



VYVEY & CO

Bedrijfsrevisoren

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REPORT OF THE INDEPENDENT AUDITOR
REGARDING THE LIMITED REVIEW ON THE FINANCIAL
STATEMENTS FOR THE YEAR
ENDED 31ST OF DECEMBER 2013
OF
**JU-JITSU INTERNATIONAL
FEDERATION**

BVBA VYVEY EN CO - Bedrijfsrevisoren

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An independent association
with AGN INTERNATIONAL



To the Board of Directors of
JU-JITSU INTERNATIONAL
C/o Linus Bruhin
Leutschenstrasse 9 Postfach 323
CH 8807 Freienbach
Switzerland

REPORT OF THE INDEPENDENT AUDITOR
REGARDING THE LIMITED REVIEW
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST OF DECEMBER 2013 OF
JU-JITSU INTERNATIONAL FEDERATION

In accordance with our appointment by the management of JU-JITSU INTERNATIONAL FEDERATION, you have appointed us to perform a limited review of the financial statements of JU-JITSU INTERNATIONAL FEDERATION for the financial year ending on 31st of December 2013. We have the privilege to report to you regarding our mission.

We conducted our review in accordance with the International Standard on Review Engagements 2400 applicable to review engagements. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not certified the equity of the association.

CONTENT

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2. Legal situation of the association
3. The Financial statements on 31st of December 2013
4. Analysis of the financial statements on 31st of December 2013
5. Evaluation of the internal controls and the transfer of funds
6. Conclusion



1. Identification of the association

The legal name of the association is JU-JITSU INTERNATIONAL FEDERATION.

The association was incorporated in 1987 as the International Ju-Jitsu Federation (IJJF) and changed its name in 1998 to Ju-Jitsu International Federation (JJIF).

The federation was not registered until the Board of Directors registered it in Switzerland in 2009.

The address of the association is Leutschenstrasse 9 Postfach 323, CH 8807 Freienbach, Switzerland.

The goal of the company is disclosed under article 1 of the statutes of the association.

2. Legal situation

The association has not been registered as a federation until 2009.

The appointment of the Board has been approved by the annual meeting and consists out of:

President:	Panagiotis Theodoropoulos
Vice Presidents:	Dylan Sung Tomo Borissov Igor Lanzoni

Treasurer:	Luc Mortelmans
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General Secretary:	Dana Mortelmans
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The legal books of the association need to be made up-to-date.

No valuation rules have been undersigned and have approved by the Board of Directors. A choice has to be made which GAAP will be to basis of any financial report made by the treasurer. At this time the financial statements are based on BGAAP.

As external auditor, Vyvey & Co has been appointed.

The bookkeeping of the association is currently been done by Mr Luc Mortelmans in Belgium, appointed treasurer by the general meeting of 29th of November 2008.



3. FINANCIAL STATEMENT OF 31ST OF DECEMBER 2013 (12 MONTHS)

The Financial statements of the company on 31st of December 2013 have to be approved by the next annual meeting.

All amounts are disclosed in EURO (units)

A. Assets

<u>Fixed assets</u>	19.837,78
<u>Amounts receivable within one year</u>	36.799,97
<u>Cash at bank and in hand</u>	164.870,66

	<u>221.508,41</u>

B. EQUITY AND LIABILITIES

<u>Funds of the association</u>	146.165,32
<u>Accumulated profits (losses)</u>	0,00

Equity	146.165,32
<u>Amounts payable within one year</u>	73.343,09
<u>Deferred charges and accrued income</u>	2.000,00

	<u>221.508,41</u>

C. Income statement

<u>Income</u>		160.321,82
Operating income	160.321,82	
Other operating income	0,00	
<u>Operating charges</u>		- 192.322,95
<u>Financial income</u>		1.375,69
<u>Financial charges</u>		- 1.363,04
<u>Extraordinary income</u>		0,00
<u>Extraordinary charges</u>		- 0,00
<u>Income taxes</u>		- 203,22

<u>Loss for the period available for appropriation</u>		- 32.191,70



4. ANALYSIS OF THE FINANCIAL STATEMENTS ON 31ST OF DECEMBER 2013

A. Assets

All amounts in EUR (units)

Fixed assets 19.837,78

The fixed assets consist out of investments in a JJIF software application and computers ad 29.906,77 EUR. The depreciation rate is 33%, and have been booked ad 10.068,99.

Amounts receivable within one year 36.799,97

The amounts receivable consist out of memberships to be received and advances received by suppliers.

Cash at bank and in hand 164.870,66

The funds of the association consists out of cash at bank and in hand:

KBC	47.642,68
UBS CHF	1.112,54
UBS EUR	10.502,42
UBS USD Savings	436,62
KBC Saving account	101.312,18
Cash EUR	2.644,22
Cash USD	1.220,00

B. Equity and liabilities

All amounts in EUR (units)

Funds of the organisation 146.165,32

- Fund of the association at the end previous year	178.357,02
- Loss of the financial year	-32.191,70

	146.165,32

Amounts payable within one year 73.343,09

The amounts payable within one year consist out of the following:

- Suppliers	830,00
- Cost claims members	39.646,08
- Invoices to receive	1.210,00
- Other debts	31.657,01

	73.343,09

The other debts consist mainly out of warranties received from members for the participation of the World Games Cali.

Deferred charges and accrued income 2.000,00

The accrued income consists out of payments received for the membership of 2014.



C. Income statement

<u>Operating income</u>		<u>160.321,82</u>
Turnover	160.321,82	
Other operating income	0,00	

The turnover of the federation is determined by the memberships, certifications, courses, sponsoring and fees. The increase in turnover can be explained by the organisation of the World Games in Cali and the World Combat Games, held in 2013.

<u>Operating charges</u>		<u>- 192.322,95</u>
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The operating charges of the company:

Consumables	- 3.969,89
Services and other goods	- 178.384,13
Depreciation on furniture and office equipment	- 9.968,93

The depreciation of the fixed asset is set at 33%.

The travel and hotel costs represent the largest part of the services and goods (178.384,13 EUR). The high increase in travel costs can be explained by the organisation of the World Games in Cali and the World Combat Games, held in 2013.

<u>Financial income</u>	<u>1.375,69</u>
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The financial income of the company consists of interests and exchange rate differences.

<u>Financial charges</u>	<u>- 1.363,04</u>
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The financial charges of the company consists of bank charges, interests and exchange rate differences.

<u>Income taxes</u>	<u>- 203,22</u>
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D. RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET

In respect of the rights and commitments not reflected in the balance sheet we have to advice to use the appropriate accounts to register all obligations, commitments, rights and guarantees received and given by the association to third parties and/or the members of the association.

At this time the association does not have any procedure to register or follow all obligations, commitments, rights and guarantees received and given by the association. A central filling system should be put in place.

E. CONTRACTS AND OTHER COMMITMENTS

We did not evaluate any contracts. No legal audit has been done.

At this time the association does not have any procedure to register or follow all contracts undersigned by or on behalf of the association. A central filling system should be put in place.

In general we recommend that all contracts are to be signed by at least two Board members.

5. Evaluation of the internal controls and the transfer of funds

Most cost-claims are eligible unless they are accompanied with the original invoice.

It has become clear to us that procedures for approval of costs are in place and the authorisation of any payment is based on supporting documents.

We recommend that all payments of cost-claims need to be approved by at the least two members of the Board of Directors of the association. Any payments made by Treasurer for the association larger than 100.000,00 EUR have to be approved by a second member of the Board of Directors of the association.

Any account opened on behalf of JJIF by any member of the Board should carry the name of the association and two members of the Board should represent JJIF towards the bank.



6. CONCLUSION

We have reviewed the accompanying balance sheet of **JU-JITSU INTERNATIONAL FEDERATION at December 31, 2013**, and the related statements of income for the financial period then ended which close with an equity of € 146.165,32 and loss of the period of € 32.191,70. These financial statements are the responsibility of the federations management.

Our responsibility is to issue a report on these accounts based on our review.

We conducted our review in accordance with the International Standard on Review Engagements 2400 applicable to review engagements. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that:

- the accounts are not presented fairly, in all material respects, in accordance with Belgian Accounting Standards,
- there are other matters, which we believe should be brought to your attention that require further action or consideration by you.

Finally we confirm that with respect to **JU-JITSU INTERNATIONAL FEDERATION** we are independent.

Massenhoven, November 3rd, 2014

Burg. BVBA Vyvey & C^o, Bedrijfsrevisor



Steven Vyvey
Certified Public Accountant