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## INTELLECT DESIGN ARENA SA NEUCHÂTEL

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# REPORT

OF THE STATUTORY AUDITORS  
TO THE GENERAL MEETING  
AS AT 31 MARCH 2021

Fiduciaire Muller Christe & Associés SA  
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## 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 31<sup>st</sup> March 2021.

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 31<sup>st</sup> March 2021.

Neuchâtel, 7<sup>th</sup> May 2021  
DRA/cti

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, NEUCHATEL****COMPANY AND BRANCH CONSOLIDATED  
BALANCE SHEET AS AT 31 MARCH 2021**

	2021		2020	
	CHF	CHF	CHF	CHF
<b>FINANCIAL ASSETS</b>				
Loan receivable - group companies - long term portion	-		-	
Portuguese Branch current account	-		-	
<b>TOTAL FINANCIAL ASSETS</b>		-		-
<b>CURRENT ASSETS</b>				
Bank accounts	766 160		532 053	
Accounts receivable - third parties	-		-	
Accounts receivable - holding company	383 064		67 725	
Other debtors	17 053		39 173	
Revenue to be billed - third parties	228 250		221 900	
Tax recoverable	30 514		12 187	
Loans receivable - group companies	5 783 735		5 952 539	
<b>TOTAL CURRENT ASSETS</b>	<b>7 208 776</b>		<b>6 825 577</b>	
<b>LESS : CURRENT LIABILITIES</b>				
Salary control a/c	( 127)		-	
Social security charges control a/c	( 9 784)		( 18 055)	
Payroll tax account	( 29 580)		( 9 948)	
Corporate tax payable	( 39 469)		-	
Creditors - third parties	( 4 854)		( 517)	
Creditors - holding company	-		( 600 689)	
VAT payable	( 50 439)		( 34 488)	
Loans payable - group companies - short term portion	-		-	
Accruals	( 864 665)		( 52 042)	
<b>TOTAL CURRENT LIABILITIES</b>	<b>( 998 919)</b>		<b>( 715 738)</b>	
<b>NET CURRENT ASSETS</b>		<b>6 209 858</b>		<b>6 109 839</b>
<b>TOTAL FIXED AND NET CURRENT ASSETS</b>		<b>6 209 858</b>		<b>6 109 839</b>
<b>REPRESENTED BY :</b>				
Share capital		<b>350 000</b>		<b>350 000</b>
General reserve	75 000		75 000	
Revenue reserves brought forward	5 684 839		5 660 045	
Profit (Loss) for the period	100 019		24 794	
<b>TOTAL REVENUE RESERVES</b>	<b>5 859 858</b>	<b>5 859 858</b>	<b>5 759 839</b>	<b>5 759 839</b>
<b>TOTAL CAPITAL</b>		<b>6 209 858</b>		<b>6 109 839</b>

**INTELLECT DESIGN ARENA SA, NEUCHATEL****COMPANY AND BRANCH CONSOLIDATED  
PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2021**

	2021		2020	
	(Period 01.04.20-31.03.21)		(Period 01.04.19-31.03.20)	
	CHF	CHF	CHF	CHF
<b>FINANCIAL INCOME</b>				
Service income - third parties	2 717 132		2 508 561	
Interest income - related parties	221 647		218 014	
Other income	1 059		1 735	
	<u>2 939 838</u>		<u>2 728 310</u>	
<b>TOTAL FINANCIAL INCOME</b>		<b>2 939 838</b>		<b>2 728 310</b>
<b>EXPENSES</b>				
Salaries and wages	660 087		550 769	
Social security charges	110 014		81 163	
Consulting/outsourcing - related party	1 739 882		1 765 265	
Travelling expenses	99		3 195	
Directors fees	10 000		7 500	
Audit fees	8 027		11 220	
Legal, administration and consultancy fees	72 168		62 092	
Visa, work permit & registration fees	25 693		30 712	
Telephone, postage and courier services	310		129	
Rent and office costs	17 036		16 389	
Bank interest and charges	3 057		2 302	
Tax on capital and profits	40 253		31 297	
Irrecoverable VAT	580		540	
Training expenses	334		-	
Exchange fluctuation	152 280		140 943	
	<u>2 839 819</u>		<u>2 703 515</u>	
<b>TOTAL EXPENSES</b>		<b>(2 839 819)</b>		<b>(2 703 515)</b>
<b>PROFIT / (LOSS) FOR THE PERIOD</b>		<b>100 019</b>		<b>24 794</b>

## **INTELLECT DESIGN ARENA SA, NEUCHATEL**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **1. Yearly average number of employees**

The average yearly number of employees is below 250 for the fiscal years 2021 and 2020.

#### **2. Debts toward pension fund**

	<b>31.03.2021</b>	<b>31.03.2020</b>
	<b>CHF</b>	<b>CHF</b>
Helvetia Fondation collective de prévoyance du personnel (credit balances)	16 050	12 675

#### **3. Post-balance sheet events**

In 2020, the company has had to face the problem of the COVID-19 pandemic and related health restrictions.

This could result in a temporary but significant drop in activity over a few months, implying a reduction in working hours and a drop in turnover.

Currently it is impossible to quantify the financial impact.

There are no other significant post-balance sheet events to report.

#### **4. Loans receivable - group companies**

The Company has loans receivable from fellow subsidiaries totalling the equivalent of CHF 5,783,735 (2020 – CHF 5,952,539).

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 has provided the said comfort letter.

#### **5. Portuguese Branch**

The Company established a branch in Lisbon, Portugal in August 2019. The balance sheet and income statement of the branch have been consolidated in these financial statements.

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**

	<b>2021</b> 31 <sup>st</sup> March 2021 CHF	<b>2020</b> 31 <sup>st</sup> March 2020 CHF
<b>RESULT AVAILABLE TO THE ANNUAL GENERAL MEETING</b>		
Retained profits at the beginning of the year	5 684 839	5 660 045
Net income	100 019	24 794
	<u>5 784 858</u>	<u>5 684 839</u>
<b>PROPOSAL OF THE BOARD OF DIRECTORS</b>		
Attribution to general reserve	-	-
Carried forward	5 784 858	5 684 839
	<u>5 784 858</u>	<u>5 684 839</u>