



**«PYUNIK FC»
NON GOVERNMENTAL ORGANIZATION
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

December 31, 2022

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4/7, Tsitsernakaberd Highway, Yerevan, RA.



CONTENTS

- 3 Independent Auditor's Report
- 5 Statement of financial position
- 7 Statement of profit or loss and other comprehensive income
- 9 Statement of changes in equity
- 10 Statement of cash flows
- 11 Notes to the financial statements

Independent Auditor's Report

To the Management of "Pyunik FC" NGO

Opinion

We have audited the financial statements of "Pyunik FC" NGO (the "Organization"), which comprise the statement of financial position as of December 31, 2022, and the statement of profit or loss and other comprehensive income, and statement of changes in net assets and statement of 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 give a true and fair view of the financial position of the Organization as of December 31, 2022, and of its financial performance, changes in net assets and its cash flows for the year then ended in accordance with International Financial Reporting Standard (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 Organization in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Armenia, and we have fulfilled our other ethical responsibilities in accordance with those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, 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.

In preparing the financial statements, management is responsible for assessing the Organizations 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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organizations 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 Organization'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 Organization’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 Organization 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.

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

“AUDIT ARMENIA” CJSC

Anna Avetisyan

Director, Audit manager

April 12, 2023

Yerevan



«PYUNIK FC» NGO
 STATEMENT OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2022

In KAMD	Notes	As of December 31, 2022	As of December 31, 2021
Assets			
<i>Current assets</i>			
Cash and cash equivalents	4	903,289	66,647
Receivables from players transfers		-	-
Receivables from UEFA solidarity payments	5	107,115	-
Receivables from related parties		-	-
Other receivables	5	30,781	22,453
Given prepayments		-	-
Current tax assets	5	10,326	1,954
Given borrowings to related parties	6	150,015	8,500
Inventories	7	197,867	109,932
Other current assets		-	-
		1,399,393	209,486
<i>Non-current assets</i>			
Property and equipment	8	110,563	147,022
Intangible assets - players		-	-
Intangible assets - other	9	2,084	1,689
Receivables from players transfers		-	-
Receivables from group/related parties		-	-
Other receivables		-	-
Deferred tax assets		-	-
Investments		-	-
		112,647	148,711
Total assets		1,512,040	358,197
Liabilities			
<i>Current liabilities</i>			
Bank overdrafts		-	-
Bank and other loans		-	-
Borrowings from related parties	10	442,389	443,349
Payables from player transfers		-	-
Payables for employees	11	484	260
Taxes and duties payable	11	9,950	5,925
Income tax payable		20,556	7,304
Leases	13	19,847	16,647
Prepayments and deferred income		-	20
Grants related to income	15	98,769	36,718
Current reserves	12	8,922	8,200
Trade and other payables	11	11,434	4,291

«PYUNIK FC» NGO
 STATEMENT OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2022
 (continued part 2)

Other short-term liabilities		612,351	522,714
Non-current liabilities			
Bank and other loans		-	-
Borrowings received from related parties		-	-
Payables to the group/related parties		-	-
Payables from lease to the related parties	13	29,554	29,842
Payables from player transfers		-	-
Payables from employees		-	-
Payables on taxes and other mandatory payments		-	-
Other tax liabilities		-	-
Other payables		-	-
Prepayments and deferred income		-	-
Deferred tax liabilities		-	-
Grants related to assets	14	77,281	99,278
Long-term reserves	12	-	-
Other non-current liabilities		-	-
		106,835	129,120
Total liabilities		719,186	651,834
<i>Net assets</i>			
Accumulated result		792,854	(293,637)
		792,854	(293,637)
Total net assets and liabilities		1,512,040	358,197

The financial statements were approved on April 12, 2023 by:

Kim Arakelyan

Tigran Martirosyan

Director

Financial Officer



The notes to the financial statements form an integral part of the financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2022

In KAMD	Notes	Year ended December 31, 2022	Year ended December 31, 2021
<i>Income</i>			
Ticket sales		10,537	-
Sponsorship and advertising		48,750	19,500
Broadcasting rights		1,500	-
Commercial		52,622	16,022
Income from UEFA solidarity payments		1,961,735	-
Funds from the National Football Body, donations		23,500	11,250
Other operating income	16	1,053,198	1,238,220
Total income		3,151,842	1,284,992
<i>Expenses</i>			
Cost of Sales		(762)	-
Players benefits and other incomes		(804,021)	(563,471)
Employees benefits		(109,985)	(105,868)
Depreciation		(38,882)	(39,042)
Impairment of property and equipment and intangible assets (excluding player registrations)		(635)	(3,672)
<i>Other operation expenses</i>	17	(1,092,815)	(583,203)
Total operational expenses (excluding player registration)		(2,047,100)	(1,295,256)
Operating income/loss		1,104,742	(10,264)
<i>Income from transfer to player's registrations</i>			
Amortization of intangible assets (player registrations)		-	-
Impairment of intangible assets (player registrations)		-	-
Cost of acquiring player registrations (including non-capitalized agent fees and player lease fees)		(3,381)	(20,674)
Income from disposal of player registrations (including lease income)		6,075	7,090
Total income from transfer to player's registrations		2,694	13,584
Profit/loss on disposal of fixed assets		-	-
Profit/loss on disposal of intangible assets		-	-

«PYUNIK FC» NGO
 STATEMENT OF PROFIT OR LOSS AND OTHER
 COMPREHENSIVE INCOME
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (continued part 2)

Total profit/loss on disposal of non-current assets

Financial income		386	-
Financial expense	18	(4,839)	(1,486)
Foreign currency exchange gain, net / (loss)	19	53,849	(22)
<i>Net financial income/expense</i>		49,396	(1,508)
Other non-operating incomes		-	-
Other non-operating expenses		(49,785)	(7,390)
<i>Other non-operating expenses</i>		(49,785)	(7,390)
<i>Profit/loss before taxes</i>		1,107,047	(32,746)
Income tax expense	20	(20,556)	(7,304)
<i>Profit/loss for the year</i>		1,086,491	(40,050)
Other comprehensive income		-	-
Other comprehensive income for the year		-	-
<i>Total comprehensive income for the year</i>		1,086,491	(40,050)

The notes to the financial statements form an integral part of the financial statements.

«PYUNIK FC» NGO
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

In KAMD	Accumulated profit/loss	Total
As of January 01, 2021	(253,587)	(253,587)
Loss for the year	(40,050)	(40,050)
Other comprehensive income	(40,050)	(40,050)
As of December 31, 2021	(293,637)	(293,637)
Profit for the year	1,086,491	1,086,491
Other comprehensive income	1,086,491	1,086,491
As of December 31, 2022	792,854	792,854

The notes to the financial statements form an integral part of the financial statements

«PYUNIK FC» NGO
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2022

In KAMD	Year ended December 31, 2022	Year ended December 31, 2021
Cash flows from operating activities		
Result for the year	1,086,491	(40,050)
Adjustments for:		
Profit tax	20,556	7,304
Depreciation and amortization	39,517	42,714
Revenue from grants	(1,053,198)	(1,247,870)
Finance income	(386)	-
Finance cost	4,839	1,486
Foreign exchange (gain)/loss	(53,849)	22
Operating profit/(loss) before working capital changes	43,970	(1,236,394)
Change in inventories	(87,935)	11,182
Change in other receivables	(132,916)	(1,257)
Change in trade and other payables	9,456	50,070
Cash generated from/(used in) operating operations	(167,425)	(1,176,399)
Income tax paid	(7,304)	(4,706)
Interest paid	-	-
Net cash from/(used in) operating activities	(174,729)	(1,181,105)
Cash flows from investing activities		
Cash from the retirement of player registration	6,075	7,090
Payment for player registration	(3,381)	(20,854)
Interest received	386	-
Acquisition of property and equipment, intangible assets	(3,453)	(51,436)
Borrowings	(138,095)	14,248
Net cash used in investing activities	(138,468)	(50,592)
Cash flows from financing activities		
Receipt of a grant	1,093,252	1,262,709
Borrowings	(960)	11,230
Net cash generated from financing activities	1,092,292	1,273,939
Net increase in cash and cash equivalents	779,095	41,882
Foreign exchange effect on cash	57,547	330
Cash and cash equivalents at the beginning of the year	66,647	24,435
Cash and cash equivalents at the end of the year	903,289	66,647

The notes to the financial statements form an integral part of the financial statements