

NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED  
*(Incorporated in Singapore. Registration Number: 201509368R)*

AND ITS SUBSIDIARY

ANNUAL REPORT  
*For the financial year ended 31 March 2022*

**NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED  
AND ITS SUBSIDIARY**

**ANNUAL REPORT**

*For the financial year ended 31 March 2022*

# Contents

|  | Page |
|--|------|
| Directors' Statement                           | 1    |
| Independent Auditor's Report                   | 3    |
| Consolidated Statement of Comprehensive Income | 6    |
| Statement of Financial Position                | 7    |
| Consolidated Statement of Changes in Equity    | 8    |
| Consolidated Statement of Cash Flows           | 9    |
| Notes to the Financial Statements              | 10   |

---

**NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED  
AND ITS SUBSIDIARYS**

**DIRECTORS' STATEMENT**

*For the financial year ended 31 March 2022*

---

The directors present their report to the members together with the audited financial statements of the Group for the financial year ended 31 March 2022 and the statement of financial position of the Company as at 31 March 2022.

In the opinion of the directors,

- (a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 6 to 31 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 March 2022 and of the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

**Directors**

The directors of the Company in office at the date of this statement is as follows:

|                                       | Appointed on | Resignation on |
|---------------------------------------|--------------|----------------|
| Rakhat Borbieva                       | 23.01.2019   |                |
| Armiyadi BIN ZET Mansur               | 22.01.2019   |                |
| Pham Thi Huyen Anh                    | 22.01.2019   |                |
| Rahma Binti Muhammad Yusuf            | 22.01.2019   |                |
| Nguyen Huu Ha                         | 22.01.2019   |                |
| Detlev Jurgen Grimmelt                | 20.04.2019   |                |
| Xingrong Zhao                         | 22.01.2019   |                |
| Meena Tamang                          | 12.10.2020   |                |
| Pravakar Meher                        | 22.01.2019   |                |
| Prakash Rajgonda Sangave              | 22.01.2019   | 17.09.2021     |
| Muniraju Kempayanapalya Shivanna      | 22.01.2019   |                |
| Biranchi Pradhan                      | 22.01.2019   |                |
| Nanda Kumara Edirisinghe Arachchilage | 22.01.2019   |                |
| Gnanasekaran Rajaratnam               | 28.11.2016   |                |
| Sandrico Cornelio                     | 22.01.2019   |                |
| Vikneshwaran S/O Karonai Palan        | 17.07.2020   | 16.07.2021     |
| Sng Guan Ling, Joseph                 | 15.07.2021   | 24.02.2022     |
| Bijumon Kurien                        | 16.11.2017   |                |
| Phang Wei Xian                        | 24.02.2022   |                |

**NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED  
AND ITS SUBSIDIARYS**

**DIRECTORS' STATEMENT**

*For the financial year ended 31 March 2022*

---

**Arrangements to enable directors to acquire shares and debentures**

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

**Directors' interests in shares or debentures**

According to the register of directors' shareholdings, none of the director holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations.

According to the register of directors' shareholdings, no director holding office at the end of the financial year had interests in options to subscribe for ordinary shares of the Company granted.

**Share options**

There were no options granted during the financial year.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

**Independent auditor**

The independent auditor, PASSION ASSURANCE PAC has expressed its willingness to accept re-appointment.

On behalf of board directors

s/d  
\_\_\_\_\_  
Pravakar Meher  
Director

s/d  
\_\_\_\_\_  
Gnanasekaran R  
Director

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED

## Report on the Audit of the Financial Statements

### *Qualified Opinion*

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements of **NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED** (the "Company") and its subsidiary (the "Group") are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the Group and financial position of the Company as at **31 March 2022** and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

### *What we have audited*

The financial statements of the Company and the Group, as set out on pages 6 to 31, comprise:

- the consolidated statement of comprehensive income of the Group for the year ended 31 March 2022;
- the statement of financial position of the Group and of Company as at 31 March 2022;
- the consolidated statement of changes in equity of the Group for the year then ended;
- the consolidated statement of cash flows of the Group for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies

### *Basis for Qualified Opinion*

Advance deposit of amount Euro 24,341 was received for the SWP project, this amount was towards revenue for FYE 2017 and FYE 2018. However, instead of restating the previous retained earnings, this amount has been recognised as revenue in the current year.

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### *Independence*

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

### *Other information*

Management is responsible for the other information. The other information comprises the Directors' Statement included in pages 1 to 2 of the annual report but 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 and will 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 identified above 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 have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the *Basis for Qualified Opinion* section of our report, our opinion is qualified in respect of the possible effects on the comparability of the current year's figures and the corresponding figures. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

### *Responsibilities of Management and Director for the Financial Statement*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group'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 SSAs 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 SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

*Auditor's Responsibilities for the Audit of the Financial Statements (continued)*

- 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 Company'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 Company'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 Company 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.

We communicate with the directors 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.

**Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

-s/d-

PASSION ASSURANCE PAC  
Public Accountants and Chartered Accountants  
Singapore,

**NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED  
AND ITS SUBSIDIARY**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

*For the financial year ended 31 March 2022*

|  | Note | 2022<br>Euro           | 2021<br>Euro           |
|--|------|------------------------|------------------------|
| Sales  | 4    | 295,149                | 131,049                |
| Cost of sales  |      | <u>(260,200)</u>       | <u>(119,331)</u>       |
| Gross profit   |      | 34,949                 | 11,718                 |
| Other income   | 6    | 44,497                 | 36,597                 |
| Expenses   |      |                        |                        |
| - Administrative   |      | (133,254)              | (111,895)              |
| - Others   |      | <u>(34,502)</u>        | <u>(836)</u>           |
|  |      | (167,756)              | (112,731)              |
| <b>Profit/(loss) before income tax</b>                         |      | <b>(88,310)</b>        | <b>(64,416)</b>        |
| Income tax expense   | 7    | <u>(271)</u>           | -                      |
| <b>Total profit/(loss)</b>                                     |      | <b><u>(88,581)</u></b> | <b><u>(64,416)</u></b> |
| <b>Other comprehensive income, net of tax</b>                  |      |                        |                        |
| Items that may be reclassified subsequently to profit or loss: |      |                        |                        |
| Currency translation gain arising from consolidation           |      | <u>(333)</u>           | 984                    |
| <b>Other comprehensive income, net of tax</b>                  |      | <b><u>(333)</u></b>    | <b><u>984</u></b>      |
| <b>Total comprehensive income/(loss)</b>                       |      | <b><u>(88,914)</u></b> | <b><u>(63,432)</u></b> |

On behalf of board directors

s/d

Pravakar Meher  
Director

s/d

Gnanasekaran R  
Director

**NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED  
AND ITS SUBSIDIARY**

**STATEMENTS OF FINANCIAL POSITION**

*As at 31 March 2022*

|                                 |      | <u>Group</u>         |              | <u>Company</u>       |              |
|---------------------------------|------|----------------------|--------------|----------------------|--------------|
|                                 | Note | <b>2022<br/>Euro</b> | 2021<br>Euro | <b>2022<br/>Euro</b> | 2021<br>Euro |
| <b>ASSETS</b>                   |      |                      |              |                      |              |
| <b>Current assets</b>           |      |                      |              |                      |              |
| Cash and cash equivalents       | 8    | <b>135,951</b>       | 88,951       | <b>135,951</b>       | 88,289       |
| Trade and other receivables     | 9    | <b>119,613</b>       | 157,485      | <b>119,613</b>       | 155,887      |
|                                 |      | <b>255,564</b>       | 246,436      | <b>255,564</b>       | 244,176      |
| <b>Non-current assets</b>       |      |                      |              |                      |              |
| Investments in a subsidiary     | 10   | -                    | -            | -                    | -            |
| <b>Total assets</b>             |      | <b>255,564</b>       | 246,436      | <b>255,564</b>       | 244,176      |
| <b>LIABILITIES</b>              |      |                      |              |                      |              |
| <b>Current liabilities</b>      |      |                      |              |                      |              |
| Trade and other payables        | 11   | <b>420,944</b>       | 290,740      | <b>420,944</b>       | 302,977      |
| Contract liabilities            | 4    | <b>19,294</b>        | 51,456       | <b>19,294</b>        | 51,456       |
|                                 |      | <b>440,238</b>       | 342,196      | <b>440,238</b>       | 354,433      |
| <b>NET ASSETS/(LIABILITIES)</b> |      | <b>(184,674)</b>     | (95,760)     | <b>(184,674)</b>     | (110,257)    |
| <b>EQUITY</b>                   |      |                      |              |                      |              |
| Share capital                   | 12   | <b>1</b>             | 1            | <b>1</b>             | 1            |
| Currency translation reserve    |      | <b>2,307</b>         | 2,640        | -                    | -            |
| Retained earnings               |      | <b>(186,982)</b>     | (98,401)     | <b>(184,675)</b>     | (110,258)    |
| <b>Total equity</b>             |      | <b>(184,674)</b>     | (95,760)     | <b>(184,674)</b>     | (110,257)    |

On behalf of board directors

s/d

Pravakar Meher  
Director

s/d

Gnanasekaran R  
Director

**NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED  
AND ITS SUBSIDIARY**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

*For the financial year ended 31 March 2022*

|   | <u>Share<br/>capital</u><br>Euro | <u>Currency<br/>translation<br/>reserve</u><br>Euro | <u>Retained<br/>earnings</u><br>Euro | <u>Total<br/>Equity</u><br>Euro |
|---|----------------------------------|---|--------------------------------------|---------------------------------|
| <b>2022</b>                                       |                                  |   |                                      |                                 |
| <b>Beginning of financial year</b>                | 1                                | 2,640   | (98,401)                             | (95,760)                        |
| Total comprehensive income/(loss)<br>for the year | -                                | (333)   | (88,581)                             | (88,914)                        |
| <b>End of financial year</b>                      | <b>1</b>                         | <b>2,307</b>  | <b>(186,982)</b>                     | <b>(184,674)</b>                |
| <b>2021</b>                                       |                                  |   |                                      |                                 |
| <b>Beginning of financial year</b>                | 1                                | 1,656   | (33,985)                             | (32,328)                        |
| Total comprehensive income/(loss)<br>for the year | -                                | 984   | (64,416)                             | (63,432)                        |
| <b>End of financial year</b>                      | <b>1</b>                         | <b>2,640</b>  | <b>(98,401)</b>                      | <b>(95,760)</b>                 |

**NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED  
AND ITS SUBSIDIARY**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

*For the financial year ended 31 March 2022*

|  | Note | 2022<br>Euro    | 2021<br>Euro |
|--|------|-----------------|--------------|
| <b>Cash flows from operating activities</b>                    |      |                 |              |
| Profit/(loss) before income tax                                |      | <b>(88,310)</b> | (64,416)     |
| Adjustment for written of receivables                          |      | <b>27,328</b>   | 9,178        |
|  |      | <b>(60,982)</b> | (55,238)     |
| Change in working capital                                      |      |                 |              |
| - Trade and other receivables                                  |      | <b>10,544</b>   | (31,525)     |
| - Contract liabilities   |      | <b>(32,162)</b> | (21,205)     |
| - Trade and other payables                                     |      | <b>130,204</b>  | 44,065       |
| Cash generated from/ (used in) operation                       |      | <b>47,604</b>   | (63,903)     |
| - Income tax paid  |      | <b>(271)</b>    | -            |
| <b>Net cash generated from/ (used in) operating activities</b> |      | <b>47,333</b>   | (63,903)     |
| <b>Net increase/(decrease) in cash and cash equivalents</b>    |      |                 |              |
|  |      | <b>47,333</b>   | (63,903)     |
| Cash and cash equivalents at beginning of financial year       |      | <b>88,951</b>   | 151,869      |
| Effects of currency translation on cash and cash equivalents   |      | <b>(333)</b>    | 985          |
| <b>Cash and cash equivalents at end of financial year</b>      | 8    | <b>135,951</b>  | 88,951       |

**NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED  
AND ITS SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2022*

---

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

**1. General information**

The Company is incorporated and domiciled in Singapore. The address of its registered office is 491B River Valley Road #15-01 Valley Point Singapore 248373.

The principal activities of the Company are related to promote, conduct, support economic, social and environment development activities and further to support and promote the spirit and practice of fair trade.

There have been no significant changes in the nature of these activities during the financial period.

**2. Significant accounting policies**

**2.1 Basis of preparation**

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (“FRS”) under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

**Going concern**

At the end of reporting year, the Group’s and the Company’s current liabilities exceeded its current assets by Euro 184,674 and Euro 184,674 (2021: Euro 95,760 and Euro 110,257). The Directors of the Company are however of the view that the use of going concern assumption to prepare the financial statements is appropriate based on the following factors:

The adequacy of funds received from and payment made by Fairtrade Labelling Organizations International, in addition, Fairtrade Labelling Organizations International has undertaken to provide continuing financial support so that the Company is able to pay its debts as and when the need arises.

Accordingly, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due for the ensuing twelve months.

**NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED  
AND ITS SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2022*

---

**2. Significant accounting policies (continued)**

2.1 Basis of preparation (continued)

***Interpretations and amendments to published standards effective in 2022***

On 1 April 2021, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Group's and Company's accounting policies and had no material effect on the amounts reported for the current and prior financial period.

2.2 Revenue recognition

Sales comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Sales are presented, net of value-added tax, rebates and discounts, and after eliminating sales within the Group.

The Group assess its role as an agent or principal for each transaction and in an agency arrangement the amounts collected on behalf of the principal are excluded from revenue. The Group recognises revenue when the amount of revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

a) *Sale of goods*

Revenue from sale of these goods is recognised when delivered to the customer (i.e. at a point in time). Payment for the transaction price is due based on credit term when the customer purchases the goods. All customers have no right of to return the goods to the Group after receive it.

(b) *Sale of services*

Revenue from rendering of services is recognised when the services are rendered (i.e. at over time), the customer have accepted the service provided and the collectability of the related receivables is reasonably assured.

**NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED  
AND ITS SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2022*

---

**2. Significant accounting policies (continued)**

**2.3 Group accounting**

*(a) Subsidiaries*

*(i) Consolidation*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

In preparing the consolidated financial statements, intercompany transactions and balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred assets. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

*(ii) Acquisition*

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

**NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED  
AND ITS SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2022*

---

**2. Significant accounting policies** (continued)

2.3 Group accounting (continued)

(a) *Subsidiaries* (continued)

(ii) *Acquisition* (continued)

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (b) the fair value of the identifiable net assets acquired is recorded as goodwill.

(iii) *Disposals*

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained profits if required by a specific Standard.

Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

(b) *Transactions with non-controlling interests*

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

**NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED  
AND ITS SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2022*

---

**2. Significant accounting policies (continued)**

**2.4 Cash and cash equivalents**

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

**2.5 Investments in subsidiaries**

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

**2.6 Impairment of non-financial assets**

*Investments in subsidiaries companies*

Investments in subsidiaries companies are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs. If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also credited to profit or loss.

**NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED  
AND ITS SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2022*

---

**2. Significant accounting policies (continued)**

**2.7 Financial assets**

*(a) Classification and measurement*

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

*At initial recognition*

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

*At subsequent measurement*

*(i) Debt instruments*

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables and listed debt investments.

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

**NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED  
AND ITS SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2022*

---

**2. Significant accounting policies (continued)**

**2.7 Financial assets (continued)**

*(a) Classification and measurement (continued)*

*At subsequent measurement (continued)*

*(i) Debt instruments (continued)*

- FVOCI: Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income (OCI) and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss.

When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other gains and losses". Interest income from these financial assets is recognised using the effective interest rate method and presented in "other income - interest income".

- FVPL: Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other gains and losses".

*(ii) Equity investments*

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other gains and losses", except for certain equity securities which are not held for trading. The Group has elected to recognise changes in fair value of these equity securities not held for trading in other comprehensive income as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains / losses" in Other Comprehensive Income. Dividends from equity investments are recognised in profit or loss as "dividend income".

**NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED  
AND ITS SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2022*

---

**2. Significant accounting policies (continued)**

**2.7 Financial assets (continued)**

*(b) Impairment*

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 13 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by the FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

*(c) Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income.

If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained earnings along with the amount previously recognised in other comprehensive income relating to that assets.

**2.8 Offsetting of financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

**NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED  
AND ITS SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2022*

---

**2. Significant accounting policies (continued)**

**2.9 Trade and other payables**

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities. Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

**2.10 Fair value estimation of financial assets and liabilities**

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analyses, are also used to determine the fair values of the financial instruments.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

**2.11 Operating lease**

The Group leases office space, under operating leases from non-related parties. Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

**2.12 Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in profit or loss as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

**NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED  
AND ITS SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2022*

---

**2. Significant accounting policies (continued)**

**2.13 Employee compensation**

*(a) Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group's contributions are recognised as employee compensation expense when they are due.

*(b) Employee leave entitlement*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to end of the reporting period.

**2.14 Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

**2.15 Currency translation**

*(a) Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Group are presented in Euro, which is the functional currency of the Company.

*(b) Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arise from borrowings in foreign currencies and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

**NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED  
AND ITS SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2022*

---

**2. Significant accounting policies (continued)**

**2.15 Currency translation (continued)**

*(b) Transactions and balances (continued)*

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation difference is reclassified to profit or loss, as part of the gain or loss on disposal

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

*(c) Translation of Group entities' financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities are translated at the closing exchange rates at the reporting date;
- (ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

**2.16 Income taxes**

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

**NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED  
AND ITS SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2022*

---

**2. Significant accounting policies (continued)**

**2.16 Income taxes (continued)**

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probably that the temporary difference will not reverse in the foreseeable future. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

**2.17 Dividends to Company's shareholders**

Dividends to Company's shareholders are recognised when the dividends are approved for payment.

**2.18 Related parties**

A related party is defined as follows:

- (a) person or a close member of that person's family is related to the Company if that person:
  - (i) has control or joint control over the Company;
  - (ii) has significant influence over the Company; or
  - (iii) is a member of the key management personnel of the Company or of a parent of the Company.

**NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED  
AND ITS SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2022*

---

**2. Significant accounting policies (continued)**

**2.18 Related parties (continued)**

(b) An entity is related to the Company if any of the following conditions applies:

- (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) both entities are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
- (vi) the entity is controlled or jointly controlled by a person identified in (a); or
- (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

**3. Critical accounting estimates, assumptions and judgements**

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

When measuring expected credit losses ("ECL"), the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Notwithstanding the above, the Company evaluates the expected credit loss on customers in financial difficulties separately. There is no customer in financial difficulties during the financial year. The Company's credit risk exposure for trade receivables is set out in Note 13 to the financial statement.

**NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED  
AND ITS SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2022*

**4. Revenue**

|                 | <u>Group</u>   |         |
|-----------------|----------------|---------|
|                 | <b>2022</b>    | 2021    |
|                 | <b>Euro</b>    | Euro    |
| Services income | <b>295,149</b> | 131,049 |

|                      | <u>Group</u>  |        |
|----------------------|---------------|--------|
|                      | <b>2022</b>   | 2021   |
|                      | <b>Euro</b>   | Euro   |
| Contract liabilities |               |        |
| Excess of billing    | <b>19,294</b> | 51,456 |

|   | <u>Group</u>  |        |
|---|---------------|--------|
|   | <b>2022</b>   | 2021   |
|   | <b>Euro</b>   | Euro   |
| Revenue recognised in current year that was included in the contract liabilities balance at beginning of the period | <b>32,162</b> | 21,204 |

**5. Expenses by nature**

|                            | <u>Group</u>   |        |
|----------------------------|----------------|--------|
|                            | <b>2022</b>    | 2021   |
|                            | <b>Euro</b>    | Euro   |
| Professional fee           | <b>133,254</b> | 89,040 |
| Written off of receivables | <b>27,328</b>  | 9,178  |
| Office expenses            | <b>2,053</b>   | 1,121  |

**6. Other income**

|                          | <u>Group</u>  |        |
|--------------------------|---------------|--------|
|                          | <b>2022</b>   | 2021   |
|                          | <b>Euro</b>   | Euro   |
| Exchange difference gain | -             | 458    |
| Written off gain         | <b>43,661</b> | 36,078 |
| Sundry income            | <b>836</b>    | 61     |
|                          | <b>44,497</b> | 36,597 |

**NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED  
AND ITS SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2022*

**7. Income taxes**

|   | <b>2022</b> | <u>Group</u><br>2021 |
|---|-------------|----------------------|
|   | <b>Euro</b> | Euro                 |
| Tax expense attributable to profit is made up of: |             |                      |
| Under provision in prior year                     | <b>271</b>  | -                    |

The tax on Group's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

|  | <b>2022</b>     | <u>Group</u><br>2021 |
|--|-----------------|----------------------|
|  | <b>Euro</b>     | Euro                 |
| Profit/(loss) before tax                     | <b>(88,310)</b> | (64,416)             |
| Tax calculated at tax rate of 17% (2021:17%) | <b>(15,012)</b> | (10,951)             |
| Effects of                                   |                 |                      |
| - Under provision in prior year              | <b>271</b>      | -                    |
| - Deferred tax assets not recognised         | <b>15,012</b>   | 10,951               |
| Tax charge                                   | <b>271</b>      | -                    |

The Group is subjected to income taxes and other types of taxes in different jurisdictions. In determining the tax liabilities, management is required to estimate the deductibility of certain expenses and the taxability of income ("uncertain tax positions") in each jurisdiction. Certain judgement is required in determining uncertain tax position during the estimation of the provision for income taxes. There are still a number of years of assessment of certain companies in the Group and certain transactions and calculations for which the ultimate taxes determination is uncertain during the ordinary course of business.

The Group recognises the income tax liabilities based on estimates of whether the additional taxes will be due. When the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provision in the period in which such determination is made.

**8. Cash and cash equivalents**

|              | <u>Group</u>   |        | <u>Company</u> |        |
|--------------|----------------|--------|----------------|--------|
|              | <b>2022</b>    | 2021   | <b>2022</b>    | 2021   |
|              | <b>Euro</b>    | Euro   | <b>Euro</b>    | Euro   |
| Cash on hand | <b>3,593</b>   | 2,720  | <b>3,593</b>   | 2,720  |
| Cash at bank | <b>132,358</b> | 86,231 | <b>132,358</b> | 85,569 |
|              | <b>135,951</b> | 88,951 | <b>135,951</b> | 88,289 |

**NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED  
AND ITS SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2022*

**9. Trade and other receivables**

|                                   | <u>Group</u>               |              | <u>Company</u>             |              |
|-----------------------------------|----------------------------|--------------|----------------------------|--------------|
|                                   | <b>2022</b><br><b>Euro</b> | 2021<br>Euro | <b>2022</b><br><b>Euro</b> | 2021<br>Euro |
| Trade receivables – third parties | <b>90,324</b>              | 117,354      | <b>90,324</b>              | 117,354      |
| Other receivables                 | -                          | 1,482        | -                          | -            |
| Deposit                           | <b>16,953</b>              | 116          | <b>16,953</b>              | -            |
| Prepayments                       | <b>12,336</b>              | 38,533       | <b>12,336</b>              | 38,533       |
|                                   | <b>119,613</b>             | 157,485      | <b>119,613</b>             | 155,887      |

**10. Investments in a subsidiary**

|                            | <u>Company</u>             |              |
|----------------------------|----------------------------|--------------|
|                            | <b>2022</b><br><b>Euro</b> | 2021<br>Euro |
| Equity investments at cost | <b>6,749</b>               | 6,749        |
| Impairment loss            | <b>(6,749)</b>             | (6,749)      |
| End of financial year      | <b>-</b>                   | -            |

The Group had a subsidiary as at 31 March 2022:

| Name                                     | Principal activities | County of incorporation | Proportion of ordinary shares directly held by parent |           |
|--|----------------------|-------------------------|---|-----------|
|  |                      |                         | 2022<br>%   | 2021<br>% |
| NAPP Management Services Private Limited | Management services  | India                   | 100   | 100       |

*Summarised statement of financial position*

|                           | <b>2022</b><br><b>Euro</b> | 2021<br>Euro |
|---------------------------|----------------------------|--------------|
| Current Assets            | -                          | 15,722       |
| Liabilities               | -                          | (1,225)      |
| Total current net assets/ | -                          | 14,497       |
| Non-current assets        | -                          | -            |
| Net assets                | <b>-</b>                   | 14,497       |

**NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED  
AND ITS SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2022*

**10. Investments in a subsidiary (continued)**

*Summarised statement of comprehensive income*

|                                   | <b>2022</b>     | 2021   |
|-----------------------------------|-----------------|--------|
|                                   | <b>Euro</b>     | Euro   |
| Revenue                           | -               | -      |
| Profit/(loss) before income tax   | <b>(14,450)</b> | 35,700 |
| Income tax expenses               | -               | -      |
| Total comprehensive income/(loss) | <b>(14,450)</b> | 35,700 |

*Summarised cash flows*

|  | <b>2022</b>  | 2021    |
|--|--------------|---------|
|  | <b>Euro</b>  | Euro    |
| Net cash generated from operating activities | <b>(616)</b> | (1,007) |
| Net cash used in investing activities        | -            | -       |
| Net cash generated from financing activities | -            | -       |
| Net increase in cash and cash equivalents    | <b>(616)</b> | (1,007) |
| Exchange gains on cash and cash equivalents  | <b>(46)</b>  | 984     |
| Cash and cash equivalents at end of year     | -            | 662     |

The subsidiary is not in operation since November 2017 and the Company filed winding up process on 31 March 2022. The final winding up certificate will be received within approximately 6 month.

**11. Trade and other payables**

|  | <u>Group</u>   |         | <u>Company</u> |         |
|--|----------------|---------|----------------|---------|
|  | <b>2022</b>    | 2021    | <b>2022</b>    | 2021    |
|  | <b>Euro</b>    | Euro    | <b>Euro</b>    | Euro    |
| Trade payables to  |                |         |                |         |
| - Non-related parties                                    | <b>382,348</b> | 218,527 | <b>382,348</b> | 218,527 |
| - A subsidiary   | -              | -       | -              | 13,461  |
| Accruals   | <b>38,596</b>  | 29,724  | <b>38,596</b>  | 28,500  |
| Amount due to immediate and ultimate holding corporation | -              | 42,489  | -              | 42,489  |
|  | <b>420,944</b> | 290,740 | <b>420,944</b> | 302,977 |

Amount due to a subsidiary and immediate and ultimate holding corporation is unsecured, interest free and repayment on demand.

**NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED  
AND ITS SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2022*

---

**12. Share capital**

The Company's share capital comprises fully paid-up 1 (2021:1) ordinary shares with no par value, amounting to a total of Euro 1 (2021: Euro 1).

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value.

**13. Financial risk management**

***Financial risk factors***

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The detailed policies such as authority levels, oversight responsibilities, risk identification and measurement and exposure limits are established in accordance with the objectives and underlying principles approved by the Board of Directors.

(a) Market risk

(i) *Currency risk*

The Group's project is mainly from European and operation is mainly in European and Asia, the Group transacts in the currencies other than its functional currency such as the Singapore Dollar ("SGD"), United State Dollar ("USD"), Indian Rupee ("INR"). Currency risk arises when transactions are denominated in foreign currencies.

The Group does not use any hedging instruments to protect against the volatility associated with foreign currency purchase of products and other assets and liabilities created in the normal course of business.

As at 31 March 2021, if the USD, SGD, INR strengthened against the EURO by 5% with all other variables including tax rate being held constant, the Group's loss after tax would have been Euro 1,025, Euro 1,602, Euro 155 lower.

**NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED  
AND ITS SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2022*

---

**13. Financial risk management (continued)**

(a) Market risk (continued)

(i) *Currency risk*

As at 31 March 2022, if the USD, SGD, strengthened against the EURO by 5% with all other variables including tax rate being held constant, the Group's loss after tax would have been Euro 1,030, Euro 2,050 lower.

The weakening of USD, SGD against the EURO by 5% had the equal but opposite effect to the amounts shown above, on the basis that all the other variables remain constant.

(ii) *Interest rate risk*

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group has no interest – bearing financial instruments, hence, is not exposed to any movement in market interest rates.

(iii) *Price risk*

The Group has no exposure to equity price risk as it does not hold any equity financial assets.

(b) Credit risk

Credit risk refers to the risk that counterparties will default on their contractual obligations resulting in financial loss to the Group. The Group adopts the policy of dealing only with customers of appropriate credit standing and history.

Credit exposure to customers is restricted by credit limits that are determined by a dedicated term and approved by the director based on ongoing credit evaluation. The payment pattern and credit exposure of the customers are continuously monitored by the Group.

Of the trade receivables at the financial year end date, 100% (2021: 100%) is due from 2 (2021: 3) non related parties. The Group defines counterparties as having similar characteristics if they are related entities.

**NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED  
AND ITS SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2022*

---

**13. Financial risk management (continued)**

(b) Credit risk (continued)

The Credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. As the Group do not hold collateral, the maximum exposure to credit risk to each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

*Credit loss allowance*

The Group and Company use a provision matrix to measure the lifetime expected credit loss allowance for trade receivables.

In measuring the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and days past due.

In calculating the expected credit loss rates, the Group and Company consider historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group and Company. The Group and Company consider a financial asset as in default if the counterparty fails to make contractual payments within 90 days when they fall due.

The Group and the Company's credit risk exposure in relation to trade receivables under FRS 109 *Financial Instruments* are set out in the provision matrix as follows:

|                               | <u>Group</u>  |         | <u>Company</u> |         |
|-------------------------------|---------------|---------|----------------|---------|
|                               | <b>2022</b>   | 2021    | <b>2022</b>    | 2021    |
|                               | <b>Euro</b>   | Euro    | <b>Euro</b>    | Euro    |
| Pass due more than<br>60 days | <b>90,324</b> | 117,354 | <b>90,324</b>  | 117,354 |

Expected loss rate are all zero for above table. The Group and Company has not provided for loss allowance for the past due trade receivables due to expected loss is non-existence because these customers are reputable and only the passage of time is required to make contractual payments.

Trade and other receivables and cash and cash equivalents are subject to immaterial credit loss.

**NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED  
AND ITS SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2022*

---

**13. Financial risk management (continued)**

(c) Liquidity risk

The Group and Company manages its liquidity risk by maintaining sufficient cash and cash equivalents deemed adequate by management to finance their normal operating commitments and to mitigate the effects of fluctuations in cash flows. The Group and Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted. At the end of the reporting period, assets held by the Group and the Company for managing liquidity risk included cash and bank balance as disclosed in Note 8.

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings. Management monitors capital based on shareholders' equity.

The Group is not subject to any externally imposed capital requirement

(e) Financial instruments by category

The aggregate carrying amounts of financial assets and financial liabilities are as follow:

|   | <u>Group</u>   |         | <u>Company</u> |         |
|---|----------------|---------|----------------|---------|
|   | <b>2022</b>    | 2021    | <b>2022</b>    | 2021    |
|   | <b>Euro</b>    | Euro    | <b>Euro</b>    | Euro    |
| Financial assets at amortised cost      | <b>243,228</b> | 207,903 | <b>243,228</b> | 205,643 |
| Financial liabilities at amortised cost | <b>420,944</b> | 290,740 | <b>420,944</b> | 302,977 |

**14. Immediate and ultimate holding corporation**

The Company's immediate and ultimate holding corporation is Network Of Asia And Pacific Producers Limited which is incorporated in Hong Kong till 14 July 2021.

**NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED  
AND ITS SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2022*

---

**15. New or revised accounting standards and interpretations**

The Company has not early adopted any mandatory standards, amendments and interpretations to existing standards that have been published but are only effective for the Company's accounting periods beginning on or after 1 April 2022. However, management anticipates that the adoption of these standards, amendments and interpretations will not have a material impact on the financial statements of the Company in the period of their initial adoption.

**16. Authorisation of financial statements**

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED as at the date of Directors' Statement.