

International Mixed Martial Arts Federation (IMMAF)

Grono

Report of the statutory auditors to the
General Meeting

on the financial statements 2020



Report of the statutory auditors

on the limited statutory examination to the General Meeting of International Mixed Martial Arts Federation (IMMAF) Grono

As statutory auditors, we have examined the financial statements of International Mixed Martial Arts Federation (IMMAF), which comprise the balance sheet, profit and loss statement and notes, for the period from 28 May 2020 to 31 December 2020.

These financial statements are the responsibility of the Board. 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.

We draw your attention to the fact that the financial statements of International Mixed Martial Arts Federation (IMMAF), disclose negative equity amounting to USD 755'614.

PricewaterhouseCoopers SA

Philippe Tzaud
Audit expert
Auditor in charge

Nicolas Daehler
Audit expert

Lausanne, 30 June 2021

Enclosure:

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

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International Mixed Martial Arts Federation (IMMAF), Grono

Balance sheet as at 31 December (in USD)

Assets	2020
Current assets	
Cash and cash equivalents	2'027'171
Trade receivables	327'046
<i>due from third parties</i>	327'046
Other current receivables	7'235
<i>due from third parties</i>	7'235
Accrued income and prepaid expenses	19'338
Total current assets	2'380'789
Non-current assets	
Property, plant and equipment	15'789
Intangible assets	4'077
Total non-current assets	19'866
Total assets	2'400'656

Balance sheet as at 31 December (in USD)

Liabilities	2020
Short-term liabilities	
Trade payables	329'356
<i>due to third parties</i>	329'356
Other short-term liabilities	15'276
<i>due to third parties</i>	15'276
Accrued expenses and deferred income	2'811'638
Total short-term liabilities	3'156'270
Reserves	
Cumulated reserves	-413'819
Loss for the period	-297'512
Translation adjustment	-44'283
Total Reserves	-755'614
Total liabilities	2'400'656

International Mixed Martial Arts Federation (IMMAF), Grono

Profit and loss statement for the period (in USD)

	28.05.2020-31.12.2020
Turnover	777'644
Cost of sales	-763'800
Other operating expenses	-247'146
Depreciation and valuation adjustments to fixed assets	-3'601
Earnings before interest and taxes	-236'903
Financial expenses	-60'609
Earnings before taxes	-297'512
Result before taxes	-297'512
Direct taxes	-
Loss for the period	-297'512

International Mixed Martial Arts Federation (IMMAF), Grono

Balance sheet as at 31 December

(in Swiss francs)

Assets	2020
Current assets	
Cash and cash equivalents	1'786'788
Trade receivables	288'265
<i>due from third parties</i>	288'265
Other current receivable	6'377
<i>due from third parties</i>	6'377
Accrued income and prepaid expenses	17'045
Total current assets	2'098'475
Non-current assets	
Property, plant and equipment	13'957
Intangible assets	4'012
Total non-current assets	17'968
Total assets	2'116'443

Balance sheet as at 31 December

(in Swiss francs)

Liabilities	2020
Short-term liabilities	
Trade payables	290'301
<i>due to third parties</i>	290'301
Other short-term liabilities	13'464
<i>due to third parties</i>	13'464
Accrued expenses and deferred income	2'478'234
Total short-term liabilities	2'781'999
Reserves	
Cumulated reserves	-399'690
Loss for the period	-262'233
Translation adjustment	-3'633
Total Reserves	-665'556
Total liabilities	2'116'443

International Mixed Martial Arts Federation (IMMAF), Grono

Profit and loss statement for the period

(in Swiss francs)

	28.05.2020-31.12.2020
Turnover	685'431
Cost of sales	-673'229
Other operating expenses	-217'839
Depreciation and valuation adjustments to fixed assets	-3'174
Earnings before interest and taxes	-208'811
Financial expenses	-53'422
Earnings before taxes	-262'233
Result before taxes	-262'233
Direct taxes	-
Loss for the period	-262'233

International Mixed Martial Arts Federation (IMMAF), Grono

Notes to the financial statements for the year ended December 31, 2020

(expressed in USD)

1 Purpose of the organization

The objectives of IMMAF are:

- Promote and develop the sport of mixed martial arts (MMA) at all levels, as a means to contribute to the positive development of society;
- Assist its Members in strengthening their position as national leaders;
- Develop specific services for its Members and provide them with assistance, training and support;
- Increase the level of recognition of IMMAF and its Members by GAISF and the Olympic Movement stakeholders as well as by other entities involved in the sport;
- Organise international championships, tournaments, contests between countries and large sporting events;
- Provide administrative and other appropriate support to its Members;
- Recognise the autonomy of its Members and between its Members and any other sport organisation;
- Coordinate and protect the common interest of its Members;
- Collaborate with organisations having as their objective the promotion of MMA on a worldwide basis;
- Collect, collate and circulate information to and among its Members.

2 Accounting principles applied in the preparation of the financial statements

These financial statements have been prepared in accordance with the provisions of commercial accounting as set out in the Swiss Code of Obligations (Art. 957 to 963b CO). Significant balance sheet items are accounted for as follows:

Trade receivables

Trade receivables and other short-term receivables are carried at their nominal value. Impairment charges are calculated for these assets on an individual basis.

Recognition of revenue

The Organization follows the deferral method of accounting for contributions. Restricted contributions are initially deferred and recognized as revenue when the related expenses are incurred or the restrictions have been met.

Revenue for services provided is recorded when earned and collection is reasonably assured. Sponsorship revenue is recorded in the period the amounts relate to or the sponsorship requirements are met.

Non-current assets and leases

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Property, plant and equipment	Useful life	Method
Fixtures and fittings	10 years	25% degressive

Details, analyses and explanations to the financial statements

3 Number of employees

The association has no employees.

4 Fonctionnal currency

Monetary assets and liabilities denominated in other than GBP are translated at the rate in effect at the date of the balance sheet. The fonctionnal currency is the GBP. The presentation currency is USD and for the purpose of Swiss Law, the financial statement are also presented in CHF. Transactions in currencies other than GBP are translated at the rate in effect at the transaction date. Gains and losses resulting from fluctuations in the exchange rate associated with these transactions are recorded in the period they arise. Non-monetary assets are recorded at the historical rate of exchange in effect at the date of acquisition.

The Organization faces foreign currency risk on its cash and cash equivalents and other financial assets denominated in currencies other than USD. The following exchange rates have been used in order to convert the financial statements from GBP to USD and to CHF.

	2020
	GBP
USD	1.36296
CHF	1.20134

5 Lease liabilities (not terminable or expiring within 12 months of balance sheet date)

None

6 Patrimonial situation due to pandemic

In light of Covid-19, some events have been delayed or cancelled that were due to take place in 2020 and 2021. Events will start from July 2021 and only three will be held. However, the budget shows an expected profit of 1.7mio USD and the Board is confident of the going concern of the entity.