



# **Annual Financial Report 2015**

**April 2016**

**To the Executive Board and RTRS members**

**Auditor:**

**Estudio Dechiara & Asociados**

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## **Annual Report 2015 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 (2015 – 2017):

Civil Society	Representatives	Country
WWF	Jean François Timmers <sup>1</sup>	NETHERLANDS
EARTH INNOVATION	Oswaldo Carvalho	BRAZIL
SOLIDARIDAD	Gert van der Bijl <sup>2</sup>	NETHERLANDS
FUNDACIÓN VIDA SILVESTRE	Ulises Martinez	ARGENTINA
ACTION FOR SOCIAL ADVANCEMENT	Ashis Mondal	INDIA
<b>Industry, Trade and Finance</b>		
RABOBANK	Olaf Brugman	NETHERLANDS
RETAILER’S SOY GROUP	Belinda Howell	UK
UNILEVER	David Pendlington <sup>3</sup>	UK
FEED ALLIANCE	Christophe Callu Mérite	FRANCE
<b>Producers</b>		
AGREX	Ismael Trevisan <sup>4</sup>	BRAZIL
FAPCEN	Gisela Introvini	BRAZIL
APDC	John Landers	BRAZIL
GRUPO A. MAGGI	Juliana Lopes	BRAZIL
AAPRESID	Alejandro O’Donnel	ARGENTINA

## 2015 Activities

### 2015 General Budget

The estimated budget for the year 2015 reached the sum of € 1.041.720. The real income during such period was € 1.245.637. The main sources were project fundings, annual membership fees, and certification fees. The real expenses during 2015 reached the sum of € 981.468 resulting in a €264.169 net balance.

## Executive Board meetings

During 2015, there were three physical meetings. The first meeting took place in Brasilia, Brazil in February 2015; the second took place in the month of May in the city of Brussels, Belgium,

<sup>1</sup> Appointed as interim replacement for Sandra Mulder by the Executive Board meeting No. 121 held on September 22&23, 2015.

<sup>2</sup> Mr. Bijl was occasionally replaced by Alex Ehrenhaus due to his unavailability to attend certain Executive Board meetings.

<sup>3</sup> Mr. Pendlington was occasionally replaced by Terence Baines and Jan Kees-vis due to his unavailability to attend certain Executive Board meetings.

<sup>4</sup> Subject to further ratification by the next General Assembly, on May 6, 2016, RTRS Executive Board declared the vacancy of the seat corresponding to Agrex.

where RTRS held the Tenth International Conference of the RTRS (RT10). After the conference, in September 2015, the committee met again in Ciudad del Este, Paraguay, with the re-elected members at the General Assembly. There were 6 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 20th 2015 afternoon, immediately after the closing of the 10th International Conference on Responsible Soy (RT10), the 9th RTRS General Assembly (GA9) was held. RTRS members approved the financial statements and the elections and re-election of authorities.

### **10<sup>th</sup> International Conference**

On 19 and 20 May, the RTRS hosted its 10th International Conference on Responsible Soy (RT10) in Brussels, Belgium. This 10th edition was attended by important stakeholders in the value chain of soy and was held under the subject "Round to 10 million", heading towards 10 million tonnes of 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 (as of September 2015) / Marcelo Visconti, Executive Director (from September 2015)
- Jimena Frojan, Technical Unit Manager
- Daniel Kazimierski, Technical Unit officer
- Jimena Couto, Communications Manager
- Fernando Olivieri, Administration and Governance Analyst
- Veronica Chorkulak, Market Development Manager
- Catalina Ale Monserrat, Market Development Analyst
- Daniel Meyer, Market Development- Brazil
- Lieven Callewaert, Market Development- Europe
- Enrique Molas, Market Development-Paraguay

### **Secretariat activities in 2015:**

#### **RTRS 2015: another year with a positive balance**

The year 2015 was yet another record breaking year in the demand for responsible soy. Both production and sales of RTRS certified responsible soy soared by a stunning 70 per cent to over 2.3 million metric tons. A record growth building on 50 per cent increases in both 2014 and 2013.

Argentina produced more than 703,788 tons of RTRS certified soy. Brazil remains the largest producer with 1.4 million tons in 2015, representing 62% of all RTRS certified soy.

### **RTRS Logo at Unilever's Soy Beverages**

Unilever has become the first company to take the RTRS Credits Logo to its products. The RTRS Credits trademark is visible for all Ades' beverages consumers in Argentina, Bolivia, Chile, Paraguay, Uruguay and Brazil.

### **19 new members**

During 2015, the RTRS had the support of 19 new members, bringing the total to 199. This meant a record for the history of the organization.

Of the total of new members, 15 were European companies from different industries of soy value chain.

### **RTRS mapping Project for Argentina**

Following the achievements in Brazil and Paraguay, Argentina began to create its own Maps and Guides for Responsible Soy Expansion.

The RTRS Mapping Project for Argentina started in March 2015 and the criteria used were agreed upon by a diverse Technical Group composed of representatives from NGOs, the government, the financial sector, industry and production. It is worth mentioning that RTRS maps took into account official data sources such as Land Use Planning of Native Forests (Ordenamiento Territorial de Bosques Nativos – OTBN) provided by the Secretariat of Environment and Sustainable Development of Argentina, maps of clearing for the whole country drawn up by the Secretariat of Environment and Sustainable Development of Argentina, and the hierarchical classification of Land Use and Land Cover prepared by INTA, among other databases.

This is a zoning tool aiming at guiding responsible soy production, identifying areas of greater biodiversity significance where stakeholders agree there should not be any conversion of native vegetation. It also describes areas of possible expansion over already consolidated areas.

### **Courses for Implementers and Auditors of the RTRS Standard**

A training course for implementers and auditors was delivered during four days (from June 30 to July 3) in Sao Paulo, Brazil. The training included theoretical lessons and analysis of practical cases on how the RTRS Certification actually works.

### **Agreement of the RTRS with Bayer**

Bayer CropScience and the Round Table on Responsible Soy Association (RTRS) signed an agreement to encourage the responsible soy production. This non-exclusive agreement between Bayer CropScience and RTRS aims to facilitate the certification of soy production according to the RTRS standard, by stimulating use of Bayer's Valore program. RTRS Certification assures that soy, either as a raw material or as a by-product, is originated from a process that is environmentally correct, socially adequate and economically viable.

### **Task Forces Brazil and Europe**

Throughout the year 2015, the Task Force Brazil that was created in the year 2013 worked actively with very good results and invited the most relevant local players to join the discussion and work towards promoting the RTRS in Brazil. According to the evaluation of the year 2015, Brazil produced 62% of the total supply of RTRS Responsible Soy, which turns this country into a key player for the transition towards certified soy throughout the world. In order to strengthen

its position, Task Force Brazil is also trying to work more closely with producers and to deepen relations with the public sector.

Thanks to the success obtained by the Brazilian group, Task Force Europe was created. Almost 30 stakeholders of the soy value chain participated in the Task Force Europe meeting on January 14, 2015. Task Force Europe is ready to help the RTRS reaches its global objectives at a local level. Being part of one of the strongest markets, all European stakeholders become key players in fostering responsible soy production worldwide, reducing social and environmental impacts and, at the same time, keeping or improving the economic situation of all the chain participants.

### **First review of RTRS Soy Production Standard**

After 5 years of the initial approval of the RTRS production Standard in the year 2010, the first review process started in the year 2015 and the first meeting of the technical working group took place on August 19th, 20th and 21st at Rabobank's headquarters in Sao Paulo, Brazil. A second physical meeting was held in Buenos Aires in the month of December. During both meetings the Technical Working Group worked on the inputs received during public consultations.

### **New executive director of the association**

On September 2015 Marcelo Visconti was appointed as new RTRS Executive Director, replacing Agustín Mascotena, who has led the development of the RTRS over the past five years.

## Budget 2016

The budget 2016 was presented and approved in the Executive Board Meeting of March 2016. A summary of the profit and loss account is as follows (in Euros).

	Budget 2016	Actual 2015
<b>INCOME</b>		
Certification fee	885.000	547.290
Membership fees	317.590	278.870
Projects Funding	94.000	243.202
Sponsorship	52.500	43.253
Fees RT	42.000	49.538
Trainings	10.000	16.239
Accreditation Fee	1.800	7.852
Financial Income		42.278
Other	6.000	17.115
	<u>1.408.890</u>	<u>1.245.637</u>
<b>OPERATING EXPENSES</b>		
Secretariat	461.161	459.111
IT Platform	78.000	54.426
RTRS Conference and GA	75.900	95.560
Direct Project Cost	160.700	94.879
Market Development	174.100	168.207
Professional Services	252.769	96.858
Executive Board Meetings	22.879	12.428
	<u>1.225.509</u>	<u>981.468</u>
<b>Budget result for the year</b>	<u><u>183.380</u></u>	<u><u>264.169</u></u>



## Balance as at December 31, 2015

<b>ASSETS</b>	<b>December 31, 2015</b>	<b>December 31, 2014</b>
<b>Current assets</b>		
Debtors	197.671	80.189
Other receivables	7.016	2.258
	<u>204.687</u>	<u>82.447</u>
Cash at banks	779.074	544.097
<b>Total current assets</b>	<b>983.761</b>	<b>626.544</b>
<b>Non-current assets</b>		
Fixed assets	11.203	14.628
<b>Total non-current assets</b>	<b>11.203</b>	<b>14.628</b>
<b>Total assets</b>	<b><u>994.964</u></b>	<b><u>641.172</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Accumulated result	828.309	564.139
<b>Current liabilities</b>		
Creditors	158.196	54.175
Other liabilities	8.459	22.857
	<u>166.655</u>	<u>77.033</u>
<b>Total equity and liabilities</b>	<b><u>994.964</u></b>	<b><u>641.172</u></b>

## Profit and loss account for the year to December 31, 2015

<b>INCOME</b>	<b>Actual 2015</b>	<b>Budget 2015</b>	<b>Actual 2014</b>
Certification fee	547.290	426.000	270.494
Membership fees	278.870	250.000	257.093
Projects Funding	243.202	290.466	275.962
Sponsorship	43.253		27.560
Fees RT	49.538	49.000	18.674
Trainings	16.239	25.000	0
Accreditation Fee	7.852		1.454
Financial Income	42.278	1.254	3.757
Other	17.115		0
	<b>1.245.637</b>	<b>1.041.720</b>	<b>854.994</b>
<b>OPERATING EXPENSES</b>			
Secretariat	459.111	422.597	328.793
IT Platform	54.426	75.000	102.428
RTRS Conference and GA	95.560	117.650	91.376
Direct Project Costs	94.879	155.394	129.115
Market Development activities	168.207	136.801	161.322
Professional Services	96.858	137.766	70.031
Executive Board Meetings	12.428	17.878	17.180
	<b>981.468</b>	<b>1.063.086</b>	<b>900.245</b>
<b>Result for the year</b>	<b>264.169</b>	<b>-21.366</b>	<b>-45.251</b>

## Cash flow statement for the year ended December 31, 2015

	2015	2014
<b>Cash flow from operating activities</b>		
Operating result	264.169	-45.251
Depreciation	3.401	3.346
Movements in operation capital:		
receivables	-	-37.945
other receivables	117.482	-1.494
current liabilities	-4.758	24.445
	89.647	24.445
	234.977	-56.899
<b>Cash flow from investment activities</b>		
Investments in tangible fixed assets		1.011
<b>Cash flow from financing activities</b>		
<b>Movement in cash at banks</b>	234.977	-57.910
<b>Cash at banks</b>		
As at January 1	544.097	602.007
As at December 31	779.074	544.097
<b>Movement in cash at banks</b>	234.977	-57.910

## **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

	2015	2014
<b>Current assets</b>		
<b>Debtors</b>		
Membership fees	20.274	7.373
Reimbursements	164.247	72.816
Certification fee	8.429	0
Accreditations	4.721	0
	<u>197.671</u>	<u>80.189</u>
All receivables are due within one year		
<b>Other receivables</b>		
Withholding tax	7.016	2.258
	<u>7.016</u>	<u>2.258</u>
All receivables are due within one year		
<b>Cash at banks</b>		
Cash	7.732	12.319
Banks	771.342	531.778
	<u>779.074</u>	<u>544.097</u>
All amounts are free at disposal of RTRS		
<b>Fixed Assets</b>		
equipment	2.893	4.067
trademark	27.062	27.062
Furniture	11.777	11.777
Depreciation	-30.530	-28.279
	<u>11.203</u>	<u>14.628</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	564.139	609.390
Result of the year	<u>264.169</u>	<u>-45.251</u>
As at December 31	<u><u>828.309</u></u>	<u><u>564.139</u></u>

### **Current liabilities**

<i>Creditors</i>	158.196	54.175
	<u>158.196</u>	<u>54.175</u>

### **Other liabilities**

Salaries and Wages	0	9.561
Loan		
Social Charges	<u>8.459</u>	<u>13.296</u>
	<u><u>8.459</u></u>	<u><u>22.857</u></u>

To: Round Table on Responsible Soy Association

## AUDITOR'S REPORT

### Report on the financial statements

We have audited the accompanying financial statements 2015 of Round Table on Responsible Soy Association which comprise the balance sheet as at December 31, 2015, 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, 2015 and of its result for the year then ended.

Buenos Aires, April 20, 2016



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Juan José Dechiara

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