

ANNEX B - FINANCIAL REQUIREMENTS

1. Latest Annual Report and/or Audited Financial Statements (FS)-
(original or certified true copy)

Latest Annual Report and/or Audited FS for the last two (2) years from the filing date and latest unaudited FS duly signed by the responsible official such as the President and/or Chief Finance Officer if the Audited FS is more than six (6) months old at the time of filing.

2. Original Bank Certification

Bank Certification to substantiate the cash balance in the Audited FS or updated FS.

3. Projected Cash Flow Statement (original)

Projected Cash Flow Statement for two (2) years showing the fund sources and uses of funds for the particular offered area, other applied RE areas, existing service/operating contracts with DOE and other existing business, if applicable, with supports from either of the following:

- a. Certified true copy of the Sales Agreement/Purchase Order of buyer for projected revenues on existing operations
 - b. Sworn Letter of Commitment from stockholders for additional equity/cash infusion (original)
 - c. Bank approved loan/credit line earmarked for the proposed operation (certified true copy)
 - d. Other committed sources of funds (certified true copy)
4. For applicants with insufficient funds to finance the proposed operations:
 - a. Newly organized corporation (existing for two (2) years or less from date of registration with SEC) should be supported by parent company's financial documents per items 1 and 2 above

and Letter of Guaranty by the parent company to fund the work program (original).

b. Subsidiary corporation (existing for more than two (2) years from date of registration with SEC) should be supported by the following:

1. Notarized Letter of Guaranty from the majority shareholder/s and proof of capacity to satisfy the said Guaranty (Original Bank Certification)

Or

2. Parent company's financial documents per items 1 and 2 above and Letter of Guaranty by the parent company to fund the work program/plan (original)

c. In case of domestic parent company, the Letter of Guaranty should be duly notarized.

In case of foreign parent company, the documents shall be duly authenticated by the Philippine Consulate Office that has jurisdiction over the said parent company.

Criteria for Financial Evaluation

1. The minimum working capital (Liquid Assets less Current Liabilities) is 100% of the financial commitment for the initial year of the proposed Work Program/Plan.
2. Liquid Assets shall consist only of cash, trade accounts receivables and short-term investments/placements. Credit line is not a Liquid Asset.
3. The applicant's available working capital for each RE application should be net of the fund requirements from other RE applied areas/existing service contracts and conventional energy contract applications/existing service/operating contracts.

Sample Qualification format

Current Assets	Php	100,000.00
Less: Current Liabilities		<u>50,000.00</u>
Working Capital		50,000.00
Less: Non Quick Assets		<u>20,000.00</u>
Working Capital per DOE Guidelines		30,000.00
Less: Working Capital Requirement in existing Service Contracts and other application/s		<u>10,000.00</u>
Available Working Capital	Php	<u><u>20,000.00</u></u>