438</u>

Schedule 9 - Amount Due to Related Parties

Longview Holdings Corporation	9,070,691
	<u>9,070,691</u>

Schedule 10 - Short-term and Long-term Loans Payable

Short-term Loans Payable	
PBCom	36,916,350
BDO	109,500,000
Total Short-term	<u>146,416,350</u>

Long-term Loans Payable	
Current Portion	
BDO	13,400,000
Noncurrent Portion	
BDO	14,400,000
Total Long-term	<u>27,800,000</u>

LEISURE & RESORTS WORLD CORPORATION AND SUBSIDIARIES
Attachments to Unaudited Consolidated Financial Statements
Schedule 2-Receivables
As of March 31, 2010

1.) Aging of Accounts Receivables

	TOTAL	1-3 Months	4-6 Months	7 months to 1 year	1 year and above	Past due accounts and items in litigation
Type of Accounts Receivable						
a.) Trade Receivables						
1.) Credit Cards	75,180	75,180	-	-	-	-
2.) Receivable from Locators	270,887,930	65,307,503	39,431,864	84,103,276	82,045,287	-
	270,963,110	65,382,683	39,431,864	84,103,276	82,045,287	-
b.) Non-Trade Receivables						
1.) Advances to non-consolidated affiliates	-	-	-	-	-	-
2.) Advances to employees	27,177,127	8,677,411	6,557,365	2,806,627	9,135,725	-
3.) Others	203,345,658	11,300,765	11,198,470	6,108,827	174,737,596	-
Sub-total	230,522,786	19,978,176	17,755,836	8,915,453	183,873,321	-
Less: Allowance for Doubtful Accounts	(1,450,000)					
Net Non-Trade Receivables	229,072,786					
Total Receivables	500,035,896					
c.) Receivables from Related Parties						
1.) Insular Gaming Corporation	1,226,279	1,045,883	180,396	-	-	-
2.) Vinta Gaming Corporation	4,808,083	552,982	417,201	9,036	3,828,865	-
3.) Blue Chip Gaming & Leisure Corporation	37,076,193	2,325,075	8,191,699	26,559,419	-	-
	43,110,555					
Net Receivables	543,146,451					

2.) Accounts Receivable Description

Types of Receivable	Nature and Description	Collection Period
1.) Advances to non-consolidated affiliates	sale of bingo cards, promotional materials and other services	six (6) months to 1 year
2.) Advances to employees	company loan and other advances granted to employees	six (6) months to 1 year
3.) Advances to Related Parties - Insular Gaming	issuance of bingo cards and advances	six (6) months to 1 year
Advances to Related Parties - Vinta Gaming	issuance of bingo cards and advances	six (6) months to 1 year
Others	various advances and receivables	one (1) year

3.) Normal Operating Cycle: 365

LEISURE & RESORTS WORLD CORPORATION AND SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2010

1. The accompanying interim consolidated financial statements of Leisure & Resorts World Corporation (LRWC) and Subsidiaries are in compliance with Philippine Financial Reporting Standards (PFRS).
2. The same accounting policies and methods of computation are followed in the interim consolidated financial statements as compared with the most recent annual financial statements.
3. Currently the operations of LRWC is very minimal and functions as a holding company. However, it's Subsidiaries, AB Leisure Exponent, Inc. (ABLE), engaged in bingo operations, and First Cagayan Leisure and Resort Corporation (FCLRC), engaged in licensing and regulation of online gaming, are operating on a daily basis including Sundays and Holidays, except on Maundy Thursday and Good Friday. Both businesses are not seasonal in nature. Another subsidiary, LR Land Developers, Inc. (LRLDI), engaged in realty estate acquisition and development, has also very minimal operations.
4. There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidents.
5. Property and equipment, other noncurrent assets, and investments and advances are reviewed for impairment. There are no indications of possible impairment of these assets.
6. There were no reported estimates in prior financial years and there are no estimates that need to be reported in the current interim period.
7. LRWC and Subsidiaries do not have any issuances, repurchases, and repayments of debt and equity securities.
8. Cash dividend equivalent to P 0.03 per share payable to stockholders of record as of August 28, 2009, paid on September 22, 2009 and another cash dividend equivalent to P 0.03 per share payable to stockholders of record as of November 27, 2009, paid on December 22, 2009, have been declared on July 31, 2009.
9. On June 8, 2009, the Board of Directors (BOD) declared 10% stock dividend or 77,262,310 shares, issued out of the authorized and unissued capital stock of the Corporation. This declaration was approved by stockholders present in person or by proxy representing 75.94% of the total outstanding capital of LRWC during its annual meeting held on July 31, 2009. This 10% stock dividend was issued on September 22, 2009 to all stockholders of record as of August 28, 2009.
10. LRWC's primary purpose is to engage in realty development focusing on leisure business. However, as mentioned in note 3, for several years it had minimal operation and functioned as a holding company. On the other hand, its Subsidiaries, ABLE, a professional in bingo gaming in the Philippines, operates forty one (41) bingo parlors nationwide, most of which are located in major shopping malls in Metro Manila and in key provincial cities, and FCLRC, a master licensor and regulator of online gaming operating in Cagayan Economic Zone Authority (CEZA).
11. There were no material events subsequent to the end of the interim period that has not been reflected in the financial statements for the interim period.
12. There were no changes in the composition of LRWC during the interim period. Likewise, there were no business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.
13. LRWC and Subsidiaries do not have any contingent liabilities or contingent assets since the last annual balance sheet date nor do they have any current contingent liabilities or contingent assets.
14. There was no existing material contingencies and any other events or transactions that are material to an understanding of the current interim period.