

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

SPORT INTEGRITY GLOBAL ALLIANCE

for the year ended 31 December 2017

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 2017. 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 2017 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 2017.

Geneva, 11 July 2018

SPORT INTEGRITY GLOBAL ALLIANCE

Emanuel Macedo de Medeiros



Enclosures:

- Financial statements of SPORT INTEGRITY GLOBAL ALLIANCE for the year ended 31 December 2017 (balance sheet, income statement, and notes)

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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.
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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.

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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 2017**



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

Geneva, July 10, 2018

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, 2017.

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 Sarl

A. Pirvali
Auditeur in Charge

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

STATEMENT OF BALANCE SHEET AS AT 31 DECEMBER, 2017

	Note	31.12.2017 CHF	31.12.2017 GBP
ASSETS			
Current assets			
Cash and Cash Equivalents		11 075	8 410
Trade receivable	1f)	313 070	237 736
Total current assets		324 145	246 146
Fixed Assets			
		-	-
Total fixed assets		-	-
Total assets		324 145	246 146
LIABILITIES AND EQUITY			
Liabilities			
Trade and other payables		127 951	97 162
Accruals		8 889	6 750
Total liabilities		136 840	103 912
Equity			
Retained earning / reserves		180 677	142 234
Translation difference		6 628	-
Total equity		187 305	142 234
Total liabilities and equity		324 145	246 146

INCOME STATEMENT FROM THE PERIOD
(FROM 31 JANUARY TO 31 DECEMBER)

	Note	2017 CHF (11 months)	2017 GBP (11 months)
Income			
Membership Fees		454 178	357 541
Total income		454 178	357 541
General expenses			
Accommodation and subsistence		37 964	29 886
Legal and professional fees		3 253	2 561
Accountancy		8 574	6 750
Bank charges		1 864	1 467
Advertising		52 724	41 506
Public relations		164 492	129 493
Entertaining		840	661
Sundry expenses		168	132
Meeting events		1 010	795
Profit or loss on foreign exchange		2 612	2 056
Total general expenses		273 501	215 307
Profit (Loss) before taxes		180 677	142 234
Income tax	5	-	-
Gain for the period		180 676	142 233

Notes to the financial statements as of December 31, 2017

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 2017. 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 GBP. Financial Statements are translated in CHF in accordance to the modified closing rate method. (closing rate 1.3169, average rate 1.27)

The total cumulated translation difference gain of CHF 6'628 has been presented under Equity as translation difference.

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.

Notes to the financial statements as of December 31, 2017

3 General Reserve

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

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 2017 the association was fully self-financed.

All payables outstanding at 31 December 2017 were due to mature within less than one year.

Notes to the financial statements as of December 31, 2017

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.

6 Post Balance Sheet Events

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

7 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. We point out that the Association is still in its inception phase.

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

Notes to the financial statements as of December 31, 2017

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Total liabilities		136 840	103 912
Equity			
Retained earning / reserves		180 677	142 234
Translation difference		6 628	-
Total equity		187 305	142 234
Total liabilities and equity		324 145	246 146



INCOME STATEMENT FROM THE PERIOD
(FROM 31 JANUARY TO 31 DECEMBER)

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Entertaining		840	661
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All payables outstanding at 31 December 2017 were due to mature within less than one year.



Notes to the financial statements as of December 31, 2017

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