

ROUNDTABLE ON SUSTAINABLE PALM OIL

GENERAL INFORMATION

Secretary-General	: Andrew Ng Soon Heng
Office address	: Mont Kiara Business Centre Suite A-06-04 Plaza Mont Kiara 2, Jalan Kiara 50480 Kuala Lumpur Malaysia
Auditors	: Parker Randall (Chartered Accountants) Malaysia
Principal banker	: HSBC Bank Malaysia Berhad

ROUNDTABLE ON SUSTAINABLE PALM OIL

ANNUAL REPORT

PRINCIPAL ACTIVITY

The principal activity 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 making 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 30th June 2007.

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

ANDREW NG SOON HENG

Secretary-General

Kuala Lumpur, Malaysia

Dated:

ROUNDTABLE ON SUSTAINABLE PALM OIL

STATEMENT FROM SECRETARY-GENERAL

I, Andrew Ng Soon Heng, 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 30th June 2007 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

ANDREW NG SOON HENG

Secretary-General

Kuala Lumpur, Malaysia

Dated:

ROUNDTABLE ON SUSTAINABLE PALM OIL
REPORT OF THE AUDITORS TO THE MEMBERS
FINANCIAL STATEMENTS – 30TH JUNE 2007

We have audited the financial statements of **Roundtable on Sustainable Palm Oil** as at 30th June 2007. 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 year ended 30th June 2007 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 30th June 2007 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.

PARKER RANDALL
AF: 1565
Chartered Accountants

Dato' Liew Lee Leong
2041/04/08 (J/PH)
Partner of the firm

Selangor Darul Ehsan, Malaysia
Dated:

ROUNDTABLE ON SUSTAINABLE PALM OIL

BALANCE SHEET

AS AT 30TH JUNE 2007

	Note	2007 RM	2006 RM
PROPERTY, PLANT AND EQUIPMENT	2	-	-
CURRENT ASSETS			
Sundry receivables, prepayments and deposits	3	582,587	404,126
Cash and cash equivalents		1,086,164	536,444
		<u>1,668,751</u>	<u>940,570</u>
CURRENT LIABILITIES			
Sundry payables and accruals	4	810,728	453,975
Net current assets		858,023	486,595
		<u>RM 858,023</u>	<u>RM 486,595</u>
REPRESENTED BY:			
Membership fund		858,023	291,536
Sponsorship fund	5	-	195,059
Accumulated fund		<u>RM 858,023</u>	<u>RM 486,595</u>

The accompanying notes are an integral part of these financial statements

ROUNDTABLE ON SUSTAINABLE PALM OIL

INCOME AND EXPENDITURE STATEMENT

FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2007

	Note	2007 RM	2006 RM
Income			
Subscription	6	1,436,305	685,347
Less: Expenditure			
Accounting charges		15,004	23,150
Advertisement		-	1,512
Auditors' remuneration		5,750	8,750
Bank charges		262	101
Computer expenses		32,505	14,955
Consultancy charges		68,672	3,031
Loss on foreign exchange – Realised		20,709	31,376
Printing, postages and stationery		3,269	9,105
Property, plant and equipment written off		63,478	23,826
Provision for doubtful debt – General		-	150,000
Rental – Office		69,863	47,900
Staff – Refreshments		3,735	1,654
Staff – Wages and salaries		246,608	211,250
Seminar		3,698	5,929
Service Tax		288	150
Telephone and fax charges		11,050	1,967
Travelling		63,512	7,753
Upkeep – Office		600	-
		<u>609,003</u>	<u>542,409</u>
Surplus for the financial year		<u>RM 827,302</u>	<u>RM 142,938</u>

The accompanying notes are an integral part of these financial statements

ROUNDTABLE ON SUSTAINABLE PALM OIL

STATEMENT OF CHANGES IN ACCUMULATED FUND FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2007

	Membership fund RM	Sponsorship fund RM	Total RM
As at 1st July 2005	148,598	225,870	374,468
Net surplus / (deficit) for the financial year	142,938	(30,811)	112,127
As at 30th June 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 5)	(260,815)	260,815	-
As at 30th June 2007	<u>RM 858,023</u>	<u>RM -</u>	<u>RM 858,023</u>

The accompanying notes are an integral part of these financial statements

ROUNDTABLE ON SUSTAINABLE PALM OIL

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2007

	2007 RM	2006 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the financial year	827,302	142,938
<i>Adjustments for:</i>		
Property, plant and equipment written off	63,478	23,826
Operating surplus before working capital changes	890,780	166,764
Increase in receivables	(178,461)	(315,262)
Increase in payables	356,753	448,825
Net cash generated from operating activities	1,069,072	300,327
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(63,478)	(20,346)
Net cash used in investing activities	(63,478)	(20,346)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in sponsorship fund	(455,874)	(30,811)
Net cash used in financing activities	(455,059)	(30,811)
Net increase in cash and cash equivalents	549,720	249,170
Cash and cash equivalents at beginning of financial year	536,444	287,274
Cash and cash equivalents at end of financial year	RM 1,086,164	RM 536,444
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash at bank	RM 1,086,164	RM 536,444

The accompanying notes are an integral part of these financial statements

ROUNDTABLE ON SUSTAINABLE PALM OIL

NOTES TO THE FINANCIAL STATEMENTS

30TH JUNE 2007

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 value. 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 goods and services received.

(g) Legal entity

Roundtable on Sustainable Palm Oil comprises registered members worldwide and is in the process of being registered as a legal entity in Malaysia.

(h) Financial Instruments

Financial instruments carried on the balance sheets include cash and cash equivalents, receivables and payables. The particular recognition methods adopted are disclosed in the individual accounting policy associated with each item.

ROUNDTABLE ON SUSTAINABLE PALM OIL

NOTES TO THE FINANCIAL STATEMENTS

30TH JUNE 2007

(Continued)

2. PROPERTY, PLANT AND EQUIPMENT

	As at 01.07.2006	Additions	(Write off)	As at 30.06.2007
<i>Cost</i>	RM	RM	RM	RM
Computers and software	-	28,602	(28,602)	-
Office equipment	-	14,441	(14,441)	-
Renovation	-	20,435	(20,435)	-
	RM -	RM 63,478	RM (63,478)	RM -

3. SUNDRY RECEIVABLES, PREPAYMENTS AND DEPOSITS

	2007 RM	2006 RM
Members' subscription fee	691,587	550,126
Less: Provision for doubtful debts - General	(150,000)	(150,000)
	541,587	400,126
Others – Deposits and prepayments	41,000	4,000
	RM 582,587	RM 404,126

4. SUNDRY PAYABLES AND ACCRUALS

Included in sundry payables and accruals is an amount of RM 791,437 (2006: RM 418,136), which relates to deferred subscription income.

5. SPONSORSHIP FUND

	2007 RM	2006 RM
As at beginning of financial year	195,059	225,870
Sponsorship funds received	420,476	598,411
Less: Programme expenses	(876,350)	(629,222)
	(260,815)	195,059
Transfer to membership fund	260,815	-
As at end of financial year	RM -	RM 195,059

ROUNDTABLE ON SUSTAINABLE PALM OIL

NOTES TO THE FINANCIAL STATEMENTS

30TH JUNE 2007

(Continued)

5. 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 arising 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.

6. SUBSCRIPTION

The total annual subscription of RM 1,436,305 (2006: RM 685,347) was receivable from individual and corporate members worldwide during the financial year.

The number of members registered as at 30th June 2007 is 247 members (2006: 133 members).

7. COMPARATIVE FIGURES

Certain comparative figures have been reclassified where necessary to conform with current year's presentation.

8. 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.