

ANNUAL REPORT

ROUNDTABLE ON SUSTAINABLE PALM OIL

2008

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## GENERAL INFORMATION

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Secretary-General	:	Dr. Vengeta Rao A/L K. Appanan
Office address	:	Suite A-06-04, Plaza Mont Kiara 2, Jalan Kiara, Mont Kiara 50480 Kuala Lumpur Malaysia
Auditors	:	Parker Randall (AF: 1565) (Chartered Accountants) Malaysia
Principal banker	:	HSBC Bank Malaysia Berhad

## ANNUAL REPORT

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### PRINCIPAL ACTIVITIES

The principal activities of Roundtable on Sustainable Palm Oil during the financial year was to organise programmes which involve the promotion of growth and the use of sustainable palm oil through co-operation within the supply chain and open dialogue with its stakeholders. It is a non-profit organisation.

### AUDITED REPORT

Roundtable on Sustainable Palm Oil has the pleasure in submitting their annual report together with the audited financial statements for the financial year ended 30 June 2008.

### AUDITORS

The auditors, Messrs. Parker Randall, Chartered Accountants (Malaysia) have expressed their willingness to continue in office.

Signed on behalf of Roundtable on Sustainable Palm Oil

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**DR. VENGETA RAO A/L K. APPANAN**

Secretary-General

Kuala Lumpur, Malaysia

Dated:

## STATEMENT FROM SECRETARY-GENERAL

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I, *Dr. Vengeta Rao A/L K. Appanan*, representing **Roundtable on Sustainable Palm Oil**, do hereby state that the accompanying financial statements are drawn up in accordance with approved accounting standards in Malaysia, so as to give a true and fair view of the state of affairs as at 30 June 2008 and of the results of the operations, changes in accumulated fund and cash flows for the financial year then ended.

Signed on behalf of Roundtable on Sustainable Palm Oil

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**DR. VENGETA RAO A/L K. APPANAN**

Secretary-General

Kuala Lumpur, Malaysia

Dated:

## REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the financial statements of **ROUNDTABLE ON SUSTAINABLE PALM OIL** as at 30 June 2008. These financial statements are the responsibility of the management of **Roundtable on Sustainable Palm Oil**.

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you, as a body and for no other purpose. We do not assume responsibility towards any other person for the content of this report.

We conducted our audit in accordance with approved standards on auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations, which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by **Roundtable on Sustainable Palm Oil** as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the undersigned having had access to the relevant books and financial statements of **Roundtable on Sustainable Palm Oil** for the financial year ended 30 June 2008 and having examined the foregoing statements as set out on pages 5 to 11 and verified the same with the financial statements and vouchers relating thereto, now sign the same as found to be correct and duly vouched.

The financial statements give a true and fair view of the state of affairs of **Roundtable on Sustainable Palm Oil** as at 30 June 2008 and of the results, changes in accumulated fund and cash flows of **Roundtable on Sustainable Palm Oil** for the financial year then ended, and have been properly drawn up.

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PARKER RANDALL  
 AF: 1565  
 Chartered Accountants

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Dato' Liew Lee Leong  
 2041/04/10 (J/PH)  
 Partner of the firm

Selangor Darul Ehsan, Malaysia  
 Dated:

**BALANCE SHEET**

AS AT 30 JUNE 2008

	Note	2008 RM	2007 RM
<b>Non-current asset</b>			
Property, plant and equipment	2	-	-
<b>Current assets</b>			
Sundry receivables, deposits and prepayments	3	925,743	582,587
Cash and bank balances		590,917	1,086,164
Fixed deposits with a licensed bank	4	2,600,000	-
		<u>4,116,660</u>	<u>1,668,751</u>
<b>Current liabilities</b>			
Sundry payables and accruals	5	1,158,808	810,728
<b>Net current assets</b>			
		<u>2,957,852</u>	<u>858,023</u>
		<u>2,957,852</u>	<u>858,023</u>
<b>FINANCED BY:</b>			
Membership fund		1,733,340	858,023
Sponsorship fund	6	1,224,512	-
<b>Accumulated fund</b>			
		<u>2,957,852</u>	<u>858,023</u>

The accompanying notes are an integral part of these financial statements

**INCOME AND EXPENDITURE STATEMENT**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

	Note	2008 RM	2007 RM
<b>Income</b>			
Subscription	7	2,004,070	1,436,305
Add: Other operating income			
Gain on foreign exchange – Realised		31,858	-
Interest income		41,256	-
		<u>2,077,184</u>	<u>1,436,305</u>
<b>Less: Expenditure</b>			
Accounting fee		-	15,004
Advisory fee		43,200	-
Annual General Meeting expenses		10,500	-
Auditors' remuneration		6,750	5,750
Bank charges		310	262
Computer expenses		8,447	32,505
Consultancy charges		158,240	68,672
Insurance		445	-
Loss on foreign exchange – Realised		-	20,709
Management fee		360,000	-
Printing, postages and stationery		4,223	3,269
Property, plant and equipment written off		10,053	63,478
Rental – Conference rooms		4,784	-
Rental – Office		12,600	69,863
Service tax		300	288
Staff – Medical		50	-
Staff – Refreshments		639	3,735
Staff – Seminar, conference and training fee		4,316	3,698
Staff – Wages and salaries		145,479	246,608
Telephone and fax charges		11,237	11,050
Travelling expenses		6,460	63,512
Upkeep – Office		225	600
Water and electricity		796	-
		<u>789,054</u>	<u>609,003</u>
Net project costs		412,813	-
<b>Total expenditure</b>		<u>1,201,867</u>	<u>609,003</u>
<b>Surplus for the financial year</b>		<u>875,317</u>	<u>827,302</u>

The accompanying notes are an integral part of these financial statements



**STATEMENT OF CHANGES IN ACCUMULATED FUND**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008**

	<b>Membership fund RM</b>	<b>Sponsorship fund RM</b>	<b>Total RM</b>
As at 1 July 2006	291,536	195,059	486,595
Net surplus / (deficit) for the financial year	827,302	(455,874)	371,428
Transfer of net deficit (Note 6)	<u>(260,815)</u>	<u>260,815</u>	<u>-</u>
<b>As at 30 June 2007</b>	858,023	-	858,023
Surplus for the financial year	<u>875,317</u>	<u>1,224,512</u>	<u>2,099,829</u>
<b>As at 30 June 2008</b>	<u><u>1,733,340</u></u>	<u><u>1,224,512</u></u>	<u><u>2,957,852</u></u>

The accompanying notes are an integral part of these financial statements

## CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

	2008 RM	2007 RM
<b>Cash flows from operating activities</b>		
Surplus for the financial year	875,317	827,302
<i>Adjustment for:</i>		
Property, plant and equipment written off	10,053	63,478
	885,370	890,780
<b>Operating surplus before working capital changes</b>	885,370	890,780
Increase in receivables	(343,156)	(178,461)
Increase in payables	348,080	356,753
	890,294	1,069,072
<b>Net cash generated from operating activities</b>	890,294	1,069,072
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(10,053)	(63,478)
	(10,053)	(63,478)
<b>Net cash used in investing activities</b>	(10,053)	(63,478)
<b>Cash flows from financing activities</b>		
Increase / (Decrease) in sponsorship fund	1,224,512	(455,874)
	1,224,512	(455,874)
<b>Net cash generated from / (used in) financing activities</b>	1,224,512	(455,874)
<b>Net increase in cash and cash equivalents</b>	2,104,753	549,720
Cash and cash equivalents at beginning of financial year	1,086,164	536,444
	3,190,917	1,086,164
<b>Cash and cash equivalents at end of financial year</b>	3,190,917	1,086,164
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash at bank	590,917	1,086,164
Fixed deposits with a licensed bank	2,600,000	-
	3,190,917	1,086,164

The accompanying notes are an integral part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS

### AS AT 30 JUNE 2008

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#### 1. SIGNIFICANT ACCOUNTING POLICIES

##### (a) Accounting convention

The financial statements of Roundtable on Sustainable Palm Oil are prepared under the historical cost convention and complied with applicable approved accounting standards in Malaysia.

##### (b) Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

It is the policy of Roundtable on Sustainable Palm Oil to fully write off each asset as and when incurred, due to their immateriality in value.

##### (c) Income recognition

Subscription from members is recognised on the accrual basis.

##### (d) Receivables

Receivables are stated at anticipated realisable values. Known bad debts are written off and specific provision is made for those debts considered to be doubtful of collection.

##### (e) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and other short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

##### (f) Liabilities

Payables are stated at cost which is the fair value of the consideration to be paid in the future for good and services rendered.

##### (g) Financial instruments

Financial instruments carried on the balance sheet include cash and bank balances, receivables and payables. The recognition methods adopted are disclosed in the respective accounting policy statements.

#### 2. PROPERTY, PLANT AND EQUIPMENT

	As at 01.07.2007 RM	Additions RM	(Disposals) RM	As at 30.06.2008 RM
Computers and software	-	6,605	(6,605)	-

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

AS AT 30 June 2008

Office equipment	-	3,449	(3,449)	-
	-	10,054	(10,054)	-

### 3. SUNDRY RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2008 RM	2007 RM
Members' subscription fee	851,504	691,587
Less: Provision for doubtful debts – General	(150,000)	(150,000)
	701,504	541,587
Others – Deposits and prepayments	224,239	41,000
	925,743	582,587

### 4. FIXED DEPOSITS WITH A LICENSED BANK

The average effective interest rate of the fixed deposits is between 3% and 3.7% per annum and the average maturity period is 30 days.

### 5. SUNDRY PAYABLES AND ACCRUALS

Included in sundry payables and accruals is an amount of RM 1,025,026 (2007: RM 791,434) which relates to deferred subscription income.

Also included in sundry payables and accruals is an amount of RM 35,474 (2007: RM Nil) due to a company where the Secretary-General is a director of the Company, has beneficial interest. The amount is unsecured, interest free and has no fixed terms of repayment.

### 6. SPONSORSHIP FUND

	2008 RM	2007 RM
As at beginning of financial year	-	195,059
Sponsorship funds received	1,347,546	420,476
Less: Programme expenses	(123,034)	(876,350)
	1,224,512	(260,815)
Transfer to membership fund	-	260,815
As at end of financial year	1,224,512	-

### 6. SPONSORSHIP FUND (Continued)

The purpose of the sponsorship fund is to meet specific project costs by way of sponsorship income. The Board of Roundtable on Sustainable Palm Oil is of the opinion that any deficit from excessive project costs, forms part of the normal ongoing function of Roundtable on Sustainable Palm Oil. Any deficit is absorbed into the membership fund during the financial year.

### 7. SUBSCRIPTION

**NOTES TO THE FINANCIAL STATEMENTS** (Continued)  
**AS AT 30 June 2008**

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The total annual subscription of RM 2,004,070 (2007: RM 1,436,305) was receivable from members worldwide during the financial year.

The number of members registered as at 30 June 2008 is 321 members (2007: 247 members).

**8. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform to current year's format of presentation.

**9. FINANCIAL INSTRUMENTS**

The carrying amounts of the financial instruments in respect of cash and cash equivalents, receivables and payables approximate their fair values due to the relatively short term nature of the said financial instruments.

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