# JU- JITSU INTERNATIONAL FEDERATION

**SPORT FEDERATION**

**ABU DHABI - UNITED ARAB EMIRATES**

**INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

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

## INDEX

## 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 2024, the statements of financial performance, changes in equity 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 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

***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 for the Financial Statements***
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS, UAE Federal Law No. (26) of 2019 concerning the Financial System of the Government of Abu Dhabi and instructions issued by the Department of Finance preparing the final account No. (15) for the year 2019 and Federal Law No. (11) for the year 2016 concerning organizing the terms to the preparation and implementation of the annual budget of Subject Entities.


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فاكس: ٦٧٢٣٥٢٦/٦٧٦٥٠٠٣ ٢ ٩٧١+
ص.ب: ٤٢٩٥ أبو ظبي، الإمارات العربية المتحدة

**Independent Auditor's Report to the members of Ju - Jitsu International Federation for the year ended 31 December 2024 (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 Management 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 2024 (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**

We report that the center has comply with the following laws, regulations and circulars as applicable:

- Law No. (26) of 2019 concerning the Financial System of the Government of Abu Dhabi and instructions issued by the Department of Finance pertaining to the preparation and implementation of the annual budget of Subject Entities;

- Law of Federation; and

- Relevant provisions of the applicable laws, resolutions and circulars organizing the Centre's operations.

We report that based on the procedures performed an information provided to us, nothing has come to our attention that caused us to believe that the authority has not complied, in all material respect, with any of the provisions of the laws, regulations and circulars as applicable, which would materially effect its activities or the financial statements as at 31 December 2024.

**For Talal Abu Ghazaleh & Co. International**

**Firas Kilani**
Licensed Auditor No. 632

Talal Abu Ghazaleh & Co. International
ABU DHABI
أبوظبي
طلال ابو غزاله وشركاه الدولية

Abu Dhabi

15 March 2026

# JU- JITSU INTERNATIONAL FEDERATION

## SPORT FEDERATION

## ABU DHABI - UNITED ARAB EMIRATES

**EXHIBIT A**

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

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

| | NOTE | 2024 | 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and cash equivalents | 4 | **501,119** | 411,465 |
| Account receivable | 5 | **164,517** | 188,314 |
| Total current assets | | **665,636** | 599,779 |
| TOTAL ASSETS | | **665,636** | 599,779 |
| **LIABILITIES AND EQUITY** | | | |
| Other payables | 6 | **100,998** | 71,212 |
| Total current liability | | **100,998** | 71,212 |
| Total liability | | **100,998** | 71,212 |
| **EQUITY** | | | |
| Surplus | | **564,638** | 528,567 |
| Net members' fund - Exhibit C | | **564,638** | 528,567 |
| TOTAL LIABILITIES AND MEMBERS FUND | | **665,636** | 599,779 |

**Mr. Panagiotis Theodoropoulos.**

**Mr. Joachim Thumfart**

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

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

**EXHIBIT B**

### STATEMENT OF FINANCIAL PERFORMANCE
### FOR THE YEAR ENDED 31 DECEMBER 2024
**(AMOUNTS ARE EXPRESSED IN U.S.A. DOLLARS)**

| | NOTE | 2024 | 2023 |
|---|---|---|---|
| Revenue | 7 | **222,011** | 487,932 |
| General and administrative expenses | 8 | **(226,917)** | (171,829) |
| Other income | | **40,977** | 33,450 |
| **Net surplus for the year - Exhibit C & D** | | **36,071** | 349,553 |

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

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

**EXHIBIT C**

## STATEMENT OF CHANGES IN MEMBERS' FUND FOR THE YEAR ENDED 31 DECEMBER 2024
**(AMOUNTS ARE EXPRESSED IN U.S.A. DOLLARS)**

| | Surplus |
|---|---|
| At 31 December 2022 (Unaudited) | 179,014 |
| Net surplus for the year - Exhibit B | 349,553 |
| At 31 December 2023 - Exhibit A | 528,567 |
| Net surplus for the year - Exhibit B | **36,071** |
| **At 31 December 2024 - Exhibit A** | **564,638** |

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

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

**EXHIBIT D**

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

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

| | NOTE | 2024 | 2023 |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES:** | | | |
| Net surplus for the year - Exhibit B | | **36,071** | 349,553 |
| Adjustment | | ---- | 179,014 |
| **Changes in the components of working capital** | | | |
| Decrease / (increase) in account receivable | 5 | **23,797** | (188,313) |
| Increase in other payables | 6 | **13,881** | 71,211 |
| *Net cash flows from operating activities* | | **73,749** | 411,465 |
| **CASH FLOWS FROM FINANCING ACTIVITY :** | | | |
| Increase in related parties - payables | 10 | **15,905** | ---- |
| *Net cash flows from financing activities* | | **15,905** | ---- |
| **NET CASH FLOWS GENERATED DURING THE YEAR** | | **89,654** | 411,465 |
| Cash and cash equivalents at beginning of the year | | **411,465** | ---- |
| **CASH AND CASH EQUIVALENTS AT END OF THE YEAR** | 4 | **501,119** | 411,465 |

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

## 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 Schwwyz.

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. STANDARDS AND INTERPRETATIONS ISSUED THAT BECAME EFFECTIVE:

The following amended IFRSs, that became effective, were adopted for the financial periods starting on or after 1 January 2024 in the preparation of the Federation's financial statements. The adoption of the mentioned amendments did not materially affect the amounts and disclosures included in the financial statements of the current year. The following table summarizes the details of the amendments.

2.1

| Standard or Interpretation Number | Description | Effective date |
|---|---|---|
| IFRS No. (16) Lease contract | Amendments that clarify how a seller-lessee subsequently measures sale and leaseback transaction. | 1 January 2024 |
| Amendments to IAS No. (1) | Amendments to financial statements presentation clarifies the Classification of Liabilities as Current or Non-current based on the contractual arrangements in place at the reporting date.<br><br>Classification is neither affected by entity's expectation nor do events occur after financial report date. | January1,2024 (Deferred from January 1,2022) |
| Amendments to IAS No. (7) and IFRS No. (7) | Amendments ask entities to provide qualitative and quantitative information about supplier finance arrangements. | 1 January 2024 |

## 2.2 Standards and Interpretations Issued but not Yet Effective:

The Federation did not adopt any of the following new amended standards that were issued but not yet effective :

| Standard or Interpretation Number | Description | Effective date |
|---|---|---|
| Amendments to IAS (21) | Lack of Exchangeability of foreign currencies as usual. | 1 January 2025 |
| Amendments to IFRS (7) and (9) | Amendments to the Classification and Measurement of Financial Instruments. | 1 January 2026 |
| IFRS (18) Issued | Presentation and disclosure in financial statements that will replace IAS 1 (Presentation of Financial Statements). | 1 January 2027 |
| IFRS (19) Issued | Disclosure requirements for subsidiaries without Public Accountability. | 1 January 2027 |
| Amendments to IFRS 10 and IAS 28 | Sales or contributions of assets between an investor and its associate or joint venture. | Postponing the effective date indefinitely |
| IFRS (S1) - General requirements for the disclosure of sustainability related financial information, and IFRS (S2) - Climate-related disclosures | | January 1, 2024 (The application depends on the regulatory authorities adopting the two standards) |

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 will have no material impact on the financial statements of the Federation.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by the Federation is consistent with those applied in prior periods except for the new and amended (IPSAS) effective as of 1 January 2024 as detailed in Note 2 which did not have material impact on the financial statements of the Federation. The significant accounting policies adopted by the Federation 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 measurement date.

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.

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. *Account receivables*

Account receivables do not bear interest. Account 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.

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 (j).

f. *Impairment of tangible 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.

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. *Taxes*

i) *Value added tax*

Expenses and assets are recognized net of the amount of VAT, except :

- When VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, VAT is recognised as part of the cost of acquisition of the asset or as part of the expense items, as applicable.
- When receivables and payables are stated with the amount of VAT included.
- The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

ii) *Current income tax expenses*

Current income tax assets and liabilities are measured at the amount of income taxes payable (recoverable) in respect of the taxable income (tax loss) to the Federal Tax Authority for the year at the statement of financial position date.

The tax rate used to compute the income tax is that enacted at the reporting date in the United Arab Emirates.

iii) *Deferred tax*

Deferred tax is accounted for using the asset and liability method. Deferred tax assets and liabilities are recognized for the full tax consequences of all temporary differences between the carrying amounts of existing assets and liabilities in the financial statements of the Federation and their respective tax bases.

Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled.

The Federation shall offset deferred tax assets and deferred tax liabilities if, and only if: a) the Federation has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity; or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax assets are recognized up to the extent that it is probable that sufficient taxable profits will be available against which the deductible temporary differences can be utilized. The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting period. The Federation shall reduce the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available Also, at the end of each reporting period, the Federation reassesses unrecognized deferred tax assets and recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

i. *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.

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.

j. *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.

k. *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 providing the promised services to the customer, which is when the customer obtains the services. 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) *Membership income*
Membership income is recognized when receiving the amount due from members as per membership agreement.

iii) *Events participation income*
Events participation income is recognized when the Federation raise the invoice to the events participants.

l. *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.

m. *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.

n. *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.

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 : | **2024** | 2023 |
|---|---|---|
| Cash on hand | **5,310** | 2,184 |
| Cash at banks - current accounts | **495,809** | 409,281 |
| **Total - Exhibit A & D** | **501,119** | 411,465 |

## 5. ACCOUNT RECEIVABLE

| This item consists of the following : | **2024** | 2023 |
|---|---|---|
| Account receivables | **164,517** | 188,314 |
| **Total - Exhibit A** | **164,517** | 188,314 |

## 6. TRADE PAYABLES

This item consists of the following :

| | 2024 | 2023 |
|---|---|---|
| Accrued expenses | **58,812** | 48,800 |
| Related parties - payables - Note 10 | **34,302** | 18,397 |
| Others | **7,884** | 4,015 |
| **Total - Exhibit A** | **100,998** | 71,212 |

## 7. REVENUE

This item consists of the following :

| | 2024 | 2023 |
|---|---|---|
| Membership fees | **59,384** | 103,586 |
| Grants and donations | **36,346** | 69,999 |
| Events participation fees | **126,281** | 314,347 |
| **Total - Exhibit B** | **222,011** | 487,932 |

## 8. GENERAL AND ADMINISTRATIVE EXPENSES

This item consists of the following:

| | 2024 | 2023 |
|---|---|---|
| Marketing expense | **22,763** | 9,830 |
| Legal and professional fees | **10,013** | 2,888 |
| Bank charges | **1,357** | 581 |
| Administration expenses | **90,131** | 88,040 |
| Anti-doping expense | **102,018** | 64,376 |
| IOC recognition | **635** | 6,114 |
| **Total - Exhibit B** | **226,917** | 171,829 |

## 9. 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.

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 2024.

| *Financial assets* | **Less than 1 year** | **More than 1 year** | **Total** |
|---|---|---|---|
| Cash and cash equivalents | **501,119** | ---- | **501,119** |
| Account receivable | **164,517** | ---- | **164,517** |
| **Total** | **665,636** | ---- | **665,636** |
| *Financial liability* | | | |
| Other payables | **100,998** | ---- | **100,998** |
| **Total** | **100,998** | ---- | **100,998** |

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

| *Financial assets* | Less than 1 year | More than 1 year | Total |
|---|---|---|---|
| Cash and cash equivalents | 411,465 | ---- | 411,465 |
| Account receivable | 188,314 | ---- | 188,314 |
| Total | 599,779 | ---- | 599,779 |
| *Financial liability* | | | |
| Other payables | 71,212 | ---- | 71,212 |
| Total | 71,212 | ---- | 71,212 |

## 10. 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 PARTIES - PAYABLES*

| This item consists of the following : | **2024** | 2023 |
|---|---|---|
| M/s. Ju-Jitsu African Union | **8,899** | 11,748 |
| M/s. Ju-Jitsu American Union | **6,191** | ---- |
| M/s. Ju-Jitsu European Union | **5,964** | 6,649 |
| M/s. Ju-Jitsu Oceanian Union | **13,248** | ---- |
| **Total - Note 6** | **34,302** | 18,397 |

## 11. 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 2024.

## 12. GENERAL

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