

**Management representation letter regarding the financial statements
of**

SPORT INTEGRITY GLOBAL ALLIANCE

for the year ended 31 December 2018

To PM AUDIT SARL, Geneva

This representation letter is provided in connection with your statutory audit of the financial statements (balance sheet, income statement, cash flow statement and notes) of SPORT INTEGRITY GLOBAL ALLIANCE (hereafter "the Association") for the year ended 31 December 2018. The purpose of the audit is to express an opinion as to whether the financial statements comply with Swiss law and the Association's article of incorporation.

We acknowledge our responsibility for the presentation of the financial statements in accordance with the Swiss law and for the existence of an Internal Control System related to the preparation and presentation of the financial statements. Furthermore, we acknowledge responsibility for the implementation and execution of an appropriate risk management process.

The Council of Directors has approved these financial statements to be announced to the general meeting of Shareholders.

We confirm, to the best of our knowledge and belief, the following representations:

1. The financial statements comply with Swiss law and the Association's articles of incorporation and are free of material misstatements which include incorrect recording, valuation, presentation, disclosures and omissions.
2. We have made available to you all books of account and supporting documentation and all minutes of meetings of shareholders and the Council of Directors. You have been fully informed about all resolutions with a material effect on these financial statements for which the minutes are not yet available.
3. The Association has complied with all aspects of contractual agreements and legal obligations that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance (e.g. taxes, VAT, social security, environmental protection).
4. We are responsible for the design, implementation and maintenance of financial and internal control systems that are aimed at preventing and uncovering errors and fraudulent acts¹.
5. We have no knowledge of actual or suspected fraudulent acts that could have concerned our Association.
6. We have disclosed to you the results of our assessment of the risks that the financial statements may be materially misstated as a result of fraud.
7. We confirm the completeness of the information provided regarding the identification of related parties. Amounts due to or due from shareholders and related parties are disclosed in the financial statements.
8. We have no plans or intentions, and we are not aware of any events, that could have a material effect on the Association's ability to continue its activities as a Going Concern.

¹ We understand that the term "fraud" includes misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets. Misstatements resulting from fraudulent financial reporting involve intentional misstatements or omissions of amounts or disclosures in financial statements to deceive financial statement users. Misstatements resulting from misappropriation of assets involve the theft of Association's assets, often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing.

9. The following have been properly recorded and where necessary, adequately disclosed in the financial statements:
- the identity of, and balances and transactions with, related parties.
 - losses arising from sale and purchase commitments.
 - agreements and options to buy back assets previously sold.
 - assets pledged as collateral.
10. You have been fully informed of the creation, release and current balances of hidden reserves in accordance with the Swiss code of obligations.
11. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
12. The Association has satisfactory title to all assets and there are no liens or encumbrances on the Association's assets, except for those that are disclosed in the notes to the financial statements.
13. We have recorded and disclosed, as appropriate, all liabilities, both actual and contingent liabilities, and have disclosed in the notes to the financial statements all guarantees, indemnities and comparable declarations that we have given to third parties.
14. At year-end, we had no on-going or potential lawsuits, litigations or other proceedings outside from the ongoing discussions with the former CEO regarding his bonus for 2018 which is already fully booked.
15. During this financial year, we did not buy or sell any derivative financial instruments. As at the balance sheet date, no forward contract or derivative financial instruments were open.
16. There have been no events subsequent to period end which require adjustment of or disclosure in the financial statements or Notes thereto. We will inform you immediately of any new events which could possibly be accounted for, provided they are revealed to us before the general meeting of shareholders.
17. We acknowledge the responsibility of the Council of Directors to design and implement an Internal Control System related to the preparation and presentation of the financial statements (ICS). As part of the yearly ICS reassessment, we confirm that the document « Internal Control System – Controls Matrix » is still up to date for the year ending 31 December 2018.

Geneva, 01 March 2019
~~January 2019~~

SPORT INTEGRITY GLOBAL ALLIANCE

Emanuel Meudo de Medeiros

Enclosures:

- Financial statements of SPORT INTEGRITY GLOBAL ALLIANCE for the year ended 31 December 2018 (balance sheet, income statement, and notes)



**BUREAU REVISION ET FIDUCIAIRE
BD GEORGES-FAVON 19- 1204 GENEVE
N. ASR 504175**

**Sport Integrity Global Alliance
Geneva (SIGA)**

**Report of the statutory auditors
to the general meeting
on the financial statements 2018**



BUREAU REVISION ET FIDUCIAIRE
BD GEORGES-FAVON 19- 1204 GENEVE
N. ASR 504175

Geneva, February 27, 2019

Report of the statutory auditors
On the limited statutory examination
To the general meeting of
Sport Integrity Global Alliance
(SIGA), Geneva

As statutory auditors, we have examined the financial statements of the Association Sport Integrity Global Alliance (SIGA), which comprise the balance sheet, income statement and notes, for the year ended December 31, 2018.

These financial statements are the responsibility of the Council 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 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 the Association personnel and analytical procedures as well as detailed tests of the Association documents as considered appropriate in the circumstances. However, the testing of the 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.

PM audit Sàrl

A. Pirvali
Auditeur in Charge

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

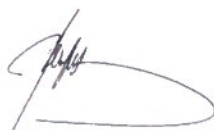
STATEMENT OF BALANCE SHEET AS AT 31 DECEMBER, 2018
(with previous year comparative figures)

	Note	31.12.2018 CHF	31.12.2017 CHF
ASSETS			
Current assets			
Cash and Cash Equivalents		268 879	11 075
Trade receivable	1f)	261 235	313 070
Prepaid expenses	8	2 700	-
Total current assets		532 814	324 145
Fixed Assets			
Movable tangible assets	9	2 162	-
Total fixed assets		2 162	-
Total assets		534 976	324 145
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables		24 681	127 951
Other short term liabilities	10	13 678	-
Accruals		28 798	8 889
Total current liabilities		67 157	136 840
Long term Liabilities			
Provisions	5	115 299	-
Total long term liabilities		115 299	-
Total liabilities		182 456	136 840
Equity			
Retained earning / reserves		180 677	-
Translation difference		6 628	6 628
Profit from the year		165 216	180 677
Total equity		352 521	187 305
Total liabilities and equity		534 976	324 145

INCOME STATEMENT FROM THE PERIOD
(FROM 1st JANUARY TO 31 DECEMBER)
(with previous year comparative figures)

	Note	2018 <u>CHF</u>	2017 <u>CHF</u> (11 months)
Income			
Membership Fees		679 634	454 178
Income from events		12 792	-
Total income		<u>692 426</u>	<u>454 178</u>
General expenses			
Personnel expenses		36 291	-
Accommodation and subsistence		5 963	37 964
Legal and professional fees		24 829	11 827
Administrative expenses		4 835	1 008
Advertising		27 035	52 724
Travel expenses and public relations		185 729	164 492
Meeting events		69 911	1 010
Depreciation		75	-
Total general expenses		<u>354 668</u>	<u>269 025</u>
Profit (Loss) before taxes		<u>337 758</u>	<u>185 153</u>
Income tax	5	(115 298)	-
Financial charges		(57 244)	(1 864)
Loss on foreign exchange		-	(2 612)
Gain for the period		<u>165 216</u>	<u>180 676</u>

Emanuel Macedo de Medeiros
CEO



Notes to the financial statements as of December 31, 2018

1 General information

Sport Integrity Global Alliance (SIGA), Geneva is a not for profit organisation in accordance to art. 60 of the Swiss Civil Code and has been created on 31st January 2018. Its activity, consists in providing global multi-stakeholder leadership, promote good governance and safeguard the integrity of sport through the adoption, implementation and monitoring of a set of Core Principles and Universal Standards in the areas of good governance, financial integrity and sports betting integrity.

2. Summary of significant accounting principles

The principal accounting methods applied for the presentation of the financial statements are the following:

a) Basis of accounting

The financial statements are prepared on the accrual basis; thus, income and expenses are accounted for when they are acquired or engaged and not at the date of payment and registered into the books of accounts accordingly.

b) Foreign currencies

At year-end, assets and liabilities denominated in foreign currencies are retranslated into Swiss francs at the exchange rates prevailing at the balance sheet date. Revenues and expenses are translated at an estimate average rate for the year. Exchange differences are included in the determination of net income.

The functional currency of the Association is in CHF (2017: GBP)

c) Financial assets

Financial assets are stated at historical cost less the required provisions for impairment.

d) Identification of long-term liabilities

Any liability having a maturity, fixed or expected, over one year (12 months) is classified as long-term and recognised as such in the balance-sheet.

e) Investments

Investments are valued at cost unless there is an indication of permanent impairment in which case they are presented at their impaired value.

f) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

h) Trade receivable and payable

Trade and others payables are recorded at nominal value.

3 General Reserve

The Association appropriates earnings to the general reserve in accordance with requirements of the law and the Association's statutes.

Notes to the financial statements as of December 31, 2018

4 Evaluation of risk

Sport Integrity Global Alliance (SIGA) might be exposed to various financial risks. Financial risk management is conducted in accordance with established guidelines with the objective of containing the potential adverse effects thereof on the financial situation of Sport Integrity Global Alliance (SIGA). The identified risks and measures to minimise them are presented below:

Capital risk management

The association is not subject to any externally imposed capital requirements.

Financial instruments and risk management

The association's principal financial instruments comprise loans receivable, cash and other payables. The association also has trade receivables and payables, which arise directly from its operations. The main purpose of these financial instruments is to manage the association's reserves for its operations. It is, and has been throughout the year under review, the association's policy that no trading in financial instruments shall be undertaken.

The association's activities and current position do not expose it to significant financial risks, however the Council review and agree policies for monitoring and managing such risks on an ongoing basis. .

Market risk

The association is exposed to market risk in the form of foreign exchange risk

Foreign currency risk

The association's functional currency is GBP because the majority of its cash flows are denominated in GBP. Exposure to foreign currency exchange rates arises from transactions denominated in currencies other than GBP, especially in CHF and EUR.

The association receives foreign currency inflows in both GBP and CHF and performs natural hedging through holding bank accounts in both currencies. The base currency for cash outflows is also GBP, however there are also transactions in other foreign currencies.

Sensitivity analysis based on the current year financials shows that the impact of a fluctuation in foreign exchange rates would not have a significant impact.

Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the balance sheet date. The association has policies in place to ensure that loans are granted to borrowers with an appropriate credit history and monitors on a continuous basis the creditworthiness of the borrowers and the ageing profile of its receivables. Cash balances are held with high credit quality financial institutions.

Liquidity risk

Liquidity risk is the risk that necessary sources of funding for the association's business activities may not be available. As at 31 December 2018 the association was fully self-financed.

All payables outstanding at 31 December 2018 were due to mature within less than one year.

Notes to the financial statements as of December 31, 2018

5 Taxes

Sport Integrity Global Alliance operates exclusively to serve a public utility purpose and as such is enabled to be exempt from taxation in Switzerland, this under tax authorities approval. In accordance to the prudence principle an adequate provision has been created for exercise 2017 and 2018 for CHF 115'299.

6 Income statement reclassification

Some income statement position have been reclassified in order to improve clarity in presentation, this with no impact on the profit of the year.

7 Post Balance Sheet Events

No material post-balance-sheet events occurred up to this date.

8 Movable and tangible assets

	2018	2017
Office furniture, EDP, and telecom equipment	2 162	
Total movable and tangible assets	2 162	-

Depreciation is calculated on the basis of the following useful lives and in accordance with the following methods:

Depreciation on fixed assets	Useful lives	Method
Office furniture, EDP, and telecom equipment	5 years	20% linear

9 Prepaid expenses

	2018	2017
AT Parkimmo SA - January rent	2 700	
Total prepaid	2 700	-

Notes to the financial statements as of December 31, 2018

10 Other short-term liabilities

	2018	2017
Current account Pension fund Aegon GBP	742	
Current account HMRC GBP	12 936	
Total other short term liabilities	13 678	-

11 Going concern

Financial statements are prepared on a going concern basis. As per the date of this report, there is a reasonable expectation that the association has adequate resources to continue in operational existence for the foreseeable future.

There are no further matters, which would require disclosure in accordance with art. 959c of the Swiss Code of Obligations (CO)

Emanuel Macedo de Medeiros

CEO

