

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

ANNUAL REPORT
For the financial year ended 31 March 2023

PASSION ASSURANCE PAC
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANT

NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED

ANNUAL REPORT

For the financial year ended 31 March 2023

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NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED

DIRECTORS' STATEMENT

For the financial year ended 31 March 2023

The directors present their report to the members together with the audited financial statements of the Company for the financial year ended 31 March 2023 and the statement of financial position of the Company as at 31 March 2023.

In the opinion of the directors,

- (a) the statement of financial position of the Company and the financial statements of the Company as set out on pages 6 to 25 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2023 and of the financial performance, changes in equity and cash flows of the Company for the financial year covered by the 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	04.03.2023
Armiyadi BIN ZET Mansur	22.01.2019	
Pham Thi Huyen Anh	22.01.2019	04.03.2023
Rahma Binti Muhammad Yusuf	22.01.2019	04.03.2023
Nguyen Huu Ha	22.01.2019	04.03.2023
Detlev Jurgen Grimmelt	20.04.2019	04.03.2023
Xingrong Zhao	22.01.2019	04.03.2023
Meena Tamang	12.10.2020	04.03.2023
Pravakar Meher	22.01.2019	04.03.2023
Muniraju Kempayanapalya Shivanna	22.01.2019	04.03.2023
Biranchi Pradhan	22.01.2019	04.03.2023
Nanda Kumara Edirisinghe Arachchilage	22.01.2019	04.03.2023
Gnanasekaran Rajaratnam	28.11.2016	04.03.2023
Sandrico Cornelio	22.01.2019	04.03.2023
Bijumon Kurien	16.11.2017	04.03.2023
Phang Wei Xian	24.02.2022	
Shaileshkumar Jayantilal Patel	04.03.2023	
Raghvendra Prabhakar Shastry	04.03.2023	

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.

NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED

DIRECTORS' STATEMENT

For the financial year ended 31 March 2023

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

Raghvendra Prabhakar Shastry
Director

S/d

Shaileshkumar Jayantilal Patel
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") 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 financial position of the Company as at **31 March 2023** and of the financial performance, changes in equity and consolidated cash flows of the Company for the year ended on that date.

What we have audited

The financial statements of the Company as set out on pages 6 to 25, comprise:

- the statement of comprehensive income of the Company for the year ended 31 March 2023;
- the statement of financial position of the Company as at 31 March 2023;
- the statement of changes in equity of the Company for the year then ended;
- the statement of cash flows of the Company 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 FYE 2022.

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 Company 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company'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

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2023

	Note	2023 Euro	2022 Euro
Sales	4	826,101	295,149
Cost of sales		(641,702)	(260,200)
Gross profit		184,399	34,949
Other income	6	25,535	58,661
Expenses			
Administrative		(25,000)	(133,254)
Other operating expenses		(14,680)	(34,502)
		(39,680)	(167,756)
Profit/(loss) before income tax		170,254	(74,146)
Income tax expense	7	(1,790)	(271)
Income/(loss) after tax and total comprehensive income		168,464	(74,417)

S/d

NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED**STATEMENTS OF FINANCIAL POSITION***As at 31 March 2023*

	Note	2023 Euro	2022 Euro
ASSETS			
Current assets			
Cash and cash equivalents	8	236,158	135,951
Trade and other receivables	9	54,834	119,613
		290,992	255,564
Non-current assets			
Investments in a subsidiary	10	-	-
Total assets		290,992	255,564
LIABILITIES			
Current liabilities			
Trade and other payables	11	166,992	420,944
Contract liabilities	4	138,420	19,294
Provision for income tax		1,790	-
		307,202	440,238
NET ASSETS/(LIABILITIES)		(16,210)	(184,674)
EQUITY			
Share capital	12	1	1
Retained earnings		(16,211)	(184,675)
Total equity		(16,210)	(184,674)

S/d

NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED**STATEMENT OF CHANGES IN EQUITY***For the financial year ended 31 March 2023*

	<u>Share capital</u> Euro	<u>Retained earnings</u> Euro	<u>Total Equity</u> Euro
2023			
Beginning of financial year	1	(184,675)	(184,674)
Total comprehensive income/(loss) for the year	-	168,464	168,464
End of financial year	1	(16,211)	(16,210)
2022			
Beginning of financial year	1	(110,258)	(110,257)
Total comprehensive income/(loss) for the year	-	(74,417)	(74,417)
End of financial year	1	(184,675)	(184,674)

S/d

NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED**STATEMENT OF CASH FLOWS***For the financial year ended 31 March 2023*

	Note	2023 Euro	2022 Euro
Cash flows from operating activities			
Profit/(loss) before income tax		170,254	(74,146)
Adjustment:			
- Written off trade receivables		-	27,328
- Written off gain		(12,896)	(57,825)
		<u>157,358</u>	<u>(104,643)</u>
Change in working capital			
- Trade and other receivables		64,779	8,946
- Trade and other payables		(241,056)	175,792
- Contract liabilities		119,126	(32,162)
		<u>100,207</u>	<u>47,933</u>
Cash generated from/ (used in) operation		100,207	47,933
- Income tax paid		-	(271)
		<u>100,207</u>	<u>47,662</u>
Net cash generated from/(used in) operating activities		<u>100,207</u>	<u>47,662</u>
Net increase/(decrease) in cash and cash equivalents		100,207	47,662
Cash and cash equivalents at beginning of financial year		135,951	88,289
Cash and cash equivalents at end of financial year	8	<u>236,158</u>	<u>135,951</u>

S/d

NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

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 Company'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 Company's current liabilities exceeded its current assets by Euro 16,210 (2021: Euro 184,674). 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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

Interpretations and amendments to published standards effective in 2023

On 1 April 2022, the Company adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Company'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 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 Company's activities. Sales are presented, net of value-added tax, rebates and discounts.

The Company 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 Company 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 Company'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 Company 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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. Significant accounting policies (continued)

2.3 Financial assets

(a) *Classification and measurement*

The Company 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 Company'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 Company reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Company 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 Company'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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. Significant accounting policies (continued)

2.3 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 Company 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 Company 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 Company 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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. Significant accounting policies (continued)

2.3 Financial assets (continued)

(b) *Impairment*

The Company 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 Company determines whether there has been a significant increase in credit risk.

For trade receivables, the Company 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 Company 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 Company 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.

2.4 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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. Significant accounting policies (continued)

2.5 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company 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.

2.6 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 Company 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.

2.7 Provisions

Provisions are recognised when the Company 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.

2.8 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.

NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. Significant accounting policies (continued)

2.9 Employee compensation

(a) *Defined contribution plans*

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

2.10 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.

2.11 Currency translation

The financial statements are presented in the EURO, which is the functional currency of the Company.

Transactions in a currency other than EURO ("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 balance sheet date are recognised in profit or loss.

2.12 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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. Significant accounting policies (continued)

2.12 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 Company 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 Company 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.

2.13 Dividends to Company's shareholders

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

2.14 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.

2.15 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.

NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. Significant accounting policies (continued)

2.15 Impairment of non-financial assets (continued)

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.

2.16 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.

- (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);

NETWORK OF ASIA AND PACIFIC PRODUCERS PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. Significant accounting policies (continued)

2.16 Related parties (continued)

- (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

The preparation of the Company's financial statements requires the directors to make judgements, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

Management is of the opinion that there is no significant judgement made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

3.2 Key sources of estimation uncertainty

Management is of the opinion that there are no key sources of estimation uncertainty at the end of the financial year that has a significant effect on the amounts of assets and liabilities within the next financial year.

4. Revenue

	2023	2022
	Euro	Euro
Services income	826,101	295,149

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

4. Revenue (continued)		
	2023	2022
	Euro	Euro
Contract liabilities - excess of billing	138,420	19,294
Revenue recognised in current year that was included in the contract liabilities balance at beginning of the period	12,838	32,162
5. Expenses by nature		
	2023	2022
	Euro	Euro
Professional fee	25,000	133,254
Office expenses	-	2,053
Written off receivables	-	27,328
6. Other income		
	2023	2022
	Euro	Euro
Written off gain	12,896	57,825
Sundry income	3,364	-
Exchange gain	9,275	836
	25,535	58,661
7. Income taxes		
	2023	2022
	Euro	Euro
Under provision in prior year	-	271
Current year income tax	1,790	-
	1,790	271

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

	2023	2022
	Euro	Euro
Profit before tax	170,254	(74,146)
Tax calculated at tax rate of 17% (2022:17%)	28,943	(12,605)
Effects of:		
- Deferred tax assets (utilised)/ not recognised	(24,769)	12,605
- Tax exemption	(2,384)	-
- Under provision in prior year	-	271
Tax expense	1,790	271

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

8. Cash and cash equivalents

	2023 Euro	2022 Euro
Cash at bank	234,666	132,358
Cash on hand	1,492	3,593
	236,158	135,951

9. Trade and other receivables

	2023 Euro	2022 Euro
Trade receivables – third parties	-	90,324
Deposit	16,953	16,953
Prepayment	37,881	12,336
	54,834	119,613

10. Investments in a subsidiary

	2023 Euro	2022 Euro
Equity investments at cost	6,749	6,749
Impairment loss	(6,749)	(6,749)
	-	-

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 received on 21 April 2023.

11. Trade and other payables

	2023 Euro	2022 Euro
Trade payables:		
- Non-related parties	141,992	382,348
Accruals	25,000	38,596
	166,992	420,944

12. Share capital

The Company's share capital comprises fully paid-up 1 (2022:1) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

13. Financial risk management

Financial risk factors

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

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Company. 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. The finance personnel measure the exposures against the limits set and prepare regular reports for the review of the management team and the Board of Directors. The information presented below is based on information received by management.

(a) Market risk

(i) *Currency risk*

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

The Company 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 2022, if the USD and SGD strengthened against the EURO by 7%, 3% respectively with all other variables including tax rate being held constant, the Company's loss after tax would have been Euro 1,436, Euro 1,196 lower.

As at 31 March 2023 if the USD and SGD strengthened against the EURO by 3%, 5% respectively with all other variables including tax rate being held constant, the Company's profit after tax would have been Euro 862, Euro 2,140 higher.

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

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For the financial year ended 31 March 2023

13. Financial risk management (continued)

(a) Market risk (continued)

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

(iii) *Price risk*

The Company does not have exposure to price risk as it does not hold any equity investment.

(b) Credit risk

Credit risk refers to the risk that counterparties will default on their contractual obligations resulting in financial loss to the Company. The Company 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 Company.

There is no trade receivable as at 31 March 2023. Of the trade receivables as at 31 March 2022, 100% is due from 2 non related parties. The Company defines counterparties as having similar characteristics if they are related entities.

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 Company 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 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 Company considers 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.

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For the financial year ended 31 March 2023

13. Financial risk management (continued)

(b) Credit risk (continued)

Credit loss allowance (continued)

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 Company. The Company consider a financial asset as in default if the counterparty fails to make contractual payments within 90 days when they fall due.

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:

	2023	2022
	Euro	Euro
Past due more than 60 days	-	<u>90,324</u>

Expected loss rate are all zero for above table. The 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.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligation due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility by monitoring and maintaining a level of cash and bank balance deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

(d) Capital risk

The Company's objectives when managing capital are to safeguard the Company'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 Company 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 Company is not subject to any externally imposed capital requirement.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

13. Financial risk management (continued)

(e) Financial instruments by category

The aggregate carrying amounts of financial assets at amortised cost and financial liabilities are as follows:

	2023	2022
	Euro	Euro
Financial assets at amortised cost	253,111	243,228
Financial liabilities at amortised cost	166,992	420,944

14. 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 2023. 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.

15. 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.