



REPUBLIC OF THE PHILIPPINES

Department of Budget and Management
Malacañang, Manila

CORPORATE OPERATING BUDGET

Calendar Year 2014

TO: TRADE AND INVESTMENT DEVELOPMENT CORPORATION OF THE PHILIPPINES (TIDCORP)

Your Corporate Operating Budget (COB) for Calendar Year 2014 per approved Board Resolution No.2614, series of 2014 submitted pursuant to Section 6 of Executive Order (E.O.) No. 518, series of 1979 and Section 19, Chapter 3, Book VI of E.O. No. 292, series of 1987, is hereby approved for a total amount of **ONE BILLION FOUR HUNDRED THIRTEEN MILLION TWO HUNDRED NINETEEN THOUSAND PESOS ONLY (P1,413,219,000)** details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 1,447,398,000	P 1,447,398,000	-
Corporate Funds	1,447,398,000	1,447,398,000	-
TOTAL USES:	P 1,447,136,000	P 1,413,219,000	P (33,917,000)
Personal Services (PS)	140,000,000	106,828,000	(33,172,000) a/
Maintenance and Other Operating Expenses (MOOE)	77,536,000	76,791,000	(745,000) b/
Capital Outlays (CO)	40,000,000	40,000,000	c/ -
Others	1,189,600,000	1,189,600,000	d/ -
Excess/Shortfall	P <u>262,000</u>	P <u>34,179,000</u>	P <u>(33,917,000)</u>

Footnotes:

a/ The TIDCORP shall strictly adhere to the following provisions of laws:

Sections 1 to 3 of Memorandum Order No. 20 s. 2001 directed the GOCCs/GFIs that are exempted from the Salary Standardization Law (SSL) as follows:

1. Immediately suspend the grant of any salary increases and new or increased benefits not in accordance with those granted under SSL. This suspension covers senior officers and members of the board of directors/trustees.
2. Prepare a pay rationalization plan for senior officer positions and members of the board to reduce the actual pay package to not exceeding two (2) times the standardized rates for comparable national government positions.
3. Any increase in salary or compensation of GOCCs/GFIs that are not in accordance with the SSL shall be subject to the approval of the President.

Sections 8 and 9 of Executive Order No. 7 s. 2010 mandated that:

1. GOCCs/GFIs shall submit information on all salaries, allowances, incentives and other benefits.
2. Except salary adjustments pursuant to E.O. Nos. 811 s. 2009 and 900 s. 2010, a moratorium on the increases in the rates of salaries, and the grant of new or increase in the rates of allowances, incentives and other benefits is imposed until specifically authorized by the President.

In view of the foregoing, the PS level computed based on the actual FY 2009 PS level and is only to accommodate 123 positions. It should not be construed as allowing the increase in salary rates and the grant of new or an increase in rates of allowances/benefits. The variance of P33,172,000 represents over-provision of PS items as shown below:

Salaries, Permanent	P	18,801,000	Pegged at 2013 actual level, CPCS not yet approved
Uniform/clothing allowance		12,000	Excess amount for 123 positions
Year-end Bonus		1,647,000	Equivalent to 1 mo. basic salary
Representation and Transportation Allowances		2,646,000	Based on 2009 rates for 54 positions
Overtime Pay		200,000	} Chargeable against savings
Anniversary Bonus		615,000	
Subsistence Allowance		25,000	Based on 2013 level, proposal lower than 2009
Medicine Allowance		86,000	Based on 2013 actual rate per employee
Medical/Dental/Optical Allowance		1,126,000	Based on 2009 rate per employee
Birthday Bonus		40,000	Based on 2009 rates per employee
Provident Fund		4,698,000	Pegged at 25% of basic annual salary
Extraordinary and Miscellaneous Expense		460,000	Transferred to MOOE

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Calendar Year 2014

TO: TRADE AND INVESTMENT DEVELOPMENT CORPORATION OF THE PHILIPPINES (TIDCORP)

Loyalty Incentive	144,000	Chargeable against savings
Employee Suggestions and Incentive Awards System	150,000	Chargeable against savings; subject to CSC approved PRAISE Rules
Life & Retirement Insurance Premium	2,255,000	12% of basic salary
PhilHealth Contribution	137,000	PhilHealth adjusted rates based on 2009 actual number of personnel
 PAG-ibig Contributions	 130,000	
	<u>P 33,172,000</u>	

This review action shall not be construed as an authorization for specific expenditure items under PS. The grant of such items is subject to approval from the Office of the President. Further, it is understood that:

1. Standard allowances and benefits, which are authorized to officials and employees of the National Government Agencies (NGAs) covered by SSL, may be adopted provided these are not already being granted in other forms;
2. All other allowances/benefits including rates not covered by the SSL, as shown in Annex "A", shall be subject to approval of the President; and
3. Any increase in the existing salary rates and the grant of new allowances, benefits and incentives, or an increase in the rates thereof shall be subject to the approval by the President.

b/ MOOE level is computed considering the actual/audited expenses for the previous year and the effects of inflation.

c/ Intended for purchase of information technology (IT) equipment, furniture and fixtures, and transportation equipment.

Purchase of motor vehicles shall be covered by a separate authority by the Department/Office concerned as endorsed by DBM and shall be acted upon separately.

d/ Covers loan releases for guarantees, investment income taxes, receivables from subrogated claims and payment of dividends, interest and financial charges.

The approval of the COB shall be subject to the following conditions:

1. All expenditures, whether for current operating expenditures or COs, shall be made within the limits of available funds realized from corporate receipts, authorized corporate borrowings and National Government budgetary support either in the form of subsidy, equity or loans outlay.
2. Disbursement for personnel allowances/benefits shall be subject to the pertinent compensation laws, rules and regulations, including E.O. Nos. 7 and 24 dated September 8, 2010 and February 10, 2011, respectively. Such expenditures shall also be conditioned on the relevant General Provisions of Republic Act (R.A.) No. 10633, the FY 2014 General Appropriations Act (ex. Representation and Transportation Allowance under Section 45, General Provisions), or any specific law or approval of the President of the Philippines.
3. Disbursements for extraordinary and miscellaneous expenses shall be subject to Section 23, General Provisions of R.A. No. 10633.
4. For equipment items per Annual Equipment Procurement Program that require specific clearance/approval from the Agencies concerned (ex. National Computer Center for information technology equipment and Office of the President/Department of Budget and Management/Supervising Department for motor vehicles), the same shall be secured before acquisition thereof in accordance with Corporate Budget Circular No. 17 dated February 9, 1996, National Budget Circular Nos. 446 and 446-A dated November 24, 1995 and January 30, 1998, respectively; Budget Circular No. 2010-2 dated March 1, 2010 and Administrative Order (A.O.) No. 233 dated August 1, 2008, Office of the President Memorandum Circular No. 9 dated December 14, 2010 and A.O. No. 15 dated May 25, 2011, among others.
5. The fiscal discipline measures prescribed under A.O. No. 103 dated August 31, 2004 shall be observed.
6. It is understood that this approval does not authorize any item of expenditure that is prohibited by or inconsistent with the provisions of law.

CORPORATE OPERATING BUDGET

Calendar Year 2014

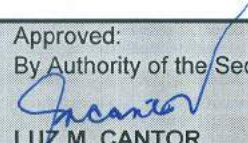
TO: TRADE AND INVESTMENT DEVELOPMENT CORPORATION OF THE PHILIPPINES (TIDCORP)

7. The pertinent laws, rules and regulations including those on compensation, procurement, budgeting, accounting and auditing shall be strictly followed. Compliance with all existing laws, rules and regulations shall be the responsibility of the implementing government corporation.

Recommending Approval:


LORENZO C. DRAPETE
Director, BMB-F

Approved:
By Authority of the Secretary:


LUZ M. CANTOR
Undersecretary

Date:

AUG 06 2014

COB-F4-14-0036

cc: The Chairman
Board of Directors, TIDCORP

Assistant Commissioner Lourdes M. Castillo
Commission on Audit (COA) - Central Office
COA Building, Quezon City

The Resident Auditor
COA-TIDCORP



Department of Budget and Management
BTS



2014-S07033L



COMPARATIVE BALANCE SHEET
(In Thousand Pesos)
Fiscal Year 2014

Department : FINANCE				
Corporation : TRADE AND INVESTMENT DEVELOPMENT CORPORATION OF THE PHILIPPINES				
PARTICULARS	FY 2012 (Audited)	FY 2013 (Actual)	COB 2014 (Proposal)	(REMARKS)
ASSETS				
Current Assets	<u>2,404,370</u>	<u>2,694,616</u>	<u>2,616,811</u>	
Cash	9,892	10,212	15,000	
Short-term Investment (DBM Form No. 702-A)	1,668,983	1,736,486	1,223,986	
Accounts Receivable (DBM Form No. 702-B)	695,880	942,636	1,372,636	
Cash Advances to Various Parties	600	108	15	
Other Current Assets	29,015	5,174	5,174	
Investments (DBM Form No. 702-A)	-	-	-	
Fixed Assets	<u>96,310</u>	<u>86,980</u>	<u>112,980</u>	
Land & Land Improvements	-	-	-	
Buildings and Structures	63,404	60,665	57,865	
Furnitures, Fixtures, Equipt. & Books	7,814	6,906	23,206	
Information Technology Equipment	25,092	19,409	31,909	
Deferred Assets	788	795	795	
Other Assets	<u>669,368</u>	<u>397,903</u>	<u>295,414</u>	
TOTAL ASSETS	<u>3,170,836</u>	<u>3,180,294</u>	<u>3,026,000</u>	
LIABILITIES				
Current Liabilities	<u>2,436,537</u>	<u>2,406,371</u>	<u>2,264,953</u>	
Accounts Payable to suppliers or trade creditors (DBM Form No. 702-C)	386,537	206,371	164,953	
Current portion of borrowings (DBM Form No. 702-D)	2,050,000	2,200,000	2,100,000	
Trust Liabilities	1,217	1,217	1,217	
Deferred Liabilities	133,962	119,763	83,830	
Other Liabilities	-	-	-	
TOTAL LIABILITIES	<u>2,571,716</u>	<u>2,527,351</u>	<u>2,350,000</u>	
STOCKHOLDERS' EQUITY				
Paid-in Capital	5,461,899	5,461,899	5,461,899	
Retained Earnings	(5,103,345)	(4,944,410)	(4,946,689)	
Net Unrealized Gain/Loss AFS	43,886	(18,196)	-	
Profit & Loss	196,680	153,650	160,790	
TOTAL STOCKHOLDERS' EQUITY	<u>599,120</u>	<u>652,943</u>	<u>676,000</u>	
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>3,170,836</u>	<u>3,180,294</u>	<u>3,026,000</u>	
Outstanding Guarantees	<u>14,965,045</u>	<u>14,341,200</u>	<u>22,000,000</u>	
Prepared by:				
 MARILOU A. MEDINA	Date	 ATTY. FLORENCIO P. GABRIEL, JR	Date	
Senior Vice President Financial Services/Investments Sector		Executive Vice President Corporate Strategy Group		

COMPARATIVE PROFIT AND LOSS STATEMENT
(In Thousand Pesos)
Fiscal Year 2014

Cash Basis Accrual Basis

Department : **FINANCE**Corporation : **TRADE AND INVESTMENT DEVELOPMENT CORPORATION OF THE PHILIPPINES**


PARTICULARS	FY 2012 (Audited)	FY 2013 (Actual)	COB 2014 (Proposal)	(REMARKS)
I. REVENUES (DBM Form 703-A)	551,257	579,617	669,240	
Operating Revenues	552,662	532,586	625,240	
Other Revenues (Specify major items)	(1,405)	47,031	44,000	
Gain on Sale of Equipment	215	-	-	
Gain on Sale of Office Space	-	46,976	44,000	
Foreign Exchange Gains /(Losses)	(1,620)	55	-	
II. COST OF SALES (DBM Form 703-B)	-	-	-	
III. GROSS PROFIT	551,257	579,617	669,240	
IV. OPERATING EXPENSES	334,279	338,321	400,440	
Personal Services	124,620	111,325	140,000	
Maintenance & Other Operating Expenses (include int. exp.-operating, business taxes, duties and licenses other than income tax)	71,146	68,961	77,536	
Interest Expense	107,937	108,198	119,430	
Non Cash Expense	30,576	49,837	63,474	
Depreciation of fixed assets	9,891	10,351	11,061	
Depreciation of investment property	8,562	6,472	5,154	
Amortization of deferred assets	-	-	-	
Other non cash expenses	12,123	33,014	47,259	
Provision for doubtful accounts	11,585	30,000	44,000	
Impairment loss	538	3,014	3,259	
Others	-	-	-	
V. NET PROFIT (LOSS) BEFORE INCOME TAX	216,978	241,296	268,800	
VI. INCOME TAX	20,298	87,646	108,012	
VII. NET PROFIT (LOSS) AFTER INCOME TAX	196,680	153,650	160,788	
Add: SUBSIDIES	-	-	-	
VIII. NET PROFIT (LOSS) AND SUBSIDIES	<u>196,680</u>	<u>153,650</u>	<u>160,788</u>	

Prepared by:


MARILOU A. MEDINA

 Senior Vice President
 Financial Services/Investments Sector

Date


ATTY. FLORENCIO P. GABRIEL, JR.

 Executive Vice President
 Corporate Strategy Group

Date

STATEMENT OF CASH FLOWS

(In Thousand Pesos)

Fiscal Year 2014

Department : FINANCE

Corporation : TRADE AND INVESTMENT DEVELOPMENT CORPORATION OF THE PHILIPPINES

PARTICULARS	FY 2012 (Audited)	FY 2013 (Actual)	FY 2014 (COB)	Remarks
Cash flows from operating activities				
Cash generated from operations	571,435	522,137	586,200	
Collection of receivables	1,343,019	1,204,301	285,040	?
Payment of salaries	(77,065)	(98,244)	(140,000)	
Payment to suppliers	(46,050)	(57,815)	(73,010)	
Payment of taxes	(92,380)	(94,310)	(108,222)	
Other inflows	39,761	34,253	-	
Other outflows	(1,550,033)	(1,449,096)	(780,000)	
Net cash flow from operating activities	188,687	61,226	(229,992)	
Cash flows from investing activities				
Purchase of property, plant and equipment	(6,966)	(3,342)	(40,000)	
Proceeds from sale of unserviceable equipment	-	-	-	
Cash receipts from sale of assets	422	85,095	68,000	
Other inflows	11,203,137	7,386,386	508,158	
Other Outflows	(11,029,748)	(7,531,002)	-	
Net cash flow from investing activities	166,845	(62,863)	536,158	
Cash flows from financing activities				
Receipt of government equity	-	-	-	
Borrowings	500,000	450,000	-	
Proceeds from loans, bonds, notes	-	-	-	
Repayment of loan	(762,320)	(404,193)	(209,508)	
Dividend payment	(86,452)	(43,850)	(91,870)	
Other inflows/outflows	-	-	-	
Net cash flow from financing activities	(348,772)	1,957	(301,378)	
Net Increase/(decrease) in cash and cash equivalent	6,760	320	4,788	
Cash and cash equivalents, beginning of the year	3,132	9,892	10,212	
Cash and cash equivalents, end of year	9,892	10,212	15,000	

Prepared by:


 MARILOU A. MEDINA

 Senior Vice President
 Financial Services/Investment Sector

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