

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

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2017**

THE SOLIDARIDAD NETWORK SA TRUST
TRUST NUMBER 1419/2012

Annual Financial Statements for the year ended 31 December 2017

General Information

Country of incorporation and domicile South Africa

Nature of business and principal activities 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.

Trustees The following trustees held office for the year under review:-

Name

N J M Roozen
W C Simfukwe - resigned 31 December 2016
B C A Goossens

Legal form Non Profit Trust

Registration numbers Trust registration 1419/2012

Registered office and business address
25 Sturdee Avenue
Rosebank
Johannesburg
2196

Website address solidaridadnetwork.org

Principal Bankers Standard Bank of South Africa Limited.

Preparer The annual financial statements were internally prepared by W Matthews.

Level of assurance These annual financial statements have been audited independently in compliance with the Trust Deed and the Trust Property Control Act, 1988.

THE SOLIDARIDAD NETWORK SA TRUST
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FOR THE YEAR ENDED 31 DECEMBER 2017

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TRUSTEES' RESPONSIBILITIES AND APPROVAL

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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 International Financial Reporting Standards for Small and Medium - sized Entities 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 2018 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 auditing 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 to 4.

The annual financial statements set out on pages 5 to 29, were approved by the board of trustees on the 6th March 2018 and were signed on its behalf by:



M2M Roosen



P O BOX 32707
BRAAMFONTEIN
2017
SOUTH AFRICA

TEL (011) 403 3835
FAX (011) 339 7762

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES

THE SOLIDARIDAD NETWORK SA TRUST TRUST NUMBER 1419/2012

Unqualified Opinion

We have audited the financial statements of The Solidaridad Network SA Trust, set out on pages 6 to 21, which comprise the statement of financial position as at 31 December 2017, and the statement of comprehensive income, statement of changes in reserves and statement of cash flows for the financial year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

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 2017, and of its financial performance and its cash flows for the year then ended in accordance with its accounting policies, International Financial Reporting Standards for Small and Medium - sized Entities and the Trust Deed.

Basis for Unqualified Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code), together with the ethical requirements that are relevant to our audit of financial statements in South Africa. We have fulfilled our other ethical requirements in accordance with these requirements and the IRBA Code. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Part A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Trustees is responsible for the other information. The other information comprises the Report of the Trustees and the programme statements of comprehensive income for the 2017 and 2016 years, set out on pages 5 and 22 to 29.

The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with their accounting policies and the requirements of the Trust Deed, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Trust's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit 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 Trust's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the trust to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the trust audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be brought to bear on our independence, and where applicable, related safeguards.

A handwritten signature in black ink, appearing to read 'DC Douglas', followed by a small horizontal line.

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

Johannesburg
6 March 2018

THE SOLIDARIDAD NETWORK SA TRUST
TRUST NUMBER 1419/2012

REPORT OF THE TRUSTEES FOR THE
YEAR ENDED 31 DECEMBER 2017

The trustees present their report, together with the annual financial statements of the trust for the financial year ended 31 December 2017.

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 R454,328 (€30,599) (2016:R87,773 (€5,536)).

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	- resigned 31 December 2016
B C A Goossens	

The above resignation has been accepted by the Trustees, but there are delays in updating the information with the Master and obtaining the latest letter of authority.

AUDITORS

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

THE SOLIDARIDAD NETWORK SA TRUST
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STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2017

	Note	2017 €	2016 €	2017 R	2016 R
ASSETS		798 795	1 566 351	11 825 106	22 785 978
Non current assets		39 662	25 032	589 933	362 253
Equipment	3	39 662	25 032	589 933	362 253
Current assets		759 133	1 541 319	11 235 173	22 423 725
Accounts receivable	4	127 549	62 455	1 887 738	898 003
Accrued income	5	139 653	218 499	2 066 868	3 403 685
Cash and cash equivalents	6	491 757	1 259 705	7 277 996	18 112 547
Taxation receivable		174	660	2 571	9 490
Total assets		798 795	1 566 351	11 825 106	22 785 978
RESERVES AND LIABILITIES		798 795	1 566 351	11 825 106	22 785 978
Reserves		92 979	234 734	1 379 038	3 637 223
Trust capital		9	9	100	100
General fund		(11 003)	135 512	303 634	2 674 604
Programme funds		-	3 305	-	49 834
Equipment fund		39 662	25 032	589 933	362 253
Motor vehicle replacement fund		32 795	38 559	485 371	550 432
Foreign Translation Reserve		31 516	32 317	-	-
Current liabilities		705 816	1 331 617	10 446 068	19 148 755
Accounts payable	7	108 945	40 485	1 612 383	582 100
Managed funds - ICCO	8	-	20 653	-	296 961
Deferred income	9	596 871	1 270 479	8 833 685	18 269 694
Total reserves and liabilities		798 795	1 566 351	11 825 106	22 785 978

THE SOLIDARIDAD NETWORK SA TRUST
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 €	2016 €	2017 R	2016 R
INCOME		2 560 581	2 740 405	38 498 156	44 112 344
Transfers from Solidaridad Network - Netherlands	10	50 000	50 000	779 670	782 325
Transfers from Solidaridad - Eastern and Central Africa	12	47 000	25 931	705 940	422 092
Transfers from Solidaridad - Latin America/Netherlands	11	894 245	788 365	13 445 300	12 490 582
Grants received	13	1 503 137	1 795 349	22 572 935	29 158 475
Other project income		59 297	52 520	890 639	799 199
Interest received	14	6 902	28 240	103 672	459 671
EXPENDITURE		2 678 438	2 585 466	40 444 145	41 534 892
Assets expensed directly		1 672	372	25 116	6 047
Auditors' remuneration		13 226	4 667	198 655	75 958
Bank charges		9 517	5 445	142 936	88 619
Board meeting costs		3 491	13 398	52 433	218 088
Communication costs		12 496	7 333	187 686	119 363
Conference attendance		1 823	-	27 386	-
Consulting fees		44 682	2 327	671 122	37 877
Foreign exchange loss/(gain)		-	-	204 408	25 294
Insurance		825	421	12 387	6 858
Interest paid	14	-	753	-	12 249
IT support		3 222	1 934	48 405	31 495
Legal fees		3 374	419	50 665	6 813
Marketing and promotions		3 294	-	49 482	-
Office expenses		4 096	1 872	61 516	30 463
Printing, postage and stationery		8 235	2 386	123 714	38 852
Programme costs		1 714 846	1 951 178	25 766 561	31 185 173
Rent, water and electricity		51 929	37 201	779 989	605 539
Repairs and maintenance		4 079	77	61 275	1 259
Salaries and contributions		743 992	523 210	11 174 762	8 516 403
Staff development and training		-	1 229	-	20 001
Staff recruitment		19 439	7 558	291 981	123 017
Staff team building and annual retreat		11 873	-	178 329	-
Travel and accommodation		22 327	23 686	335 337	385 524
(DEFICIT)/SURPLUS FOR THE YEAR		(117 857)	154 939	(1 945 989)	2 577 452
UNREALISED FOREIGN EXCHANGE GAINS/(LOSSES)		-	-	-	1 494 602
(DEFICIT)/SURPLUS BEFORE TAXATION		(117 857)	154 939	(1 945 989)	4 072 054
TAXATION	15	(1 364)	(321)	(20 487)	(4 617)
(DEFICIT)/SURPLUS AFTER TAXATION		(119 221)	154 618	(1 966 476)	4 067 437

THE SOLIDARIDAD NETWORK SA TRUST
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STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2017

	Trust capital €	General fund €	Programme funds €	Equipment fund €	Motor Vehicle Replacement fund €	Foreign Translation Reserve €	Total €
Balance at 31 December 2015	9	3 186	1 865	31 562	35 772	(70 997)	1 397
Surplus/(deficit) after taxation	-	201 601	(46 983)	-	-	-	154 618
Transfer to equipment fund	-	(5 536)	-	5 536	-	-	-
- assets funded by SAREC	-	(5 536)	-	5 536	-	-	-
Loss on sale of asset	-	-	-	(862)	-	-	(862)
Depreciation for the year	-	-	-	(11 204)	-	-	(11 204)
Transfer (from) general fund	-	(48 423)	48 423	-	-	-	-
Transfer to motor vehicle replacement	-	(15 316)	-	-	15 316	-	-
Expenditure directly to the fund	-	-	-	-	(12 529)	-	(12 529)
Increase due to foreign translation	-	-	-	-	-	103 314	103 314
Balance at 31 December 2016	9	135 512	3 305	25 032	38 559	32 317	234 734
(Deficit) after taxation	-	(9 708)	(109 513)	-	-	-	(119 221)
Transfer to equipment fund	-	(30 599)	-	30 599	-	-	-
- assets funded by SAREC	-	(30 599)	-	30 599	-	-	-
Depreciation for the year	-	-	-	(15 969)	-	-	(15 969)
Transfer (from) general fund	-	(106 208)	106 208	-	-	-	-
Expenditure directly to the fund	-	-	-	-	(5 764)	-	(5 764)
Increase due to foreign translation	-	-	-	-	-	(801)	(801)
Balance at 31 December 2017	9	(11 003)	-	39 662	32 795	31 516	92 979

	Trust capital R	General fund R	Programme funds R	Equipment fund R	Motor Vehicle Replacement fund R	Foreign Translation Reserve R	Total R
Balance at 31 December 2015	100	(1 032 318)	26 394	451 183	505 061	-	(49 580)
Surplus/(deficit) after taxation	-	4 719 882	(652 445)	-	-	-	4 067 437
Net surplus/(deficit) for the year	-	3 225 280	(652 445)	-	-	-	2 572 835
Foreign exchange movements	-	1 494 602	-	-	-	-	1 494 602
Transfer to equipment fund	-	(87 773)	-	87 773	-	-	-
- assets funded by SAREC	-	(87 773)	-	87 773	-	-	-
Depreciation for the year	-	-	-	(165 839)	-	-	(165 839)
Loss on sale of asset	-	-	-	(10 864)	-	-	(10 864)
Transfer (from) general fund	-	(675 885)	675 885	-	-	-	-
Transfer to motor vehicle replacement	-	(249 302)	-	-	249 302	-	-
Expenditure directly to the fund	-	-	-	-	(203 931)	-	(203 931)
Balance at 31 December 2016	100	2 674 604	49 834	362 253	550 432	-	3 637 223
(Deficit) after taxation	-	(321 578)	(1 644 898)	-	-	-	(1 966 476)
Net (deficit) for the year	-	(321 578)	(1 644 898)	-	-	-	(1 966 476)
Transfer to equipment fund	-	(454 328)	-	454 328	-	-	-
- assets funded by SAREC	-	(454 328)	-	454 328	-	-	-
Depreciation for the year	-	-	-	(226 648)	-	-	(226 648)
Transfer (from) general fund	-	(1 595 064)	1 595 064	-	-	-	-
Expenditure directly to the fund	-	-	-	-	(65 061)	-	(65 061)
Balance at 31 December 2017	100	303 634	-	589 933	485 371	-	1 379 038

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STATEMENT OF CASH FLOWS FOR THE
YEAR ENDED 31 DECEMBER 2017

	Note	2017 €	2016 €	2017 R	2016 R
Cash received from Solidaridad Network - Netherlands		50 000	50 000	779 670	782 325
Cash received from Solidaridad - Eastern and Central Africa		68 000	-	1 055 053	-
Cash received from Solidaridad - Latin America/Netherlands		1 075 804	813 120	16 260 955	12 405 236
Cash received from Grantors		655 605	514 015	10 558 756	5 136 145
Cash received from Other project income		109 508	34 861	1 640 858	597 080
Cash expended on programmes, suppliers and employees		(2 681 637)	(2 536 485)	(40 468 658)	(40 894 492)
Cash (utilised in) operations	16	(722 720)	(1 124 489)	(10 173 366)	(21 973 706)
Interest received	14	6 902	28 240	103 672	459 671
Interest paid	14	-	(753)	-	(12 249)
Taxation paid		(878)	(143)	(13 568)	-
Net cash (outflow) from operating activities		(716 696)	(1 097 145)	(10 083 262)	(21 526 284)
Cash flows (utilised in) investing activities		(30 599)	(5 536)	(454 328)	(87 773)
Acquisition of equipment	3	(30 599)	(5 536)	(454 328)	(87 773)
Cash flows (utilised in)/generated from financing activities		(20 653)	20 653	(296 961)	296 961
Surplus funds advanced on managed funds - ICCO	8	(20 653)	20 653	(296 961)	296 961
Net (decrease) in cash and cash equivalents		(767 948)	(1 082 028)	(10 834 551)	(21 317 096)
Cash and cash equivalents at beginning of year		1 259 705	2 341 733	18 112 547	39 429 643
Cash and cash equivalents at end of year	6	491 757	1 259 705	7 277 996	18 112 547

THE SOLIDARIDAD NETWORK SA TRUST
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NOTES TO ANNUAL THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2017 (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.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2017 (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.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2017 (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.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2017 (Continued)

2. FINANCIAL RISK MANAGEMENT

2.1 Financial risk factors

The trust's activities could expose it to a variety of financial risks: market risk (including fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. The trust's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the trust's financial performance.

Risk management is carried out by the trustees, who evaluate financial risks.

(a) Market 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.

(b) 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.

(c) Liquidity risk

Using cash flow forecasting, management maintains adequate levels of cash to fund ongoing obligations.

(d) Cash flow and fair value interest rate risk

The trust has minimal exposure to interest rate risk as surplus funds are invested in local interest-bearing accounts.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2017 (Continued)

3. EQUIPMENT

	Computer equipment €	Computer software €	Motor vehicle €	Office equipment €	Office furniture €	Total €
31 December 2017						
Net book value at 1/1/2017	7 067	227	9 991	1 737	6 010	25 032
Cost	15 235	3 065	28 545	3 632	7 935	58 412
Accumulated depreciation	(8 168)	(2 838)	(18 554)	(1 895)	(1 925)	(33 380)
Additions for the year	17 096	-	-	1 132	12 371	30 599
Depreciation for the year	(6 956)	(226)	(5 709)	(769)	(2 309)	(15 969)
Net book value at 31/12/2017	17 207	1	4 282	2 100	16 072	39 662
Cost	32 331	3 065	28 545	4 764	20 306	89 011
Accumulated depreciation	(15 124)	(3 064)	(24 263)	(2 664)	(4 234)	(49 349)

31 December 2016

Net book value at 1/1/2016	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)
Additions for the year	2 825	-	-	-	2 711	5 536
Depreciation for the year	(3 331)	(231)	(5 709)	(730)	(1 203)	(11 204)
Disposal during the year	(257)	-	-	(94)	(511)	(862)
Cost	(1 103)	-	-	(120)	(818)	(2 041)
Accumulated depreciation	846	-	-	26	307	1 179
Net book value at 31/12/2016	7 067	227	9 991	1 737	6 010	25 032
Cost	15 235	3 065	28 545	3 632	7 935	58 412
Accumulated depreciation	(8 168)	(2 838)	(18 554)	(1 895)	(1 925)	(33 380)

	Computer equipment R	Computer software R	Motor vehicle R	Office equipment R	Office furniture R	Total R
31 December 2017						
Net book value at 1/1/2017	106 504	3 800	135 755	23 425	92 769	362 253
Cost	213 818	37 514	387 871	45 238	115 814	800 255
Accumulated depreciation	(107 314)	(33 714)	(252 116)	(21 813)	(23 045)	(438 002)
Additions for the year	257 264	-	-	16 558	180 506	454 328
Depreciation for the year	(103 211)	(3 790)	(77 574)	(9 385)	(32 688)	(226 648)
Net book value at 31/12/2017	260 557	10	58 181	30 598	240 587	589 933
Cost	471 082	37 514	387 871	61 796	296 320	1 254 583
Accumulated depreciation	(210 525)	(37 504)	(329 690)	(31 198)	(55 733)	(664 650)

31 December 2016

Net book value at 1/1/2016	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)
Additions for the year	45 482	-	-	-	42 291	87 773
Depreciation for the year	(57 761)	(3 867)	(77 574)	(9 068)	(17 569)	(165 839)
Disposal during the year	(3 137)	-	-	(1 237)	(6 490)	(10 864)
Cost	(13 831)	-	-	(1 579)	(11 684)	(27 094)
Accumulated depreciation	10 694	-	-	342	5 194	16 230
Net book value at 31/12/2016	106 504	3 800	135 755	23 425	92 769	362 253
Cost	213 818	37 514	387 871	45 238	115 814	800 255
Accumulated depreciation	(107 314)	(33 714)	(252 116)	(21 813)	(23 045)	(438 002)

THE SOLIDARIDAD NETWORK SA TRUST
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2017 (Continued)

	2017 €	2016 €	2017 R	2016 R
4. ACCOUNTS RECEIVABLE				
Rental deposit	2 326	1 664	34 426	23 927
Travel advances	5 987	3 364	88 622	48 373
Zambian Country Office advance	4 410	15 190	65 266	218 401
Sundry receivables	65 544	11 414	970 055	164 121
VAT receivable	49 282	30 823	729 369	443 181
	127 549	62 455	1 887 738	898 003
5. ACCRUED INCOME				
ICCO Southern Africa - BE - FED project	-	70 159	-	1 141 992
Netherlands Embassy - SIZA project	9 781	-	144 762	-
Netherlands Enterprise Agency - FDOV (NL) - SAPSCAF project	53 169	67 637	786 902	972 512
Project recoveries - Sugarcane project	-	50 211	-	750 219
Solidaridad - Eastern and Central Africa - DSO Continental	4 931	25 931	72 979	422 092
Solidaridad - Latin America/Netherlands	71 772	4 561	1 062 225	116 870
DSO - Global Livestock	49 586	-	733 872	-
RTRS Certification	22 186	4 561	328 353	116 870
	139 653	218 499	2 066 868	3 403 685
6. CASH AND CASH EQUIVALENTS				
Standard Bank - Foreign Currency (Euros)	304 019	1 059 678	4 499 483	15 236 472
Standard Bank - Foreign Currency (US Dollars)	1 975	8 539	29 227	122 783
Standard Bank - Call account	124 768	36 584	1 846 562	526 023
Standard Bank - Call deposit account	11 941	11 065	176 732	159 102
Standard Bank - Current account	4 991	18 837	73 872	270 844
Standard Bank - Credit card accounts	1 390	-	20 571	-
Standard Bank - Project bank account	1 770	1 933	26 199	27 795
Standard Bank - Project bank account	3 593	116 469	53 179	1 674 634
Standard Bank - Mozambique (MTN)	6 053	157	89 582	2 257
Standard Bank - Mozambique (US Dollars)	1 705	5 942	25 230	85 437
Standard Bank - Mozambique Project bank account	20 063	-	296 933	-
Standard Bank - Zambia (Euros)	2 782	-	41 175	-
Standard Bank - Zambia (ZMK)	6 619	-	97 957	-
Petty cash - Local	18	66	263	949
Petty cash - Foreign	70	76	1 031	1 091
Petty cash - Mozambique	-	359	-	5 160
	491 757	1 259 705	7 277 996	18 112 547
7. ACCOUNTS PAYABLE				
Accruals	108 945	29 791	1 612 383	428 339
Payroll liabilities	-	10 694	-	153 761
	108 945	40 485	1 612 383	582 100
8. MANAGED FUNDS - ICCO				
Funds received from ICCO	-	175 396	-	2 521 908
Interest due to ICCO	-	1 845	-	26 521
Payments to the farmers	-	(153 934)	-	(2 213 311)
Loan administration fee	-	(2 654)	-	(38 157)
Production loans provided to the farmers	-	-	-	-
Loan funds advanced	-	(88 460)	-	(1 271 908)
Interest charged on loans	-	(1 845)	-	(26 521)
Loan funds repaid	-	90 305	-	1 298 429
	-	20 653	-	296 961

The Solidaridad Network SA Trust acted as an agent for ICCO in this process between Heineken SA and Malteries Soufflet and the farmers producing the Barley.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2017 (Continued)

	2017 €	2016 €	2017 R	2016 R
9. DEFERRED INCOME				
Cotton SA	-	13 406	-	176 921
Deciduous Fruit Producer's Trust - SIZA project	-	16 406	-	286 229
ETG Logistics Limitada	656	-	9 709	-
Netherlands Enterprise Agency - FDOV (NL) - SAPSCAF	-	55 940	-	804 328
Netherlands Enterprise Agency - RVO (NL) - FDW 14SA19	159 557	966 761	2 361 437	13 900 470
Netherlands Embassy - SIZA project	-	30 078	-	400 217
Solidaridad - Latin America/Netherlands	436 658	187 888	6 462 539	2 701 529
DSO - Mozambique - F&V Programme	207 438	79 546	3 070 082	1 143 744
DSO - Zambia - SLM Programme	76 040	85 888	1 125 392	1 234 932
Farmer Support Programme (FSP)	20 312	20 312	300 618	292 054
PfC - Capacity Enhancement Programme	14 879	-	220 209	-
PfC - Go Farmer Application Development	115 847	-	1 714 536	-
Sustainable cattle production - Namibia	2 142	2 142	31 702	30 799
	596 871	1 270 479	8 833 685	18 269 694

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.

10. TRANSFERS FROM SOLIDARIDAD NETWORK - NETHERLANDS

Solidaridad Network - budget support	50 000	50 000	779 670	782 325
Received - 4 July 2017	50 000	-	779 670	-
Funds received - 2016	-	50 000	-	782 325
	50 000	50 000	779 670	782 325

11. TRANSFERS FROM SOLIDARIDAD - LATIN AMERICA/NETHERLANDS

BCI Cotton	6 300	-	94 623	-
Received - 7 November 2017	6 300	-	103 457	-
Foreign exchange (loss)	-	-	(8 834)	-
DDE SAM Fund 2016-2020 :	-	398 500	-	6 055 401
DDE Bridge Funding	-	193 000	-	3 269 111
Funds received in 2016	-	193 000	-	3 269 111
Sugarcane	-	58 000	-	982 427
Cotton	-	75 000	-	1 270 380
Horticulture	-	60 000	-	1 016 304
DDE Bridging the Bridge Fund	-	205 500	-	3 069 801
Funds received in 2016	-	205 500	-	3 069 801
Sugarcane	-	58 000	-	866 416
Cotton	-	82 500	-	1 232 402
Horticulture	-	65 000	-	970 983
Foreign exchange (loss)	-	-	-	(283 511)
DSO - Global Livestock	49 586	-	762 374	-
Add : Accrued in 2017	49 586	-	733 872	-
Foreign exchange gain	-	-	28 502	-
DSO - Mozambique - F & V Programme	102 508	81 734	1 551 178	1 330 387
Received - 7 July 2017	230 400	-	3 527 359	-
Funds received in 2016	-	161 280	-	2 636 388
Foreign exchange (loss)	-	-	(49 843)	(162 257)
Less : Deferred to 2017	79 546	(79 546)	1 143 744	(1 143 744)
Less : Deferred to 2018	(207 438)	-	(3 070 082)	-
DSO - Zambia - SLM Programme	271 048	96 952	4 071 142	1 578 101
Received - 7 July 2017	261 200	-	3 998 899	-
Funds received in 2016	-	182 840	-	2 988 824
Foreign exchange (loss)	-	-	(37 297)	(175 791)
Less : Deferred to 2017	85 888	(85 888)	1 234 932	(1 234 932)
Less : Deferred to 2018	(76 040)	-	(1 125 392)	-
Balance carried forward	429 442	577 186	6 479 317	8 963 889

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
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	2017 €	2016 €	2017 R	2016 R
11. TRANSFERS FROM SOLIDARIDAD - LATIN AMERICA/NETHERLANDS				
Balance brought forward	429 442	577 186	6 479 317	8 963 889
Farmer Support Programme	-	180 641	-	3 033 568
Funds received in 2016	-	25 000	-	423 460
Foreign exchange gain/(loss)	-	-	8 564	(60 501)
Less : Deferred to 2016	-	175 953	-	2 962 663
Less : Deferred to 2017	20 312	(20 312)	292 054	(292 054)
Less : Deferred to 2018	(20 312)	-	(300 618)	-
PfC - Capacity Enhancement SAF	83 521	-	1 254 481	-
Received - 27 November 2017	98 400	-	1 627 076	-
Foreign exchange (loss)	-	-	(152 386)	-
Less : Deferred to 2018	(14 879)	-	(220 209)	-
PfC - Exploratory Facility - Regional Sector Analysis Southern Africa	125 000	-	1 863 022	-
Received - 11 July 2017	125 000	-	1 913 000	-
Foreign exchange (loss)	-	-	(49 978)	-
PfC - Go Farmer Application Development	59 153	-	888 473	-
Received - 27 November 2017	175 000	-	2 589 921	-
Foreign exchange (loss)	-	-	13 088	-
Less : Deferred to 2018	(115 847)	-	(1 714 536)	-
PfC - GP & RI Project Development Programme Southern Africa	131 504	-	1 975 190	-
Received - 11 July 2017	131 504	-	2 012 549	-
Foreign exchange (loss)	-	-	(37 359)	-
RTRS Certification	57 625	7 180	865 529	116 870
Received - 5 January 2017	40 000	-	569 341	-
Funds received in 2016	-	20 000	-	353 504
Foreign exchange gain/(loss)	-	-	84 705	(60 846)
Add : Accrued in 2015	-	(17 381)	-	(292 658)
Add : Accrued in 2016	(4 561)	4 561	(116 870)	116 870
Add : Accrued in 2017	22 186	-	328 353	-
SAF - Gender capacity enhancement	8 000	-	119 288	-
Received - 27 January 2017	8 000	-	114 438	-
Foreign exchange gain	-	-	4 850	-
Sustainable cattle production - Namibia	-	23 358	-	376 255
Funds received in 2016	-	25 500	-	441 927
Foreign exchange gain/(loss)	-	-	903	(34 873)
Less : Deferred to 2017	2 142	(2 142)	30 799	(30 799)
Less : Deferred to 2018	(2 142)	-	(31 702)	-
	894 245	788 365	13 445 300	12 490 582

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
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	2017 €	2016 €	2017 R	2016 R
12. TRANSFERS FROM SOLIDARIDAD - EASTERN AND CENTRAL AFRICA				
DSO CONTINENTAL: Healthy Fruits and veg for Africa	47 000	25 931	705 940	422 092
Received - 1 March 2017	21 000	-	289 869	-
Received - 29 December 2017	47 000	-	695 579	-
Foreign exchange gain	-	-	69 605	-
Add : Accrued in 2016	(25 931)	25 931	(422 092)	422 092
Add : Accrued in 2017	4 931	-	72 979	-
	47 000	25 931	705 940	422 092
13. GRANTS RECEIVED				
Cotton SA	23 670	2 448	355 524	72 779
Received - 11 August 2017	11 262	-	178 603	-
Funds received in 2016	-	15 854	-	249 700
Foreign exchange (loss)	(998)	-	-	-
Less : Deferred to 2017	13 406	(13 406)	176 921	(176 921)
ETG Logistics	51 298	-	770 501	-
Received - 28 February 2017	11 289	-	166 519	-
Received - 20 August 2017	6 518	-	102 230	-
Received - 6 September 2017	14 885	-	232 066	-
Received - 12 October 2017	9 668	-	156 776	-
Received - 17 December 2017	9 594	-	152 178	-
Foreign exchange (loss)	-	-	(29 559)	-
Less : Deferred to 2018	(656)	-	(9 709)	-
ICCO Southern Africa	60 517	77 676	907 486	1 270 435
Received - 3 May 2017	72 480	-	1 056 521	-
Received - 23 December 2017	60 518	-	911 560	-
Funds received in 2016	-	7 517	-	128 443
Foreign exchange (loss)	(2 322)	-	81 397	-
Add : Accrued in 2016	(70 159)	70 159	(1 141 992)	1 141 992
Netherlands Embassy - SIZA Project	101 374	64 981	1 482 817	1 057 702
Received - 15 September 2017	59 044	-	937 838	-
Funds received in 2016	-	101 750	-	1 570 586
Foreign exchange gain	2 471	-	-	-
Add : Accrued in 2015	-	(6 691)	-	(112 667)
Add : Accrued in 2017	9 781	-	144 762	-
Less : Deferred to 2017	30 078	(30 078)	400 217	(400 217)
Deciduous Fruit Producers Trust - SIZA Project	16 406	-	286 229	-
Funds received - 2016	-	16 406	-	286 229
Less : Deferred to 2017	16 406	(16 406)	286 229	(286 229)
Netherlands Enterprise Agency - FDOV (NL) SAPSCAF project	442 668	564 946	6 648 875	9 043 141
Funds received - 1 August 2017	401 196	-	6 265 292	-
Foreign exchange (loss)/gain	-	-	(235 135)	(433 414)
Less : Deferred to 2016	-	553 249	-	9 308 371
Add : Accrued in 2016	(67 637)	67 637	(972 512)	972 512
Add : Accrued in 2017	53 169	-	786 902	-
Less : Deferred to 2017	55 940	(55 940)	804 328	(804 328)
Netherlands Enterprise Agency - RVO (NL) - FDW project	807 204	1 085 298	12 121 503	17 714 418
Funds received - 2016	-	372 488	-	5 871 520
Foreign exchange gain/(loss)	-	-	582 470	(2 536 919)
Less : Deferred to 2016	-	1 679 571	-	28 280 287
Less : Deferred to 2017	966 761	(966 761)	13 900 470	(13 900 470)
Less : Deferred to 2018	(159 557)	-	(2 361 437)	-
	1 503 137	1 795 349	22 572 935	29 158 475

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2017 (Continued)

14. NET INTEREST RECEIVED

	2017 €	2016 €	2017 R	2016 R
Interest received - current account	6 902	26 800	103 672	436 231
Interest received - SIZA project account	-	1 440	-	23 440
Interest paid - credit card	-	(753)	-	(12 249)
	<u>6 902</u>	<u>27 487</u>	<u>103 672</u>	<u>447 422</u>

15. TAXATION

Net (deficit)/surplus per statement of comprehensive income	(117 857)	154 939	(1 945 989)	4 072 054
Net taxable (loss)/income	<u>(117 857)</u>	<u>154 939</u>	<u>(1 945 989)</u>	<u>4 072 054</u>
Less: depreciation	(15 969)	(11 204)	(226 648)	(165 839)
Less: adjustment for apportionment of expenditure against income of a capital nature	116 351	(125 464)	1 928 198	(2 241 971)
Less: deferral of unrealised foreign exchange (gain)/loss	-	-	-	(1 494 602)
Estimated taxable income/(loss)	<u>(17 475)</u>	<u>18 271</u>	<u>(244 439)</u>	<u>169 642</u>
Taxable (loss) brought forward	-	(17 488)	-	(158 382)
Total taxable (loss)/income	<u>(17 475)</u>	<u>783</u>	<u>(244 439)</u>	<u>11 260</u>
South African Normal Taxation				
S A normal tax @ 41%	-	321	-	4 617
Underprovision in the 2016 year	596	-	8 951	-
Underprovision in the prior years	768	-	11 536	-
	<u>1 364</u>	<u>321</u>	<u>20 487</u>	<u>4 617</u>

No provision has been made for taxation as the Trust has an estimated taxable (loss) of R258,630 (€17,475). The Trust is still 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, but to date has been unsuccessful.

In the prior year there was a taxable income of R11,260 (€783).

16. CASH (UTILISED IN) OPERATIONS

(Deficit)/surplus for the year	(117 857)	154 939	(1 945 989)	2 577 452
Adjusted for :				
Interest received	(6 902)	(28 240)	(103 672)	(459 671)
Interest paid	-	753	-	12 249
Decrease/(increase) in accrued income	78 846	(161 875)	1 336 817	(2 450 260)
(Decrease) in deferred income	(673 608)	(1 138 294)	(9 436 009)	(22 281 627)
(Decrease)/increase in foreign translation reserve	(801)	103 314	-	-
Foreign exchange movements	-	-	-	1 494 602
Expenditure directly incurred in motor vehicle replacement fund	(5 764)	(12 529)	(65 061)	(203 931)
Operating (deficit) before working capital changes	<u>(726 086)</u>	<u>(1 081 932)</u>	<u>(10 213 914)</u>	<u>(21 311 186)</u>
Working capital changes	<u>3 366</u>	<u>(42 557)</u>	<u>40 548</u>	<u>(662 520)</u>
(Increase) in accounts receivable	(65 094)	(40 383)	(989 735)	(526 343)
Increase/(decrease) in accounts payable	68 460	(2 174)	1 030 283	(136 177)
	<u>(722 720)</u>	<u>(1 124 489)</u>	<u>(10 173 366)</u>	<u>(21 973 706)</u>

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2017 (Continued)

	2017 €	2016 €	2017 R	2016 R
17. COMMITMENTS				
The company has the following commitment in respect of rental agreement covering office premises as follows :				
Operating lease - premises				
Payable within one year	32 889	22 139	486 750	372 765
Payable thereafter	8 726	13 568	129 150	228 450
	41 615	35 707	615 900	601 215
18. RELATED PARTIES				
Transfers from network and other regional offices				
Transfers from Solidaridad Network - Netherlands (refer note 10)	50 000	50 000	779 670	782 325
Transfers from Solidaridad - Eastern and Central Africa (refer Note 12)	68 000	25 931	985 448	422 092
Transfers from Solidaridad - Latin America/Netherlands (refer Note 11)	1 075 804	788 365	16 456 040	12 490 582
	1 193 804	864 296	18 221 158	13 694 999
Accrued income				
Transfers from Solidaridad - Eastern and Central Africa (refer note 5)	4 931	25 931	72 979	422 092
Transfers from Solidaridad - Latin America/Netherlands (refer note 5)	71 772	4 561	1 062 225	116 870
	76 703	30 492	1 135 204	538 962
Deferred income				
Transfers from Solidaridad - Latin America/Netherlands (refer Note 9)	436 658	187 888	6 462 539	2 701 529
	436 658	187 888	6 462 539	2 701 529

19. 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 2018.

	Total €	REGIONAL OFFICES				FDOV (NL) SAPSACF €	RVO (NL) FDW €	BCI Cotton SA €	DSO CONT F&V €	DSO GLOBAL LIVESTOCK €	DSO MOZ F&V €	DSO ZAM SLM €	Balance b/f €
		RSA €	MOZ €	ZAM €	ZAM €								
INCOME	3 451 678	957 999	-	-	-	442 668	807 204	23 670	47 000	49 586	102 508	271 048	759 995
Transfers from Solidaridad Network - Netherlands	50 000	50 000	-	-	-	-	-	-	-	-	-	-	-
Transfers from Solidaridad - Eastern and Central Africa	47 000	-	-	-	-	-	-	-	47 000	-	-	-	-
Transfers from Solidaridad - Latin America/Netherlands	894 245	-	-	-	-	-	-	-	-	49 586	102 508	271 048	471 103
Grants received	1 503 137	-	-	-	-	442 668	807 204	23 670	-	-	-	-	229 595
Other project income	960 394	901 097	-	-	-	-	-	-	-	-	-	-	59 297
Interest received	6 902	6 902	-	-	-	-	-	-	-	-	-	-	-
EXPENDITURE	3 579 535	652 281	180 357	133 705	133 705	442 668	807 204	23 670	47 000	49 586	102 508	271 048	869 508
Assets expensed directly	1 672	999	442	231	-	-	-	-	-	-	-	-	-
Auditors' remuneration	13 226	13 226	-	-	-	-	-	-	-	-	-	-	-
Bank charges	9 517	8 228	576	713	-	-	-	-	-	-	-	-	-
Board meeting costs	3 491	3 491	-	-	-	-	-	-	-	-	-	-	-
Communication costs	12 496	7 500	1 320	3 676	-	-	-	-	-	-	-	-	-
Conference attendance	1 823	1 823	-	-	-	-	-	-	-	-	-	-	-
Consulting fees	44 682	23 177	21 505	-	-	-	-	-	-	-	-	-	-
Foreign exchange loss/(gain)	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	825	825	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-
IT support	3 222	2 809	43	370	-	-	-	-	-	-	-	-	-
Legal fees	3 374	-	1 484	1 890	-	-	-	-	-	-	-	-	-
Marketing and promotions	3 294	3 294	-	-	-	-	-	-	-	-	-	-	-
Office expenses	4 096	2 055	528	1 513	-	-	-	-	-	-	-	-	-
Printing, postage and stationery	8 235	3 808	1 761	2 666	-	-	-	-	-	-	-	-	-
Programme costs	2 613 192	-	-	-	-	442 668	807 204	23 670	47 000	49 586	102 508	271 048	869 508
Rent, water and electricity	54 680	32 435	8 466	13 779	-	-	-	-	-	-	-	-	-
Repairs and maintenance	4 079	1 070	-	3 009	-	-	-	-	-	-	-	-	-
Salaries and contributions	743 992	500 908	140 895	102 189	-	-	-	-	-	-	-	-	-
Staff development and training	-	-	-	-	-	-	-	-	-	-	-	-	-
Staff recruitment	19 439	19 022	417	-	-	-	-	-	-	-	-	-	-
Staff team building and annual retreat	11 873	10 751	1 122	-	-	-	-	-	-	-	-	-	-
Travel and accommodation	22 327	16 860	1 798	3 669	-	-	-	-	-	-	-	-	-
(DEFICIT)/SURPLUS FOR THE YEAR	(117 857)	305 718	(180 357)	(133 705)	(133 705)	-	-	-	-	-	-	-	(109 513)
UNREALISED FOREIGN EXCHANGE GAINS/(LOSSES)	-	-	-	-	-	-	-	-	-	-	-	-	-
(DEFICIT)/SURPLUS BEFORE TAXATION	(117 857)	305 718	(180 357)	(133 705)	(133 705)	-	-	-	-	-	-	-	(109 513)
TAXATION	(1 364)	(1 364)	-	-	-	-	-	-	-	-	-	-	-
(DEFICIT)/SURPLUS AFTER TAXATION	(119 221)	304 354	(180 357)	(133 705)	(133 705)	-	-	-	-	-	-	-	(109 513)
TRANSFER TO EQUIPMENT FUND	(30 599)	(14 353)	(1 366)	(14 880)	(14 880)	-	-	-	-	-	-	-	-
Additions during the year	(30 599)	(14 353)	(1 366)	(14 880)	(14 880)	-	-	-	-	-	-	-	-
TRANSFER (FROM) SA - REC	-	(106 208)	-	-	-	-	-	-	-	-	-	-	106 208
BALANCE AT BEGINNING OF THE YEAR	138 817	312 262	(96 454)	(80 296)	(80 296)	-	-	-	-	-	-	-	3 305
BALANCE AT END OF YEAR	(11 003)	496 055	(278 177)	(228 881)	(228 881)	-	-	-	-	-	-	-	-

PROGRAMME STATEMENTS OF COMPREHENSIVE INCOME FOR
THE YEAR ENDED 31 DECEMBER 2017 - EUROS (Continued)

	Balance c/f €	SOUTHERN AFRICA €	MALAWI SUGARCANE €	NE COTTON €	CAPACITY ENHANCEMENT €	SECTOR STUDIES €	GO FARMER APP DEV €	PROGRAMME DEVELOPMENT €	RTRS €	GENDER CAP ENH €	SIZA €	VUNA €
INCOME	759 995	60 517	59 297	6 300	83 521	125 000	59 153	131 504	57 625	8 000	117 780	51 298
Transfers from Solidaridad Network - Netherlands												
Transfers from Solidaridad - Eastern and Central Africa	-	-	-	-	-	-	-	-	-	-	-	-
Transfers from Solidaridad - Latin America/Netherlands	-	-	-	6 300	83 521	125 000	59 153	131 504	57 625	8 000	-	-
Grants received	229 595	60 517	-	-	-	-	-	-	-	-	117 780	51 298
Other project income	59 297	-	59 297	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-	-	-	-	-
EXPENDITURE	869 508	60 517	168 810	6 300	83 521	125 000	59 153	131 504	57 625	8 000	117 780	51 298
Assets expensed directly												
Auditors' remuneration	-	-	-	-	-	-	-	-	-	-	-	-
Bank charges	-	-	-	-	-	-	-	-	-	-	-	-
Board meeting costs	-	-	-	-	-	-	-	-	-	-	-	-
Communication costs	-	-	-	-	-	-	-	-	-	-	-	-
Conference attendance	-	-	-	-	-	-	-	-	-	-	-	-
Consulting fees	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange loss/(gain)	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-
IT support	-	-	-	-	-	-	-	-	-	-	-	-
Legal fees	-	-	-	-	-	-	-	-	-	-	-	-
Marketing and promotions	-	-	-	-	-	-	-	-	-	-	-	-
Office expenses	-	-	-	-	-	-	-	-	-	-	-	-
Printing, postage and stationery	-	-	-	-	-	-	-	-	-	-	-	-
Programme costs	869 508	60 517	168 810	6 300	83 521	125 000	59 153	131 504	57 625	8 000	117 780	51 298
Rent, water and electricity	-	-	-	-	-	-	-	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-	-	-	-	-	-	-	-
Salaries and contributions	-	-	-	-	-	-	-	-	-	-	-	-
Staff development and training	-	-	-	-	-	-	-	-	-	-	-	-
Staff recruitment	-	-	-	-	-	-	-	-	-	-	-	-
Staff team building and annual retreat	-	-	-	-	-	-	-	-	-	-	-	-
Travel and accommodation	-	-	-	-	-	-	-	-	-	-	-	-
(DEFICIT)/SURPLUS FOR THE YEAR	(109 513)	-	(109 513)	-	-	-	-	-	-	-	-	-
UNREALISED FOREIGN EXCHANGE GAINS/(LOSSES)												
(DEFICIT)/SURPLUS BEFORE TAXATION	(109 513)	-	(109 513)	-	-	-	-	-	-	-	-	-
TAXATION	-	-	-	-	-	-	-	-	-	-	-	-
(DEFICIT)/SURPLUS AFTER TAXATION	(109 513)	-	(109 513)	-	-	-	-	-	-	-	-	-
TRANSFER TO EQUIPMENT FUND	-	-	-	-	-	-	-	-	-	-	-	-
Additions during the year												
TRANSFER (FROM) SA - REC	106 208	-	109 513	-	-	-	-	-	-	-	(3 305)	-
BALANCE AT BEGINNING OF THE YEAR	3 305	-	-	-	-	-	-	-	-	-	3 305	-
BALANCE AT END OF YEAR	-	-	-	-	-	-	-	-	-	-	-	-

PROGRAMME STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016 - EUROS

	Total €	REGIONAL OFFICES				FDOV (NL) SAPSCAF €	RVO (NL) FDW €	Farmer Support Programme €	Livestock Project €	DDE BF Cotton €	DDE BTB Cotton €	Balance b/f €
		RSA €	MOZ €	ZAM €								
INCOME	3 496 762	836 166	-	-	-	564 946	1 085 298	180 641	23 358	75 000	84 948	646 405
Transfers from Solidaridad Network - Netherlands	50 000	50 000	-	-	-	-	-	-	-	-	-	-
Transfers from Solidaridad - Latin America	757 827	-	-	-	-	-	-	180 641	-	75 000	82 500	419 686
Transfers from Solidaridad - Netherlands	30 538	-	-	-	-	-	-	-	23 358	-	-	7 180
Transfers from Solidaridad - Eastern and Central Africa	25 931	-	-	-	-	-	-	-	-	-	-	25 931
Grants received	1 795 349	-	-	-	-	564 946	1 085 298	-	-	-	2 448	142 657
Other project income	52 520	3 009	-	-	-	-	-	-	-	-	-	49 511
Interest received	28 240	26 800	-	-	-	-	-	-	-	-	-	1 440
Project recoveries	741 041	741 041	-	-	-	-	-	-	-	-	-	-
Travel costs recovered	15 316	15 316	-	-	-	-	-	-	-	-	-	-
EXPENDITURE	3 341 823	457 494	96 454	80 296	80 296	620 886	1 085 298	180 641	23 358	75 000	84 948	637 448
Assets expensed directly	372	372	-	-	-	-	-	-	-	-	-	-
Auditors' remuneration	4 667	4 667	-	-	-	-	-	-	-	-	-	-
Bank charges	5 445	5 350	51	-	-	-	-	-	-	-	-	44
Board meeting costs	13 398	13 398	-	-	-	-	-	-	-	-	-	-
Communication costs	7 333	6 809	68	456	-	-	-	-	-	-	-	-
Consulting fees	2 327	2 073	254	-	-	-	-	-	-	-	-	-
Insurance	421	421	-	-	-	-	-	-	-	-	-	-
Interest paid	753	753	-	-	-	-	-	-	-	-	-	-
IT support	1 934	1 476	458	-	-	-	-	-	-	-	-	-
Legal fees	419	108	257	54	-	-	-	-	-	-	-	-
Office expenses	1 872	1 790	82	-	-	-	-	-	-	-	-	-
Printing, postage and stationery	2 386	1 360	1 026	-	-	-	-	-	-	-	-	-
Programme costs	2 707 535	-	-	-	-	620 886	1 085 298	180 641	23 358	75 000	84 948	637 404
Rent, water and electricity	37 201	25 867	6 603	4 731	-	-	-	-	-	-	-	-
Repairs and maintenance	77	77	-	-	-	-	-	-	-	-	-	-
Salaries and contributions	523 210	360 775	87 643	74 792	-	-	-	-	-	-	-	-
Staff development and training	1 229	1 229	-	-	-	-	-	-	-	-	-	-
Staff recruitment	7 558	7 558	-	-	-	-	-	-	-	-	-	-
Travel and accommodation	23 686	23 411	12	263	-	-	-	-	-	-	-	-
SURPLUS/(DEFICIT) FOR THE YEAR	154 939	378 672	(96 454)	(80 296)	(80 296)	(55 940)	-	-	-	-	-	8 957
TAXATION EXPENSE	(321)	(321)	-	-	-	-	-	-	-	-	-	-
TRANSFER TO EQUIPMENT FUND	(5 536)	(5 536)	-	-	-	-	-	-	-	-	-	-
Additions during the year	(5 536)	(5 536)	-	-	-	-	-	-	-	-	-	-
TRANSFER (FROM) SA - REC	-	(48 423)	-	-	-	55 940	-	-	-	-	-	(7 517)
TRANSFER (TO) MOTOR VEHICLE REPLACEMENT FUND	(15 316)	(15 316)	-	-	-	-	-	-	-	-	-	-
BALANCE AT BEGINNING OF THE YEAR	5 051	3 186	-	-	-	-	-	-	-	-	-	1 865
FOREIGN EXCHANGE MOVEMENTS	-	-	-	-	-	-	-	-	-	-	-	-
BALANCE AT END OF YEAR	138 817	312 262	(96 454)	(80 296)	(80 296)	-	-	-	-	-	-	3 305

PROGRAMME STATEMENTS OF COMPREHENSIVE INCOME FOR
THE YEAR ENDED 31 DECEMBER 2016 - EUROS (Continued)

[illegible]

**PROGRAMME STATEMENTS OF COMPREHENSIVE INCOME FOR
THE YEAR ENDED 31 DECEMBER 2017 - RANDS (Continued)**

[illegible]

INCOME

Transfers from Solidaridad Network - Netherlands
Transfers from Solidaridad - Latin America
Transfers from Solidaridad - Netherlands
Transfers from Solidaridad - Eastern and Central Africa
Grants received
Other project income
Interest received
Project recoveries
Travel costs recovered

53 846 260	7 472 005	1 569 995	1 307 006	9 847 469	17 714 418	3 033 568	376 255	1 124 956	1 305 179	10 095 409
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Assets expended directly
Auditors' remuneration
Bank charges
Board meeting costs
Communication costs
Consulting fees
Foreign exchange loss
Insurance
Interest paid
IT support
Legal fees
Office expenses
Printing, postage and stationery
Programme costs
Rent, water and electricity
Repairs and maintenance
Salaries and contributions
Staff development and training
Staff recruitment
Travel and accommodation

2 577 452	6 106 898	(1 569 995)	(1 307 006)	(804 328)	.	.	.	151 883
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(4 617) (4 617)

(87 773) (87 773)

[illegible]

(675 885)	804 328	(128 443)
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(249 302) (249 302)

(1 005 924)
(1 032 318)
26 394	*	*	*	*	*

1494 602 1494 602

	2724 438	5 551 605	(1 569 995)	(1 307 006)	49 834
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