

**THE SOLIDARIDAD NETWORK SA TRUST
TRUST NUMBER 1419/2012**

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2015**

THE SOLIDARIDAD NETWORK SA TRUST
TRUST NUMBER 1419/2012

INDEX TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Contents	Page
Trustees' responsibilities and approval	1
Independent auditor's report	2 - 3
Report of the trustees	4
Statement of financial position	5
Statement of comprehensive income	6
Statement of changes in reserves	7
Statement of cash flows	8
Notes to the annual financial statements	9 - 18
The supporting schedules set out on pages 19 to 22 have been presented for information purposes only and are not covered by the audit opinion	
Fund statements of comprehensive income - 2015 - Euros	19
Fund statements of comprehensive income - 2014 - Euros	20
Fund statements of comprehensive income - 2015 - Rands	21
Fund statements of comprehensive income - 2014 - Rands	22

**THE SOLIDARIDAD NETWORK SA TRUST
TRUST NUMBER 1419/2012**

TRUSTEES' RESPONSIBILITIES AND APPROVAL

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

The trustees are required by the Trust Property Control Act, 1988, and the trust deed, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the trust as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with its accounting policies. The external auditors are engaged to express an independent opinion on the annual financial statements.

The financial statements are prepared in accordance with the trust's accounting policies and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The trustees acknowledge that they are ultimately responsible for the system of internal financial controls established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the board of trustees sets out standards for internal control aimed at reducing the risk of error or loss in a cost - effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the trust and employees are required to maintain the highest ethical standards in ensuring the trust's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the trust is on identifying, assessing, managing and monitoring all known forms of risk across the trust. While operating risk cannot be fully eliminated, the trust endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The trustees are of the opinion, based on the information and explanations given by management, that the system of internal controls provides reasonable assurance that the financial records may be relied on for the presentation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

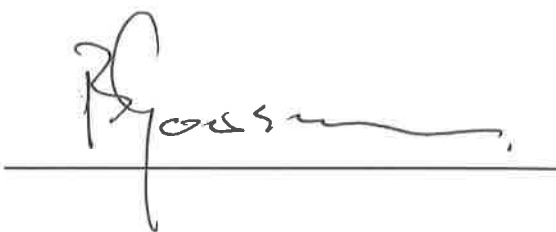
The trustees have reviewed the trust's cash flow forecast for the year to 31st December 2016 and, in the light of this review and the current financial position, they are satisfied that the trust has or has access to adequate resources to continue in operational existence for the foreseeable future.

Although the board of trustees is primarily responsible for the financial affairs of the trust, it is supported by the trust's external auditors.

The external auditors are responsible for independently reviewing and reporting on the trust's financial statements. The financial statements have been examined by the trust's external auditors and their report is presented on pages 2 and 3.

The annual financial statements set out on pages 4 to 22, were approved by the board of trustees on the 15th March 2016 and were signed on its behalf by:





INDEPENDENT AUDITOR'S REPORT**TO THE TRUSTEES****THE SOLIDARIDAD NETWORK SA TRUST
TRUST NUMBER 1419/2012****Report on the financial statements**

We have audited the accompanying financial statements of The Solidaridad Network SA Trust, which comprise the Trustees' report, statement of financial position as at 31 December 2015, and the statement of comprehensive income, statement of changes in reserves and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes set out on pages 4 to 18.

Trustees' responsibility for the financial statements

The Trustees are responsible for the preparation and the fair presentation of these financial statements in accordance with their accounting policies. This responsibility includes : designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. These standards require 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 judgement, including the assessment of the risk 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.

Unqualified Opinion

In our opinion, the financial statements fairly present, in all material respects, the financial position of The Solidaridad Network SA Trust as at 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with its accounting policies.

Supplementary information

The supplementary schedules set out on pages 19 to 22 do not form part of the annual financial statements and are presented as additional information. We have not audited these schedules and accordingly we do not express an opinion on them.

A handwritten signature in black ink, appearing to read 'Douglas & Velcich', followed by a period.

Douglas & Velcich
Chartered Accountants (S.A.)
Registered Accountants and Auditors

Johannesburg
15 March 2016

THE SOLIDARIDAD NETWORK SA TRUST
TRUST NUMBER 1419/2012

REPORT OF THE TRUSTEES FOR THE
YEAR ENDED 31 DECEMBER 2015

The trustees present their report, together with the annual financial statements of the trust for the financial year ended 31 December 2015.

GENERAL

The Trust commenced its activities on the 1st January 2012, but was formally registered on the 9th May 2012.

The Trust is engaged in promoting production with respect for people and planet, and reliable trade relations that give producers a fair deal in developing countries within the Southern African region.

The operating results and state of affairs of the Trust are fully set out in the attached

EQUIPMENT

During the year under review, the Trust purchased equipment with a total cost of R260,354 (€18,222) (2014:R28,274)(€1,982).

SUBSEQUENT EVENTS

There were no material facts or circumstances which have occurred in the Trust's operations between the financial position date and the date of this report.

TRUSTEES

The trustees of the trust are :

N J M Roozen	
W C Simfukwe	- appointed 8 September 2015
B C A Goossens	- appointed 8 September 2015

AUDITORS

Douglas & Velcich were retained as auditors for the year under review.

THE SOLIDARIDAD NETWORK SA TRUST
TRUST NUMBER 1419/2012

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2015

	Note	2015 €	2014 €	2015 R	2014 R
ASSETS		2 452 829	1 610 088	41 220 018	22 689 026
Non current assets		31 562	25 102	451 183	341 207
Equipment	2	31 562	25 102	451 183	341 207
Current assets		2 421 267	1 584 986	40 768 835	22 347 819
Accounts receivable	3	22 072	28 402	371 660	400 449
Accrued income	4	56 624	99 882	953 425	1 408 306
Cash and cash equivalents	5	2 341 733	1 456 702	39 429 643	20 539 064
Taxation receivable		838	-	14 107	-
Total assets		2 452 829	1 610 088	41 220 018	22 689 026
RESERVES AND LIABILITIES		2 452 829	1 610 088	41 220 018	22 689 026
Reserves		1 397	116 170	(49 580)	1 608 258
Trust capital		9	9	100	100
General fund		3 186	90 215	(1 032 318)	950 641
Programme funds		1 865	-	26 394	-
Equipment fund		31 562	25 102	451 183	341 207
Motor vehicle replacement fund		35 772	22 434	505 061	316 310
Foreign Translation Reserve		(70 997)	(21 590)	-	-
Current liabilities		2 451 432	1 493 918	41 269 598	21 080 768
Accounts payable	6	42 659	14 710	718 277	207 415
Deferred income	7	2 408 773	1 479 208	40 551 321	20 873 353
Total reserves and liabilities		2 452 829	1 610 088	41 220 018	22 689 026

THE SOLIDARIDAD NETWORK SA TRUST
TRUST NUMBER 1419/2012

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 €	2014 €	2015 R	2014 R
INCOME		1 418 089	1 480 161	20 139 161	21 759 728
Transfers from Solidaridad Network - Netherlands	8	125 000	110 000	1 809 765	1 574 679
Transfers from Solidaridad - Latin America	9	657 319	964 238	9 344 717	14 128 903
Transfers from Solidaridad - Netherlands	10	33 611	61 698	438 137	869 923
Grants received	11	591 746	298 888	8 391 983	4 531 411
Other project income		5 988	40 195	91 939	580 848
Interest received	12	4 425	5 142	62 620	73 964
EXPENDITURE		1 466 492	2 183 986	20 575 908	31 403 450
Advertising and marketing		-	312	-	4 500
Assets expensed directly		1 183	17	16 735	250
Auditors' remuneration		4 326	3 611	61 215	51 942
Bank charges		6 291	5 498	89 030	79 075
Board meeting costs		7 884	4 533	111 572	65 200
Communication costs		8 422	3 609	119 185	51 903
Conference attendance		141	-	2 000	-
Consulting fees		75 601	59 511	1 003 780	855 960
Foreign exchange (gain)/loss		-	3 357	(138 210)	48 290
Fundraising costs		-	3 178	-	45 703
Gifts		-	120	-	1 723
Insurance		267	-	3 780	-
Interest paid	12	-	-	7	-
IT support		1 459	815	20 654	11 725
Legal fees		2 093	27 494	28 603	395 455
Office expenses		1 308	-	18 516	-
Printing, postage and stationery		1 604	3 749	22 716	53 919
Programme costs		774 194	1 661 418	10 968 330	23 887 226
Rent, water and electricity		36 281	28 334	513 437	407 530
Repairs and maintenance		62	-	880	-
Salaries and contributions		510 045	335 231	7 235 225	4 821 711
Staff development and training		3 550	506	50 243	7 279
Staff recruitment		5 326	13 495	73 830	194 102
Strategic planning and capacity building		1 632	-	23 091	-
Travel and accommodation		24 823	29 198	351 289	419 957
(DEFICIT) FOR THE YEAR		(48 403)	(703 825)	(436 747)	(9 643 722)
UNREALISED FOREIGN EXCHANGE GAINS/(LOSSES)		5 096	(173)	(925 699)	(598 726)
BALANCE AT END OF YEAR		(43 307)	(703 998)	(1 362 446)	(10 242 448)

THE SOLIDARIDAD NETWORK SA TRUST
TRUST NUMBER 1419/2012

STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2015

	Trust capital €	General fund €	Programme funds €	Equipment fund €	Foreign Translation Reserve €	Motor Vehicle Replacement fund €	Total €
Balance at 31 December 2013	9	49 514	773 393	33 029	(22 656)	-	833 289
Net surplus for the year	-	69 395	(773 220)	-	-	-	(703 825)
Transfer to equipment fund	-	(1 309)	-	1 309	-	-	-
- assets funded by SAREC	-	(1 982)	-	1 982	-	-	-
- proceeds from insurance claim	-	673	-	(673)	-	-	-
Profit on sale of asset	-	-	-	149	-	-	149
Depreciation for the year	-	-	-	(9 385)	-	-	(9 385)
Foreign exchange movements	-	-	(173)	-	-	-	(173)
Transfer to motor vehicle replacement	-	(27 385)	-	-	-	27 385	-
Expenditure directly to the fund	-	-	-	-	-	(4 951)	(4 951)
Increase due to foreign translation	-	-	-	-	1 066	-	1 066
Balance at 31 December 2014	9	90 215	-	25 102	(21 590)	22 434	116 170
Net (deficit)/surplus for the year	-	(45 172)	(3 231)	-	-	-	(48 403)
Transfer to equipment fund	-	(17 713)	-	17 713	-	-	-
- assets funded by SAREC	-	(18 222)	-	18 222	-	-	-
- proceeds from insurance claim	-	509	-	(509)	-	-	-
Loss on sale of asset	-	-	-	(1 031)	-	-	(1 031)
Depreciation for the year	-	-	-	(10 222)	-	-	(10 222)
Foreign exchange movements	-	-	5 096	-	-	-	5 096
Transfer to motor vehicle replacement	-	(24 144)	-	-	-	24 144	-
Transfer to motor vehicle replacement	-	-	-	-	-	2 927	2 927
Expenditure directly to the fund	-	-	-	-	-	(13 733)	(13 733)
(Decrease) due to foreign translation	-	-	-	-	(49 407)	-	(49 407)
Balance at 31 December 2015	9	3 186	1 865	31 562	(70 997)	35 772	1 397

	Trust capital R	General fund R	Programme funds R	Equipment fund R	Foreign Translation Reserve R	Motor Vehicle Replacement fund R	Total R
Balance at 31 December 2013	100	2 461 432	9 136 450	436 053	-	-	12 034 035
Net surplus for the year	-	982 918	(10 626 640)	-	-	-	(9 643 722)
Transfer to equipment fund	-	(18 666)	-	18 666	-	-	-
- assets funded by SAREC	-	(28 274)	-	28 274	-	-	-
- proceeds from insurance claim	-	9 608	-	(9 608)	-	-	-
Depreciation for the year	-	-	-	(116 375)	-	-	(116 375)
Profit on sale of asset	-	-	-	2 863	-	-	2 863
Foreign exchange movements	-	(2 088 916)	1 490 190	-	-	-	(598 726)
Transfer to motor vehicle replacement	-	(386 127)	-	-	-	386 127	-
Expenditure directly to the fund	-	-	-	-	-	(69 817)	(69 817)
Balance at 31 December 2014	100	950 641	-	341 207	-	316 310	1 608 258
Net (deficit)/surplus for the year	-	(463 141)	26 394	-	-	-	(436 747)
Transfer to equipment fund	-	(252 449)	-	252 449	-	-	-
- assets funded by SAREC	-	(260 354)	-	260 354	-	-	-
- proceeds from insurance claim	-	7 905	-	(7 905)	-	-	-
Depreciation for the year	-	-	-	(127 662)	-	-	(127 662)
Loss on sale of asset	-	-	-	(14 811)	-	-	(14 811)
Foreign exchange movements	-	(925 699)	-	-	-	-	(925 699)
Transfer to motor vehicle replacement	-	(341 670)	-	-	-	341 670	-
Transfer to motor vehicle replacement	-	-	-	-	-	41 416	41 416
Expenditure directly to the fund	-	-	-	-	-	(194 335)	(194 335)
Balance at 31 December 2015	100	(1 032 318)	26 394	451 183	-	505 061	(49 580)

THE SOLIDARIDAD NETWORK SA TRUST
TRUST NUMBER 1419/2012

STATEMENT OF CASH FLOWS FOR THE
YEAR ENDED 31 DECEMBER 2015

	Note	2015 €	2014 €	2015 R	2014 R
Cash received from Solidaridad Network - Netherlands		125 000	100 000	1 809 765	1 462 830
Cash received from Solidaridad - Netherlands		77 928	-	1 015 402	-
Cash received from Solidaridad - Latin America		458 764	1 338 746	7 026 929	19 409 354
Cash received from Grantors		1 751 359	1 365 404	30 813 455	19 588 637
Cash received from Other project income		(26 564)	40 195	(456 161)	578 141
Cash expended on programmes, suppliers and employees		(1 487 330)	(2 210 959)	(21 114 868)	(32 398 246)
Cash generated from operations	15	899 157	633 386	19 094 522	8 640 716
Interest received	12	4 425	5 142	62 620	73 964
Interest paid	12	-	-	(7)	-
Taxation paid		(838)	-	(14 107)	-
Net cash inflow from operating activities		902 744	638 528	19 143 028	8 714 680
Cash flows (utilised in) investing activities		(17 713)	(1 309)	(252 449)	(18 666)
Acquisition of equipment	2	(18 222)	(1 982)	(260 354)	(28 274)
Proceeds from stolen assets		509	673	7 905	9 608
Cash flows generated from financing activities		-	-	-	-
Net increase in cash and cash equivalents		885 031	637 219	18 890 579	8 696 014
Cash and cash equivalents at beginning of year		1 456 702	819 483	20 539 064	11 843 050
Cash and cash equivalents at end of year	5	2 341 733	1 456 702	39 429 643	20 539 064

THE SOLIDARIDAD NETWORK SA TRUST
TRUST NUMBER 1419/2012

NOTES TO ANNUAL THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES

The financial statements have been prepared on a going concern basis and in compliance with the International Financial Reporting Standard for Small and Medium-sized entities (IFRS for SMEs) issued by the International Accounting Standards Board. They are presented in South African Rand currency units and Euros. The measurement basis used is the historical costs basis, except where otherwise stated in the accounting policies below.

1.1 Accounting convention

The trust is registered with the Master of the High Court under the Trust Property Control Act, 1988, and, as such no part of its income or property shall be transferred to its trustees directly or indirectly. All reserves of the trust are consequently non-distributable.

1.2 Equipment

The cost of an item of tangible assets is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the trust; and
- the cost of the item can be measured reliably.

Costs include costs incurred initially to acquire or construct an item of tangible assets and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of tangible assets, the carrying amount of the replaced part is derecognised.

Tangible assets are carried at cost less accumulated depreciation and any impairment losses.

Depreciation is provided on all tangible assets other than freehold land, to write down the cost, less residual value, by equal instalments over their useful lives as follows:

Item	Useful life
Computer equipment	3 years
Computer software	2 years
Motor vehicle	5 years
Office equipment	5 years
Office furniture	6 years

The depreciation charge for each period is recognised through the equipment fund, unless it is included in the carrying amount of another asset. The gain or loss arising from the derecognising of an item of equipment is included in the equipment fund when the item is derecognised. The gain or loss arising from the derecognising of an item of equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

THE SOLIDARIDAD NETWORK SA TRUST
TRUST NUMBER 1419/2012

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2015 (Continued)

1. ACCOUNTING POLICIES (Continued)

1.2 Equipment (Continued)

It is the policy of the trust to write off all asset purchases against the operating fund in the year that the assets are acquired as most income is from funders who request that the assets be expensed in the year of purchase.

This is a deviation from IAS 16, which requires that all asset purchases are capitalised and depreciated. This deviation has been resolved by raising an equipment fund as discussed below. (refer to note 1.5)

1.3 Financial instruments

Measurement

Financial instruments are initially measured at cost, which includes transaction costs. Subsequent to initial recognition, these instruments are measured as set out below:

Accounts receivable

Accounts receivables and accrued income are stated at cost less provision for impairment losses.

Cash and cash equivalents

Cash and cash equivalents are measured at fair value.

Accounts payable

Accounts payable which are short - term obligations, are stated at their nominal value.

1.4 Impairment

The carrying amount of assets are reviewed at financial position date to determine whether there is any indication of impairment. If there is such indication, the assets are written down to the estimated recoverable amounts. The recoverable amount is the higher of the net selling price and the value in use.

1.5 Equipment fund

In order that operating reserves reflect assets available to the operations of the trust, an equipment fund is maintained to separate out the funding of such assets.

THE SOLIDARIDAD NETWORK SA TRUST
TRUST NUMBER 1419/2012

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2015 (Continued)

1. ACCOUNTING POLICIES (Continued)

1.5 Equipment fund (Continued)

The mechanism whereby this fund is maintained at a value equal to the carrying value of such assets in the statement of financial position is that an amount equal to the cost of equipment acquired be charged against operating income each year and credited to the equipment fund.

Depreciation, and profits or losses on disposal are adjusted annually against the fund.

1.6 Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

1.7 Income recognition

Income from grants is generally brought to account in the period to which it relates.

All other income is brought to account as and when received.

1.8 Interest income

Interest is brought to account as and when received.

1.9 Expenditure recognition

Expenditure is accounted for on the accrual basis.

1.10 Project accounting and expense allocation

In terms of its contractual obligations to donors, the trust's policy is to allocate project expenses that are clearly identifiable as such, directly against project funds. Indirect and shared costs are apportioned on the basis of management estimates.

Accrued and deferred grant income is based on the balance of each project or donor fund after taking into account the direct, indirect and shared costs as described above. The unexpended surplus of the project fund is deferred to the following year or the deficit is accrued in the year under review.

THE SOLIDARIDAD NETWORK SA TRUST
TRUST NUMBER 1419/2012

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2015 (Continued)

1. ACCOUNTING POLICIES (Continued)

1.11 Translation of foreign currencies

The functional currency of Solidaridad Network SA Trust is South African Rands. Translations in foreign currencies are initially recorded in the functional currency using the spot rate at the date of the transaction. Foreign currency monetary items at the reporting date are translated using the closing rate. All exchange differences arising on settlement are recognised in profit or loss. The assets and liabilities of the Trust, except for equipment and deferred income, are translated at the closing rate at the reporting date. Deferred income is accounted for at the spot rate of the funds that it relates to.

Transfers from Regional Network Offices are converted at the spot rate on the date the transfers are received.

Other income and expenditure is translated at the average exchange rates for the year and the resulting exchange differences on translation is accounted for in the foreign translation reserve.

1.12 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employee renders service that increases their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

THE SOLIDARIDAD NETWORK SA TRUST
TRUST NUMBER 1419/2012

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2015 (Continued)

2. EQUIPMENT

	Computer equipment €	Computer software €	Motor vehicle €	Office equipment €	Office furniture €	Total €
31 December 2015						
Net book value at 1/1/2015	1 553	155	21 409	579	1 406	25 102
Cost	4 847	2 602	28 545	1 064	1 966	39 024
Accumulated depreciation	(3 294)	(2 447)	(7 136)	(485)	(560)	(13 922)
Additions for the year	10 995	463	-	2 688	4 076	18 222
Depreciation for the year	(3 178)	(160)	(5 709)	(706)	(469)	(10 222)
Disposal during the year	(1 540)	-	-	-	-	(1 540)
Cost	(2 329)	-	-	-	-	(2 329)
Accumulated depreciation	789	-	-	-	-	789
Net book value at 31/12/2015	7 830	458	15 700	2 561	5 013	31 562
Cost	13 513	3 065	28 545	3 752	6 042	54 917
Accumulated depreciation	(5 683)	(2 607)	(12 845)	(1 191)	(1 029)	(23 355)

31 December 2014

Net book value at 1/1/2014	3 176	1 130	27 118	792	813	33 029
Cost	5 852	2 602	28 545	1 064	1 148	39 211
Accumulated depreciation	(2 676)	(1 472)	(1 427)	(272)	(335)	(6 182)
Additions for the year	1 164	-	-	-	818	1 982
Depreciation for the year	(2 263)	(975)	(5 709)	(213)	(225)	(9 385)
Disposal during the year	(524)	-	-	-	-	(524)
Cost	(2 169)	-	-	-	-	(2 169)
Accumulated depreciation	1 645	-	-	-	-	1 645
Net book value at 31/12/2014	1 553	155	21 409	579	1 406	25 102
Cost	4 847	2 602	28 545	1 064	1 966	39 024
Accumulated depreciation	(3 294)	(2 447)	(7 136)	(485)	(560)	(13 922)

	Computer equipment R	Computer software R	Motor vehicle R	Office equipment R	Office furniture R	Total R
31 December 2015						
Net book value at 1/1/2015	25 678	1 732	290 903	6 380	16 514	341 207
Cost	57 801	29 780	387 871	11 738	23 298	510 488
Accumulated depreciation	(32 123)	(28 048)	(96 968)	(5 358)	(6 784)	(169 281)
Additions for the year	155 632	7 734	-	35 079	61 909	260 354
Depreciation for the year	(36 674)	(1 799)	(77 574)	(7 729)	(3 886)	(127 662)
Disposal during the year	(22 716)	-	-	-	-	(22 716)
Cost	(31 266)	-	-	-	-	(31 266)
Accumulated depreciation	8 550	-	-	-	-	8 550
Net book value at 31/12/2015	121 920	7 667	213 329	33 730	74 537	451 183
Cost	182 167	37 514	387 871	46 817	85 207	739 576
Accumulated depreciation	(60 247)	(29 847)	(174 542)	(13 087)	(10 670)	(288 393)

31 December 2014

Net book value at 1/1/2014	37 820	12 963	368 477	8 728	8 065	436 053
Cost	64 085	29 780	387 871	11 738	11 614	505 088
Accumulated depreciation	(26 265)	(16 817)	(19 394)	(3 010)	(3 549)	(69 035)
Additions for the year	16 590	-	-	-	11 684	28 274
Depreciation for the year	(21 987)	(11 231)	(77 574)	(2 348)	(3 235)	(116 375)
Disposal during the year	(6 745)	-	-	-	-	(6 745)
Cost	(22 874)	-	-	-	-	(22 874)
Accumulated depreciation	16 129	-	-	-	-	16 129
Net book value at 31/12/2014	25 678	1 732	290 903	6 380	16 514	341 207
Cost	57 801	29 780	387 871	11 738	23 298	510 488
Accumulated depreciation	(32 123)	(28 048)	(96 968)	(5 358)	(6 784)	(169 281)

THE SOLIDARIDAD NETWORK SA TRUST
TRUST NUMBER 1419/2012

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2015 (Continued)

	2015 €	2014 €	2015 R	2014 R
3. ACCOUNTS RECEIVABLE				
Reimbursement due	-	16 436	-	231 748
Rental deposit	291	2 036	4 900	28 700
Travel advances	10 260	-	172 769	-
Sundry receivables	174	3 954	2 934	55 744
VAT receivable	11 347	5 976	191 057	84 257
	22 072	28 402	371 660	400 449
4. ACCRUED INCOME				
Accrued income - Project recoveries	32 552	-	548 100	-
European Union - Biomass Programme	-	77 928	-	1 098 761
Netherlands Embassy	6 691	-	112 667	-
RTRS Certification - 2015-FD1001776	17 381	-	292 658	-
USAID - Southern Africa Trade Hub	-	21 954	-	309 545
	56 624	99 882	953 425	1 408 306
5. CASH AND CASH EQUIVALENTS				
Standard Bank - Foreign Currency (Euros)	2 220 105	1 313 586	37 381 683	18 521 168
Standard Bank - Foreign Currency (US Dollars)	55 643	21 445	936 907	302 372
Standard Bank - Call account	249	35 636	4 198	502 460
Standard Bank - Call deposit account	8 871	-	149 376	-
Standard Bank - Current account	24 285	9 277	408 905	130 807
Standard Bank - Credit card accounts	2 198	3 856	37 014	54 367
Standard Bank - FHR bank account	1 742	8 563	29 335	120 737
Standard Bank - Project bank account	28 586	63 517	481 322	895 569
Petty cash - Local	54	3	903	37
Petty cash - Foreign	-	819	-	11 547
	2 341 733	1 456 702	39 429 643	20 539 064
6. ACCOUNTS PAYABLE				
Accruals	42 659	14 673	718 277	206 888
Sundry creditors	-	37	-	527
	42 659	14 710	718 277	207 415
7. DEFERRED INCOME				
Foundation for Human Rights	-	347	-	4 895
Gauteng Provincial Government Department of Agriculture and Rural Development	-	21 409	-	307 625
Netherlands Embassy	-	62 054	-	880 563
Netherlands Enterprise Agency - FDOV (NL)	553 249	921 002	9 308 371	12 985 852
Netherlands Enterprise Agency - RVO (NL) - FDW 14SA19	1 679 571	83 658	28 280 287	1 185 129
Procotton	-	16 230	-	228 838
Solidaridad - Latin America - FSP	175 953	374 508	2 962 663	5 280 451
	2 408 773	1 479 208	40 551 321	20 873 353

The deferred funds for the Farmer's Support Programme (FSP) from Solidaridad - Latin America are committed to be paid out to the project partners once the final audits on the programme are concluded.

THE SOLIDARIDAD NETWORK SA TRUST
TRUST NUMBER 1419/2012

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2015 (Continued)

	2015 €	2014 €	2015 R	2014 R
8. TRANSFERS FROM SOLIDARIDAD NETWORK - NETHERLANDS				
South African Regional Expertise Centre	125 000	100 000	1 809 765	1 462 830
Funds received - 2014	-	100 000	-	1 462 830
Received - 30 June 2015	50 000	-	681 160	-
Received - 17 September 2015	50 000	-	754 645	-
Received - 25 November 2015	25 000	-	373 960	-
South African Regional Expertise Centre - Fundraising	-	10 000	-	111 849
Deferred to 2014	-	10 000	-	111 849
	125 000	110 000	1 809 765	1 574 679

9. TRANSFERS FROM SOLIDARIDAD - LATIN AMERICA

Farmer Support Programme	657 319	964 238	9 344 717	14 128 903
Funds received in 2014	-	1 338 746	-	19 409 354
Received - 30 January 2015	39 567	-	517 160	-
Received - 30 January 2015	149 503	-	1 959 027	-
Received - 30 January 2015	21 611	-	283 182	-
Received - 30 January 2015	19 572	-	256 464	-
Received - 4 June 2015	13 500	-	189 312	-
Received - 4 June 2015	68 107	-	948 049	-
Received - 4 June 2015	10 805	-	150 406	-
Received - 4 June 2015	6 989	-	97 287	-
Received - 27 October 2015	32 675	-	490 922	-
Received - 27 October 2015	10 805	-	162 339	-
Received - 27 October 2015	6 989	-	105 006	-
Received - 13 November 2015	60 847	-	929 797	-
Received - 13 November 2015	10 805	-	165 110	-
Received - 13 November 2015	6 989	-	106 798	-
Foreign exchange gain	-	-	666 070	-
Less : Deferred to 2015	374 508	(374 508)	5 280 451	(5 280 451)
Less : Deferred to 2016	(175 953)	-	(2 962 663)	-
	657 319	964 238	9 344 717	14 128 903

10. TRANSFERS FROM SOLIDARIDAD - NETHERLANDS

European Union - Biomass programme	-	77 928	(83 359)	1 098 761
Received - 24 March 2015	77 928	-	1 015 402	-
Add : Accrued in 2014	(77 928)	77 928	(1 098 761)	1 098 761
Procotton	16 230	(16 230)	228 838	(228 838)
Less : Deferred to 2015	16 230	(16 230)	228 838	(228 838)
RTRS Certification - 2015-FD1001776	17 381	-	292 658	-
Add : Accrued in 2015	17 381	-	292 658	-
	33 611	61 698	438 137	869 923

THE SOLIDARIDAD NETWORK SA TRUST
TRUST NUMBER 1419/2012

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2015 (Continued)

	2015 €	2014 €	2015 R	2014 R
11. GRANTS RECEIVED				
Gauteng Provincial Government Department of Agriculture and Rural Development	21 409	5 450	307 625	78 375
Received - 14 April 2014	-	26 859	-	386 000
Less : Deferred to 2015	21 409	(21 409)	307 625	(307 625)
Foundation for Human Rights	2 248	5 625	33 600	81 221
Funds received - 2014	-	5 972	-	86 116
Received - 3 September 2015	1 901	-	28 705	-
Less : Deferred to 2015	347	(347)	4 895	(4 895)
Netherlands Embassy	68 745	261	993 230	3 757
Funds received - 2014	-	62 315	-	884 320
Less : Deferred to 2015	62 054	(62 054)	880 563	(880 563)
Add : Accrued in 2015	6 691	-	112 667	-
Netherlands Enterprise Agency - FDOV (NL)	367 753	265 266	5 225 969	4 053 739
Funds received - 2014	-	1 186 268	-	17 042 298
Foreign exchange gain	-	-	1 545 781	-
Less : Deferred to 2015	921 002	(921 002)	12 988 559	(12 988 559)
Less : Deferred to 2016	(553 249)	-	(9 308 371)	-
Netherlands Enterprise Agency - RVO (NL) - FDW 14SA19	94 306	332	1 310 432	4 774
Funds received - 2014	-	83 990	-	1 189 903
Received - 22 December 2015	1 690 219	-	27 718 239	-
Foreign exchange gain	-	-	687 351	-
Less : Deferred to 2015	83 658	(83 658)	1 185 129	(1 185 129)
Less : Deferred to 2016	(1 679 571)	-	(28 280 287)	-
USAID - Southern Africa Trade Hub	37 285	21 954	521 127	309 545
Received - 9 March 2015	28 876	-	376 930	-
Received - 23 October 2015	30 363	-	453 742	-
Less : Accrued in 2014	(21 954)	21 954	(309 545)	309 545
	591 746	298 888	8 391 983	4 531 411
12. NET INTEREST RECEIVED				
Interest received - current account	2 560	5 142	36 226	73 964
Interest received - SIZA project account	1 865	-	26 394	-
Interest paid - credit card	-	-	(7)	-
	4 425	5 142	62 613	73 964
13. TAXATION				
Net (deficit) per statement of comprehensive income	(43 307)	(703 998)	(1 362 446)	(10 242 448)
Net taxable income	(43 307)	(703 998)	(1 362 446)	(10 242 448)
Less: depreciation	(10 222)	(5 191)	(127 662)	(116 375)
Less: adjustment for apportionment of expenditure against income of a capital nature	51 309	698 844	549 455	9 616 669
Less: deferral of unrealised foreign exchange loss	(5 096)	173	925 699	598 726
Estimated taxable income/(loss)	(7 316)	(10 172)	(14 954)	(143 428)
Taxable (loss) brought forward	(10 172)	-	(143 428)	-
Total taxable (loss)	(17 488)	(10 172)	(158 382)	(143 428)
S A normal tax @ 40%	-	-	-	-

No provision has been made for taxation as the Trust has an estimated taxable (loss) carried forward of R158,382. In the prior year there was taxable (loss)/income of (R143,428) (2013 : R23,960), but the Trust is in the process of applying for tax exemption from South African Normal tax in terms of section 10(1)(cN) as read with Section 30 of the Income Tax Act.

THE SOLIDARIDAD NETWORK SA TRUST
TRUST NUMBER 1419/2012

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2015 (Continued)

	2015 €	2014 €	2015 R	2014 R
14. COMMITMENTS				
The company has the following commitment in respect of rental agreement covering office premises as follows :				
Operating lease - premises				
Payable within one year	21 391	10 426	360 182	147 000
Payable thereafter	33 870	-	570 288	-
	55 261	10 426	930 470	147 000
15. CASH GENERATED FROM OPERATIONS				
(Deficit) for the year	(48 403)	(703 825)	(436 747)	(9 643 722)
Adjusted for :				
Interest received	(4 425)	(5 142)	(62 620)	(73 964)
Interest paid	-	-	7	-
Decrease/(increase) in accrued income	43 258	(99 882)	454 881	(1 408 306)
Increase in deferred income	929 565	1 469 208	19 677 968	20 761 504
(Decrease)/increase in foreign translation reserve	(49 407)	1 066	-	-
Foreign exchange movements	5 096	(173)	(925 699)	(598 726)
Transfer to motor vehicle replacement fund from other funds	2 927	-	41 416	-
Expenditure directly incurred in motor vehicle replacement fund	(13 733)	(4 951)	(194 335)	(69 817)
Operating surplus before working capital changes	864 878	656 301	18 554 871	8 966 969
Working capital changes	34 279	(22 915)	539 651	(326 253)
Decrease/(increase) in accounts receivable	6 330	(22 883)	28 789	(320 724)
Increase/(decrease) in accounts payable	27 949	(32)	510 862	(5 529)
	899 157	633 386	19 094 522	8 640 716
16. RELATED PARTIES				
Transfers from head office and other regional networks				
Transfers from Solidaridad Network - Netherlands (refer note 8)	125 000	100 000	1 809 765	1 462 830
Transfers from Solidaridad - Latin America (refer Note 9)	458 764	1 338 746	7 026 929	19 409 354
Transfers from Solidaridad - Netherlands (refer Note 10)	77 928	-	1 015 402	-
	661 692	1 438 746	9 852 096	20 872 184
Accrued income				
Transfers from Solidaridad - Netherlands (refer note 4)	-	77 928	-	1 098 761
Deferred income				
Transfers from Solidaridad - Netherlands (refer note 7)	-	16 230	-	228 838
Transfers from Solidaridad - Latin America (refer Note 7)	175 953	374 508	2 962 663	5 280 451
	175 953	390 738	2 962 663	5 509 289
17. GOING CONCERN				
The existence of the trust is dependent on the continued support of its donors, by way of grants. Should the grants be withdrawn it is highly unlikely that the trust will be able to continue as a going concern. Donors have agreed to continue supporting the trust in 2016.				

THE SOLIDARIDAD NETWORK SA TRUST
TRUST NUMBER 1419/2012

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2015 (Continued)

18. FINANCIAL RISK

18.1 Currency risk

The trust is exposed to currency risk to the extent that all transfers are received by the trust in foreign currency and the Trust also maintains two foreign currency bank accounts, one designated in Euros and the other in US Dollars.

18.2 Interest rate risk

The trust is exposed to interest rate risk, as it places funds at both fixed and floating interest rates. The risk is managed by maintaining an appropriate mix between fixed and floating rates and placings within market expectations.

18.3 Credit risk

The trust's credit risk is attributable to accounts receivable and liquid funds. The credit risk on liquid funds is limited because the counter party is a bank with credit rating assigned by international credit-rating agencies. The trust has no significant concentration of credit risk.

18.4 Liquidity risk

The trust manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash reserves are maintained.

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HUB A R	09 545	15 769	(6 224)	6 224
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