

**INTERNATIONAL TABLE TENNIS FEDERATION (ITTF)
LAUSANNE**

STATUTORY AUDITOR'S REPORT
To the General Meeting
consolidated financial statements
December 31, 2019

Report of the Statutory Auditor to the General Meeting of International Table Tennis Federation (ITTF)

Report of the Statutory Auditor on the Consolidated financial Statements

As statutory auditor, we have audited the consolidated financial statements of International Table Tennis Federation (ITTF), which comprise the balance sheet, the income statement, the cash flow statement and notes for the year ended December 31, 2019. These annual accounts have been subject to an ordinary audit, those of the previous year to an independent audit.

Board of Directors' Responsibility

The Board of Directors, represented by the Finance & Audit Committee, is responsible for the preparation of these consolidated financial statements in accordance with the requirements of Swiss law and the federation's articles of association. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors, represented by the Finance & Audit Committee, is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements 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 entity's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended December 31, 2019 comply with Swiss law and the federation's articles of association.

Emphasis of Matter

We draw attention to the note 31 of the financial statements "Subsequent events", which describes the effects of COVID-19. Our opinion is not modified in respect of this matter

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 Code of Obligations (CO) and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

MAZARS SA

Michael Ackermann
Licensed Audit Expert
(*Auditor in charge*)

Joël Schneuwly
Licensed Audit Expert

Lausanne, May 15, 2020

Enclosures

- Consolidated financial statements (balance sheet, income statement, cash flow statement and notes)

Consolidated balance sheet at December 31, 2019

(in USD)

	Note	2019	2018
Current Assets			
Cash and cash equivalents	4	2,694,462	3,606,452
Term Deposits	4	5,500,000	10,000,000
Trade and other receivables	5	3,030,741	3,293,171
Prepaid expense		2,223,121	1,381,048
Total Current Assets		13,448,324	18,280,671
Non-Current Assets			
Term Deposit – Museum Fund	4, 6	2,000,000	1,200,000
Total Non-Current Assets		2,000,000	1,200,000
Capital Assets			
Tangible fixed assets	7	3,423,393	3,468,569
Intangible assets	8	397,398	561,031
Total Capital Assets		3,820,791	4,029,600
Total Assets		19,269,115	23,510,271
Current Liabilities			
Trade creditors		1,644,445	1,648,337
Deferred revenues - Olympic funding	9	6,019,868	10,269,869
Deferred income and accrued expense	10	2,379,852	2,580,538
Total current liabilities		10,044,165	14,498,744
Non-Current Liabilities			
ITTF Museum Fund	6	2,000,000	2,000,000
Other committed funds		117,846	-
Total non-current liabilities		2,117,846	2,000,000
Equity			
Unrestricted funds	11	6,926,895	7,033,327
Restricted funds	11	181,607	-
Currency translation adjustments	11	(1,398)	(21,800)
Total Equity		7,107,104	7,011,527
Total Liabilities and Equity		19,269,115	23,510,271

**Consolidated statement of income and expenditure for the year ended
December 31, 2019**
(in USD)

	Note	2019	2018
Income			
Marketing rights	12	16,148,749	14,836,082
Olympic fund	9	4,250,000	4,013,290
Competitions	13	672,294	261,350
High Performance & Development	14	277,516	265,097
Equipment Approval Fees	15	1,676,600	1,511,385
Membership fees		33,900	33,900
Other income	16	459,348	429,312
Total Income		23,518,407	21,350,416
Expenses			
Competitions	17	(9,618,763)	(9,000,285)
Marketing expenses	18	(4,172,687)	(4,615,452)
Administration expenses	19	(3,331,586)	(3,004,660)
High Performance & Development	20	(2,411,253)	(2,132,904)
Member Relations	21	(1,136,961)	-
Governance	22	(2,049,752)	(998,453)
Foundation	23	(484,239)	-
Equipment	24	(127,205)	(188,457)
Olympics & Paralympics	25	(19,361)	(151,280)
Foreign Currency Gains and (Losses)	28	(91,891)	(44,818)
Total Expenses		(23,443,698)	(20,136,309)
Results from operation		74,709	1,214,107
Allocation to restricted funds		(181,142)	-
Net results for the period		(106,433)	1,214,107

**Consolidated statement of cash flow for the year ended
December 31, 2019**
(in USD)

	Note	2019	2018
Cash flows from operating activities			
Net results for the period	11	(106,433)	1,214,107
Adjustments for:			
Amortisation of intangible assets	8	223,010	214,226
Depreciation of plant and equipment	7	89,098	294,668
Allocation to restricted funds		181,607	-
Loss on disposal of plant and equipment		-	-
Loss on foreign exchange		91,891	93,872
Changes in working capital:			
Increase in prepayments		(842,074)	(1,172,597)
Decrease in trade and other receivables	5	262,430	49,210
(Decrease)/increase in payables		(3,892)	114,585
(Decrease)/increase in accrued expenses	10	(200,686)	430,441
Decrease in deferred revenues – Olympic funding	9	(4,250,000)	(3,787,500)
Net cash (used in)/generated from operating activities		(4,555,049)	(2,548,988)
Cash flows from investing activities			
Purchase of tangible fixed assets		(43,921)	(199,463)
Purchase of intangible fixed assets		(59,377)	(231,926)
Proceeds from disposal of term deposit	4	4,500,000	(2,800,000)
Investment/proceeds in/from Museum Fund	6	(800,000)	400,000
Net cash used in investing activities		3,596,702	(2,831,389)
Cash flows from financing activities			
Proceeds from project funding		117,846	-
Net cash used in financing activities		117,846	-
Net decrease in cash and equivalents		(840,501)	(5,380,377)
Cash and cash equivalents as at 1 January		3,606,452	9,089,172
Effect of foreign exchange rate changes		(71,489)	(102,343)
Cash and cash equivalents as at 31 December		2,694,462	3,606,452

Notes to the consolidated financial statements 2019

1. Activity

The International Table Tennis Federation (ITTF), domiciled in Lausanne, Switzerland, is an international non-governmental not-for-profit organisation in the form of an association with the status of a legal person. The objectives of the Federation are:

- a) to develop the spirit of friendship and mutual assistance among affiliated table tennis associations and players;
- b) to regulate relations between affiliated table tennis associations and between table tennis associations and other organizations;
- c) to seek continual improvement in the technical standard of table tennis and in the extent of participation in the sport throughout the world;
- d) to foster friendly sporting competition and to eliminate unfair and unsporting practices;
- e) to establish and maintain the Laws of Table Tennis and the Regulations for international Competitions;
- f) to publish the standard text of the Rules, consisting of the Constitution, the Laws and the Regulations;
- g) to encourage the publication of the Rules in other languages and to check the accuracy of such publications;
- h) to promote and to supervise World and Olympic title competitions; and
- i) to employ the funds of the ITTF as may be expedient in the interests of international table tennis.
- j) to endeavor to increase participation at all levels, to enhance the popularity of the sport, to develop new sources of revenue and to manage the sport through a systematic planning process.
- k) to encourage players, coaches and officials to present the sport positively in the best ways so as to enhance its image.
- l) to encourage and to support the promotion of women in sport at all levels and to ensure significant representation of women in ITTF Committees, Commissions and Working Groups.

In addition to the activities of the ITTF in Lausanne, these consolidated financial statements include the activities of International Table Tennis Federation Asia-Pacific Ltd, Singapore (ITTF Singapore), International Table Tennis Federation North America, Canada (ITTF North America), ITTF Foundation, Germany and World Table Tennis Pte Ltd, Singapore (WTT).

2. Summary of significant accounting policies

2.1 Basis of accounting

The financial statements of ITTF are presented in accordance with the Swiss Code of Obligations (title 32 of the Swiss Code of Obligations deals with the commercial accounting and financial reporting) and the significant accounting policies described below, which have been consistently applied to the years presented, unless otherwise stated. The financial statements are prepared under the historical cost convention.

Transactions and balances among the consolidated organisations have been eliminated.

These consolidated financial statements will be approved by the Audit & Finance Committee of ITTF on 14 May 2020 in representation of the ITTF Board of Directors.

The amounts shown in these consolidated financial statements are presented in US dollars, in view of the international nature of the ITTF's operations and due to the majority of its revenues being earned in that currency.

Change in presentation

During 2019, the ITTF created a Member Relations Department, as well as the ITTF Foundation. The financial statements have included these two areas with their own financial statement line item, and relative expenses in relation to these areas from 2018, have not been adjusted, but a disclosure is mentioned within the relative notes, which assists for comparative purposes.

2.2 Basis of consolidation

Name	Country of incorporation	Consolidation Method	Ownership	
			31 December 2019	31 December 2018
International Table Tennis Federation	Switzerland	Fully consolidated	Ultimate parent company	
International Table Tennis Federation Asia-Pacific Ltd	Singapore	Fully consolidated	100%	100%
International Table Tennis Federation – North America	Canada	Fully consolidated	100%	N/A*
ITTF Foundation	Germany	Fully consolidated	100%	N/A**
World Table Tennis Pte Ltd	Singapore	Fully consolidated	100%	N/A***

**International Table Tennis Federation – North America was incorporated on 14 January 2019.*

***ITTF Foundation was incorporated on 5 March 2019.*

****World Table Tennis Pte Ltd was incorporated on 14 March 2019.*

The consolidated financial statements of the group incorporate the financial statements of the ITTF and the entities controlled by the ITTF.

Control is achieved where ITTF has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. This is the case where ITTF holds more than 50% of the voting rights. The entities included in this consolidation are shown in the table above.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date control ceases. Where necessary, adjustments are made to the financial statements of the subsidiaries to bring the accounting policies used into line with those used by the group.

The book value of investments has been eliminated against the share in the net assets of the companies, valued at the time of the acquisition or creation. The purchase method of accounting is used to account for the acquisition or creation of subsidiaries by the group. All inter-company balances and transactions, as well as any unrealised gains and losses arising from transactions between group companies, are eliminated when preparing the consolidated financial statements.

2.3 Foreign currencies

The Federation's consolidated financial statements are presented in US dollars, which is the main currency used by the organization. For each entity, the Federation determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Federation's entities at their respective functional currency at a fixed exchange rate adjusted on a yearly basis. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

ii) Translation

On consolidation, the assets and liabilities of foreign operations are translated into USD at the rate of exchange prevailing at the reporting date and their income statement is translated at the yearly average rate. The exchange differences arising on translation for consolidation are recognised as equity.

The main exchange rates used are as follows:

1 USD against:	2019		2018	
	Average	Year-end	Average	Year-end
SGD	1.3565	1.3447	1.3493	1.3623
CHF	1.0065	1.0333	0.9786	0.9814
CAD	1.3263	1.3271	-	-
EUR	0.8959	0.8906	-	-

2.4 Revenue recognition

Marketing rights

The marketing income relates to funds received through sponsorship, television & data rights, advertising income, and income generated through the intangible asset Table Tennis X.

These rights are recognised on the successful completion of the respective competition. Instalments received by the ITTF prior to this date are deferred as they may be repayable, in whole or in part, to the sponsors or television networks at any time up to the completion of the event. Interests earned on the instalments received are of the benefit of ITTF and are recorded as interest income.

Olympic fund

The Federation's policy is to release the Olympic revenue, as previously approved by the General Meeting as part of the budgeting process. The funds are to be released over the four-year period and in accordance with the ITTF's planned efforts in developing Table Tennis. The amount released during 2019 equated to 25% (2018: 22%) of the total fund received following the Rio 2016 Olympic Games, as approved by the 2019 Annual General Meeting.

Competition income

The competition income is in relation to fees received on behalf of local organising committees, in relation to entry and participation fees. Competition income also relates to sanction fees for local organisers to host ITTF competitions. In addition, the 2019 North America Open competition was financially managed by ITTF North America, therefore non-marketing related incomes generated from this event are also recognised as competition income. Those incomes are recognized when the respective competition takes place.

High Performance & Development income

The income derived through High Performance & Development is primarily through external sources, such as Olympic Solidarity, and other grants in relation to sport development. Income is also generated through some educational means.

Equipment Approval Fees income

Income is generated through the approval process for equipment to be certified as meeting the technical standards set by the ITTF, and therefore approving the equipment to be used during ITTF competitions. The corresponding revenue is recognized over the period covered by the certification granted to equipment distributors.

2.5 Tangible & intangible fixed assets

Tangible and intangible fixed assets are stated at acquisition cost less accumulated depreciation/amortisation and any accumulated impairment losses. Assets with finite useful lives are depreciated/amortised on a straight-line basis over their estimated useful lives and assessed for impairment whenever there is an indication that the assets may be impaired. Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually. When assets are retired or otherwise disposed of, the cost of the asset and the related accumulated depreciation/amortisation are removed from the accounts. Any profit or loss on disposal of fixed assets is reflected in the statement of income for the period.

Depreciation and amortization are calculated on the basis of the cost of the assets and on their estimated useful lives and is provided as follows:

Tangible fixed assets

Furniture	33.3% straight-line basis
Equipment & Computers	33.3% straight-line basis
Office Renovation	33.3% straight-line basis
Equipment Laboratory	33.3% straight-line basis
Building	4% straight-line basis
Museum Collection	not depreciated

Intangible fixed assets

Table Tennis X intangible asset	8.33% straight-line basis
IT & Software	33.3% straight-line basis
Table Tennis X mobile application	50% straight-line basis

During 2019, the Building was not depreciated, as the asset was deemed an investment property as the organisation is not utilizing it, and because the third-party evaluation stated the estimated value of the property is greater than the current book value, no further depreciation took place.

3. Financial risk management

The Federation's financial instruments consist of cash, fixed term deposits, accounts receivable and accounts payable. The carrying values of these financial instruments approximate their fair value. Unless otherwise noted, it is management's opinion that the Federation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Most of the Federation's financial instruments (cash at bank and financial assets) are nominated in USD.

4. Cash, Cash Equivalents and term deposits

	2019	2018
Current accounts with banks	2,636,478	3,605,282
Foundation Deposit	56,141	-
Petty Cash	1,842	1,170
	2,694,462	3,606,452
Term deposits		
Current	5,500,000	10,000,000
Non-current	2,000,000	1,200,000
	7,500,000	11,200,000

The ITTF cash in excess is invested in short term money deposits, as well as fixed term deposits, with first ranking banks. These financial assets are accounted for at market value.

The non-current term deposits asset corresponds to the amount of funds which have been received thus far, as an Equity Guarantee liability from the Shanghai Municipal Education Commission and the Chinese Table Tennis Association in relation to ITTF Museum. Further details are available under note 7 below.

The cash, cash equivalents and term deposits are held within the following currencies:

	2019	2018
United States Dollars	9,107,781	13,243,346
Swiss Francs	445,973	368,875
Euros	574,490	1,162,825
Singapore Dollars	36,947	31,406
Canadian Dollars	29,271	-
	10,194,462	14,806,452

5. Trade and other receivables

	2019	2018
Accounts receivables	3,135,374	3,408,012
Accrued income	104,076	93,868
Bad debt allowance	(208,709)	(208,709)
Accounts receivable, net	3,030,741	3,293,171

6. ITTF Museum Equity Guarantee and Term Deposit Fund

An agreement was signed in August 2014 with the Shanghai Municipal Education Commission and the Chinese Table Tennis Association. According to this agreement, a new ITTF Museum opened in Shanghai and is run by the local authorities. ITTF relocated its collection to this new Museum and receives an equity guarantee amounting to USD 2 million split over a 5-year period (from 2014 to 2018). According to the agreement, the amount received is to be maintained in a dedicated bank account until the end of the period. The cumulated amount received for the years 2015 to 2018 (USD 2.0 million) was therefore recognized as a non-current term deposit, whereas a corresponding amount, as per the agreement, is recognised as liability as the criteria to recognize revenue are not met.

7. Tangible Fixed Assets

	2019	2018
Land and building (Renens)	2,742,326	2,742,326
Furniture	34,059	56,052
Equipment & Computers	75,246	45,754
Office Renovations	62,015	114,691
Museum Collection	509,747	509,747
	3,423,393	3,468,569

Depreciation incurred during the period

	2019	2018
Depreciation – Land and building (Renens)	-	239,646
Depreciation – Furniture and equipment	20,073	7,392
Depreciation – Equipment & Computers	33,649	19,220
Depreciation – Office Renovations	35,375	28,410
Depreciation – Museum Collection	-	-
	89,098	294,668

8. Intangible Assets

	2019	2018
Internally generated (TTX)	205,457	224,541
TTX Mobile Application	-	91,760
IT Software – Entry & Results System	135,690	244,730
WTT Brand Development	56,250	-
	397,398	561,031

Amortisation incurred during the period

	2019	2018
Amortisation – Internally generated (TTX)	21,822	21,938
Amortisation – TTX Mobile Application	92,149	111,166
Amortisation – IT Software	109,040	81,122
	223,010	214,226

The internally generated intangible asset was developed during the years 2016 and 2017 and relates to Table Tennis X, a new discipline of Table Tennis game. Table Tennis X will be amortised over a twelve-year period due to the current master rights licensing agreement in place.

The IT Software is the continued development of the Entry & Results Management System, which first commenced in 2017, and is continuing to be developed. As several areas are already in operation, the amortization has been recorded based on the date of each payment instalment. The expected useful-life is three years, following each individual payment.

9. Deferred revenues – Olympic funding

	2019	2018
Olympic funding at the beginning of the year	10,269,869	14,057,369
Used in year	(4,250,000)	(3,787,500)
Olympic funding at the end of the year	6,019,869	10,269,869

10. Deferred income and accrued expenses

	2019	2018
Deferred income & advance equipment approvals	1,343,078	1,304,757
Accrued expenses	1,036,774	1,275,781
	2,379,852	2,580,538

The deferred income includes USD 258,575 (2018: USD 283,605) of licensing revenues from the Table Tennis X.

11. Equity

	2019	2018
Unrestricted funds at the beginning of the year	7,033,327	5,819,220
Allocation to restricted funds	181,607	-
Net results for the period	(106,433)	1,214,107
Unrestricted funds at the end of the year	7,108,502	7,033,327
Cumulative translation adjustment	(1,398)	(21,800)
Equity (audited figures)	7,107,104	7,011,527

12. Marketing rights income

	2019	2018
Sponsorship income	9,047,389	8,399,164
Television & Data Rights	6,340,668	5,845,788
Advertising income	418,090	296,755
Social Media income	294,112	124,374
TTX Project	28,481	150,000
Strategic Investments	20,000	20,000
	16,148,749	14,836,082

13. Competitions income

	2019	2018
World Title events	21,895	12,245
ITTF World Tour	52,241	47,882
ITTF Challenge	226,119	23,838
Para Table Tennis	181,587	172,385
World Veterans Tour	121,290	-
Multisport Games	66,661	-
Other Competitions	2,500	5,000
	672,294	261,350

14. High Performance & Development income

	2019	2018
Grants	40,000	110,235
Education	30,738	12,997
Olympic Solidarity	106,092	40,859
Other Income	110,686	101,006
	277,516	265,097

15. Equipment Approval Fees

	2019	2018
Balls	317,240	319,400
Racket Coverings	703,370	513,103
Tables	268,800	270,906
Nets	25,440	21,498
Sports Flooring	52,800	47,128
Equipment Testing Fees	304,950	338,850
Fines	4,000	500
	1,676,600	1,511,385

16. Other income

	2019	2018
Merchandise	13,240	3,981
Publications	80	80
URC Exam Fees	276	43,019
Rental income	127,501	138,216
Other income	129,585	116,414
Interest	138,666	127,600
Museum	50,000	-
	459,348	429,312

17. Competitions expenses

	2019	2018
World Title events	3,637,079	4,124,101
ITTF World Tour	3,895,192	3,292,891
ITTF Challenge	802,350	258,563
ITTF World Junior Circuit	157,635	180,876
Para Table Tennis Competitions	36,375	57,531
Continental Competitions	169,313	347,369
Veterans Competitions	131,564	60,000
Multi-Sport Games	66,233	-
ITTF Rankings	5,379	43,820
Other Competitions	-	25,000
Human Resources – Salaries & Services	616,342	481,797
Human Resources – Expenses	101,302	128,337
	9,618,763	9,000,285

18. Marketing expenses

	2019	2018
Commissions - Internal	484,350	407,006
Commissions - External	335,866	1,087,460
Marketing expenses	599,416	897,123
Media expenses	471,816	163,504
Sponsorship expenses	234,321	231,826
Marketing Events	151,929	142,758
Commercialisation Agreements	-	445,007
Marketing Agreements	150,673	144,023
TTX Project	231,348	94,110
Human Resources – Salaries & Services	1,292,386	833,844
Human Resources – Expenses	220,584	168,791
	4,172,687	4,615,452

The Commercialisation Agreements has been reclassified under Member Relations (Note 21).

19. Administration expenses

	2019	2018
Lausanne Office	188,767	165,635
Singapore Office	188,293	65,876
North America Office	20,463	-
Cologne Office	21,121	-
Foundation Office	66,824	-
Home Offices	30,883	25,121
Depreciation & amortization	312,108	501,501
Staff Meetings	811	20,000
Professional Services	416,643	267,849
Websites	166,476	92,504
Technology & Software	72,792	71,738
Publications	898	-
Intellectual Property	24,140	12,112
Anti-Doping	153,065	136,257
Postage & Couriers	69,870	34,444
Bank Fees & Charges	24,359	19,098
Other Expenses	70,704	196,456
Human Resources – Professional Development	87,780	72,446
Human Resources – Salaries & Services	1,149,567	1,034,918
Human Resources – Expenses	266,062	288,705
	3,331,586	3,004,660

Bad & Doubtful Debts totaled USD 53,470 (2018: USD 192,269) and is presented within Other Expenses.

20. High Performance & Development expenses

	2019	2018
Continental Development	1,335,766	986,711
High Performance	405,639	211,116
Education	56,797	30,437
Corporate Social Responsibility	-	313,622
Human Resources – Salaries & Services	498,645	504,244
Human Resources – Expenses	114,406	86,774
	2,411,253	2,132,904

The Corporate Social Responsibility has been reclassified under Foundation (Note 23).

21. Member Relations

	2019	2018
Continental Agreements	630,449	-
Regional Agreements	249,987	-
Human Resources – Salaries & Services	249,573	-
Human Resources – Expenses	6,952	-
	1,136,961	-

22. Governance expenses

	2019	2018
AGM & BoD	66,186	71,098
Executive Committee	297,142	293,733
ITTF President	191,417	190,147
Commissions & Committees	134,775	117,945
Affiliation Fees	5,769	5,019
Working Groups	158,276	95,163
ITTF Hall of Fame	4,984	3,890
Continental Meetings	31,794	94,931
Multi-Sport Games	-	(3,220)
Professional Consultancy	1,159,409	129,746
	2,049,752	998,453

Within the expenses incurred in relation to the ITTF President USD 107,354 (2018: USD 113,486) was paid as an honorarium for the services provided, this figure is also shown within Note 26.

The Multi-Sport Games has been reclassified under Competition expenses (Note 17).

23. Foundation

	2019	2018
Human Resources – Salaries & Services Support	283,218	-
Project spending	84,950	-
Other foundation expenses	116,071	-
	484,239	-

24. Equipment expenses

	2019	2018
Table Tennis Equipment Testing Fees	83,401	171,566
Table Tennis X Equipment Testing Fees	-	3,776
Racket Control expenses	19,219	13,115
Research and Development	24,585	-
	127,205	188,457

25. Olympic & Paralympic Games expenses

	2019	2018
Olympic Games	16,440	3,500
Youth Olympic Games	1,372	146,261
Paralympic Games	1,549	1,519
	19,361	151,280

26. Human Resources

	2019	2018
ITTF Employees (Lausanne)	320,523	539,749
ITTF Employees (Singapore)	1,353,921	786,601
ITTF Employees (North America)	17,028	-
ITTF Foundation Employees	194,564	-
ITTF Service Providers	2,203,694	1,528,452
ITTF President	107,354	113,486
	4,197,084	2,968,288

26. Human Resources (continued)

	2019	2018
Management Team	400,164	404,215
Marketing Department	1,292,386	833,844
Competition Department	616,342	481,797
High Performance & Development Department	498,645	504,244
Member Relations Department	249,573	-
Operations Department	749,404	630,703
Foundation	283,218	-
ITTF President	107,354	113,485
	4,197,084	2,968,288

The amounts shown above include both ITTF employees, and ITTF service providers, and provides a breakdown between the different human resource costs between each of the operating departments within the ITTF.

27. Operating Leases

	2019	2018
Maturity 1 Year	187,774	243,334
Maturity 1-5 Years	150,498	613,078
	338,272	856,412

ITTF has entered into leasing contracts for offices and office equipment. Rental contracts with a notice period longer than 12 months are taken into account when calculating future obligations. ITTF has contracted a lease term that has various lease term between 6 months to 18 months remaining for Lausanne offices. ITTF has 2 year remaining for the Singapore Office space. ITTF Foundation has 13.5 months remaining on an office lease. The rental fee for all office spaces are fixed for the duration of the lease, and not exposed to Consumer Price Index fluctuations.

28. Financial result

	2019	2018
Currency exchange gain	-	59,503
Currency exchange loss	(91,891)	(104,320)
Financial result	(91,891)	(44,818)

29. Guarantee/Pledged assets

As of 31 December 2019, the land and buildings in Lausanne are pledged to the bank to the extent of CHF 2,400,000 (2018: CHF 2,000,000) in guarantee of the credit limit granted. As of December 31, 2019, the credit line is not used.

30. Other information required by law

In 2019, the average number of full-time equivalent employees is more than 50 but less than 200 (2018: less than 50).

31. Subsequent events

On 16 March 2020, the ITTF postponed several competitions due to the COVID-19 pandemic happening worldwide. The financial impact due to the postponement of several competitions is yet to be determined.

On 24 March 2020, the International Olympic Committee confirmed the postponement of the Tokyo 2020 Olympic Games. The financial impact due to this postponement is yet to be determined.