


**FOOD
TERMINAL, INC.**

MEMORANDUM '2010

FOR : THE BOARD OF DIRECTORS
 THRU : THE EXECUTIVE COMMITTEE
 FROM : THE PRESIDENT
 SUBJECT : **2010 CORPORATE OPERATING BUDGET**
 DATE : 6 April 2010

The management respectfully submits to the Board of Directors for approval the Corporate Operating Budget for CY 2010 in the total amount of ₱383.14M.

	2010 Budget Proposal	2009 Approved Budget	2009 Unaudited	Inc/(Dec) VS 2009 VS 2009 Budget Unaudited	
1. Operating Budget					
Personal Services	80.96	78.42	78.91	2.54	2.05
Maint. & Other Operating Expenses	202.29	248.66	251.46	(46.37)	(49.17)
Contingency	18.50	21.80	9.90	(3.30)	8.60
Sub Total	<u>301.75</u>	<u>348.88</u>	<u>340.27</u>	<u>(47.13)</u>	<u>(38.52)</u>
2. Capital Expenditures					
Priority/Necessary Projects	11.03	27.41	3.45	(16.38)	7.58
Carry-over Projects	16.62			16.62	16.62
Sub Total	<u>27.65</u>	<u>27.41</u>	<u>3.45</u>	<u>0.24</u>	<u>24.20</u>
3. Debt Servicing					
MWCI Loan Amortization	7.53	11.77	10.79	(4.24)	(3.26)
Capital Gains Tax on NFA Dacion	46.21	19.80		26.41	46.21
Sub Total	<u>53.74</u>	<u>31.57</u>	<u>10.79</u>	<u>22.17</u>	<u>42.95</u>
TOTAL BUDGET REQUIREMENTS	<u>383.14</u>	<u>407.86</u>	<u>354.51</u>	<u>(24.72)</u>	<u>28.63</u>

The 2010 budget is ₱24.72M lower than the 2009 approved budget of ₱407.86M because of lower income tax base brought by reduced utilities and rental income due to lessees' drop out. Compared to 2009 unaudited figures, there is an increase of ₱28.63M accounted as follows:

1.	Debt Servicing	42.95
	MWCI	(3.26)
	Capital gains tax on NFA Dacion	46.21
2.	Capital expenditures necessary to enhance revenue	24.20
3.	Provision for contingency on the following:	8.60
	a.. Fenics	14.00
	b. Labor cases (Rivera, Pano)	4.50
	c. OGCC Special Assessment	(9.90)
4.	Increase in personal services as follows:	2.05
	a.. Retirement fund of P7.37 from P13.55 in 2009	(6.18)
	b. Increase in salaries & wages due to merit and performance appraisal	2.15
	c. Increase in other personnel benefits/compensation (monetization/other bonu	6.08
5.	Decrease in maintenance & other operating expenses	(49.17)
	a.. Decrease in utilities such as electric and water due to termination of leases an direct connection to Meralco	(6.05)
	b. Higher professional cost due to increase in contractual rate of guards, garbage, janitorial and allied services	4.89
	c. Increase in cost of supplies, repairs, interest expense, cost of litigation and other expenses	8.91
	d. Payment of prior year's payables	(31.89)
	e. Decrease in income tax due to lower tax base	(25.03)
	TOTAL INCREASE	<u>28.63</u>

Source of fund for the above budget requirement will come from collection of targeted revenues during the year and other receipts in the total amount of ₱478.22M. Comparative tabulations for the financial projection are provided in the attached annexes.

For the Board's consideration/approval:


MARIA THERESA ACOSTA PINTO
President