

مسودة للبحث فقط
Draft for Discussion Only

JU- JITSU INTERNATIONAL FEDERATION
SPORT FEDERATION
ABU DHABI - UNITED ARAB EMIRATES

INDEPENDENT AUDITOR'S REPORT AND
FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2023

مسودة للبحث فه
for Discussion Only

JU JITSU INTERNATIONAL FEDERATION
SPORT FEDERATION
ABU DHABI - UNITED ARAB EMIRATES

INDEX

	<u>Exhibit</u>	<u>Page</u>
Independent Auditor's Report	-	3 - 5
Statement of financial position as at 31 December 2023	A	6
Statement of financial performance for the year ended 31 December 2023	B	7
Statement of changes in member's fund for the year ended 31 December 2023	C	8
Statement of cash flows for the year ended 31 December 2023	D	9
Notes to financial statements	Notes 1 - 11	10 - 21

Independent Auditor's Report

The Members

Ju - Jitsu International Federation

Sport Federation

Abu Dhabi - United Arab Emirates

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Ju Jitsu International Federation** ("JJIF" or the "Federation") - Sport Federation - Abu Dhabi which comprise the statement of financial position as at 31 December 2023, the statements of financial performance, changes in member's fund and cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Federation as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Federation in accordance with the *International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and The Executive Board for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and in compliance with applicable provisions of Company's Articles of Association and UAE Federal Decree Law No. (32) of 2021 regarding Commercial Companies, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Independent Auditor's Report to the members of Ju - Jitsu International Federation
for the year ended 31 December 2023 (continued)**

In preparing the financial statements, management is responsible for assessing the Federation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Federation or to cease operations, or has no realistic alternative but to do so.

The Executive Board is responsible for overseeing the Federation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Federation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Federation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Federation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report to the members of Ju - Jitsu International Federation
for the year ended 31 December 2023 (continued)

We communicate with the Management regarding, among other matters, the planned scope and the timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

As required by UAE Federal Decree Law No. 32 of 2021 regarding Commercial Companies, we report that:

1. We have obtained all the information and explanation we considered necessary for our audit.
2. The financial statements comply, in all material respect with the applicable provisions of UAE Federal Decree Law No. 32 of 2021 regarding Commercial Companies and the Articles of Association of the Company.
3. The Company has maintained proper books of accounts.
4. Transactions and term with related party disclosed in Note 9.
5. Based on the information and explanation that has been made available to us nothing came to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2023 any of the applicable provisions of UAE Federal Decree Law No. (32) of 2021 regarding Commercial Companies or the Articles of Association of the Company which would have a material effect on the Company's activities or on its financial position for the year.

For Talal Abu Ghazaleh & Co. International

Firas Kilani

Licensed Auditor No. 632

Abu Dhabi

13 October 2025

JU- JITSU INTERNATIONAL FEDERATION
SPORT FEDERATION
ABU DHABI - UNITED ARAB EMIRATES

مسودة للبحث فقط
Draft for Discussion Only
EXHIBIT C

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023
(AMOUNTS ARE EXPRESSED IN U.S.A. DOLLARS)

	<u>NOTE</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	4	411,465
Other receivables	5	188,313
Total current assets		<u>599,778</u>
TOTAL ASSETS		<u>599,778</u>
LIABILITIES AND EQUITY		
Other payables	6	71,211
Total current liability		<u>71,211</u>
Total liability		<u>71,211</u>
EQUITY		
Surplus		224,376
Retained earnings		304,191
Net equity - Exhibit C		<u>528,567</u>
TOTAL LIABILITIES AND EQUITY		<u>599,778</u>

Mr. Panagiotis Theodoropoulos.

Mr. Joackim Thumfart

*THE ACCOMPANYING NOTES ARE AN
 INTEGRAL PART OF THESE FINANCIAL STATEMENTS*

JU- JITSU INTERNATIONAL FEDERATION
SPORT FEDERATION
ABU DHABI - UNITED ARAB EMIRATES

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2023

(AMOUNTS ARE EXPRESSED IN U.S.A. DOLLARS)

EXHIBIT B
مسودة للبحث فقط
Draft for Discussion Only

	<u>NOTE</u>	<u>2023</u>
Membership fees		487,932
General and administrative expenses	7	(171,829)
Other income		33,450
Net surplus for the year - Exhibit C & D		349,553

*THE ACCOMPANYING NOTES ARE AN
INTEGRAL PART OF THESE FINANCIAL STATEMENTS*

JU- JITSU INTERNATIONAL FEDERATION
SPORT FEDERATION
ABU DHABI - UNITED ARAB EMIRATES

STATEMENT OF CHANGES IN MEMBERS' FUND FOR
THE YEAR ENDED 31 DECEMBER 2023
(AMOUNTS ARE EXPRESSED IN U.S.A. DOLLARS)

EXHIBIT C

مسودة للبحث فقط
Draft for Discussion Only

	<u>Surplus</u>	<u>Retained earnings</u>	<u>Total</u>
At 1 January 2023	224,376	(45,362)	179,014
Net equity for the year - Exhibit B	---	349,553	349,553
At 31 December 2023 - Exhibit A	224,376	304,191	528,567

*THE ACCOMPANYING NOTES ARE AN
INTEGRAL PART OF THESE FINANCIAL STATEMENTS*

JU- JITSU INTERNATIONAL FEDERATION
SPORT FEDERATION
ABU DHABI - UNITED ARAB EMIRATES

STATEMENT OF CASH FLOWS FOR THE YEAR
ENDED 31 DECEMBER 2023
 (AMOUNTS ARE EXPRESSED IN U.S.A. DOLLARS)

EXHIBIT D
 مسودة للبحوث
 Draft for Discussion Only

	<u>NOTE</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net surplus for the year - Exhibit B		349,553
Changes in the components of working capital		
(Increase) in other receivables	5	(188,313)
Increase in other payables	6	71,211
<i>Net cash flows from operating activities</i>		<u>232,451</u>
NET CASH FLOWS GENERATED DURING THE YEAR		232,451
Cash and cash equivalents at beginning of the year		179,014
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	4	411,465

*THE ACCOMPANYING NOTES ARE AN
 INTEGRAL PART OF THESE FINANCIAL STATEMENTS*

JU-JITSU INTERNATIONAL FEDERATION

SPORT FEDERATION

ABU DHABI - UNITED ARAB EMIRATES

NOTES TO FINANCIAL STATEMENTS

(AMOUNTS ARE EXPRESSED IN U.S.A. DOLLARS)

مسودة للبحث فقط
Draft for Discussion Only

1. STATUS AND ACTIVITIES

a) The **JU-JITSU INTERNATIONAL FEDERATION**, founded in 1987, is an international, non-governmental, not-for-profit organization, of unlimited duration, registered as a sports association under the Swiss law with the Handelsregister Des Kantons Schwyz.

The Federation is a non-profit organization.

b) The federation was established with following objectives:

- To establish itself as a leading and internationally recognized sport federation, while promoting the inclusion of Ju-Jitsu in all IOC multisport international events.
- To implement its mission through the development, coordination, and regular organization of Ju-Jitsu competitions at world, continental, and regional levels.
- To promote ethics, good governance, and fair play in Ju-Jitsu, while opposing violence, discrimination, and any form of political or commercial manipulation.
- To protect the rights and health of Ju-Jitsu athletes by supporting medical care, career development, and by conducting an effective anti-doping program in accordance with the World Anti-Doping Code, as attested by the World Anti-Doping Agency.
- To cooperate with public and private organizations to place Ju-Jitsu at the service of humanity, encouraging initiatives that integrate sport with education, culture, and environmental responsibility.

2. NEW AND REVISED STANDARDS, INTERPRETATION AND AMENDMENTS

The accounting policies adopted in the preparation of financial statements are consistent with those applied by the Federation in the interpretation of the financial statements for the year ended 31 December 2022 except for the adoption of the following new standards, interpretation and amendments.

2.1 Standards, interpretations issued and effective for the current year

The Federation has adopted all the applicable new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for the year beginning on 1 January 2023.

- Definition of Accounting Estimates

Definition of Accounting Estimates amends IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments introduced the definition of accounting estimates and included other amendments to help entities distinguish changes in accounting estimates from changes in accounting policies.

JU- JITSU INTERNATIONAL FEDERATION
SPORT FEDERATION
ABU DHABI - UNITED ARAB EMIRATES

NOTES TO FINANCIAL STATEMENTS
(AMOUNTS ARE EXPRESSED IN U.S.A. DOLLARS)

مسودة للبحث فقط
Draft for Discussion Only

- Disclosure of Accounting Policies

Disclosure of Accounting Policies amends IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements. The amendments replace the requirement for entities to disclose their significant accounting policies with the requirement to disclose their material accounting policy information. The amendments also include guidance to help entities apply the definition of material in making decisions about accounting policy disclosures.

- Covid-19 Related Rent Concessions beyond 30 June 2021

Covid-19-Related Rent Concessions beyond 30 June 2021 amended IFRS 16 to extend by one year the application period of the practical expedient in paragraph 46A to held lessees accounting for Covid-19- related rent concessions.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Deferred Tax related to Assets and Liabilities arising from a Single Transaction amends IAS 12 Income Taxes. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The amendments apply to transactions such as leases and decommissioning obligations.

- Initial application of IFRS 17 and IFRS 9 - Comparative Information

Initial Application of IFRS 17 and IFRS 9 - Comparative Information amends IFRS 17 Insurance Contracts. The amendment adds a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. IFRS 17 is effective for annual reporting periods beginning on or after 1 January 2023.

These amendments had no material impact on the financial statements of the Company.

2.2 Standards, interpretations and amendments in issue not yet effective and not early adopted:

		Effective date
IFRS 16	Lease liability in a sale and leaseback.	1 January 2024
IAS 1	Non-current liabilities with covenants.	1 January 2024

If applicable, the Federation intends to adopt these new and amended standards and interpretations when they become effective. The management anticipates that the adoption of the above standards and interpretations in future periods may have an impact on the financial statements of the Federation.

JU- JITSU INTERNATIONAL FEDERATION
SPORT FEDERATION
ABU DHABI - UNITED ARAB EMIRATES
NOTES TO FINANCIAL STATEMENTS
(AMOUNTS ARE EXPRESSED IN U.S.A. DOLLARS)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by the company is consistent with those applied in prior periods except for the new and amended IFRS's effective as of 1 January 2023 as detailed in Note 2 which did not have material impact on the financial statements of the company. The significant accounting policies adopted by the company in the preparation of the financial statements are as follows:-

a. Financial Statements Preparation Framework

The financial statements have been prepared in accordance with International Financial Reporting Standards.

b. Basis of presentation

The financial statements are prepared in accordance with the historical cost principle.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services, while Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Federation takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the

c. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are either financial assets or financial liabilities.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

d. Financial assets

Any asset that is: cash, an equity instrument of another entity, or a debt instrument of another entity (a contractual right to receive cash or another financial asset from another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity, or a contract that will or may be settled in the entity's own equity instruments).

The Federation does not have debt instruments that qualify for measurement at fair value through other comprehensive income nor at fair value through profit or loss. Moreover the Federation's financial assets does not have any equity instrument financial assets.

NOTES TO FINANCIAL STATEMENTS
(AMOUNTS ARE EXPRESSED IN U.S.A. DOLLARS)

Initial measurement

Financial assets are recognized when the Federation becomes party to the contractual provisions of the instruments. At initial recognition, the Federation measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in income or expenditure.

i. Cash and cash equivalents

Cash and cash equivalents includes cash at banks - current accounts and other short-term highly liquid investments with original maturities of three months or less.

ii. Other receivables

Other receivables do not bear interest. Other receivables are measured at amortized cost using the effective interest method. At the end of each reporting period, the carrying amounts of other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognized immediately in statement of financial performance.

Impairment

The Federation assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instrument assets carried at amortized cost and FVOCI. For trade receivables, the Federation measures the loss allowance at an amount equal to the lifetime expected credit losses.

Derecognition

A financial asset is derecognized where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognized in other comprehensive income for debt instruments is recognized in income or expenditure.

e. Right of use asset

The Federation assess whether a contract is or contains a lease, at inception of the contract. The Federation recognize a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is a lessee, except for short-term leases and leases of low-value assets for which lease payments are recognized as an expense in the statement of financial performance on straight line basis over the lease term.

NOTES TO FINANCIAL STATEMENTS
(AMOUNTS ARE EXPRESSED IN U.S.A. DOLLARS)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Federation uses its incremental borrowing rate. The lease liability is presented as a separate line item in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability using effective interest method, by reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modification or to reflect revised in-substance fixed lease payments.

The right of use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and any accumulated impairment. Right-of-use assets are depreciated over the lease term or useful life of the underlying asset which ever is shorter.

The carrying values of right-of-use assets are reviewed for impairment when events or changes in the circumstances indicate the carrying value may not be recoverable. If any such indication of impairment exists, impairments losses are calculated in accordance with Note 3 (f).

Whenever the Federation incurs an obligation for costs to dismantle and remove the leased assets or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured in accordance with Note 3 (h).

f. *Impairment of tangible and intangible assets*

At each statement of financial position date, the Federation reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have been impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, being the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of asset's fair value less costs to sell and the value in use. The asset's fair value is the amount for which that asset could be exchanged between knowledgeable, willing parties in arm's length transaction. The value in use is the present value of the future cash flows expected to be derived from the asset. An impairment loss is recognized immediately in the statement of financial performance, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

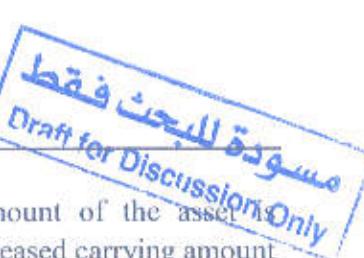
JU- JITSU INTERNATIONAL FEDERATION

SPORT FEDERATION

ABU DHABI - UNITED ARAB EMIRATES

NOTES TO FINANCIAL STATEMENTS

(AMOUNTS ARE EXPRESSED IN U.S.A. DOLLARS)



Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but the increased carrying amount due to reversal should not be more than what the depreciated historical cost would have been if the impairment had not been recognized in prior years. A reversal of an impairment loss is recognized immediately in the statement of financial performance unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

g. *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognized when the Federation becomes a party to the contractual provisions of the financial instrument. The Federation determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized, and through the amortization process.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in income or expenditure.

h. *Provisions*

Provisions are present obligations (legal or constructive) resulted from past events, the settlement of the obligations is probable and the amount of those obligations can be estimated reliably. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the statement of financial position date, that is, the amount that the Federation would rationally pay to settle the obligation at the statement of financial position date or to transfer it to a third party.

JU- JITSU INTERNATIONAL FEDERATION

SPORT FEDERATION

ABU DHABI - UNITED ARAB EMIRATES

NOTES TO FINANCIAL STATEMENTS

(AMOUNTS ARE EXPRESSED IN U.S.A. DOLLARS)

مسودة للبحث فقط
Draft for Discussion Only

Provisions reviewed and adjusted at each statement of financial position date. If outflows, to settle the provisions, are no longer probable, reverse of the provision is recorded as income. Provisions are only used for the purpose for which they were originally recognized.

i. *End of service benefits obligation*

Estimated amounts required to cover employees' end of service indemnity at the date of statement of financial position are computed in accordance with the Abu Dhabi Civil Service Law, based on the employees' accumulated period of service and current remuneration at the date of statement of financial position. Provision for pension payable to the UAE national employees is made in accordance with the Law No. 2 of 2000 regarding Civil Retirement Pensions and Benefits in the Emirate of Abu Dhabi. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

j. *Income recognition*

Revenue is measured based on the consideration to which the Federation expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognized when the Federation satisfies a performance obligation by transferring the promised goods to the customer, which is when the customer obtains control of the goods. the Federation's performance obligations are satisfied at a point in time. The amount of revenue recognized is the amount allocated to the satisfied performance obligations.

i) *Government grants*

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Federation receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on a pattern of consumption of the benefits of the underlying asset by equal annual instalments.

ii) *Sponsorship income*

Sponsorship income is recognized when receiving the amount due from the sponsorship agreement.

JU- JITSU INTERNATIONAL FEDERATION

SPORT FEDERATION **ABU DHABI - UNITED ARAB EMIRATES**

NOTES TO FINANCIAL STATEMENTS

(AMOUNTS ARE EXPRESSED IN U.S.A. DOLLARS)

k. Foreign currency

The financial statements are presented in the currency of the primary economic environment in which the Federation operates (its functional currency). In preparing the financial statements, transactions in currencies other than the Federation's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the statement of financial position date (closing rate). Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the year or in previous financial statements shall be recognized in the statement of financial performance in the year in which they arise.

l. Contingent liabilities

Contingent liabilities are possible obligations depending on whether some uncertain future events occur, or they are present obligations but payments are not probable or the amounts cannot be measured reliably. Contingent liabilities are not recognized in the financial statements but are disclosed.

m. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Federation's accounting policies, the Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the date of the statement of financial position, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.



JU- JITSU INTERNATIONAL FEDERATION
SPORT FEDERATION
ABU DHABI - UNITED ARAB EMIRATES
NOTES TO FINANCIAL STATEMENTS
(AMOUNTS ARE EXPRESSED IN U.S.A. DOLLARS)

مسودة للاستعراض
Draft for Discussion Only

i. *Impairment of non-current assets*

IFRS requires management to undertake an annual test for impairment of indefinite lived assets and, for finite lived assets, to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of growth in earnings, timing and quantum of future, long term growth rates and the selection of discounts.

ii. *Useful lives of non-current assets*

The cost of tangible and intangible assets are depreciated over the estimated useful life, which is based on expected usage of the assets, expected physical wear and tear, which depends on operational factors such as repair and maintenance program and physical obsolescence. The Management has not considered any residual value as it is deemed immaterial.

iii. *Impairment of financial assets*

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Federation uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Federation's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

4. CASH AND CASH EQUIVALENTS

This item consists of the following :

2023

Cash on hand	2,184
Cash at banks - current accounts	<u>409,281</u>
Total - Exhibit A & D	<u>411,465</u>

5. OTHER RECEIVABLES

This item consists of the following :

2023

Accounts receivables	188,313
Total - Exhibit A	<u>188,313</u>

JU- JITSU INTERNATIONAL FEDERATION
SPORT FEDERATION
ABU DHABI - UNITED ARAB EMIRATES

NOTES TO FINANCIAL STATEMENTS
(AMOUNTS ARE EXPRESSED IN U.S.A. DOLLARS)

مسودة للبحث فقط
Draft for Discussion Only

6. OTHER PAYABLES

This item consists of the following :

Accrued expenses	48,800
Related patry - payable	18,396
Others	4,015
Total - Exhibit A	71,211

7. GENERAL AND ADMINISTRATIVE EXPENSES

This item consists of the following:

Bad debt expense	6,450
Marketing expense	9,830
Legal and professional fees	2,888
Bank charges	581
Administration expenses	81,590
Anti-doping expense	64,376
IOC recognition	6,114
Total - Exhibit B	171,829

8. RISK MANAGEMENT

The financial risk management function is regularly performed by the management of the Federation including investment decisions and monitoring and managing the financial risks relating to the Federation's operations. These risks include: credit risk and liquidity risk.

The Federation seeks to minimize the effects of these risks by diversifying the sources of its capital. It maintains timely reports about its risk management function and monitors risks and policies implemented to mitigate risk exposures.

a) *Credit risk*

Credit risk refers to the risk that a debtor will default on its contractual obligations resulting in financial loss to the Federation. The Federation maintains a credit policy that states dealing with only creditworthy parties as a means of mitigating the risk of financial loss from defaults. The Federation monitors, regularly, the credit ratings of its major debtors and the volume of transactions with those debtors during the year using publicly available financial information and its own trading records. Ongoing credit evaluation is performed on the financial condition of debtors. The carrying amount of financial assets recorded in the financial statements represents the Federation's maximum exposure to credit risk.

JU- JITSU INTERNATIONAL FEDERATION
SPORT FEDERATION
ABU DHABI - UNITED ARAB EMIRATES

NOTES TO FINANCIAL STATEMENTS
(AMOUNTS ARE EXPRESSED IN U.S.A. DOLLARS)

مسودة للبحث فقط
Draft for Discussion Only

The credit risk on liquid funds is insignificant since these funds are deposited with financial institutions that maintain a strong capital base and appropriate credit standings in the U.A.E.

b) Liquidity risk

Responsibility of liquidity risk management rests with the Management of the Federation, they adopt an appropriate liquidity risk management framework. The Federation maintains adequate reserves and the Management monitors its cash flows and match them with maturity dates of financial assets and liabilities.

The following table shows the maturity dates of Federation's financial assets and liabilities as of 31 December 2023.

<i>Financial assets</i>	<u>Less than</u>	<u>More than</u>	<u>Total</u>
	<u>1 year</u>	<u>1 year</u>	
Cash and cash equivalents	411,465	---	411,465
Other receivables	188,313	---	188,313
Total	599,778	---	599,778
 <i>Financial liabilities</i>			
Other payables	71,211	---	71,211
Total	71,211	---	71,211

9. RELATED PARTIES

The Federation in the normal course of business conducts transactions with other parties which fall within the definition of related parties as they are under common ownership and/or management. Transactions with related parties are made at prices and terms determined by the management which reflects the relationship between the parties. The amounts outstanding are unsecured and shall be settled on demand. The balances of the related parties are as follows:

RELATED PARTY - PAYABLE

This item consists of the following : **2023**

M/s. Ju-Jitsu African Union	11,748
M/s. Ju-Jitsu European Union	6,648
Total - Note 5	18,396

JU- JITSU INTERNATIONAL FEDERATION
SPORT FEDERATION
ABU DHABI - UNITED ARAB EMIRATES
NOTES TO FINANCIAL STATEMENTS
(AMOUNTS ARE EXPRESSED IN U.S.A. DOLLARS)

مسودة للبحث فقط
Draft for Discussion Only

10. CORPORATE TAX

Corporate Tax Law

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law (“CT Law”) to enact a Federal corporate tax regime in the UAE. Furthermore, a Cabinet Decision was published which specifies that taxable income not exceeding AED. 375,000 would be subject to a 0% UAE CT rate and taxable income exceeding AED. 375,000 would be subject to the 9% UAE CT rate.

As the Federation’s accounting year ends on 31 December, accordingly the effective implementation date for the Federation will start from 1 January 2024 to 31 December

11. GENERAL

Amount shown in the financial statements are rounded off to the nearest Dollar of United States.