

## **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 2019.

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.

### **AudEx Ltd.**

André Bolla

Licensed audit expert,  
FAOA 104128

*Auditor in Charge*

Bern, July 24, 2020

**Enclosures:** Financial statements

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**Financial statements**

**of**

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

**for the year**

**2019**

**BALANCE SHEET**

<b>ASSETS</b>	Notes	31.12.2019	31.12.2019	31.12.2018	31.12.2018
		EUR	CHF	EUR	CHF
Cash and cash equivalents	1	212'388	230'866	202'607	228'318
Trade accounts receivable	2	8'821	9'588	7'925	8'931
Accrued income and Prepaid expenses	3	13'150	14'294	14'785	16'661
<b>Total Current assets</b>		<b>234'359</b>	<b>254'748</b>	<b>225'317</b>	<b>253'910</b>
Fixed assets	FA	1	1	1	1
<b>Total Non-Current assets</b>		<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>TOTAL ASSETS</b>		<b>234'360</b>	<b>254'749</b>	<b>225'318</b>	<b>253'911</b>

<b>LIABILITIES AND ASSOCIATIONS EQUITY</b>	Notes	31.12.2019	31.12.2019	31.12.2018	31.12.2018
		EUR	CHF	EUR	CHF
Trade accounts payable	4	39'756	43'215	37'836	42'637
Other shortterm payables	5	18'949	20'598	51'451	57'980
Accrued expenses and Deferred income	6	17'051	18'518	11'985	19'319
<b>Total shortterm Liabilities</b>		<b>75'756</b>	<b>82'331</b>	<b>101'272</b>	<b>119'936</b>
Profit carried forward		124'047	133'975	123'907	133'788
Profit for the year		34'557	38'443	140	187
<b>Total Associations equity</b>		<b>158'603</b>	<b>172'418</b>	<b>124'047</b>	<b>133'975</b>
<b>TOTAL LIABILITIES AND ASSOCIATIONS EQUITY</b>		<b>234'360</b>	<b>254'749</b>	<b>225'318</b>	<b>253'911</b>

**INCOME STATEMENT**

	Notes	2019 EUR	2019 CHF	2018 EUR	2018 CHF
Income from Sales and Services	A	641'379	713'517	548'340	633'259
<b>Total Operating income</b>		<b>641'379</b>	<b>713'517</b>	<b>548'340</b>	<b>633'259</b>
Direct costs	B	152'468	169'617	115'534	133'427
Personnel expenses	C	70'596	78'537	60'359	69'706
Other operating expenses	D	317'661	353'389	264'570	305'542
Advertising expenses	E	51'623	57'429	65'631	75'796
Depreciation	FA	0	0	899	1'013
<b>Total Operating expenses</b>		<b>592'349</b>	<b>658'972</b>	<b>506'993</b>	<b>585'484</b>
<b>Operating result</b>		<b>49'031</b>	<b>54'545</b>	<b>41'347</b>	<b>47'775</b>
Financial expenses	F	9'822	10'927	6'158	7'112
Financial income		0	0	0	0
<b>Total Financial result</b>		<b>-9'822</b>	<b>-10'927</b>	<b>-6'158</b>	<b>-7'112</b>
<b>Ordinary result</b>		<b>39'208</b>	<b>43'618</b>	<b>35'189</b>	<b>40'663</b>
Extraordinary expenses	G	1'069	1'189	35'032	40'457
<b>Total Extraordinary result</b>		<b>-1'069</b>	<b>-1'189</b>	<b>-35'032</b>	<b>-40'457</b>
<b>Result before taxes</b>		<b>38'140</b>	<b>42'429</b>	<b>157</b>	<b>206</b>
Taxes	H	3'583	3'986	17	19
<b>Profit for the year</b>		<b>34'557</b>	<b>38'443</b>	<b>140</b>	<b>187</b>

**DEVELOPMENT OF THE FIXED ASSETS**

Notes FA

	Office machines EUR	Office machines CHF	Total EUR	Total CHF
Opening Balance	10'659	11'587	10'659	11'587
Increase	0	0	0	0
Decrease	0	0	0	0
<b>Closing Balance</b>	<b>10'659</b>	<b>11'587</b>	<b>10'659</b>	<b>11'587</b>

**Depreciation / Value adjustment**

	Office machines EUR	Office machines CHF	Total EUR	Total CHF
Value adjustment of the previous year	10'658	11'585	10'658	11'585
Increase	0	0	0	0
Decrease	0	0	0	0
<b>Closing Balance</b>	<b>10'658</b>	<b>11'585</b>	<b>10'658</b>	<b>11'585</b>

<b>Book value end of the year</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</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.

### Applied accounting 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 stipulated by law, the material accounting and valuation principles applied are described below.

The application of our accounting policies requires estimates, assumptions and judgments by the Board of Directors as they relate to matters that are inherently uncertain. This applies in particular to the value of reported assets, liabilities and contingent liabilities at the balance sheet date, as well as income and expenses during the reporting period which can all have significant influence on the financial statements.

Where statutory valuation and accounting rules provide for flexibility or ask for judgement calls, the Board of Directors, guided by the principle of prudence, uses its discretion and considers certain value adjustments, depreciation expenses and provisions for certain risks.

### Valuation principles

The accounting policies applied in preparing 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. Depreciations are made where necessary.

### Accrued income and 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

### Impairment

At the balance sheet date all assets are assessed as to whether there are indications of the recoverable amount having dropped below the carrying amount. If an impairment is necessary, the carrying amount is written down to the recoverable amount and the impairment loss is charged to the income statement.

## NOTES

### 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 and 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. For the translation of the figures in the balance sheet the year-end rate was used. On the contrary for the income statement the yearly average exchange rate was considered. The following rates have been used for the translation of EUR to CHF.

	Balance sheet	Income statement
Translation for the year 2019, EUR to CHF	1.0870	1.1125
Translation for the year 2018, EUR to CHF	1.1269	1.1549

**NOTES**

	31.12.2019	31.12.2019	31.12.2018	31.12.2018
	EUR	CHF	EUR	CHF
<b>1 Cash and cash equivalents</b>				
Cash	5	5	4	5
acrevis Bank, CHF	1'460	1'587	315	355
acrevis Bank, EUR	187'532	203'848	202'258	227'924
acrevis Bank, USD	23'391	25'426	29	33
<b>Total</b>	<b>212'388</b>	<b>230'866</b>	<b>202'607</b>	<b>228'318</b>
<b>2 Trade accounts receivable</b>				
Trade accounts receivable	11'026	11'985	9'925	11'184
Value adjustment on Trade accounts receivable	-2'205	-2'397	-2'000	-2'254
<b>Total</b>	<b>8'821</b>	<b>9'588</b>	<b>7'925</b>	<b>8'931</b>
<b>3 Accrued income and Prepaid expenses</b>				
Rental, Domicile fees	1'400	1'522	1'385	1'561
Administrative expenses	11'750	12'772	13'400	15'100
<b>Total</b>	<b>13'150</b>	<b>14'294</b>	<b>14'785</b>	<b>16'661</b>
<b>4 Trade accounts payable</b>				
Trade accounts payable	39'756	43'215	37'836	42'637
<b>Total</b>	<b>39'756</b>	<b>43'215</b>	<b>37'836</b>	<b>42'637</b>
<b>5 Other shortterm payables</b>				
Social insurances	18'949	20'598	51'451	57'980
<b>Total</b>	<b>18'949</b>	<b>20'598</b>	<b>51'451</b>	<b>57'980</b>
<b>6 Accrued expenses and Deferred income</b>				
Bookkeeping and Auditing	12'000	13'044	10'750	12'114
Prepaid Fees	1'500	1'631	1'200	1'352
Currency translation	0	-16	0	5'813
Taxes	3'551	3'860	35	39
<b>Total</b>	<b>17'051</b>	<b>18'518</b>	<b>11'985</b>	<b>19'319</b>



**NOTES**

	2019	2019	2018	2018
	EUR	CHF	EUR	CHF
<b>A Income from Sales and Services</b>				
Advertising	3'820	4'250	5'051	5'833
Entry fees	195'952	217'991	183'685	212'132
Bid fees	3'000	3'337	6'000	6'929
Yearly fees	126'400	140'617	105'920	122'323
International Open Tournaments	149'500	166'315	118'000	136'274
Contracts / Sponsoring	115'000	127'934	127'000	146'668
Donations	19'460	21'649	3'434	3'966
Penalties	0	0	-750	-866
Other incomes (IOC Contribution)	28'452	31'652	0	0
Value adjustment on Trade accounts receivable	-205	-228	0	0
<b>Total</b>	<b>641'379</b>	<b>713'517</b>	<b>548'340</b>	<b>633'259</b>
<b>B Direct costs</b>				
Contribution WAKO Europe	80'100	89'109	58'257	67'278
Contribution WAKO Asia, Pan-America, Africa, Oceania	2'414	2'686	0	0
Development Projects	15'512	17'257	11'818	13'649
Anti-Doping agency	41'653	46'338	38'945	44'976
Articles for members	12'789	14'227	6'515	7'524
<b>Total</b>	<b>152'468</b>	<b>169'617</b>	<b>115'534</b>	<b>133'427</b>
<b>C Personnel expenses</b>				
President remuneration including taxes	53'634	59'666	40'664	46'962
Social insurances	4'183	4'654	3'277	3'785
Other contributions (training / development)	12'779	14'217	16'417	18'959
<b>Total</b>	<b>70'596</b>	<b>78'537</b>	<b>60'359</b>	<b>69'706</b>
<b>D Other operating expenses</b>				
Rental, Domicile fees	2'822	3'140	6'482	7'486
Administrative expenses	137'594	153'069	114'071	131'737
Office equipment	316	351	2'089	2'412
Bookkeeping and Auditing	13'572	15'099	10'610	12'253
Consulting, Legal consulting	63'856	71'038	45'418	52'451
Board and Staff expenses	92'791	103'228	67'621	78'093
IT Support	6'710	7'465	18'279	21'109
<b>Total</b>	<b>317'661</b>	<b>353'389</b>	<b>264'570</b>	<b>305'542</b>
<b>E Advertising expenses</b>				
Advertisement and Travel expenses	51'623	57'429	65'631	75'796
<b>Total</b>	<b>51'623</b>	<b>57'429</b>	<b>65'631</b>	<b>75'796</b>

**NOTES**

	2019	2019	2018	2018
	EUR	CHF	EUR	CHF
<b>F Financial expenses</b>				
Interest expenses and charges	2'786	3'100	1'886	2'179
Exchange differences	7'036	7'828	4'272	4'933
<b>Total</b>	<b>9'822</b>	<b>10'927</b>	<b>6'158</b>	<b>7'112</b>
<b>G Extraordinary expenses</b>				
Social insurances of previous years	1'069	1'189	35'032	40'457
<b>Total</b>	<b>1'069</b>	<b>1'189</b>	<b>35'032</b>	<b>40'457</b>
<b>H Taxes</b>				
Taxes	3'583	3'986	17	19
<b>Total</b>	<b>3'583</b>	<b>3'986</b>	<b>17</b>	<b>19</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**

As of March 12th 2020 the World Health Organization declared the COVID-19 outbreak as a global pandemic. Simultaneously, many countries took drastic measures to avoid the further spread of the virus.

The dimensions and duration of the pandemic is still uncertain. At the moment the impacts on the business of World Association of Kickboxing Organizations (WAKO) can not be measured accordingly.

The pandemic is an event after the balance sheet date, which evidently occurred after the balance sheet date.

**PROPOSAL FOR THE APPROPRIATION OF RETAINED EARNINGS**

	31.12.2019	31.12.2019	31.12.2018	31.12.2018
	EUR	CHF	EUR	CHF
<b><u>Decree to the general meeting:</u></b>				
Profit for the year	34'557	38'443	140	187
Profit carried forward	124'047	133'975	123'907	133'788
<b>Total</b>	<b>158'603</b>	<b>172'418</b>	<b>124'047</b>	<b>133'975</b>
<b><u>Proposal for appropriation of retained earnings:</u></b>				
Profit carried forward	158'603	172'418	124'047	133'975
<b>Total</b>	<b>158'603</b>	<b>172'418</b>	<b>124'047</b>	<b>133'975</b>