

**Report on limited statutory examination of financial statements to the General Assembly of  
World Association of Kickboxing Organizations (WAKO), CH-6300 Zug**

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As external independent auditor of WAKO statutes, we have examined the financial statements (balance sheet and income statement) of World Association of Kickboxing Organizations (WAKO) for the year ended 31 December, 2015.

These financial statements are the responsibility of the board of administration. 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 the 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 company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of 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 would like to point out that as specified under Art. 958 para 3 CO the annual report must be prepared within six months of the end of the financial year and submitted to the responsible management body or the responsible persons for approval.

**AudEx Ltd.**

André Bolla  
Licensed audit expert,  
FAOA 104128

*Auditor in Charge*

Bern, September 14, 2016

**Enclosures:** Financial statements

**Financial statements**

**of**

**World Association of Kickboxing  
Organizations (WAKO)**

**for the year**

**2015**

**BALANCE SHEET**

<b>ASSETS</b>	Notes	31.12.2015	31.12.2015	31.12.2014	31.12.2014
		EUR	CHF	EUR	CHF
Cash and cash equivalents	1	100'393	109'167	46'736	56'193
Trade accounts receivable	2	6'480	7'046	35'042	42'132
Accrued income & Prepaid expenses	3	14'000	15'224	1'350	1'623
<b>Total Current assets</b>		<b>120'873</b>	<b>131'437</b>	<b>83'127</b>	<b>99'948</b>
Fixed assets	FA	2'600	2'827	4'300	5'170
<b>Total Non-Current assets</b>		<b>2'600</b>	<b>2'827</b>	<b>4'300</b>	<b>5'170</b>
<b>TOTAL ASSETS</b>		<b>123'473</b>	<b>134'265</b>	<b>87'427</b>	<b>105'118</b>

<b>LIABILITIES AND ASSOCIATIONS EQUITY</b>	Notes	31.12.2015	31.12.2015	31.12.2014	31.12.2014
		EUR	CHF	EUR	CHF
Trade accounts payable	4	53'462	58'134	52'413	63'019
Other shortterm payables	5	13'500	14'680	0	0
Accrued expenses & Deferred income	6	20'400	22'183	21'402	25'733
<b>Total short-term Liabilities</b>		<b>87'362</b>	<b>94'997</b>	<b>73'815</b>	<b>88'752</b>
Profit carried forward	EQ	13'612	14'802	111'492	134'053
Profit for the year / (-) Loss for the year	EQ	22'499	24'465	-97'880	-117'686
<b>Total Associations equity</b>		<b>36'111</b>	<b>39'267</b>	<b>13'612</b>	<b>16'367</b>
<b>TOTAL LIABILITIES AND ASSOCIATIONS EQUITY</b>		<b>123'473</b>	<b>134'265</b>	<b>87'427</b>	<b>105'118</b>

**INCOME STATEMENT**

	Notes	2015 EUR	2015 CHF	2014 EUR	2014 CHF
Income from Sales and Services	A	463'991	495'595	421'375	506'640
<b>Total Operating income</b>		<b>463'991</b>	<b>495'595</b>	<b>421'375</b>	<b>506'640</b>
Direct costs	B	90'337	96'490	160'694	193'210
Personnel expenses	C	25'500	27'237	36'000	43'285
Other operating expenses	D	265'601	283'692	298'363	358'737
Advertising expenses	E	35'111	37'503	20'456	24'596
Depreciations	FA	1'700	1'849	2'889	3'474
<b>Total Operating expenses</b>		<b>418'249</b>	<b>446'770</b>	<b>518'403</b>	<b>623'301</b>
<b>Operating result</b>		<b>45'742</b>	<b>48'825</b>	<b>-97'028</b>	<b>-116'661</b>
Financial expenses	F	991	1'059	717	862
Financial income	G	1	33	34	40
<b>Total Financial result</b>		<b>-991</b>	<b>-1'025</b>	<b>-683</b>	<b>-821</b>
<b>Ordinary result</b>		<b>44'751</b>	<b>47'799</b>	<b>-97'711</b>	<b>-117'482</b>
Extraordinary expenses	H	9'000	9'613	0	0
<b>Total Extraordinary result</b>		<b>-9'000</b>	<b>-9'613</b>	<b>0</b>	<b>0</b>
<b>Result before taxes</b>		<b>35'751</b>	<b>38'186</b>	<b>-97'711</b>	<b>-117'482</b>
Taxes	I	13'252	14'155	170	204
<b>Profit for the year / (-) Loss for the year</b>		<b>22'499</b>	<b>24'032</b>	<b>-97'880</b>	<b>-117'686</b>

**CHANGE IN ASSOCIATIONS EQUITY**

Notes EQ

	Retained profit EUR	Retained profit CHF	Associations equity EUR	Associations equity CHF
Opening balance	13'612	14'802	13'612	14'802
Profit for the year / (-) Loss for the year	22'499	24'465	22'499	24'465
<b>Closing balance</b>	<b>36'111</b>	<b>39'267</b>	<b>36'111</b>	<b>39'267</b>

**DEVELOPMENT OF THE FIXED ASSETS**

Notes FA

	Office machines EUR	Office machines CHF	Total EUR	Total CHF
Opening Balance	10'659	11'591	10'659	11'591
Increase	0	0	0	0
Decrease	0	0	0	0
<b>Closing Balance</b>	<b>10'659</b>	<b>11'591</b>	<b>10'659</b>	<b>11'591</b>

**Depreciation / Value adjustment**

	Office machines EUR	Office machines CHF	Total EUR	Total CHF
Value adjustment of the previous year	6'359	6'915	6'359	6'915
Increase	1'700	1'849	1'700	1'849
Decrease	0	0	0	0
<b>Closing Balance</b>	<b>8'059</b>	<b>8'764</b>	<b>8'059</b>	<b>8'764</b>

<b>Book value end of the year</b>	<b>2'600</b>	<b>2'827</b>	<b>2'600</b>	<b>2'827</b>
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## NOTES

### General information

World Association of Kickboxing Organizations (WAKO), Zug, is listed in the register of companies in the canton of Zug with the number CHE-304.811.134

### First-time adoption of the new accounting law

The financial statements 2015 are the first time created under the provisions of the Swiss accounting law (32. Title OR). The balance sheet and income statement were prepared in accordance with Art. 2 para. 4 of the transitional provisions. There have been omitted the previous year's figures consistency of presentation and layout of the whole financial statements. The previous year's figures are therefore not fully comparable.

### Applied auditing principles unless required by law

These financial statements were prepared according to the provisions of the Swiss Law on Accounting and financial reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below.

The financial statements require estimates and judgments by the Board of directors, the height of the reported assets and liabilities, contingent liabilities at the time of accounting, as well as income and expenses during the reporting period can influence this statement.

The Board of directors decides on its own discretion for the use of existing statutory valuation and the accounting range. For the benefit of the society can be built depreciations, also value adjustments and provisions for business management can be extended in terms of the principle of prudence.

### Valuation principles

The applied accounting policies for the financial statements satisfies the requirements of Swiss accounting law.

The main financial statements items are accounted as below:

### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, postal and bank accounts as well as sight deposits and deposits with a remaining maturity of 90 days. These are stated at nominal value.

### Trade accounts receivable

Trade accounts receivable are stated at their nominal value.

### Accrued income & Prepaid expenses

Accrued income and Prepaid expenses are stated at their nominal value.

### Fixed assets

The evaluation of the fixed assets results of the acquisition and production costs less the required depreciations. The depreciations shall be conducted appropriate the guidelines of the Eidg. Steuerverwaltung in a declining method:

	Depreciation	Useful life
Office machines	40%	3-4 years

## NOTES

### Impairment

On each balance date are all assets assessed whether there are indications of the carrying amount to exceed the recoverable amount. If an impairment exists, the carrying amount has been reduced to the recoverable amount, the impairment loss was charged to the result.

### Trade accounts payable

Trade accounts payable are not interest bearing and stated at their nominal value.

### Other shortterm payables

Other shortterm payables are stated at their nominal value.

### Accrued expenses & Deferred income

Accrued expenses and Deferred income are stated at their nominal value.

### Taxes

The taxes of the period are booked in the accruals and deferrals.

### Off-balance business

Contingent liabilities and other non-balance sheet commitments on the balance date are evaluated and disclosed. If contingent liabilities and other off-balance sheet obligations lead to an outflow of funds without usable inflow and the outflow of funds is likely and could be estimated, a specific provision is recognized.

### Bookkeeping

The books are held in EUR.

In the foreign currency translation period-end exchange rates are used for the balance sheet, while for the income statement annual average rates are used. The following exchange rates were used :

	Balance sheet	Income statement
Financial Year 2015, EUR to CHF	1.0874	1.0681
Financial Year 2014, EUR to CHF	1.2024	1.2146



**NOTES**

	31.12.2015	31.12.2015	31.12.2014	31.12.2014
	EUR	CHF	EUR	CHF
<b>Notes to the financial statements</b>				
<b>1 Cash and cash equivalents</b>				
Cash	0	0	3'670	4'412
acrevis Bank, CHF	-1	-2	0	0
acrevis Bank, EUR	100'325	109'093	43'077	51'794
acrevis Bank, USD	70	76	-11	-13
<b>Total</b>	<b>100'393</b>	<b>109'167</b>	<b>46'736</b>	<b>56'193</b>
<b>2 Trade accounts receivable</b>				
Trade accounts receivable	7'200	7'829	38'842	46'701
Value adjustment on Trade accounts receivable	-720	-783	-3'800	-4'569
<b>Total</b>	<b>6'480</b>	<b>7'046</b>	<b>35'042</b>	<b>42'132</b>
<b>3 Accrued income &amp; Prepaid expenses</b>				
Rental, Domicile fees	1'500	1'631	1'350	1'623
Administrative expenses	12'500	13'593	0	0
<b>Total</b>	<b>14'000</b>	<b>15'224</b>	<b>1'350</b>	<b>1'623</b>
<b>4 Trade accounts payable</b>				
Trade accounts payable	53'462	58'134	52'413	63'019
<b>Total</b>	<b>53'462</b>	<b>58'134</b>	<b>52'413</b>	<b>63'019</b>
<b>5 Other shortterm payables</b>				
Social insurances	13'500	14'680	0	0
<b>Total</b>	<b>13'500</b>	<b>14'680</b>	<b>0</b>	<b>0</b>
<b>6 Accrued expenses &amp; Deferred income</b>				
Administrative expenses	0	0	3'800	4'569
Bookkeeping and Auditing	11'000	11'961	9'000	10'821
Taxes	5'600	6'089	5'600	6'733
Prepaid Fees	3'800	4'132	3'002	3'609
<b>Total</b>	<b>20'400</b>	<b>22'183</b>	<b>21'402</b>	<b>25'733</b>

**NOTES**

	2015	2015	2014	2014
	EUR	CHF	EUR	CHF
<b>A Income from Sales and Services</b>				
Advertising	43'722	46'700	15'035	18'077
Entry fees	148'170	158'263	149'540	179'799
Yearly fees	99'519	106'298	120'600	145'003
International Open tournaments	115'500	123'367	104'500	125'646
Contracts / Sponsoring	75'000	80'109	55'000	66'129
Commission on Sponsorship agreements	-18'000	-19'226	-22'500	-27'053
Penalties	-3'000	-3'204	3'000	3'607
Value adjustment on Trade accounts receivable	3'080	3'290	-3'800	-4'569
<b>Total</b>	<b>463'991</b>	<b>495'595</b>	<b>421'375</b>	<b>506'640</b>
<b>B Direct costs</b>				
Contribution WAKO Europe	41'702	44'543	81'196	97'626
Contribution WAKO International	13'273	14'177	51'334	61'722
Anti-Doping agency	23'706	25'321	22'252	26'755
Articles for members	11'656	12'450	5'911	7'107
<b>Total</b>	<b>90'337</b>	<b>96'490</b>	<b>160'694</b>	<b>193'210</b>
<b>C Personnel expenses</b>				
Board of directors	21'000	22'430	36'000	43'285
Tax at source	4'500	4'807	0	0
<b>Total</b>	<b>25'500</b>	<b>27'237</b>	<b>36'000</b>	<b>43'285</b>
<b>D Other operating expenses</b>				
Rental, Domicile fees	2'998	3'202	1'336	1'607
Administrative expenses	118'159	126'208	105'675	127'058
Office equipment	2'146	2'292	1'931	2'322
Bookkeeping and Auditing	14'744	15'748	18'271	21'968
Consulting, Legal consulting	46'328	49'483	50'623	60'866
Board and Staff expenses	74'894	79'995	86'841	104'413
Board Meeting expenses	0	0	27'015	32'481
IT Support	6'332	6'763	6'671	8'021
<b>Total</b>	<b>265'601</b>	<b>283'692</b>	<b>298'363</b>	<b>358'737</b>
<b>E Advertising expenses</b>				
Advertisement and Travel expenses	35'111	37'503	20'456	24'596
<b>Total</b>	<b>35'111</b>	<b>37'503</b>	<b>20'456</b>	<b>24'596</b>

**NOTES**

	2015	2015	2014	2014
	EUR	CHF	EUR	CHF
<b>F Financial expenses</b>				
Interest and charges	900	962	717	862
Exchange differences	91	97	0	0
<b>Total</b>	<b>991</b>	<b>1'059</b>	<b>717</b>	<b>862</b>
<b>G Financial income</b>				
Interest	1	1	24	28
Exchange differences	0	0	10	12
Currency translation	0	33	0	0
<b>Total</b>	<b>1</b>	<b>33</b>	<b>34</b>	<b>40</b>
<b>H Extraordinary expenses</b>				
Tax at source 2014	9'000	9'613	0	0
<b>Total</b>	<b>9'000</b>	<b>9'613</b>	<b>0</b>	<b>0</b>
<b>I Taxes</b>				
Taxes	13'252	14'155	170	204
<b>Total</b>	<b>13'252</b>	<b>14'155</b>	<b>170</b>	<b>204</b>

**NOTES****Explanation of full-time employees on the annual average**

The number of full-time employees on an annual average did not exceed 10.

**Events after the balance sheet date**

There are no significant events after the balance sheet date, that could have influenced the present financial statements.