



Fiduciaire
Muller Christe & Associés

T + 41 (0)32 722 19 19
F + 41 (0)32 722 19 20
info@fidmc.ch
www.fidmc.ch

INTELLECT DESIGN ARENA SA NEUCHÂTEL

REPORT

OF THE STATUTORY AUDITORS
TO THE GENERAL MEETING
AS AT 31 MARCH 2019

Fiduciaire Muller Christe & Associés SA
NEUCHÂTEL / YVERDON-LES-BAINS / LA CHAUX-DE-FONDS / GENEVE

Rue de la Place-d'Armes 3
2000 Neuchâtel

Rue de la Plaine 9-11
1400 Yverdon-les-Bains

Rue Daniel-Jeanrichard 28
2300 La Chaux-de-Fonds

Rue de l'Université 4
1205 Genève





Report of the statutory auditors on the limited statutory examination to the general meeting of Intellect Design Arena SA, Neuchâtel

As statutory auditors, we have examined the financial statements (balance sheet, income statement and notes) of Intellect Design Arena SA for the year ended 31st March 2019.

These financial statements are the responsibility of the board 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 the 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 company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of 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 and the proposed appropriation of available earnings do not comply with Swiss law and the company's articles of incorporation.

We draw your attention to section 4 in the notes to the financial statements which indicates that a tax issue could arise if the loans to group companies are not reduced significantly. We had already raised this issue with management during the audit of the financial statements for the year ended 31st March 2019.

Neuchâtel, 1st May 2019
DRA/sco

FIDUCIAIRE
MULLER CHRISTE & ASSOCIES SA

Sébastien Charpié
Audit expert



Daniele Raffaele
Audit expert
(auditor in charge)



Enclosures : Financial statements (balance sheet, income statement and notes)
Proposed appropriation of available earnings

INTELLECT DESIGN ARENA SA, NEUCHÂTEL**BALANCE SHEET AS AT 31 MARCH 2019**

	2019		2018	
	Year ended		Year ended	
	CHF	CHF	CHF	CHF
FINANCIAL ASSETS				
Loan receivable - group companies - long term portion	1 369 385		4 137 201	
TOTAL FINANCIAL ASSETS		1 369 385		4 137 201
CURRENT ASSETS				
Bank accounts	1 121 804		431 062	
Accounts receivable - third parties	194 048		172 740	
Accounts receivable - holding company	-		40 196	
Other debtors	17 961		16 780	
Revenue to be billed - third parties	172 500		160 545	
Tax recoverable	0		-	
Loans receivable - group companies	3 653 361		693 400	
TOTAL CURRENT ASSETS	5 159 675		1 514 723	
LESS : CURRENT LIABILITIES				
Salary control a/c	(212)		(1 536)	
Social security charges control a/c	(6 089)		(0)	
Payroll tax account	(7 805)		(3 615)	
Corporate tax payable	(74 923)		(12 295)	
Creditors - third parties	(7 281)		(42 958)	
Creditors - group companies	-		-	
Creditors - holding company	(160 664)		-	
VAT payable	(26 547)		(36 212)	
Loans payable - group companies - short term portion	(28 200)		(40 187)	
Accruals	(132 295)		(42 317)	
TOTAL CURRENT LIABILITIES	(444 016)		(179 119)	
NET CURRENT ASSETS		4 715 660		1 335 604
TOTAL FIXED AND NET CURRENT ASSETS		6 085 045		5 472 805
REPRESENTED BY :				
Share capital		350 000		350 000
General reserve	75 000		75 000	
Revenue reserves brought forward	5 047 805		4 785 551	
Profit (Loss) for the period	612 240		262 254	
TOTAL REVENUE RESERVES	5 735 045	5 735 045	5 122 805	5 122 805
TOTAL CAPITAL		6 085 045		5 472 805

INTELLECT DESIGN ARENA SA, NEUCHATEL

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2019

	2019		2018	
	(Period 01.04.18-31.03.19)		(Period 01.04.17-31.03.18)	
	CHF	CHF	CHF	CHF
FINANCIAL INCOME				
Service income - third parties	2 068 688		1 882 615	
Interest income - related parties	188 801		203 609	
Other income	1 158		1 410	
	<u>2 258 648</u>		<u>2 087 634</u>	
TOTAL FINANCIAL INCOME		2 258 648		2 087 634
EXPENSES				
Salaries and wages	425 045		425 034	
Social security charges	63 621		51 291	
Consulting/outsourcing - related party	1 205 591		1 054 395	
Travelling expenses	1 410		468	
Business promotion expenses	6 700		1 193	
Directors fees	7 500		8 125	
Audit fees	11 220		11 220	
Legal, administration and consultancy fees	6 878		1 305	
Visa, work permit & registration fees	21 267		(60 853)	
Telephone, postage and courier services	317			
Bank interest and charges	1 406		1 907	
Tax on capital and profits	128 999		30 917	
Irrecoverable VAT	1 351		33 174	
Exchange fluctuation	(234 897)		267 205	
	<u>1 646 408</u>		<u>1 825 380</u>	
TOTAL EXPENSES		(1 646 408)		(1 825 380)
PROFIT / (LOSS) FOR THE PERIOD		<u>612 240</u>		<u>262 254</u>

INTELLECT DESIGN ARENA SA, NEUCHATEL

NOTES TO THE FINANCIAL STATEMENTS

1. Yearly average number of employees

The yearly average number of employees is below 250 for the fiscal years 2019 and 2018.

2. Debts toward pension fund

	31.03.2019	31.03.2018
	CHF	CHF
Helvetia Fondation collective de prévoyance du personnel	12 799	-4 234

3. Post-balance sheet events

There is no significant post-balance sheet event to report.

4. Loans receivable - group companies

The Company has loans receivable from fellow subsidiaries totalling the equivalent of CHF 5,022,746 (2018 – CHF 4,830,600). One of the fellow subsidiaries has reported losses and has deficits on shareholders' funds, principally because of investment in People, Technology and Product development. The Company's parent company and sole shareholder has issued a letter of comfort to confirm that it will support the subsidiaries in repaying the loans if such a situation arises. The Company received a tax audit in February 2017, during which the auditor referred to the loans and, in response to that, the Company had provided the said comfort letter.

There are no other items which require disclosure in the notes to the financial statements in accordance with Article 959c of the Swiss Code of Obligations.

INTELLECT DESIGN ARENA SA, NEUCHATEL

PROPOSED APPROPRIATION OF AVAILABLE EARNINGS

	2019 31 st March 2019 CHF	2018 31 st March 2018 CHF
RESULT AVAILABLE TO THE ANNUAL GENERAL MEETING		
Retained profits at the beginning of the year	5 047 805	4 785 551
Net income	612 240	262 254
	<u>5 660 045</u>	<u>5 047 805</u>
PROPOSAL OF THE BOARD OF DIRECTORS		
Attribution to general reserve	-	-
Carried forward	5 660 045	5 047 805
	<u>5 660 045</u>	<u>5 047 805</u>