

**International Table Tennis Federation (ITTF)
Lausanne**

Statutory Auditor's Report
To the General Meeting
Consolidated Financial Statements
December 31, 2021

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

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, 2021. These annual accounts have been subject to an ordinary audit, those of the previous year to an independent audit.

Board of Director's 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, 2021 comply with Swiss law and the federation's articles of association.

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.

We draw your attention to the fact that, contrary to the provisions of Art. 958 para. 3 CO, the annual report was not prepared and submitted to the General Meeting within six months of the end of the financial year. Furthermore, contrary to the provisions of Art. 699 para. 2 CO, the ordinary General Meeting was not held within 6 months of the end of the financial year.

MAZARS SA

Michael Ackermann
Licensed Audit Expert
(Auditor in Charge)

Jean-Christophe Bodez
Licensed Audit Expert

Lausanne, November 4, 2022

Enclosures

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

Consolidated balance sheet at December 31, 2021
(in USD)

	Note	2021	2020
Current Assets			
Cash and cash equivalents	4	15,079,936	6,701,708
Trade and other receivables	5	4,444,056	4,052,390
Contract assets	6	3,133,716	48,354
Total Current Assets		22,657,708	10,802,452
Non-Current Assets			
Property, plant and equipment	7	4,435,434	4,190,686
Intangible assets	8	1,284,534	703,586
Term Deposit – Museum Fund	4, 9	2,000,000	2,000,000
Other receivable	5	150,000	-
Total Capital Assets		7,869,968	6,894,272
Total Assets		30,527,676	17,696,724
Current Liabilities			
Trade and other payables	10	7,508,346	2,922,429
Lease liabilities	11	307,878	255,605
Deferred revenues - Olympic funding	12	12,600,000	3,269,868
Contract liabilities	6	2,393,807	1,589,108
Loans from third parties	13	2,860,965	1,000,000
Total current liabilities		25,670,996	9,037,010
Non-Current Liabilities			
ITTF Museum Fund	9	2,000,000	2,000,000
Bank loans		548,161	113,025
Total non-current liabilities		2,548,161	2,113,025
Restricted Funds		86,969	335,556
Equity			
Unrestricted funds	14	2,259,135	6,189,812
Currency translation adjustments	14	(37,585)	21,321
Total Equity		2,221,550	6,211,133
Total Liabilities and Equity		30,527,676	17,696,724

**Consolidated statement of income and expenditure for the year ended
December 31, 2021**
(in USD)

	Note	2021	2020
Income			
Revenue	15	10,982,474	9,391,780
International Olympic Committee	16	6,497,702	2,900,920
Governance & Regulatory Income	17	1,553,807	1,473,936
Other Income	18	1,178,879	873,505
Total Income		20,212,862	14,640,141
Expenses			
Event and Operating Expenses	19	(10,285,452)	(7,098,234)
Project Expenses	20	(1,950,156)	(271,251)
Governance and Regulatory Expenses	21	(678,655)	(509,998)
General & Administrative Expenses	22	(10,048,588)	(7,243,054)
Depreciation and amortisation expenses	7, 8	(796,813)	(254,687)
Finance expenses	23	(383,875)	-
Total Expenses		(24,143,539)	(15,377,224)
Net results for the period		(3,930,677)	(737,083)

**Consolidated statement of cash flow for the year ended
December 31, 2021**
(in USD)

	Note	2021	2020
Cash flows from operating activities			
Net results for the period	14	(3,930,677)	(737,083)
Adjustments for:			
Depreciation of property, plant and equipment	7	434,790	104,430
Amortisation of intangible assets	8	362,023	150,257
Allocation to restricted funds		(248,586)	153,949
(Gain)/loss on foreign exchange		(64,518)	28,701
Interest expenses		383,875	-
Changes in working capital:			
Trade and other receivables		(191,666)	1,201,472
Trade and other payables		4,585,918	241,210
Contract assets and liabilities		(2,280,662)	197,675
Deferred revenues – Olympic funding		9,330,132	(2,750,000)
Net cash used in operating activities		8,380,629	(1,409,389)
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(349,010)	(456,068)
Purchase of intangible fixed assets	8	(942,971)	(456,444)
Proceeds from disposal of term deposit	4	-	5,500,000
Net cash generated from investing activities		(1,291,981)	4,587,488
Cash flows from financing activities			
Repayment of project funding		-	(117,846)
Repayment of lease liability		(301,161)	(160,050)
Bank borrowings		435,136	113,025
Loans to third parties		(350,000)	-
Loans from third parties		1,500,000	1,000,000
Net cash generated from financing activities		1,283,975	835,129
Net increase/(decrease) in cash and equivalents		8,372,623	4,013,228
Cash and cash equivalents as at 1 January		6,701,708	2,694,462
Effect of foreign exchange rate changes		5,605	(5,982)
Cash and cash equivalents as at 31 December		15,079,936	6,701,708

Notes to the consolidated financial statements 2021

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 are approved by the Finance & Audit Committee of ITTF on 3 November 2022 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.

2.2 Basis of consolidation

Name	Country of incorporation	Consolidation Method	Ownership	
			31 December 2021	31 December 2020
International Table Tennis Federation	Switzerland	Fully consolidated	Ultimate parent entity	
International Table Tennis Federation Asia-Pacific Ltd	Singapore	Fully consolidated	100%	100%
International Table Tennis Federation – North America	Canada	Fully consolidated	100%	100%
ITTF Foundation	Germany	Fully consolidated	100%	100%
World Table Tennis Pte Ltd	Singapore	Fully consolidated	100%	100%

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.

2.3 Foreign currencies (Continued)

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:	2021		2020	
	Average	Year-end	Average	Year-end
SGD	1.3438	1.3486	1.3791	1.3220
CHF	0.9141	0.9117	0.9386	0.8846
CAD	1.2538	1.2656	1.3408	1.2752
EUR	0.8457	0.8790	0.8768	0.8181

2.4 Revenue recognition

Revenue from contracts with its customers are recognised when or as the Group satisfies a performance obligation by transferring a promised goods or service generated in the ordinary course of the Group's activities to its customer, at a transaction price that reflects the consideration the Group expects to be entitled in exchange for the goods or service and that is allocated to that performance obligation. The goods or service is transferred when or as the customer obtains control of the goods or service.

Commercial rights income

Commercial rights income includes event hosting rights, media rights, partnerships rights, data and streaming rights. Revenue from commercial rights is recognised over time, using the output method by reference to the progress of the events and competitions organised and held throughout the contract period. In the application of the output method, the Group recognise revenue based on events and competitions organised or held during the reporting year. Accordingly, in view of the nature of the services, management considers that this output method is most appropriate in measuring the progress towards complete satisfaction of these performance obligations. Advance consideration received from customers for commercial rights not yet provided is recognised as a contract liabilities (Note 6).

Event income

Income generated from the events includes ticketing, hospitality, merchandising, rights and access to media news and archives footages. Revenue is recognised at a point in time when (i) the services have been rendered to the customers and coincides with the delivery of services and acceptance by customers or (ii) the control of the goods is transferred to the customers (i.e. when the goods are delivered in accordance with the applicable incoterms or/and terms and conditions and significant risks and rewards of ownership of the goods have been transferred to the customer). A corresponding receivable is recognised for the consideration that is unconditional when only the passage of time is required before the payment is due.

International Olympic Committee

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 2021 equated to 19% (2020: 16%) of the total funds received following the Rio 2016 Olympic Games. In addition, ITTF released 17% of the total funds received following the completion of Tokyo 2020 Olympic Games, leaving 83% remaining to be released until 2024.

2.4 Revenue recognition (Continued)

International Olympic Committee (Continued)

In addition, the income derived through International Olympic Committee includes external sources such as Olympic Solidarity, other grants in relation to sport development as well as income generated through some educational means.

Governance & Regulatory 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. In addition, Governance & Regulatory income includes subscription fees for the affiliation of the members association of the ITTF.

Other income

Service income is mainly generated from social media, brand licensing, sales of non-fungible tokens and other miscellaneous income.

2.5 Property, plant and equipment

Property, plant and equipment 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:

Furniture	3 years
Equipment & Computers	3 – 4 years
Office Renovation	3 years
Equipment Laboratory	5 years
Museum Collection	not depreciated
Leasehold office premise	over the lease terms

Since 2019, the Building has not been depreciated, as the asset is deemed an investment property as the organisation is not utilising 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.

2.6 Intangible assets

Internally generated intangible assets

Expenditure from the research phase of an internal project to create an intangible asset is expensed in profit or loss when it is incurred. Where the research phase cannot be distinguished from the development phase of an internal project, the Group treats the expenditure on that project as if it were incurred in the research phase only.

2.6 Intangible assets (Continued)

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised, if, and only if, all the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible assets; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

The amortisation charge is recognised in profit or loss and is assessed for impairment when there is an indication that the intangible asset may be impaired. The estimated amortisation period and amortisation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

Intangible assets with finite useful life are amortised over its useful life, using its straight-line method, over the following bases:

Mobile application	2 years
Software development costs	3 - 5 years

Work-in-progress included in intangible asset are not depreciated as these assets are not yet available for use.

The intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal, with any gain or loss arising from the derecognition of an intangible asset, being the difference between the net disposal proceeds and the carrying amount of the asset, recognised in profit or loss.

The Group accounts for its digital assets, which comprised solely of cryptocurrencies, as indefinite useful life intangible assets. The Group's intangible assets for the digital assets are initially stated at cost and is subsequently reported at cost less any accumulated impairment losses. The digital assets with indefinite useful life are not amortised, but tested for impairment annually, and whenever there is an indication that the asset may be impaired.

The indefinite useful life of an intangible asset is reviewed at the end of each financial year and where events and circumstances do not continue to support the indefinite useful life assessment for that asset, a change from indefinite to finite useful life is accounted for as a change in accounting estimate and adjusted prospectively.

2.6 Intangible assets (Continued)

The digital assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal, with any gain or loss arising from the derecognition of an intangible asset, being the difference between the net disposal proceeds and the carrying amount of the asset, recognised in profit or loss.

2.7 Contract assets and liabilities

The contract assets primarily relate to the Group's rights to consideration for event completed but not billed at the reporting date on provision of commercial rights services. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

The contract liabilities primarily relate to advance billing to customers or advance consideration received from customers for provision of commercial rights services.

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.

3.1 General note in connection with COVID-19

In March 2020, the World Health Organization designated a new coronavirus disease (COVID-19) as a global pandemic. In response, governments around the world have implemented various public health and social measures aimed to slow the transmission of the virus, including orders to stay at or work from home, closure of non-essential businesses, cancellation of events and limitations on domestic and international travel. These measures have had a significant impact on global markets leading to economic fallout and uncertainty.

The ITTF has assessed the consequences of the COVID-19 pandemic on the financial statements as at 31 December 2021, especially considering the impacts on key judgements and significant estimates.

3.2 Short time work contributions

In the financial year 2021, ITTF received short time work contributions in accordance with the COVID-19 ordinance for unemployment insurance dated 20 March 2020 and subsequently amended. These contributions were received from Switzerland and were offset with the personnel expenses in the income statement for the year ended 31 December 2021. The amount of these contributions reached an amount of US\$ 161,027 (2020: US\$ 132,572).

3.3 Government grants

Government grants received in Singapore and Germany are recognised when there is reasonable assurance that the grant will be received, and all attaching conditions will be complied with. Where the grant relates to an expense, the grant is recognised as income in profit or loss on a systematic basis over the periods in which the related costs, for which the grants are intended to compensate, is expensed. Where the grant relates to an asset, the grant is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalment.

3.4 COVID-19 Loan

In order to secure liquidity needs, ITTF has taken out a guaranteed COVID-19 loan for a total of CHF 0.5 million. The interest rate is 0.0% for up to CHF 500,000. The interest rate conditions can be adjusted to market developments on 31 March each year, for the first time on 31 March 2021, in accordance with the requirements of the Federal Department of Finance. There is no adjustment to the interest rate for the financial year ended 31 December 2021.

ITTF expects to repay the COVID-19 loan by the maturity date – maximum 8 years, or as exchange rates become more favourable.

During the term of the COVID-19 loan, the company may not distribute dividends or directors' fees, or repay capital contributions. In addition, further restrictions apply to the granting and repayment of loans to group companies and owners. During the validity of the Ordinance, investments in fixed assets that were not replacement assets are not allowed.

In accordance with the provisions on loss of capital and/or over-indebtedness in accordance with Art. 725 OR, the COVID-19 loan guaranteed up to CHF 500,000 is not considered as foreign capital (Art. 24 of the law on joint and several guarantees linked to COVID-19).

4. Cash, cash equivalents and term deposits

	2021	2020
Cash at banks	15,075,594	6,690,115
Cash on hand	4,342	11,593
	15,079,936	6,701,708
Non-current		
Term deposits	2,000,000	2,000,000
	2,000,000	2,000,000

The non-current term deposit asset corresponds to the amount of funds which have been received, as an Equity Guarantee liability from the Shanghai Municipal Education Commission and the Chinese Table Tennis Association in relation to the ITTF Museum. Further details are available under note 9 below.

4. Cash, cash equivalents and term deposits (Continued)

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

	2021	2020
United States Dollars	16,120,860	7,613,872
Swiss Francs	187,134	106,305
Euros	494,449	552,320
Singapore Dollars	239,474	336,861
Canadian Dollars	37,470	92,350
Chinese Yuan	549	-
	17,079,936	8,701,708

5. Trade and other receivables

	2021	2020
Current		
Trade receivables		
- Third parties	3,616,385	3,077,724
Other receivables		
- Third parties	336,745	53,509
- Bad debt allowance	(23,709)	(23,709)
- Prepayment	314,635	944,866
- Loan receivable – third party ^{#1}	200,000	-
Total other receivables	827,671	974,666
Accounts receivable, net	4,444,056	4,052,390
Non-current		
Other receivables		
- Loan receivable – third party ^{#1}	150,000	-

^{#1} Loan receivables from third parties are unsecured and interest-free. Included is loan receivable amounting US\$ 200,000 (2020: US\$ Nil) which is repayable over four years annual instalments with first instalment commences in 2022 and final instalment in 2025. Included is loan receivable from a third party amounting US\$ 150,000 (2020: US\$ Nil) which is repayable on demand.

6. Contract assets and liabilities from contracts with customers

	2021	2020
Contract assets		
- unbilled revenue	3,185,274	48,354
- Less: Impairment loss allowance (Note 22)	(51,558)	-
	3,133,716	48,354
Contract liabilities		
- Advance consideration	2,393,807	1,589,108

7. Property, plant and equipment

	2021	2020
<i>Carrying amount as at 31 December:</i>		
Land and building (Renens)	2,742,326	2,742,326
Furniture	15,644	19,495
Equipment & Computers	223,454	68,209
Equipment for donation	526,145	556,391
Table Tennis Equipment	102,638	-
Office Renovations	17,743	45,339
Right-of-use Assets	297,737	249,179
Museum Collection	509,747	509,747
	4,435,434	4,190,686

	2021	2020
<i>Depreciation incurred during the period:</i>		
- Furniture and equipment	16,863	19,441
- Equipment & Computers	74,768	50,614
- Table Tennis Equipment	18,543	-
- Office Renovations	37,767	34,375
- Right-of-use-Assets	286,849	-
	434,790	104,430

8. Intangible Assets

	2021	2020
<i>Carrying amount as at 31 December:</i>		
Mobile Application	160,846	-
IT Software	1,114,558	703,586
Digital Asset	9,130	-
	1,284,534	703,586

	2021	2020
<i>Amortisation incurred during the period:</i>		
- Internally generated (TTX)	-	8,944
- Mobile Application	24,794	-
- IT Software	337,229	141,313
	362,023	150,257

The IT Software is the continued development of Table Tennis specific software that support the management and implementation of competitions. This includes entries management, results system and ranking engine.

As several aspects of the software are already in operation, the amortization has been recorded based on the date of each payment. The expected useful life is between three-to-five years, dependent upon the specific type of software development.

9. 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 US\$ 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 (US\$ 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.

10. Trade and other payables

	2021	2020
Trade payables		
- third parties	4,937,368	2,345,095
Other payables		
- third parties	16,378	-
- Accrued expenses	2,554,600	577,334
	7,508,346	2,922,429

11. Lease liability

One of the Group's subsidiary leases office space for two years.

a. Right-of-use assets

The carrying amount of right-of-use asset by class of underlying asset classified within property, plant and equipment as follows:

	Office
At 31 December 2020	249,179
Modification	335,407
Depreciation	(286,849)
At 31 December 2021	297,737

b. Lease liability

	2021	2020
Lease liability - current	307,878	255,605

c. Amounts recognised in profit and loss

	2021	2020
Interest expense on lease liability	22,906	-

12. Deferred revenues – Olympic funding

	2021	2020
Olympic funding at the beginning of the year	3,269,868	6,019,868
Received in year	15,600,000	-
Used in year	(6,269,868)	(2,750,000)
Olympic funding at the end of the year	12,600,000	3,269,868

13. Loans from third parties

	2021	2020
Loan from third party	1,321,096	1,000,000
Convertible loan	1,539,869	-
	2,860,965	1,000,000

14. Restricted Funds and Equity

	2021	2020
Restricted funds at beginning of the year	335,556	181,142
Allocations to funds	90,394	313,146
Use of funds	(324,591)	(184,464)
Cumulative translation adjustment	(14,389)	25,732
Restricted funds at the end of the year	86,969	335,556
Unrestricted funds at the beginning of the year	6,189,812	6,926,895
Net results for the period	(3,930,677)	(737,083)
Unrestricted funds at the end of the year	2,259,135	6,189,812
Cumulative translation adjustment	(37,585)	21,321
Equity (audited figures)	2,221,550	6,211,133

Restricted funds are reclassified as a single line item on the Balance Sheet.

15. Revenue

	2021	2020
Commercial rights income	10,302,136	8,733,737
Event income	648,875	-
Projects income	13,977	14,496
Social Responsibility	17,486	643,547
	10,982,474	9,391,780

16. International Olympic Committee

	2021	2020
Olympic Games Revenue Share	6,392,827	2,777,991
Development Grant	70,000	70,000
Olympic Solidarity	34,875	52,929
	6,497,702	2,900,920

17. Governance & regulatory income

	2021	2020
Regulatory Equipment Approval income	1,519,757	1,440,036
Subscription Fees	34,050	33,900
	1,553,807	1,473,936

18. Other income

	2021	2020
Service income	721,571	682,459
Grant income	457,308	191,046
	1,178,879	873,505

19. Event and operating expenses

	2021	2020
Event expenses	9,237,398	6,352,300
Commercial expenses	622,148	282,370
Other operating expenses	425,906	463,564
	10,285,452	7,098,234

In 2020, an amount of US\$ 1.39 million was provided as a prepayment to the Korean Table Tennis Association, who were due to host the 2020 World Table Tennis Championships. Following the cancellation of the event, no funds have been refunded and in a prudent approach, it was decided to expense the full amount in 2020. This amount is included in event expenses.

20. Project expenses

	2021	2020
High Performance & Development Activities	1,356,440	45,212
Member Relations	577,568	210,566
Education Expenses	16,148	15,473
	1,950,156	271,251

21. Governance and regulatory expenses

	2021	2020
Governance Meetings and Affiliation Fees	106,771	105,687
ITTF President	58,393	58,426
Executive Committee	71,317	94,362
Commissions, Committees and Working Groups	34,704	28,360
Regulatory Equipment Expenses	95,190	92,321
Integrity	312,280	130,842
	678,655	509,998

Within the expenses incurred in relation to the ITTF President, US\$ 30,500 (2020: US\$ 43,690) was paid as an honorarium for the services provided.

22. General and administrative expenses

	2021	2020
Salaries, bonuses and other costs	5,602,422	3,827,370
Professional and consultancy fees	1,565,210	1,665,235
Office and administrative expenses	2,840,096	1,683,537
Impairment loss allowances:		
- other receivables	-	48,004
- contract assets	51,558	-
- intangible assets	912	-
Foreign exchange (gain)/loss	(11,610)	18,908
	10,048,588	7,243,054

23. Finance expenses

	2021	2020
Interest expenses on lease liability (Note 11)	22,906	-
Interest expenses on loans from third parties	360,969	-
	383,875	-

27. Operating Leases

	2021	2020
Maturity 1 Year	85,953	367,985
Maturity 1-5 Years	34,419	21,581
	120,372	389,566

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 Foundation has 14 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. Guarantee/Pledged assets

As of 31 December 2021, the land and buildings in Lausanne are pledged to the bank to the extent of CHF 2,400,000 (2020: CHF 2,400,000) in guarantee of the credit limit granted. As of December 31, 2021, the credit line is not used.

29. Other information required by law

In 2020 and 2021, the average number of full-time equivalent employees is more than 50 but less than 200.

30. Comparative figures

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's financial statements presentation. As a result, comparative figures have been reclassified to conform with the current year's presentation.

The items reclassified are summarised as follows:

	2020		
	<u>As previously reported</u>	<u>Reclassification</u>	<u>As restated</u>
	\$	\$	\$
<u>Consolidated balance sheet</u>			
Current Assets			
Trade and other receivables (Old)	3,149,606	902,784	4,052,390
Prepaid expense (Old)	951,138	(951,138)	-
Contract assets (New)	-	48,354	48,354
	4,100,744	-	4,100,744
Current liabilities			
Trade creditors (Old)	2,348,603	(2,348,603)	-
Trade and other payables (New)	-	2,093,049	2,093,049
Lease liabilities (New)	-	255,554	255,554
Deferred income and accrued expense	2,418,488	(2,418,488)	-
Trade and other payables (New)	-	829,380	829,380
Contract liabilities (New)	-	1,589,108	1,589,108
Loans from third parties (New)	-	1,000,000	1,000,000
	4,767,091	1,000,000	5,767,091
Non-Current Liabilities			
Other committed funds	1,000,000	(1,000,000)	-

Consolidated statement of income and expenditure

Income			
Marketing rights (Old)	6,659,903	(6,659,903)	-
Revenue (New)	-	6,479,506	6,479,506
Other income (Old)	693,108	180,397	873,505
Olympic fund (Old)	2,750,000	(2,750,000)	-
International Olympic Committee (New)	-	2,750,000	2,750,000
Competitions (Old)	2,254,231	(2,254,231)	-
Revenue (New)	-	2,254,231	2,254,231
High Performance & Development (Old)	165,416	(165,416)	-
Revenue (New)	-	14,496	14,496
International Olympic Committee (New)	-	150,920	150,920
Equipment Approval Fees (Old)	1,440,036	(1,440,036)	-
Governance & Regulatory Income (New)	-	1,440,036	1,440,036
ITTF Foundation (Old)	772,229	(772,229)	-
Revenue (New)	-	772,229	772,229
Membership Fees (Old)	33,900	(33,900)	-

Governance & Regulatory Income (New)	-	33,900	33,900
	14,768,823	-	14,768,823

30. Comparative figures (Continued)

	2020		
	As previously reported	Reclassification	As restated
	\$	\$	\$
Expenses			
Competitions (Old)	6,268,673	(6,268,673)	-
Event and Operating Expenses (New)	-	5,568,004	5,568,004
Project Expenses (New)	-	97,944	97,944
General & Administrative Expenses (New)	-	602,725	602,725
Marketing expenses (Old)	3,651,211	(3,651,211)	-
Event and Operating Expenses (New)	-	1,506,646	1,506,646
General & Administrative Expenses (New)	-	2,144,565	2,144,565
Administration expenses (Old)	3,547,569	(3,547,569)	-
Governance and Regulatory Expenses (New)	-	134,061	134,061
General & Administrative Expenses (New)	-	3,158,821	3,158,821
Depreciation and amortisation expenses (Old)	-	254,687	254,687
High Performance & Development (Old)	431,921	(431,921)	-
Project Expenses (New)	-	60,685	60,685
General & Administrative Expenses (New)	-	371,236	371,236
Member Relations (Old)	243,969	(243,969)	-
Project Expenses (New)	-	112,622	112,622
General & Administrative Expenses (New)	-	131,347	131,347
Governance (Old)	395,999	(395,999)	-
Governance and Regulatory Expenses (New)	-	283,616	283,616
General & Administrative Expenses (New)	-	112,383	112,383
Foundation (Old)	589,907	(589,907)	-
General & Administrative Expenses (New)	-	589,907	589,907
Equipment (Old)	195,689	(195,689)	-
Governance and Regulatory Expenses (New)	-	92,321	92,321
General & Administrative Expenses (New)	-	103,368	103,368
Olympics & Paralympics (Old)	23,585	(23,585)	-
Event and Operating Expenses (New)	-	23,585	23,585
Foreign Currency Gains and (Losses) (Old)	28,701	(28,701)	-
General & Administrative Expenses (New)	-	28,701	28,701
	15,377,224	-	15,377,224

The above reclassification did not have any financial implication to last year's statement of financial activities and statement of financial position of the Group. Accordingly, the management did not prepare and present the statement of financial activities and statement of financial position of the Group as at 1 January 2020.