



**Independent auditor's report to the members
of Solidaridad Network Asia Limited 禾眾亞洲有限公司
(Incorporated in Hong Kong with liability limited by guarantee)**

We have audited the financial statements of Solidaridad Network Asia Limited 禾眾亞洲有限公司 set out on pages 9 to 28, which comprise the statement of financial position as at 31 December 2015, and the statement of profit or loss, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors of the company are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 of financial statements that give a true and fair view 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 the directors, 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 state of the financial position of the company as at 31 December 2015 and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Lee, Au & Co.
Certified Public Accountants

HONG KONG: 7 July 2016

SOLIDARIDAD NETWORK ASIA LIMITED 禾眾亞洲有限公司
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2015

	<u>Note</u>	<u>2015</u> <u>EUR</u>	<u>2014</u> <u>EUR</u>
Project income	3	6,077,512	5,403,097
Project implementation cost		(5,692,630)	(4,947,395)
Gross surplus		384,882	455,702
Other income	4	15,901	5,515
Administrative and other operating expenses		(280,089)	(418,395)
Surplus for the year	5	120,694	42,822

The notes on pages 14 to 28 form an integral part of these financial statements.

SOLIDARIDAD NETWORK ASIA LIMITED 禾眾亞洲有限公司
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	<u>2015</u> EUR	<u>2014</u> EUR
Surplus for the year	120,694	42,822
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u><u>120,694</u></u>	<u><u>42,822</u></u>

The notes on pages 14 to 28 form an integral part of these financial statements.

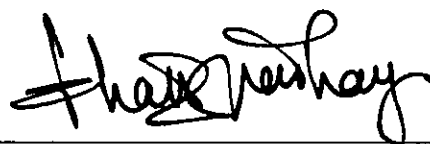
SOLIDARIDAD NETWORK ASIA LIMITED 禾眾亞洲有限公司
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	Note	2015 EUR	2014 EUR
Non-current assets			
Property, plant and equipment	8	889	538
Current assets			
Other receivables	9	259,018	576,636
Cash and bank balances		3,301,525	4,139,398
		3,560,543	4,716,034
Current liabilities			
Trade payables	10	(242,801)	(94,584)
Accrued charges	11	(245,085)	(122,772)
Restricted funds	12	(2,935,596)	(4,481,960)
		(3,423,482)	(4,699,316)
Net current assets		137,061	16,718
NET ASSETS		137,950	17,256
RESERVES			
Accumulated surplus		137,950	17,256

Approved and authorised for issue by the Board of directors on 7 July 2016
and signed on its behalf.



Director
Nicolaas Josephus Maria ROOZEN



Director
Shatadru CHATTOPADHAYAY

The notes on pages 14 to 28 form an integral part of these financial statements.

SOLIDARIDAD NETWORK ASIA LIMITED 禾眾亞洲有限公司
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Accumulated (deficits)/surplus EUR
Balance at 1 January 2014	
Changes in funds for the year	(25,566)
Total comprehensive income for the year	42,822
	<hr/>
Balance at 31 December 2014 and 1 January 2015	17,256
Changes in funds for the year	
Total comprehensive income for the year	120,694
	<hr/>
Balance at 31 December 2015	<u>137,950</u>

The notes on pages 14 to 28 form an integral part of these financial statements.

SOLIDARIDAD NETWORK ASIA LIMITED 禾眾亞洲有限公司
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015

	<u>2015</u>	<u>2014</u>
	EUR	EUR
Cash flows from operating activities		
Surplus for the year	120,694	42,822
Adjustments for:		
Depreciation	982	539
Interest income	(28)	(15)
	<hr/>	<hr/>
Operating surplus before working capital changes	121,648	43,346
Decrease/(increase) in other receivable	317,618	(396,321)
Increase/(decrease) in trade payables	148,217	(15,031)
Increase in accrued charges	122,313	35,855
(Decrease)/increase in restricted funds	(1,546,364)	997,998
	<hr/>	<hr/>
Net cash (used in)/generated from operating activities	(836,568)	665,847
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Cash flows from investing activities		
Payment for the purchase of property, plant and equipment	(1,333)	-
Proceeds of investment in joint venture	-	117,458
Interest received	28	15
	<hr/>	<hr/>
Net cash (used in)/generated from investing activities	(1,305)	117,473
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Net (decrease)/increase in cash and cash equivalents	(837,873)	783,320
Cash and cash equivalents at 1 January	4,139,398	3,356,078
	<hr/>	<hr/>
Cash and cash equivalents at 31 December	3,301,525	4,139,398
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
Analysis of the balance of cash and cash equivalents		
Bank balances	3,301,525	4,139,398
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The notes on pages 14 to 28 form an integral part of these financial statements.

SOLIDARIDAD NETWORK ASIA LIMITED 禾眾亞洲有限公司
NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

1. PRINCIPAL ACCOUNTING POLICIES

(a) Statements of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. A summary of the significant accounting policies adopted by the company is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the company. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the company for the current and prior accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The measurement basis used in the preparation of the financial statements is the historical cost basis.

The preparation of financial statements in conformity with HKFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 17.

SOLIDARIDAD NETWORK ASIA LIMITED 禾眾亞洲有限公司
NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

1. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(c) Property, plant and equipment

Property, plant and equipment are stated in the statement of financial position at cost less accumulated depreciation and any accumulated impairment losses (see note 1(d)).

The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the assets, the expenditure is capitalised as an additional cost to the assets.

Depreciation is calculated on the straight-line basis to write off the cost of each asset, less its estimated residual value, if any, over its estimated useful life. The principal annual rates used for this purpose are as follows:-

Computer	33 1/3%
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An item of asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on derecognition of the asset, calculated as the difference between the net disposal proceeds and the carrying amount of the item, is included in profit or loss in the period the item is derecognised.

(d) Impairment of assets

(i) Impairment of other receivables

Other receivables that are stated at cost or amortised cost or are reviewed at each date of the statement of financial position to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the company about one or more of the following loss events:

- significant financial difficulty of the debtor;
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor;

SOLIDARIDAD NETWORK ASIA LIMITED 禾眾亞洲有限公司
NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2015

1. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(d) Impairment of assets (cont'd)

(i) Impairment of other receivables (cont'd)

If any such evidence exists, any impairment loss is determined and recognised as follows:

- For other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where financial assets carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

Impairment losses are written off against the corresponding assets directly. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

(ii) Impairment of other assets

Internal and external sources of information are reviewed at each date of the statement of financial position to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- Property, plant and equipment

If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised in profit or loss if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

SOLIDARIDAD NETWORK ASIA LIMITED 禾眾亞洲有限公司
NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

1. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(e) Other receivables

Other receivables are initially recognised at fair value and thereafter stated at amortised cost less impairment losses (note 1(d)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses.

(f) Trade and other payables

Trade and other payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are also included as a component of cash and cash equivalents for the purpose of the cash flow statement.

(h) Provisions and contingent liabilities

Provision are recognised for liabilities of uncertain timing or amount when the company has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(i) Translation of foreign currencies

Monetary assets and liabilities in foreign currencies are translated into Euro. at the rates of exchange ruling at the date of the statement of financial position. Transactions during the year are translated into Euro. at the rates of exchange ruling at the dates of the transactions. Profits and losses resulting from the above translation policy are included in profit or loss for the year.

SOLIDARIDAD NETWORK ASIA LIMITED 禾眾亞洲有限公司
NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

1. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(j) Employee benefits

Salaries, annual bonuses, paid annual leave, obligations contributions to defined contribution retirement plans, including contributions payable under the Hong Kong Mandatory Provident Fund Schemes Ordinance, and the cost of non-monetary benefits are recognised as expenses in profit or loss as incurred.

(k) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the date of statement of financial position, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the date of statement of financial position. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each date of statement of financial position and is reduced to the extent that it is no longer probable that sufficient taxation profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

SOLIDARIDAD NETWORK ASIA LIMITED 禾眾亞洲有限公司
NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

1. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(k) Income tax (cont'd)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the company has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(l) Related parties

- (a) A person, or a close member of that person's family, is related to the company if that person:
 - (i) has control or joint control over the company;
 - (ii) has significant influence over the company; or
 - (iii) is a member of the key management personnel of the company or the company's parent.
- (b) An entity is related to the company if any of the following conditions applies:
 - (i) The entity is a member of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the company or to the company's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

SOLIDARIDAD NETWORK ASIA LIMITED 禾眾亞洲有限公司
NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

1. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(m) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the company and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Project income

Project income is recognised when the project expenditures incurred for the project and the project expenditures to complete the project can be measured reliably.

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method.

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a few amendments to HKFRSs that are first effective for the current accounting period of the company. Of these, the following developments are relevant to the company's financial statements:

- Amendments to HKAS 19, Employee benefits: Defined benefit plans: Employee contributions
- Annual improvements to HKFRSs 2010-2012 cycle
- Annual improvements to HKFRSs 2011-2013 cycle

The company has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRSs are discussed below:

Amendments to HKAS 19, Employee benefits: Defined benefit plans: Employee contributions

The amendments introduce a relief to reduce the complexity of accounting for certain contributions from employees or third parties under defined benefit plans. When the contributions are eligible for the practical expedient provided by the amendments, a company is allowed to recognise the contributions as a reduction of the service cost in the period in which the related service is rendered, instead of including them in calculating the defined benefit obligation. The amendments do not have an impact on these financial statements as Solidaridad Network Asia Limited does not participate in any defined benefit plans.

Annual improvements to HKFRSs 2010-2012 cycle and 2011-2013 cycle

These two cycles of annual improvements contain amendments to nine standards with consequential amendments to other standards. Among them, HKAS 24, Related party disclosures has been amended to expand the definition of a "related party" to include a management entity that provides key management personnel services to the reporting entity, and to require the disclosure of the amounts incurred for obtaining the key management personnel services provided by the management entity. These amendments do not have an impact on the company's related party disclosures as the company does not obtain key management personnel services from management entities.

SOLIDARIDAD NETWORK ASIA LIMITED 禾眾亞洲有限公司
NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2015

3. PROJECT INCOME

Project income represented income receivable from the execution of the project activities specified in the project agreement.

4. OTHER INCOME

	<u>2015</u> EUR	<u>2014</u> EUR
Gain on exchange, net	14,564	-
Bank interest income	28	15
Sundry income	1,309	5,500
	<u>15,901</u>	<u>5,515</u>

5. SURPLUS FOR THE YEAR

	<u>2015</u> EUR	<u>2014</u> EUR
The surplus for the year is stated after charging:-		
Auditors' remuneration	1,811	1,378
Loss on exchange, net	-	16,085
Depreciation	982	539
Overseas staff expenses (including directors' emoluments, note 6)	113,996	47,200
	<u>113,996</u>	<u>47,200</u>

SOLIDARIDAD NETWORK ASIA LIMITED 禾眾亞洲有限公司
NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2015

6. DIRECTORS' EMOLUMENTS

Directors' remuneration disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:-

	<u>2015</u> EUR	<u>2014</u> EUR
Director fee	13,278	11,200

7. INCOME TAX

(a) As the company has not derived any profits from Hong Kong, no provision for current taxation is considered necessary.

(b) Reconciliation between tax expense and accounting surplus at applicable tax rate:-

	<u>2015</u> EUR	<u>2014</u> EUR
Surplus for the year	120,694	42,822
Tax at the applicable tax rate of 16.5% (2014: 16.5%)	19,915	(7,065)
Tax effect of non-deductible expense	162	88
Tax effect of non-taxable revenue	(20,077)	(7,153)
Tax expense	-	-

(c) There is no deferred tax asset or liability.

SOLIDARIDAD NETWORK ASIA LIMITED 禾眾亞洲有限公司
NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2015

8. PROPERTY, PLANT AND EQUIPMENT

	<u>Computer</u> EUR
Cost	
At 1 January 2014 to 31 December 2014	1,616

At 1 January 2015	1,616
Addition during the year	1,333

At 31 December 2015	2,949

Accumulated depreciation	
At 1 January 2014	539
Charge for the year	539

At 31 December 2014	1,078

At 1 January 2015	1,078
Charge for the year	982

At 31 December 2015	2,060

Net book value	
At 31 December 2015	889
	=====
At 31 December 2014	538
	=====

9. OTHER RECEIVABLES

	<u>2015</u> EUR	<u>2014</u> EUR
Sundry debtors	244,788	576,021
Deposit paid	7,004	615
Temporary advance	7,226	-
	-----	-----
	259,018	576,636
	=====	=====

SOLIDARIDAD NETWORK ASIA LIMITED 禾眾亞洲有限公司
NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

10. TRADE PAYABLES

	<u>2015</u>	<u>2014</u>
	EUR	EUR
Trade payables	<u>242,801</u>	<u>94,584</u>

11. ACCRUED CHARGES

	<u>2015</u>	<u>2014</u>
	EUR	EUR
Auditors' remuneration	1,811	1,378
Professional and consultancy fee	242,802	120,923
SEFT-Solidaridad Regional Expertise Centre	472	471
	<u>245,085</u>	<u>122,772</u>

12. RESTRICTED FUNDS

	<u>2015</u>	<u>2014</u>
	EUR	EUR
Foundation Solidaridad Latinio Americana	3,758	790,051
Stichting Solidaridad	119,323	26,960
IDH-The Sustainable Trade Initiative	55,553	157,859
Embassy of Kingdom of Netherlands	2,378,858	3,491,333
International Finance Corporation	-	(22,133)
Unilever Asia Pvt Ltd.	100,154	37,890
Solideridad North American	6,360	-
Coca-Cola Eoundation	271,590	-
	<u>2,935,596</u>	<u>4,481,960</u>

13. CAPITAL MANAGEMENT

Capital comprises reserves stated on the statement of financial position. The company's objective when managing capital is to safeguard its ability to continue as a going concern.

The company manages capital by regularly monitoring its current and expected liquidity requirements rather than using debt/equity ratio analysis.

The company is not subject to either internally or externally imposed capital requirements.

SOLIDARIDAD NETWORK ASIA LIMITED 禾眾亞洲有限公司
NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

14. FINANCIAL RISK MANAGEMENT AND FAIR VALUES

The company has classified the following financial assets under the category of “loan and receivable as per HKAS 39”:

	<u>2015</u>	<u>2014</u>
	EUR	EUR
Other receivables	259,018	576,636
Bank balances	3,301,525	4,139,398
	<u>3,560,543</u>	<u>4,716,034</u>

The company has classified the following financial liabilities under the category of “financial liabilities at amortised cost as per HKFRS 9”.

	<u>2015</u>	<u>2014</u>
	EUR	EUR
Trade payables	242,801	94,584
Accrued charges	245,085	122,772
Restricted funds	2,935,596	4,481,960
	<u>3,423,482</u>	<u>4,699,316</u>

The company is exposed to various kinds of risks in its operation and financial instruments. The company’s risk management objective and policies mainly focus on minimizing the potential adverse effects of these risks on the company by closely monitoring the individual exposure as follows:-

(a) Foreign currency risk

The company has no significant exposure to foreign currency risks as substantially all of the company’s transactions are denominated in Euros.

(b) Liquidity risk

The company regularly monitors current and expected liquidity requirements to ensure that it maintains sufficient cash and cash equivalents to meet its liquidity requirements in the short and longer term.

SOLIDARIDAD NETWORK ASIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

14. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CON'T)

(b) Liquidity risk (cont'd)

As at 31 December 2015, the financial liabilities of the company are analysed into relevant maturity brackets based on their contractual maturity in the table below.

2015

	<u>Up to 3 months</u>	<u>>3 months to 1 year</u>	<u>> 1 year</u>	<u>Not determinable since repayable on demand</u>	<u>Total</u>
	EUR	EUR	EUR	EUR	EUR
Trade payables	-	242,801	-	-	242,801
Accrued charges	245,085	-	-	-	245,085
Restricted funds	-	-	-	2,935,596	2,935,596
	<u>245,085</u>	<u>242,801</u>	<u>-</u>	<u>2,935,596</u>	<u>3,423,482</u>

As at 31 December 2014, the financial liabilities of the company are analysed into relevant maturity brackets based on their contractual maturity in the table below.

2014

	<u>Up to 3 months</u>	<u>>3 months to 1 year</u>	<u>> 1 year</u>	<u>Not determinable since repayable on demand</u>	<u>Total</u>
	EUR	EUR	EUR	EUR	EUR
Trade payables	-	94,584	-	-	94,584
Accrued charges	122,772	-	-	-	122,772
Restricted funds	-	-	-	4,481,960	4,481,960
	<u>122,772</u>	<u>94,584</u>	<u>-</u>	<u>4,481,960</u>	<u>4,699,316</u>

(c) Interest rate risk

The company's exposure on fair value interest rate risk mainly arises from its cash at bank and the exposure is considered not significant.

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**15. RELATED PARTY TRANSACTIONS AND DIRECTORS' INTERESTS
 IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS**

(a) In addition to the transactions and balance detailed elsewhere in these financial statements, the company had the following transactions with related party:-

	<u>2015</u>	<u>2014</u>
	EUR	EUR
Project income donated from Stichting Solidaridad	583,891	479,594
Consultancy services for project implementation to Solidaridad Network India Pvt. Ltd.	238,093	626,159
Project expenditure to Solidaridad Greater China Limited	-	41,200
	<u> </u>	<u> </u>

The amount due to Stichting Solidaridad, of EUR90,155 (2014: EUR Nil) is included in trade payables, EUR119,323 (2014: EUR26,960) is included in restricted fund, and EUR40,000 (2014: EUR 20,000) with total transaction of EUR97,485 is included in other receivables.

The amount due from Solidaridad Network India Pvt Ltd., of EUR1,111 (2014: EUR15,808) with total transaction of EUR204,204 is included in other receivables.

The amount due to Solidaridad Greater China Limited, of EURNil (2014: EUR7,000) is included in trade payables.

Balances with related parties are unsecured, interest-free and repayable on demand.

(b) Except for the related party transaction as disclosed above, no other transaction, arrangement or contract of significance to which the company was a party subsisted at the end of the year or at any time during the year in which any director had a material interest.

16. ACCOUNTING JUDGEMENTS AND ESTIMATES

Key sources of estimation uncertainty and critical accounting judgements in applying the company's accounting policies

Note 14 contains information about the assumptions and their risk factors relating to financial instruments. Other key sources of estimation uncertainty and assumptions are as follows:

(a) Impairment on receivables

The policy for impairment losses for bad and doubtful debts of the company is based on the evaluation of the collectability of the outstanding balances and on the management's judgement. A considerable amount of judgement is required in assessing the ultimate recoverability of these receivables, including the current liquidity and creditworthiness of each counterparty. If the financial conditions of the counterparties of the company were to deteriorate, resulting in an impairment of their ability to make payments, additional impairment may be required.

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17. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2015

Up to the date of issue of these financial statements, the HKICPA has issued a few amendments and new standards which are not yet effective for the year ended 31 December 2015 and which have not been adopted in these financial statements. These include the following which may be relevant to the company.

	<u>Effective for accounting periods beginning on or after</u>
Annual improvements to HKFRSs 2012-2014 cycle	1 January 2016
Amendments to HKFRS 10 and HKAS 28, Sale or contribution of assets between an investor and its associate or joint venture	1 January 2016
Amendments to HKFRS 11, Accounting for acquisitions of interests in joint operations	1 January 2016
Amendments to HKAS 1, Disclosure initiative	1 January 2016
Amendments to HKAS 16 and HKAS 38, Clarification of acceptable methods of depreciation and amortisation	1 January 2016
HKFRS 15, Revenue from contracts with customers	1 January 2017
HKFRS 9, Financial instruments	1 January 2018

The company is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the financial statements.