

## **Report of the independent auditor**

with consolidated financial statements as of 31 December 2018 of

**International Table Tennis Federation, Lausanne**

**Report of the independent auditor to the Board  
of Directors of International Table Tennis Federation,  
Lausanne**Phone +41 21 310 49 49  
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CHE.116.331.176 TVA  
www.mazars.ch**Report of the independent auditor on the 2018 consolidated financial statements**

As independent auditor and in accordance with your instructions, we have audited the consolidated financial statements of International Table Tennis Federation, which comprise the balance sheet, income statement and notes (pages 3 to 15), for the year ended December 31, 2018.

**Board of Directors' responsibility**

The Board of Directors, represented by the Executive Committee, is responsible for the preparation of the 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 Executive 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 the 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, 2018 comply with Swiss law, the federation's articles of association and the consolidation and valuation principles as set out in the notes.

**MAZARS SA**

Michael Ackermann  
Licensed audit expert  
(Auditor in charge)



Joël Schneuwly  
Licensed audit expert

Lausanne, April 20, 2019

## Consolidated balance sheet at December 31, 2018

(in USD)

	Note	2018	2017
<b>Current Assets</b>			
Cash and cash equivalents	5	3,606,452	9,089,172
Term Deposits	5	10,000,000	7,200,000
Trade Receivables	6	3,293,171	3,342,381
Prepaid expense		1,381,048	208,450
<b>Total Current Assets</b>		<b>18,280,671</b>	<b>19,840,003</b>
<b>Non-Current Assets</b>			
Term Deposit – Museum Fund	5, 7	1,200,000	1,200,000
<b>Total Non-Current Assets</b>		<b>1,200,000</b>	<b>1,200,000</b>
<b>Capital Assets</b>			
Tangible fixed assets	8	3,468,569	3,563,774
Intangible assets	9	561,031	543,330
<b>Total Capital Assets</b>		<b>4,029,600</b>	<b>4,107,104</b>
<b>Total Assets</b>		<b>23,510,271</b>	<b>25,147,108</b>
<b>Current Liabilities</b>			
Trade creditors		1,648,337	1,533,752
Deferred revenues - Olympic funding	10	10,269,869	14,057,369
Deferred income and accrued expense	11	2,580,538	2,150,098
<b>Total current liabilities</b>		<b>14,498,744</b>	<b>17,741,218</b>
<b>Non-Current Liabilities</b>			
ITTF Museum Fund	7	2,000,000	1,600,000
<b>Total non-current liabilities</b>		<b>2,000,000</b>	<b>1,600,000</b>
<b>Equity</b>			
Unrestricted funds	12	7,033,327	5,819,221
Currency translation adjustments	12	(21,800)	(13,333)
<b>Total Equity</b>		<b>7,011,527</b>	<b>5,805,888</b>
<b>Total Liabilities and Equity</b>		<b>23,510,271</b>	<b>25,147,108</b>

**Consolidated statement of income and expenditure for the year ended  
December 31, 2018**  
(in USD)

	Note	2018	2017
<b>Income</b>			
Marketing rights	13	14,836,082	13,839,339
Olympic fund	10	4,013,290	3,000,000
Competitions	14	261,350	225,715
High Performance & Development	15	265,097	434,740
Equipment Approval Fees	16	1,511,385	1,251,466
Membership fees		33,900	33,900
Other income	17	429,312	334,416
<b>Total Income</b>		<b>21,350,416</b>	<b>19,119,576</b>
<b>Expenses</b>			
Competitions	18	(9,000,285)	(6,733,278)
Marketing expenses	19	(4,615,452)	(10,569,094)
Administration expenses	20	(3,004,660)	(3,292,494)
High Performance & Development	21	(2,132,904)	(1,820,786)
Governance	22	(998,453)	(673,255)
Equipment	23	(188,457)	(134,040)
Olympics & Paralympics	24	(151,280)	(2,930)
Foreign Currency Gains and (Losses)	27	(44,818)	(63,054)
<b>Total Expenses</b>		<b>(20,136,309)</b>	<b>(23,288,931)</b>
<b>Net profit / (loss) for the period</b>		<b>1,214,107</b>	<b>(4,169,355)</b>

## Notes to the consolidated financial statements 2018

### 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).

### 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 20 April 2019 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.

## Restatement of prior year figures

On 28th February 2019, ITTF received the outstanding USD800,000 which were due contractually by the Shanghai Municipal Education Commission with regards to the Museum collection for the period 2014-2018. According to the agreement, the amount received should be held as an equity guarantee until the maturity of the contract in 2024. As part of the amount received (USD400,000) corresponds to a prior period, the 2017 comparative figures have been restated to reflect this evolution and the impacts were as follows:

USD

ITTF Museum fund	- 400,000
Unrestricted fund	- 400,000

As at 31 December 2018, the outstanding USD800,000 are shown in Trade receivables with further details in Note 6. On 28th February 2019, the Term Deposit – Museum Fund has been increased to USD2,000,000.

## 2.2 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:	2018		2017	
	Average	Year-end	Average	Year-end
SGD	1.3493	1.3623	1.3807	1.3365
CHF	0.9786	0.9814	0.9844	0.9761

## 2.3 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 2018 equated to 22% (2017: 17%) of the total fund received following the Rio 2016 Olympic Games, as approved by the 2018 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. 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.

## **2.4 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 and equipment	33.3% straight-line basis
Computers	33.3% straight-line basis
Office Renovation	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

### 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. Related Parties

TMS International

TMS International ("TMS") was an independent, non-profit Marketing Corporation that conducted marketing and commercial activities on behalf of the Federation and other entities.

TMS was dissolved on 19<sup>th</sup> November 2018.

During 2017, a payment was processed to TMS International following the termination of the agreement between ITTF and TMS International, which saw ITTF pay USD 7.7 million, as a commission towards contracts that were already in place for the period from 2017-2024. However, during 2017, it was evident that not all income would be received as mentioned within the termination contract, therefore the decision was taken to expense the full amount of the payment made to TMS International in 2017.

### 5. Cash, Cash Equivalents and term deposits

	2018	2017
Current accounts with banks	3,605,282	9,087,295
Money market	-	563
Petty Cash	1,170	1,314
	<b>3,606,452</b>	<b>9,089,172</b>
Term deposits		
Current	10,000,000	7,200,000
Non-current	1,200,000	1,200,000
	<b>11,200,000</b>	<b>8,400,000</b>

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:

	2018	2017
United States Dollars	13,243,346	15,987,772
Swiss Francs	368,875	408,374
Euros	1,162,825	892,442
Singapore Dollars	31,406	200,584
	<b>14,806,452</b>	<b>17,489,172</b>



## 6. Trade receivables

	2018	2017
Accounts receivable third parties	3,667,912	3,708,428
Accounts receivable related parties	(259,900)	27,332
Accounts receivable	3,408,012	3,735,760
Accrued income	93,868	130,330
Bad debt allowance	(208,709)	(523,709)
Accounts receivable, net	<b>3,293,171</b>	<b>3,342,381</b>

Accounts receivable third parties include USD800,000; which is in relation to the ITTF Museum Equity Guarantee. On 28<sup>th</sup> February 2019, this amount was received in full, more details are provided in Note 7.

## 7. 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 1.2 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.

## 8. Tangible Fixed Assets

	2018	2017
Land and building (Renens)	2,742,326	2,981,972
Furniture	56,052	72,055
Equipment & Computers	45,754	-
Office Renovations	114,691	-
Museum Collection	509,747	509,747
	<b>3,468,569</b>	<b>3,563,774</b>

Depreciation incurred during the period

	2018	2017
Depreciation – Land and building (Renens)	239,646	239,646
Depreciation – Furniture and equipment	7,392	32,520
Depreciation – Equipment & Computers	19,220	-
Depreciation – Office Renovations	28,410	-
Depreciation – Museum Collection	-	-
	<b>294,668</b>	<b>272,166</b>

## 9. Intangible Assets

	2018	2017
Internally generated (TTX)	224,541	251,023
TTX Mobile Application	91,760	205,768
IT Software – Entry & Results System	244,730	86,540
	<b>561,031</b>	<b>543,331</b>

Amortisation incurred during the period

	2018	2017
Amortisation – Internally generated (TTX)	21,938	14,293
Amortisation – TTX Mobile Application	111,166	18,107
Amortisation – IT Software	81,122	1,594
	<b>214,226</b>	<b>33,994</b>

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 TTX Mobile Application was developed by an external third party and has an expected useful-life of two years.

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.

### 10. Deferred revenues – Olympic funding

	2018	2017
Olympic funding at the beginning of the year	14,057,369	15,152,201
Received in year	-	1,905,168
Used in year	(3,787,500)	(3,000,000)
Foreign exchange impact	-	-
Olympic funding at the end of the year	<b>10,269,869</b>	<b>14,057,369</b>

During 2018, a grant was also received from the International Olympic Committee to support the Buenos Aires 2018 Youth Olympic Games, this amount has been reflected as income received in relation to Olympic Games. The amount received during the year 2017 relates to the third and final instalment for the Rio 2016 Olympic Games, whereas the first two instalments were received during 2016, and have been accounted for accordingly.

### 11. Deferred income and accrued expenses

	2018	2017
Deferred income & advance equipment approvals	1,304,757	830,025
Accrued expenses	1,275,781	1,320,073
	<b>2,580,538</b>	<b>2,150,098</b>

The deferred income includes USD 283,605 (2017: USD 317,985) of licensing revenues from the Table Tennis X.

### 12. Equity

	2018	2017
Unrestricted funds at the beginning of the year	5,819,220	10,388,576
Net profit for the period	1,214,107	(4,169,355)
Unrestricted funds at the end of the year	7,033,327	6,219,221
Currency translation adjustment	(21,800)	(13,333)
Equity (audited figures)	<b>7,011,527</b>	<b>6,205,888</b>

Impact of the restatement of prior year figures on: Unrestricted funds at the beginning of the year	(400,000)
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Equity (after restatement)	<b>5,805,888</b>
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*2017 equity after restatement consists of two parts:*

<i>Unrestricted funds at the end of the year (after restatement)</i>	5,819,220
<i>Currency translation adjustment</i>	(13,333)

### 13. Marketing rights income

	2018	2017
Sponsorship income	8,399,164	6,912,085
Television & Data Rights	5,845,788	6,083,675
Advertising income	296,755	245,084
Social Media income	124,374	89,539
TTX Project	150,000	508,956
Strategic Investments	20,000	-
	<b>14,836,082</b>	<b>13,839,339</b>

### 14. Competitions income

	2018	2017
World Title events	12,245	19,749
ITTF World Tour	47,882	27,653
ITTF Challenge	23,838	41,471
Para Table Tennis	172,385	130,864
Other Competitions	5,000	5,978
	<b>261,350</b>	<b>225,715</b>

### 15. High Performance & Development income

	2018	2017
Grants	110,235	168,891
Education	12,997	25,298
Olympic Solidarity	40,859	136,008
Other Income	101,006	104,544
	<b>265,097</b>	<b>434,740</b>

### 16. Equipment Approval Fees

	2018	2017
Balls	319,400	318,809
Racket Coverings	513,103	605,934
Tables	270,906	215,620
Nets	21,498	25,804
Sports Flooring	47,128	49,246
Equipment Testing Fees	338,850	36,053
Fines	500	-
	<b>1,511,385</b>	<b>1,251,466</b>

### 17. Other income

	2018	2017
Merchandise	3,981	22,965
Publications	80	2,743
URC Exam Fees	43,019	5,286
Rental income	138,216	137,033
Other income	116,414	148,777
Interest	127,600	17,612
	<b>429,312</b>	<b>334,416</b>

## 18. Competitions expenses

	2018	2017
World Title events	4,124,101	2,667,437
ITTF World Tour	3,292,891	2,920,518
ITTF Challenge	258,563	402,544
ITTF World Junior Circuit	180,876	160,302
Para Table Tennis Competitions	57,531	23,979
Continental Competitions	347,369	125,313
Veterans Competitions	60,000	-
ITTF Rankings	43,820	-
Other Competitions	25,000	32,311
Human Resources – Salaries & Services	481,797	309,792
Human Resources – Expenses	128,337	91,082
	<b>9,000,285</b>	<b>6,733,278</b>

## 19. Marketing expenses

	2018	2017
Commissions	1,494,466	8,090,962
Marketing expenses	897,123	418,124
Media expenses	163,504	68,662
Sponsorship expenses	231,826	125,634
Marketing Events	142,758	115,767
Commercialisation Agreements	445,007	670,812
Marketing Agreements	144,023	151,534
TTX Project	94,110	160,304
Human Resources – Salaries & Services	833,844	543,941
Human Resources – Expenses	168,791	223,354
	<b>4,615,452</b>	<b>10,569,094</b>

Commissions includes both internal and external commissions in relation to income received for commercial rights sold. In 2017, ITTF paid USD 7.7 million, as a commission towards contracts that were already in place for the period from 2017-2024, following the termination of the agreement with TMS International.

According to the Swiss Code of Obligations, part of the USD 7.7 million could have been capitalised, and if the amount was capitalised, the expenses that would relate to 2018 would have been USD 1.281 million, due to the ITTF taking a prudent approach to fully expense the payment made during 2017.

## 20. Administration expenses

	2018	2017
Lausanne Office	165,635	280,016
Singapore Office	65,876	53,632
Ottawa Office	-	15,555
Home Offices	25,121	44,431
Depreciation	501,501	306,159
Staff Meetings	20,000	-
Professional Services	267,849	342,407
Websites	92,504	170,196
Technology & Software	71,738	73,226
Publications	-	40,680
Intellectual Property	12,112	13,490
Anti-Doping	136,257	44,350
Postage & Couriers	34,444	35,113
Bank Fees & Charges	19,098	19,847
Other Expenses	196,456	592,847
Human Resources – Professional Development	72,446	-
Human Resources – Salaries & Services	1,034,918	1,024,185
Human Resources – Expenses	288,705	236,360
	<b>3,004,660</b>	<b>3,292,494</b>

Bad & Doubtful Debts totaled USD192,269 (2017: USD 549,693) and is presented within Other Expenses.

## 21. High Performance & Development expenses

	2018	2017
Continental Development	986,711	929,618
High Performance	211,116	345,575
Education	30,437	59,121
Corporate Social Responsibility	313,622	48,360
Human Resources – Salaries & Services	504,244	320,817
Human Resources – Expenses	86,774	117,295
	<b>2,132,904</b>	<b>1,820,786</b>

## 22. Governance expenses

	2018	2017
AGM & BoD	71,098	26,071
Executive Committee	293,733	306,767
ITTF President	190,147	175,159
Commissions & Committees	117,945	110,289
Affiliation Fees	5,019	5,984
Working Groups	95,163	41,937
ITTF Hall of Fame	3,890	-
Continental Meetings	94,931	667
Multi-Sport Games	(3,220)	6,381
Professional Consultancy	129,746	-
	<b>998,453</b>	<b>673,255</b>

Within the expenses incurred in relation to the ITTF President USD 113,486 (2017: USD 94,233) was paid as an honorarium for the services provided, this figure is also shown within Note 25.

### 23. Equipment expenses

	2018	2017
Table Tennis Equipment Testing Fees	171,566	126,709
Table Tennis X Equipment Testing Fees	3,776	-
Racket Control expenses	13,115	7,331
	<b>188,457</b>	<b>134,040</b>

### 24. Olympic & Paralympic Games expenses

	2018	2017
Olympic Games	3,500	2,930
Youth Olympic Games	146,261	-
Paralympic Games	1,519	-
	<b>151,280</b>	<b>2,930</b>

### 25. Human Resources

	2018	2017
ITTF Employees (Lausanne)	539,749	505,269
ITTF Employees (Singapore)	786,601	414,020
ITTF Service Providers	1,528,452	1,230,642
ITTF President	113,486	94,233
	<b>2,968,288</b>	<b>2,244,164</b>

	2018	2017
Management Team	404,215	334,820
Marketing Department	833,844	543,941
Competition Department	481,797	309,792
High Performance & Development Department	393,955	320,817
Operations Department	630,703	640,561
Corporate Social Responsibility	110,289	-
ITTF President	113,485	94,233
	<b>2,968,288</b>	<b>2,244,164</b>

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.

### 26. Operating Leases

	2018	2017
Maturity 1 Year	243,334	-
Maturity 1-5 Years	613,078	-
	<b>856,412</b>	<b>-</b>

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 3 years and 3 months remaining for the Lausanne Office space, and also has contracted a lease term that has 2 years remaining for the Singapore Office space. The rental fee for both office spaces is fixed for the duration of the lease, and not exposed to Consumer Price Index fluctuations.

## 27. Financial result

	2018	2017
Currency exchange gain	59,503	140,190
Currency exchange loss	(104,320)	(20,512)
	<b>(44,818)</b>	<b>119,678</b>
Effect of change in functional currency	-	(199,425)
Recycling of Ottawa CTA	-	16,693
Financial result	<b>(44,818)</b>	<b>(63,054)</b>

## 28. Guarantee/Pledged assets

As of 31 December 2018, and 31 December 2017, the land and buildings in Lausanne are pledged to the bank to the extent of CHF 2,000,000 in guarantee of the credit limit granted. As of December 31, 2018, the credit line is not used.

## 29. Other information required by law

In 2018 and 2017, the average number of full-time equivalent employees is less than 50.