MSZ Group
Accounting, tax and audit services

World Association of Kickboxing Organizations (WAKO)

6300 Zug

REPORT OF THE STATUTORY AUDITOR

ON THE FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2023

Report of the statutory auditor
on the limited statutory examination
to the General Assembly of
World Association of Kickboxing Organizations (WAKO)
6300 Zug

As statutory auditor, we have examined the financial statements (balance sheet, income statement and notes) of **World Association of Kickboxing Organizations (WAKO)** for the financial year ended December 31, 2023. The limited statutory examination of the prior year financial statements was performed by another auditor who expressed an unmodified examination conclusion on those financial statements on July 20, 2023.

These financial statements are the responsibility of the Board of Directors. 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.

MSZ Group AG Zug





Pascal Kronenberg
Licensed Audit Expert
Auditor in Charge

Ivano Castagna
Licensed Audit Expert

Zug, July 09, 2024

Enclosure:
- Financial statements (balance sheet, income statement and notes)

Financial statements

of

World Association of Kickboxing Organizations (WAKO)

for the year

2023

B A L A N C E S H E E T

ASSETS	Notes	31.12.2023 EUR	31.12.2023 CHF	31.12.2022 EUR	31.12.2022 CHF
Cash and cash equivalents	1	428'362	398'248	212'762	210'092
Trade accounts receivable	2	47'880	44'514	13'590	13'420
Accrued income and Prepaid expenses	3	1'562	1'452	6'378	6'298
Total Current assets		**477'804**	**444'215**	**232'730**	**229'809**
Fixed assets	FA	1	1	1	1
Total Non-Current assets		**1**	**1**	**1**	**1**
TOTAL ASSETS		**477'805**	**444'216**	**232'731**	**229'810**

LIABILITIES AND ASSOCIATIONS EQUITY	Notes	31.12.2023 EUR	31.12.2023 CHF	31.12.2022 EUR	31.12.2022 CHF
Trade accounts payable	4	75'336	70'040	39'605	39'108
Other shortterm payables	5	460	428	0	0
Accrued expenses and Deferred income	6	13'531	12'580	14'967	14'779
Total shortterm Liabilities		**89'328**	**83'048**	**54'572**	**53'887**
Translation loss		0	-42'580	0	-23'468
Profit carried forward		178'159	199'391	249'166	270'740
Profit for the year / Loss for the year		210'319	204'356	-71'007	-71'349
Total Associations equity		**388'478**	**361'168**	**178'159**	**175'923**
TOTAL LIABILITIES AND ASSOCIATIONS EQUITY		**477'805**	**444'216**	**232'731**	**229'810**

I N C O M E S T A T E M E N T

	Notes	2023 EUR	2023 CHF	2022 EUR	2022 CHF
Income from Sales and Services	A	1'281'185	1'244'865	789'851	793'655
Total Operating income		**1'281'185**	**1'244'865**	**789'851**	**793'655**
Direct costs	B	435'803	423'449	370'316	372'100
Other operating expenses	C	368'992	358'531	305'202	306'672
Advertising expenses	D	260'366	252'984	184'313	185'201
Total Operating expenses		**1'065'161**	**1'034'964**	**859'832**	**863'973**
Operating result		**216'024**	**209'900**	**-69'981**	**-70'318**
Financial expenses	E	7'289	7'082	6'173	6'203
Financial income	F	1'535	1'492	5'242	5'267
Total Financial result		**-5'753**	**-5'590**	**-931**	**-935**
Ordinary result		**210'271**	**204'310**	**-70'912**	**-71'253**
Extraordinary income / (-) expenses	G	48	46	0	0
Total Extraordinary result		**48**	**46**	**0**	**0**
Result before taxes		**210'319**	**204'356**	**-70'912**	**-71'253**
Taxes	H	0	0	95	96
Profit for the year / Loss for the year		**210'319**	**204'356**	**-71'007**	**-71'349**

DEVELOPMENT OF THE FIXED ASSETS

Notes FA

	Office machines EUR	Office machines CHF	Total EUR	Total CHF
Opening Balance	10'659	9'910	10'659	9'910
Increase	0	0	0	0
Decrease	0	0	0	0
Closing Balance	**10'659**	**9'910**	**10'659**	**9'910**

Depreciation / Value adjustment

	Office machines EUR	Office machines CHF	Total EUR	Total CHF
Value adjustment of the previous year	10'658	9'909	10'658	9'909
Increase	0	0	0	0
Decrease	0	0	0	0
Closing Balance	**10'658**	**9'909**	**10'658**	**9'909**
Book value end of the year	**1**	**1**	**1**	**1**

N O T E S

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.

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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 2023, EUR to CHF	0.9297	0.9717
Translation for the year 2022, EUR to CHF	0.9875	1.0048

N O T E S

	31.12.2023 EUR	31.12.2023 CHF	31.12.2022 EUR	31.12.2022 CHF
1 Cash and cash equivalents				
Cash	25	23	0	0
AIB, EUR	428'338	398'226	0	0
acrevis Bank, CHF	0	0	502	496
acrevis Bank, EUR	0	0	128'642	127'028
acrevis Bank, USD	0	0	83'617	82'568
Total	**428'362**	**398'248**	**212'762**	**210'092**
2 Trade accounts receivable				
Trade accounts receivable	59'850	55'643	16'990	16'777
Value adjustment on Trade accounts receivable	-11'970	-11'129	-3'400	-3'357
Total	**47'880**	**44'514**	**13'590**	**13'420**
3 Accrued income and Prepaid expenses				
Rental, Domicile fees	1'503	1'398	1'609	1'589
Taxes	59	54	0	0
Prepaid contributions	0	0	970	958
Refund of annual fees	0	0	3'799	3'751
Total	**1'562**	**1'452**	**6'378**	**6'298**
4 Trade accounts payable				
Trade accounts payable, EUR	35'709	33'199	39'605	39'108
Trade accounts payable, CHF	3'227	3'000	0	0
Trade accounts payable, USD	36'401	33'842	0	0
Total	**75'336**	**70'040**	**39'605**	**39'108**
5 Other shortterm payables				
VAT	460	428	0	0
Total	**460**	**428**	**0**	**0**
6 Accrued expenses and Deferred income				
Bookkeeping and Auditing	12'500	11'621	12'500	12'343
Prepaid Fees	1'031	959	2'400	2'370
Taxes	0	0	67	66
Total	**13'531**	**12'580**	**14'967**	**14'779**

N O T E S

	2023 EUR	2023 CHF	2022 EUR	2022 CHF
A Income from Sales and Services				
Advertising	239'267	232'484	5'012	5'036
Entry fees	360'776	350'548	184'913	185'804
Bid fees	3'000	2'915	9'000	9'043
Yearly fees	125'938	122'368	132'241	132'877
Rsportz membership fees	61'757	60'006	45'334	45'552
International Open Tournaments	162'075	157'480	134'494	135'142
Contracts / Sponsoring	183'134	177'942	226'834	227'926
World Combat Games 2023	83'132	80'775	0	0
Other income (education, training and misc.)	0	0	4'952	4'976
Other incomes	70'677	68'673	31'194	31'344
Value adjustment on Trade accounts receivable	-8'570	-8'327	7'135	7'169
Solidarity Fund for Ukraine	0	0	8'744	8'786
Total	**1'281'185**	**1'244'865**	**789'851**	**793'655**
B Direct costs				
Direct expenses Europa Cup / World Cup	0	0	62'489	62'790
Direct expenses WC / WCG	213'716	207'657	0	0
World Games 2022	0	0	22'884	22'995
Contribution WAKO Europe	131'309	127'587	89'344	89'774
Contribution WAKO Africa	10'101	9'815	2'791	2'804
Contribution WAKO Asia	3'500	3'401	5'168	5'193
Contribution WAKO Oceania	238	231	9'259	9'303
Contribution WAKO Pan-America	14'069	13'670	23'645	23'759
Development Projects	18'689	18'160	61'773	62'070
Solidarity Fund for Ukraine	0	0	14'744	14'815
Anti-Doping agency	44'181	42'928	41'809	42'010
Commission on Sponsorship agreements	0	0	15'000	15'072
Articles for members	0	0	21'411	21'514
Total	**435'803**	**423'449**	**370'316**	**372'100**

N O T E S

	2023 EUR	2023 CHF	2022 EUR	2022 CHF
C Other operating expenses				
Rental, Domicile fees	3'113	3'024	3'124	3'139
Administrative expenses	131'000	127'287	132'541	133'180
Office equipment	2'947	2'864	3'452	3'469
Bookkeeping and Auditing	13'110	12'738	14'608	14'678
Consulting, Legal consulting	42'667	41'457	60'682	60'974
Board and Staff expenses	161'915	157'324	86'374	86'790
IT expenses	14'241	13'837	4'421	4'443
Total	**368'992**	**358'531**	**305'202**	**306'672**
D Advertising expenses				
Advertisement and Travel expenses	260'366	252'984	184'313	185'201
Total	**260'366**	**252'984**	**184'313**	**185'201**
E Financial expenses				
Interest expenses and charges	2'751	2'673	2'476	2'488
Exchange differences	4'538	4'409	3'697	3'715
Total	**7'289**	**7'082**	**6'173**	**6'203**
F Financial income				
Exchange differences	1'535	1'492	5'242	5'267
Total	**1'535**	**1'492**	**5'242**	**5'267**
G Extraordinary income / (-) expenses				
Social insurances of previous years	48	46	0	0
Total	**48**	**46**	**0**	**0**
H Taxes				
Taxes	0	0	95	96
Total	**0**	**0**	**95**	**96**

N O T E S

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 influcened the present financial statements.

PROPOSAL FOR THE APPROPRIATION OF RETAINED EARNINGS

	31.12.2023 EUR	31.12.2023 CHF	31.12.2022 EUR	31.12.2022 CHF
Decree to the general meeting:				
Translation loss	0	-42'580	0	-23'468
Profit for the year / Loss for the year	210'319	204'356	-71'007	-71'349
Profit carried forward	178'159	199'391	249'166	270'740
Total	**388'478**	**361'168**	**178'159**	**175'923**
Proposal for appropriation of retained earnings:				
Profit carried forward	388'478	361'168	178'159	175'923
Total	**388'478**	**361'168**	**178'159**	**175'923**