



Annual Financial Report 2014

April 2015

To the Executive Board and RTRS members

Auditor:

Estudio Dechiara & Asociados

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Annual Report 2014 for the Executive Board

Round Table on Responsible Soy Association, abbreviated "RTRS", is an international initiative founded in Switzerland in 2006 to promote the use and growth of Responsible Soy, with the commitment of the stakeholders of the soy value chain, through the implementation of a global standard and of a certification scheme, for the production of responsible soy.

Objectives

The main objectives of RTRS are:

- To facilitate a global dialogue on soy that is economically viable, socially equitable and environmentally friendly.
- To reach consensus among the main stakeholders and players related to the soy industry.
- To set up a forum for developing and promoting a sustainability standard for the production, processing, trading and use of soy.
- To set up a recognized international forum for monitoring the status of global production of soy in terms of sustainability.
- To mobilize different stakeholders to participate in the RTRS process;

Membership

The RTRS is made up of Participating members and of Observers. Membership is open to participants of the soy value chain and of civil society who shall apply for membership as Participating Members in one of the following constituencies:

- Producers
- Industry, Trade and Finance
- Civil Society Organizations.

Natural persons or organizations such as regulatory bodies, government agencies, consulting or auditing companies, academia and donors, that do not belong to any of these three constituencies, may apply for the RTRS membership as Observing Members.

The main resource used by RTRS is dialogue between groups with different interests and origins for defining a common basis for action. RTRS assures that each constituency shall have the same rights to propose specific topics for discussion

Executive Board

The Executive Board has a maximum of fifteen members. Each category, i.e. “Producers”, “Industry, Trade and Finance” and “Civil Societies” is represented by a maximum of five members. The following chart shows the current formation of the Executive Board (2014 – 2016):

Civil Society	Representatives	Country
WWF	Sandra Mulder	NETHERLANDS
EARTH INNOVATION	Oswaldo Carvalho	BRAZIL
SOLIDARIDAD	Gert van der Bijl	NETHERLANDS
ACTION FOR SOCIAL ADVANCEMENT	Ashis Mondal	INDIA
Industry, Trade and Finance		
ACSOJA	Patricio Watson	ARGENTINA
RABOBANK	Olaf Brugman	NETHERLANDS
Retailers Soy Group	Belinda Howell	UK
UNILEVER	David Pendlington	UK
AGRIFIRM	Cornel Boere	NETHERLANDS
Producers		
LOS GROBO	Alex Ehrenhaus	ARGENTINA
FAPCEN	Gisela Introvini	BRAZIL
APDC	John Landers	BRAZIL
GRUPO A. MAGGI	Juliana Lopes	BRAZIL
AAPRESID	Martin Descalzo	ARGENTINA

2014 Activities

2014 General Budget

The estimated budget for the year 2014 reached the sum of € 768,291. The real income during such period was € 854,994. The main sources were project fundings, annual membership fees, and certification fees. The real expenses during 2014 reached the sum of € 900,245 resulting in a -€45,251 net balance.

Executive Board meetings

During 2014, there were three physical meetings. The first meeting took place in Buenos Aires, Argentina in February 2014, the second took place in the month of May in the city of Foz de Iguazu, Brazil, where we had the Ninth International Conference of the RTRS. After the conference, in October 2014, the committee met again in London, UK, with the reelected members at the General Assembly. There were 4 teleconferences for controlling and monitoring various activities such as the development of the certification system, the International Conference, the General Assembly, finance, Market development activities and the annual work plan of the Secretariat.

The General Assembly

On May 8th 2014 afternoon, immediately after the closing of the 9th International Conference on Responsible Soy (RT9), the 8th RTRS General Assembly (GA8) was held. RTRS members approved the financial statements and the reelection of authorities.

Ninth International Conference

On 7 and 8 May, the RTRS hosted its 9th International Conference on Responsible Soy (RT9) in Foz de Iguazu, Brazil. This 9th edition was attended by important stakeholders in the value chain of soy and was held under the subject "Thinking outside the box. Innovation for Responsible Soy".

The Secretariat

The RTRS Secretariat's role is to centralize every operation and, as such, it is responsible for the international and local administration and governance of the RTRS (registered in Switzerland). The Secretariat's headquarters are in Argentina.

The members of the Secretariat are:

- Agustín Mascotena, Executive Director
- Jimena Frojan, Technical Unit Manager
- Facundo Cativiela, Technical Unit Officer
- Jimena Couto, Communications Analyst
- Daniel Kazimierski, Administration and Governance Analyst
- Veronica Chorkulak, Market Development Manager
- Daniel Meyer, Market Development- Brazil
- Lieven Callewaert, Market Development- Europe

Secretariat activities in 2014:

RTRS 2014: another year with a positive balance

During the year 2014, the Round Table on Responsible Soy (RTRS) registered the purchase of over 1,3 million metric tonnes of certified responsible soy, nearly 50% higher than in 2013 and an all-time record.

Argentina produced more than 436,000 tons of RTRS certified soy and thus almost doubled its production, compared to 2013. Brazil remains the largest producer with 840,000 tons in 2014, representing 62% of the RTRS certified soy.

Finalization of the National Interpretation for Canada and Bolivia

In 2014 the National Interpretations of the RTRS Standard for Responsible Soy Production for Canada and Bolivia were approved.

In this way, Canada and Bolivia have now a document specially adapted to its context that both Producers and Certification Bodies will need to apply when carrying out an RTRS Certification.

29 new members

During 2014, the RTRS had the support of 29 new members, bringing the total to 181. This meant a record for the history of the organization. Of these new members, 19 were European companies from different industries of soy value chain.

Approved RTRS Maps for Paraguay and Brazil

The RTRS Mapping Project for Paraguay began in July 2013. During 2014 the working group worked in the development of operational maps for responsible soy expansion via a multi-stakeholder process. The working group got to an agreement on the criteria that define the four categories for the maps established in the RTRS Standard and they were approved by the RTRS Executive Board. Brazilian maps were also approved by the RTRS Executive Board on October 2014.

Courses for Implementers and Auditors of the RTRS Standard

The RTRS launched a System for Training Course Licensing, an initiative that opens the possibility of having more courses in different parts of the world, and trained for assessing RTRS Production Standard applications. The agreement is ready to start working, and will become a key tool for continuing the expansion of Responsible Soy on a global level. The Lead Auditor Course of RTRS Production Standard will be able to be delivered by any organization obtaining the license.

RTRS Agreement with Proterra

The RTRS and ProTerra Foundation developed a 'Memorandum of Understanding' in order to help the feed and food industries meet global demand for soy certified according to sustainability criteria. Although the agreement is not intended as a full harmonisation of the two standards, the aim of it is to help players in the value chain to source certified soy by reducing audit costs, training farmers and by providing more transparency in the market place.

Task Force Europe and Task Force Brazil

The Task Force Brazil was created in the year 2013. During 2014, this multi-stakeholder group worked actively with very good results, and encouraged the most relevant local players to join the discussion and to work in disseminating RTRS in Brazil. Thanks to the success of the Brazilian Group, the Task Force Europe was created on July 2014. On October 30, the kickoff meeting took place in London, aimed at outlining a specifically European action plan, consistent with Brazil's strategic plan.

In this way, a Task Force Europe is ready to help RTRS achieve its global objectives locally. As one of the strongest markets, all European stakeholders are key players to disseminate responsible soy production around the world, reducing social and environmental impacts while maintaining or improving the economic status of all the participants of the chain.

Modification of the Bylaws

On the 8th General Assembly, RTRS members decided to approve a modification on the RTRS bylaws. As a result of the changes introduced, all the RTRS Members have to submit their Annual Report with the purpose of informing on their performance and future activities regarding responsible soy matters. The document must be submitted before April 1 of each year from 2015, and will seek to know more about the activities and objectives of each member in relation to the RTRS, as well as their progress from year to year.

Budget 2015

The budget 2015 was presented in the Executive Board meeting of October 2014 and after feedback for its improvement it was approved in February 2015. A summary of the profit and loss account is as follows (in Euros).

	Budget 2015	Budget 2014
INCOME		
Certification fee	426,000	296,500
Membership fees	250,000	223,840
Projects Funding	290,466	186,033
Sponsorships	49,000	40,000
Fees RT	25,000	17,618
Trainings		3,000
Accreditation Fee	1,254	1,300
	<u>1,041,720</u>	<u>768,291</u>
OPERATING EXPENSES		
Secretariat	422,597	297,898
IT Platform	75,000	95,000
RTRS Conference and GA	117,650	80,000
Direct Project Cost	155,394	127,095
Market Development	136,801	207,736
Profesional Services	137,766	56,100
Executive Board Meetings	17,878	15,000
	<u>1,063,086</u>	<u>878,829</u>
Budget result for the year	<u><u>-21,366</u></u>	<u><u>-110,538</u></u>

Balance as at December 31, 2014

ASSETS	December 31, 2014	December 31, 2013
Current assets		
Debtors	80,189	42,153
Other receivables	<u>2,258</u>	<u>765</u>
	82,447	42,918
Cash at banks	<u>544,097</u>	<u>602,007</u>
Total current assets	626,544	644,925
Non-current assets		
Fixed assets	<u>14,628</u>	<u>17,053</u>
Total non-current assets	14,628	17,053
Total assets	<u>641,172</u>	<u>661,978</u>
EQUITY AND LIABILITIES		
Equity		
Accumulated result	564,139	609,390
Current liabilities		
Creditors	54,176	20,572
Other liabilities	<u>22,857</u>	<u>32,015</u>
	77,033	52,588
Total equity and liabilities	<u>641,172</u>	<u>661,978</u>

Profit and loss account for the year to December 31, 2014

INCOME	Actual 2014	Budget 2014	Actual 2013
Certification fee	270,494	296,500	265,756
Membership fees	257,093	223,840	226,172
Projects Funding	275,962	186,033	448,717
IT Platform			154,361
Sponsorship	27,560	40,000	47,963
Fees RT	18,674	17,618	17,425
Trainings		3,000	15,158
Accreditation Fee	1,454	1,300	1,254
Financial income	3,757		-13,996
	854,994	768,291	1,162,810
OPERATING EXPENSES			
Secretariat	328,793	297,898	327,427
IT Platform	102,428	95,000	461,457
RTRS Conference and GA	91,376	80,000	109,318
Direct Project Costs	129,115	127,095	60,007
Market Development activities	161,322	207,736	89,713
Professional Services	70,031	49,763	48,528
Executive Board Meetings	17,180	26,356	26,589
	900,245	883,848	1,123,040
 Result for the year	 -45,251	 -115,557	 39,770

Cash flow statement for the year ended December 31, 2014

	<u>2014</u>	<u>2013</u>
Cash flow from operating activities		
Operating result	-45,251	39,770
Depreciation	3,346	3,725
Movements in operation capital:		
receivables	-37,945	54,398
other receivables	-1,494	-316
current liabilities	<u>24,445</u>	<u>26,786</u>
	-56,899	124,363
Cash flow from investment activities		
Investments in tangible fixed assets	1,011	874
Cash flow from financing activities		
Movement in cash at banks	<u><u>-57,910</u></u>	<u><u>123,489</u></u>
Cash at banks		
As at January 1	602,007	478,518
As at December 31	544,097	602,007
Movement in cash at banks	<u><u>-57,910</u></u>	<u><u>123,489</u></u>

General notes to the accounts

Financial year

The RTRS was founded on November 8, 2006, The first financial year stretches from November 8, 2006 until December 31, 2007. As From 2008, the financial year will equal the calendar year.

Foreign currency

Assets and liabilities denominated in foreign currency are translated at the exchange rates prevailing on the balance sheet date. Transactions in foreign currency during the financial year are included in the financial statements at closing rate. Resulting exchange differences are taken to the profit and loss account.

Accounting principles of assets and liabilities

General

The Financial statements are prepared under the historical cost convention. Unless stated otherwise, assets and liabilities are stated at nominal value.

Receivables

Receivables are included at nominal value, less any provision for doubtful accounts. These provisions are determined by individual assessment of the receivables.

Accounting principles of the result

General

Income and expenses are accounted for on annual basis. Profit is only included when realized on balance sheet date. Losses and risks originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Member fees

All members shall pay an annual membership fee in euros.

Taxation

The annual accounts have been prepared under the assumption that the activities of RTRS are exempt from corporate income tax.

Specific notes to the accounts

	2014	2013
Current assets		
Debtors		
Membership fees	7,373	250
Reimbursements	0	2,385
Certification fee	72,815	38,264
Accreditations	0	1,253
	<u>80,189</u>	<u>42,153</u>
All receivables are due within one year		
Other receivables		
Withholding tax	1,575	765
	<u>1,575</u>	<u>765</u>
All receivables are due within one year		
Cash at banks		
Cash	12,319	10,611
Banks	531,778	591,396
	<u>544,097</u>	<u>602,007</u>
All amounts are free at disposal of RTRS		
Fixed Assets		
equipment	4,067	3,860
trademark	27,062	27,062
Furniture	11,777	11,777
Depreciation	-28,279	-25,646
	<u>14,628</u>	<u>17,053</u>
All amounts are free at disposal of RTRS		

Equity

Accumulated result

The movement in the accumulated result can be specified as follows.

As at January 1	609,390	569,621
Result of the year	<u>-45,251</u>	<u>39,770</u>
As at December 31	<u><u>564,139</u></u>	<u><u>609,390</u></u>

Current liabilities

<i>Creditors</i>	54,176	20,572
	<u>54,176</u>	<u>20,572</u>

Other liabilities

Salaries and Wages	9,561	4,243
Loan		30,000
Social Charges	<u>13,296</u>	<u>-2,228</u>
	<u><u>22,857</u></u>	<u><u>32,015</u></u>

To: Round Table on Responsible Soy Association

AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements 2014 of Round Table on Responsible Soy Association which comprise the balance sheet as at December 31, 2014, the profit and loss account for the year then ended and the notes.

Management's responsibility

Management is responsible for the preparation and fair presentation of the financial statements and for the preparation of the management board report, both in accordance with International Auditing Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Round Table on Responsible Soy Association as at December 31, 2014 and of its result for the year then ended.

Buenos Aires, April 17, 2015



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Juan José Dechiara