

Fédération Internationale de Sambo (FIAS)

Lausanne

Report of the statutory auditors to the
Congress

on the financial statements 2019

Report of the statutory auditors

on the limited statutory examination to the Congress of

Fédération Internationale de Sambo (FIAS)

Lausanne

As statutory auditors, we have examined the financial statements of Fédération Internationale de Sambo (FIAS), which comprise the balance sheet, profit and loss accounts and notes, for the year ended 31 December 2019.

These financial statements are the responsibility of the Executive Committee. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of association personnel and analytical procedures as well as detailed tests of association documents as considered appropriate in the circumstances. However, the testing of the operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements do not comply with Swiss law and the association's articles of incorporation.

Without qualifying our examination conclusion, we refer to note 4 in the notes to the financial statements describing a material uncertainty which may cast significant doubt about Fédération Internationale de Sambo (FIAS) ability to continue as a going concern. Should the association be unable to continue as a going concern, the financial statements would have to be prepared on the basis of liquidation values.

We draw your attention to the fact that the financial statements of Fédération Internationale de Sambo (FIAS) disclose an excess of liabilities over assets.

PricewaterhouseCoopers SA

Philippe Tzaud
Audit expert
Auditor in charge

Nicolas Daehler
Audit expert

Lausanne, 3 April 2020

Enclosure:

- Financial statements (balance sheet, profit and loss accounts and notes)

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**Fédération Internationale
de SAMBO (FIAS)**

BALANCE SHEET

Lausanne

as of 31. December 2019

CHF

| | per 31.12.19 | per 31.12.18 |
|--------------------------------|-------------------|-------------------|
| A S S E T S | | |
| Current assets | | |
| Liquid funds | 84'680.58 | 143'028.93 |
| Receivables | 42'667.03 | 35'189.56 |
| Accrued assets | 5'344.80 | 1'753.70 |
| Total Current assets | 132'692.41 | 179'972.19 |
| Fixed assets | | |
| Movable assets | 2'915.00 | 1'700.00 |
| Total Fixed assets | 2'915.00 | 1'700.00 |
| Intangible assets | | |
| Automated Information System | 326'100.00 | - |
| Total Intangible assets | 326'100.00 | - |
| Total A S S E T S | 461'707.41 | 181'672.19 |
| LIABILITIES | | |
| Liabilities | | |
| Accounts payable | 8'080.59 | 32'648.44 |
| Accrued liabilities | 47'449.46 | 29'756.44 |
| Deferred Income | 484'187.00 | - |
| Total Liabilities | 539'717.05 | 62'404.88 |
| Equity | | |
| Capital of Association | 14'011.45 | 14'011.45 |
| Retained earnings | 105'255.86 | -3'550.72 |
| Result of the period | -197'276.95 | 108'806.58 |
| Total Equity | -78'009.64 | 119'267.31 |
| Total LIABILITIES | 461'707.41 | 181'672.19 |

| | 2019 | 2018 |
|---------------------------------|---------------------|---------------------|
| <u>INCOME</u> | | |
| Membership fees | 25'891.12 | 26'812.54 |
| Donations | 232'104.11 | 416'437.50 |
| Other income | 1'679'137.68 | 1'212'142.58 |
| <u>Total INCOME</u> | 1'937'132.91 | 1'655'392.62 |
| <u>EXPENSES</u> | | |
| Sponsoring expenses | 53'349.45 | 45'337.85 |
| Losses on receivables | 14'107.08 | 10'464.35 |
| Event and Championship expenses | 884'596.84 | 677'881.63 |
| Anti-Doping expenses | 47'357.73 | 33'072.45 |
| Personnel expenses | 251'061.32 | 274'412.71 |
| Rental expenses | 27'367.04 | 27'411.34 |
| Office expenses | 7'712.05 | 10'387.28 |
| Mandate Agreement expenses | 220'565.67 | 242'046.56 |
| Administration expenses | 92'910.35 | 72'946.23 |
| Marketing expenses | 513'558.31 | 139'959.56 |
| Travel expenses | 18'216.22 | 17'552.73 |
| Total EXPENSES | 2'130'802.06 | 1'551'472.69 |
| Operating result | -193'669.15 | 103'919.93 |
| Financial expenses | 21'576.23 | 18'245.43 |
| Exchange profit / loss | 1'797.86 | 6'017.98 |
| Depreciations | 1'670.00 | 800.00 |
| Extraordinary profit | 18'270.27 | 18'343.80 |
| Income before tax | -196'847.25 | 109'236.28 |
| Taxes | -429.70 | -429.70 |
| <u>RESULT</u> | -197'276.95 | 108'806.58 |

1. **Information on the principles applied in the financial statement**

This financial statement was drawn up in accordance with Swiss Law, particularly the articles about commercial accounting and accounting regulations of the Swiss Code of Obligations (Art. 957 to 962).

| | 31.12.2019 | 31.12.2018 |
|--|------------------|------------------|
| 2. Employees fulltime | | |
| Average number of fulltime employees during the year | < 10 | < 10 |
| 3. Extraordinary income | | |
| - Maternity compensation | 3'729.86 | 15'490.15 |
| - Amortisation of accruals for gift taxes | 13'800.00 | |
| - Accident insurance 2018 | 542.80 | |
| - Tax at source prev. years | 197.61 | |
| - Credit balance from rent payments 2015-2017 | | 2'529.85 |
| - Credit capital tax 2016 | | 323.80 |
| Total | 18'270.27 | 18'343.80 |

4. **Going Concern**

The International Sambo Federation (FIAS) is a non-governmental public non-commercial organisation developing SAMBO in the world and uniting national SAMBO federations.

The Federation's largest sources of income are Donations and Revenues from carrying out sport events. Most of the donations comes from the Interregional Social Fund for Development of SAMBO.

As of 31.12.2019 FIAS is overindebted and as such there is an uncertainty regarding the Federation's continued existence as a going concern.

However, the executive board strongly believes that the Federation will continue to perform its duties on a sustainable basis. In the first two months of 2020 FIAS concluded two Event Service Agreements, for which the Federation received EUR 395'000.00 and USD 600'000.00.

As a result, FIAS shows in the first quarter of 2020 a positive equity situation.

5. **Subsequent events**

In light of the ongoing coronavirus outbreak and after consultations with the medical experts, International SAMBO Federation have taken the decision to postpone all international SAMBO competitions planned to be held until the end of April 30, 2020, including the World Cup "A. Kharlampiev Memorial" in Moscow (Russia) on March 20-21, World Beach SAMBO Championships in Larnaca (Cyprus) on April 28-29 and other competitions. Further to this decision the FIAS EC will closely follow the situation and will review by end of April. FIAS EC still focus to deliver the majority of the FIAS Events when possible, and focus to organise the World Championships (Youth, Junior, Elite) in their respective dates.