



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

December 31, 2023

Registration Number:	211.171.00908
Registration Certificate:	03 A 054761
Registered in the State Register of RA:	21.05.2002
Address:	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, 2023, 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, 2023, 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.

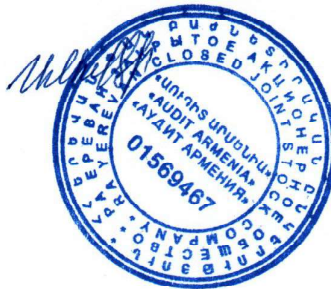
“AUDIT ARMENIA” CJSC

Anna Avetisyan

Director, Audit manager

April 12, 2024

Yerevan, Vagharshyan 12



**«PYUNIK FC» NGO**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2023**

In KAMD	Notes	As of December 31, 2023	As of December 31, 2022
<b>Assets</b>			
<i>Current assets</i>			
Cash and cash equivalents	4	69,454	903,289
Receivables from players transfers		60,303	-
Receivables from UEFA solidarity payments	5	-	107,115
Receivables from related parties		-	-
Other receivables	5	8,140	12,262
Given prepayments	5	88,550	18,519
Current tax assets	5	6,003	10,326
Given borrowings to related parties	6	45,000	150,015
Inventories	7	237,895	197,867
Other current assets			-
		515,345	1,399,393
<i>Non-current assets</i>			
Property and equipment	8	189,924	110,563
Intangible assets - players			-
Intangible assets - other	9	14,916	2,084
Receivables from players transfers		-	-
Receivables from group/related parties		-	-
Other receivables		-	-
Deferred tax assets		-	-
Investments		-	-
		204,840	112,647
<b>Total assets</b>		<b>720,185</b>	<b>1,512,040</b>
<b>Liabilities</b>			
<i>Current liabilities</i>			
Bank overdrafts		-	-
Bank and other loans		-	-
Borrowings from related parties	10	385,128	442,389
Payables from player transfers		-	-
Payables for employees	11	1,022	484
Accounts payable for social security payments/tax payments	11	5,146	2,573
Accounts payable for other taxes	11	5,598	7,377
Income tax payable		34,401	20,556
Leases	13	46,035	19,847
Prepayments and deferred income	11	517	-
Grants related to income	15	83,889	98,769
Current reserves	12	8,922	8,922
Trade and other payables	11	4,302	11,434
			-

«PYUNIK FC» NGO  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2023**  
*(continued part 2)*

Other short-term liabilities		574,960	612,351
<hr/>			
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	50,832	29,554
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	55,343	77,281
Long-term reserves	12	-	-
Other non-current liabilities		-	-
		106,175	106,835
<b>Total liabilities</b>		<b>681,135</b>	<b>719,186</b>
<hr/>			
<b>Net assets</b>			
<b>Accumulated result</b>		39,050	792,854
		39,050	792,854
<hr/>			
<b>Total net assets and liabilities</b>		<b>720,185</b>	<b>1,512,040</b>
<hr/>			

The financial statements were approved on April 12, 2024 by:

Kim Arakelyan

Tigran Martirosyan

Director

Financial Officer



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

«PYUNIK FC» NGO  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

In KAMD	Notes	Year ended December 31, 2023	Year ended December 31, 2022
<b><i>Income</i></b>			
Ticket sales		-	10,537
Sponsorship and advertising		-	48,750
Broadcasting rights		1,500	1,500
Commercial		152,838	52,622
Income from UEFA solidarity payments		520,672	1,961,735
Funds from the National Football Body, donations		15,050	23,500
Other operating income	16	711,279	1,053,198
<b>Total income</b>		<b>1,401,339</b>	<b>3,151,842</b>
<b><i>Expenses</i></b>			
Cost of Sales		(88)	(762)
Players benefits and other incomes		(845,661)	(804,021)
Employees benefits		(114,984)	(109,985)
Depreciation		(72,346)	(38,882)
Impairment of property and equipment and intangible assets (excluding player registrations)		(2,248)	(635)
<i>Other operation expenses</i>	17	(1,090,712)	(1,092,815)
<b>Total operational expenses (excluding player registration)</b>		<b>(2,126,039)</b>	<b>(2,047,100)</b>
<b>Operating income/loss</b>		<b>(724,700)</b>	<b>1,104,742</b>
<b><i>Income from transfer to player's registrations</i></b>			
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)		(1,930)	(3,381)
Income from disposal of player registrations (including lease income)		75,317	6,075
<b>Total income from transfer to player's registrations</b>		<b>73,387</b>	<b>2,694</b>
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, 2023*

-

-

*(continued part 2)**Total profit/loss on disposal of non-current assets*

---

Financial income		626	386
Financial expense	18	(9,576)	(4,839)
Foreign currency exchange gain, net / (loss)	19	(4,191)	53,849
<b><i>Net financial income/expense</i></b>		<b>(13,141)</b>	<b>49,396</b>
Other non-operating incomes		1,484	-
Other non-operating expenses		(54,948)	(49,785)
<b><i>Other non-operating expenses</i></b>		<b>(54,948)</b>	<b>(49,785)</b>
<b><i>Profit/loss before taxes</i></b>		<b>(719,402)</b>	<b>1,107,047</b>
Income tax expense	20	(34,402)	(20,556)
<b><i>Profit/loss for the year</i></b>		<b>(753,804)</b>	<b>1,086,491</b>
Other comprehensive income		-	-
Other comprehensive income for the year		-	-
<b><i>Total comprehensive income for the year</i></b>		<b>(753,804)</b>	<b>1,086,491</b>

---

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, 2023*

In KAMD	Accumulated profit	Total
As of January 01, 2022	(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
Loss for the year	(753,804)	(753,804)
Other comprehensive income	(753,804)	(753,804)
As of December 31, 2023	39,050	39,050

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, 2023**

In KAMD	Year ended December 31, 2023	Year ended December 31, 2022
Cash flows from operating activities		
Result for the year	(753,804)	1,086,491
Adjustments for:		
Profit tax	34,402	20,556
Depreciation and amortization	74,594	39,517
Revenue from grants	(705,812)	(1,053,198)
Finance income	(626)	(386)
Finance cost	9,576	4,839
Foreign exchange (gain)/loss	4,191	(53,849)
Operating profit/(loss) before working capital changes	(1,337,479)	43,970
Change in inventories	(40,028)	(87,935)
Change in other receivables	(87,844)	(132,916)
Change in trade and other payables	38,579	9,456
Cash generated from/(used in) operating operations	(1,426,772)	(167,425)
Income tax paid	(20,557)	(7,304)
Interest paid	(9,576)	-
Net cash from/(used in) operating activities	(1,456,905)	(174,729)
Cash flows from investing activities		
Cash from the retirement of player registration	75,317	6,075
Payment for player registration	(1,930)	(3,381)
Interest received	626	386
Acquisition of property and equipment, intangible assets	(166,787)	(3,453)
Borrowings	107,443	(138,095)
Net cash used in investing activities	14,669	(138,468)
Cash flows from financing activities		
Receipt of a grant	668,994	1,093,252
Repayment of borrowings - shareholders and related parties, net	(57,261)	(960)
Net cash generated from financing activities	611,733	1,092,292
Net increase in cash and cash equivalents	(830,503)	779,095
Foreign exchange effect on cash	(3,332)	57,547
Cash and cash equivalents at the beginning of the year	903,289	66,647
Cash and cash equivalents at the end of the year	69,454	903,289

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