



**BWF**

# 2021

---



**AUDITED  
FINANCIAL  
STATEMENTS**

---

FOR YEAR ENDED  
31 DECEMBER 2021



**BADMINTON WORLD FEDERATION**  
**(Registered under the International Organizations (Privileges and Immunities) Act 1992**  
**in Malaysia)**

**COUNCIL'S STATEMENTS AND AUDITED FINANCIAL STATEMENTS**  
**31 DECEMBER 2021**

**BADMINTON WORLD FEDERATION**  
**(Registered in Malaysia)**

<u>CONTENTS</u>	<u>PAGE</u>
STATEMENT OF COUNCIL RESPONSIBILITIES	1
STATEMENT BY THE COUNCIL	2
INDEPENDENT AUDITORS' REPORT	3 - 6
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	7 - 8
STATEMENT OF FINANCIAL POSITION	9
STATEMENT OF RECOGNISED GAINS AND LOSSES	10
STATEMENT OF CASH FLOWS	11 - 12
NOTES TO THE FINANCIAL STATEMENTS	13 - 30

**BADMINTON WORLD FEDERATION  
(Registered in Malaysia)**

**STATEMENT OF COUNCIL RESPONSIBILITIES**

For each financial year, the Constitution of the Federation requires the financial statements which give a true and fair view of the financial position of the Federation and of its financial performance and cash flows for that period to be prepared. In preparing those financial statements, the Council has decided to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the basis that the Federation shall not be dissolved.

The Council has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Federation and to prevent and detect fraud and other irregularities.

**BADMINTON WORLD FEDERATION**  
**(Registered in Malaysia)**

**STATEMENT BY THE COUNCIL**

We, Poul-Erik Høyer and Jassem Kanso, being two of the members of the Council, do hereby state that, in the opinion of the Council, the financial statements set out on pages 7 to 30 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the requirements of the Constitution of the Federation so as to give a true and fair view of the financial position of the Federation as at 31 December 2021 and of the financial performance and cash flows of the Federation for the financial year then ended.

On behalf of the Council,



.....  
**Poul-Erik Høyer**  
President

Kuala Lumpur  
9 March 2022



.....  
**Jassem Kanso**  
Finance Committee Chair



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
BADMINTON WORLD FEDERATION  
(Registered in Malaysia)**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of Badminton World Federation, which comprise the statement of financial position as at 31 December 2021 of the Federation, and the statement of profit or loss and other comprehensive income, statement of recognised gains and losses and statement of cash flows of the Federation for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 7 to 30.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Federation as at 31 December 2021, and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Constitution of the Federation.

**Basis for Opinion**

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence and Other Ethical Responsibilities*

We are independent of the Federation in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

**Information Other than the Financial Statements and Auditors' Report Thereon**

The Council of the Federation is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Federation and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
BADMINTON WORLD FEDERATION (continued)  
(Registered in Malaysia)**

**Information Other than the Financial Statements and Auditors' Report Thereon  
(continued)**

Our opinion on the financial statements of the Federation does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Federation, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Federation or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Council of the Federation.

**Responsibilities of the Council for the Financial Statements**

The Council of the Federation is responsible for the preparation of financial statements of the Federation that give a true and fair view in accordance with MFRSs, IFRSs and the requirements of the Constitution of the Federation. The Council is also responsible for such internal control as the Council determine is necessary to enable the preparation of financial statements of the Federation that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Federation, the Council is responsible for assessing the ability of the Federation to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intends to dissolve the Federation or to cease operation, or have no realistic alternative but to do so.

**Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements of the Federation as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
BADMINTON WORLD FEDERATION (continued)  
(Registered in Malaysia)**

**Auditors' Responsibilities for the Audit of the Financial Statements (continued)**

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Federation, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Federation.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- (d) Conclude on the appropriateness of the Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Federation to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Federation or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Federation to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Federation, including the disclosures, and whether the financial statements of the Federation represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Council with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.





**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
BADMINTON WORLD FEDERATION (continued)  
(Registered in Malaysia)**

**Other Matters**

This report is made solely to the members of the Federation, as a body and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink, appearing to read 'BDO PLT'.

**BDO PLT**  
LLP0018825-LCA & AF 0206  
Chartered Accountants

Kuala Lumpur  
9 March 2022

**BADMINTON WORLD FEDERATION**  
**(Registered in Malaysia)**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	Note	2021 USD	2020 USD
<b>GROSS INCOME</b>			
BWF tournaments and open events	4	26,835,273	3,558,965
Olympic tournament income	5	15,600,000	-
Olympic development grants	5	75,477	71,000
Subscriptions	6(a)	218,000	228,800
International Paralympic Committee (“IPC”) sport grants	6(a)	42,538	44,157
Other income	6(b)	500	-
<b>TOTAL GROSS INCOME</b>		<b>42,771,788</b>	<b>3,902,922</b>
<b>EXPENDITURE</b>			
<b>Olympics and Paralympics Expenses</b>	7	790,879	41,408
<b>Events</b>			
BWF tournaments and open events	8	10,588,726	3,678,811
<b>Development</b>			
Continental grants	9	4,128,422	3,688,752
Educational activities	10	79,355	57,156
Other development activities	11	1,189,002	1,257,687
Para-Badminton development		78,733	84,953
		5,475,512	5,088,548
<b>Marketing</b>	12	393,495	281,100
<b>Communication</b>	13	1,618,289	674,002
<b>Administration</b>	14	18,823	1,935
<b>Integrity</b>	15	449,723	526,951
<b>Representation / Ad-hoc Meeting Committee, Commission and Staff Travel</b>		26,325	106,373
<b>Governance</b>			
Annual general meeting		130,410	118,552
Council, Athletes’ Commission and Disciplinary Panels	16	210,741	304,842
		341,151	423,394

**BADMINTON WORLD FEDERATION**  
**(Registered in Malaysia)**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (continued)**

	Note	2021 USD	2020 USD
<b>EXPENDITURE (continued)</b>			
<b>General and Administrative Expenses</b>	17	3,166,194	3,059,049
<b>Professional and Other Fees</b>			
Insurance		90,931	83,925
Legal and professional charges	19	18,660	24,822
Audit fee		25,458	24,716
Bad debts written off		15,194	13,845
Depreciation on equipment	21	18,615	22,366
Depreciation on right-of-use asset	22(a)	201,537	207,773
Impairment loss on trade receivables	23(d)	-	2,154
Net unrealised losses in currency exchange		117,533	13,589
Net realised losses in currency exchange		-	4,399
		487,928	397,589
<b>Finance Costs</b>			
Lease liability	22(b)	61,241	73,038
Others		42,700	38,086
		103,941	111,124
<b>TOTAL EXPENDITURE</b>		<u>23,460,986</u>	<u>14,390,284</u>
<b>OPERATING SURPLUS/(DEFICIT)</b>		19,310,802	(10,487,362)
Bad debts recovered		1,650	200
Interest income	20	183,527	472,605
Gain on lease modification		-	26,604
Net realised gain in currency exchange		161,708	-
Reversal of impairment loss on trade receivables	23(d)	14,360	21,754
Royalty income		36,470	-
		397,715	521,163
<b>SURPLUS/(DEFICIT) BEFORE TAXATION</b>		19,708,517	(9,966,199)
Taxation	30	-	142,949
<b>TOTAL SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR</b>	25	<u><u>19,708,517</u></u>	<u><u>(9,823,250)</u></u>

*The accompanying notes form an integral part of the financial statements.*

**BADMINTON WORLD FEDERATION**  
**(Registered in Malaysia)**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**

	Note	2021 USD	2020 USD
<b>ASSETS</b>			
<b>Non-current assets</b>			
Equipment	21	10,037	22,387
Right-of-use asset	22	932,480	1,134,017
		942,517	1,156,404
<b>Current assets</b>			
Trade and other receivables	23	7,393,333	1,096,345
Cash and bank balances	24	48,950,045	39,032,037
		<u>56,343,378</u>	<u>40,128,382</u>
<b>TOTAL ASSETS</b>		<u><u>57,285,895</u></u>	<u><u>41,284,786</u></u>
<b>FUNDS AND LIABILITIES</b>			
<b>Funds</b>			
Accumulated surplus	25	49,600,922	29,892,405
F S Coaching fund	26	10,000	10,000
World Junior Championships fund	27	319,500	319,500
Dr. Kang Young Joong's fund	28	178,058	178,058
		50,108,480	30,399,963
<b>LIABILITIES</b>			
<b>Non-current liability</b>			
Lease liability	22	854,048	1,082,500
<b>Current liabilities</b>			
Other payables and accruals	29	6,127,403	9,610,737
Lease liability	22	195,964	191,586
Current tax liabilities		-	-
		<u>6,323,367</u>	<u>9,802,323</u>
<b>TOTAL LIABILITIES</b>		<u><u>7,177,415</u></u>	<u><u>10,884,823</u></u>
<b>TOTAL FUNDS AND LIABILITIES</b>		<u><u>57,285,895</u></u>	<u><u>41,284,786</u></u>

*The accompanying notes form an integral part of the financial statements.*

**BADMINTON WORLD FEDERATION**  
**(Registered in Malaysia)**

**STATEMENT OF RECOGNISED GAINS AND LOSSES**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

The Federation has no recognised gains and losses other than the income and expenditure recognised for the year.

*The accompanying notes form an integral part of the financial statements.*

**BADMINTON WORLD FEDERATION**  
**(Registered in Malaysia)**

**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	Note	2021 USD	2020 USD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus/(deficit) before taxation		19,708,517	(9,966,199)
Adjustments for:			
Bad debt written off		15,194	13,845
Depreciation on equipment	21	18,615	22,366
Depreciation on right-of-use asset	22(a)	201,537	207,773
Impairment loss on trade receivables	23(d)	-	2,154
Reversal of impairment loss on trade receivables	23(d)	(14,360)	(21,754)
Interest income	20	(183,527)	(472,605)
Interest expense		103,941	111,124
Gain on lease modification		-	(26,604)
Net unrealised losses in currency exchange		117,533	13,589
Operating surplus/(deficit) before changes in working capital		19,967,450	(10,116,311)
Trade and other receivables		(6,290,933)	1,743,252
Other payables and accruals		(3,483,334)	4,098,564
Cash generated from/(used in) operations		10,193,183	(4,274,495)
Tax paid		-	-
Net cash from/(used in) operating activities		10,193,183	(4,274,495)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of equipment	21	(6,265)	(17,582)
Withdrawal of fixed deposits placed with licensed banks with original maturity of more than three (3) months		1,909,036	948,721
Proceeds from fund		-	2,389
Interest received		183,527	472,605
Net cash from investing activities		2,086,298	1,406,133
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest paid		(42,700)	(38,086)
Payments of lease liability	22(b)	(285,315)	(244,298)
Net cash used in financing activities		(328,015)	(282,384)

**BADMINTON WORLD FEDERATION**  
**(Registered in Malaysia)**

**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (continued)**

	<b>Note</b>	<b>2021 USD</b>	<b>2020 USD</b>
Net increase/(decrease) in cash and cash equivalents		11,951,466	(3,150,746)
Effects of exchange rate changes on cash and cash equivalents		(124,422)	(6,249)
Cash and cash equivalents at beginning of financial year		<u>19,303,676</u>	<u>22,460,671</u>
Cash and cash equivalents at end of financial year	24(e)	<u><u>31,130,720</u></u>	<u><u>19,303,676</u></u>

*The accompanying notes form an integral part of the financial statements.*

**BADMINTON WORLD FEDERATION**  
**(Registered in Malaysia)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2021**

**1. GENERAL INFORMATION**

Badminton World Federation is a Federation registered under the International Organizations (Privileges and Immunities) Act 1992 and domiciled in Malaysia. The principal place of business and registered office of the Federation are located at Unit No. 1, Level 29, Naza Tower, No. 10, Persiaran KLCC, 50088 Kuala Lumpur.

The financial statements for the financial year ended 31 December 2021 were authorised by the Council on 9 March 2022.

**2. PRINCIPAL ACTIVITIES**

The principal activities of the Federation are administrating, promoting, developing and popularising the sport of Badminton throughout the world.

There have been no significant changes in the nature of these activities of the Federation during the financial year.

**3. BASIS OF PREPARATION**

The financial statements of the Federation have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards (“IFRSs”) and the requirements of the Constitution of the Federation.

The financial statements of the Federation have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The financial statements are presented in US Dollar (“USD”), which is also the functional currency of the Federation.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 31 to the financial statements.

**4. BWF TOURNAMENTS AND OPEN EVENTS**

	<b>2021</b>	<b>2020</b>
	<b>USD</b>	<b>USD</b>
BWF tournaments	<u>26,835,273</u>	<u>3,558,965</u>

Tournaments income is recognised when the respective tournaments are held.



**5. OLYMPIC TOURNAMENT INCOME AND OLYMPIC DEVELOPMENT GRANTS**

	<b>2021 USD</b>	<b>2020 USD</b>
Olympic tournament income	15,600,000	-
Olympic development grants		
- Olympic solidarity fund	5,477	1,000
- International Federation Development Fund	70,000	70,000
	75,477	71,000
	15,675,477	71,000

Olympic solidarity fund and International Federation Development Fund are recognised on an accrual basis.

**6. SUBSCRIPTIONS, INTERNATIONAL PARALYMPIC COMMITTEE (“IPC”) SPORT GRANTS AND OTHER INCOME**

- (a) Subscriptions and IPC sport grants income are recognised on an accrual basis
- (b) Other income consists mainly of income earned from the equipment approval scheme that is recognised on an accrual basis.

**7. OLYMPIC AND PARALYMPIC EXPENSES**

	<b>2021 USD</b>	<b>2020 USD</b>
Olympic	590,889	32,053
Paralympic	199,990	9,355
	790,879	41,408

**8. BWF TOURNAMENTS AND OPEN EVENTS**

	<b>2021 USD</b>	<b>2020 USD</b>
Tournament Operation	10,401,371	3,311,778
Events – General Support	187,355	367,033
	10,588,726	3,678,811

## 9. CONTINENTAL GRANTS

	<b>2021</b>	<b>2020</b>
	<b>USD</b>	<b>USD</b>
Base level	1,386,226	1,168,487
Human resource grant	850,670	600,262
Programme funding	617,702	364,383
Capacity building	-	188,000
Continental Confederation technical official National Grant	71,507	48,149
Equipment	195,743	198,739
Player development	426,795	263,950
Tournament	128,026	84,515
Thomas and Uber Cup Grant	83,500	274,000
Technical official special assistance	-	15,232
Technical Official Development grant	47,104	-
Marketing	-	96,000
Women In Badminton	(2,546)	40,610
Para-Badminton development	60,281	78,071
Para-Badminton player development grant	71,054	65,571
Returns of subscription	192,360	202,783
	<u>4,128,422</u>	<u>3,688,752</u>

Continental development grant relates to grants given to the five Continental Federations to support the development of badminton in those regions as follows:

	<b>2021</b>	<b>2020</b>
	<b>USD</b>	<b>USD</b>
Badminton Confederation of Africa	804,860	501,872
Badminton Asia Confederation	807,235	758,044
Badminton Europe	1,174,892	1,181,370
Oceania Badminton Confederation	587,669	636,849
Badminton Pan American Confederation	753,766	610,617
	<u>4,128,422</u>	<u>3,688,752</u>

## 10. EDUCATIONAL ACTIVITIES

	<b>2021</b>	<b>2020</b>
	<b>USD</b>	<b>USD</b>
Coaches education	6,327	15,298
Olympic solidarity courses	6,607	1,000
Shuttle time	66,421	40,858
	<u>79,355</u>	<u>57,156</u>

**11. OTHER DEVELOPMENT ACTIVITIES**

	<b>2021 USD</b>	<b>2020 USD</b>
Research projects/Sports science	203,829	130,114
Capacity building – membership development	692,303	805,667
Continental special project	158,681	-
Special development for World Junior Championship	-	149,608
Outdoor shuttlecocks development project	134,189	172,298
	<u>1,189,002</u>	<u>1,257,687</u>

**12. MARKETING**

	<b>2021 USD</b>	<b>2020 USD</b>
Marketing collateral	594	661
Media production/Public relations support	36,500	-
China market initiative	-	112,500
BWF trademark	31,401	42,069
Digital media archive	-	(14,130)
HSBC Marketing Activation	325,000	140,000
	<u>393,495</u>	<u>281,100</u>

**13. COMMUNICATION**

	<b>2021 USD</b>	<b>2020 USD</b>
Institutional communication plan	50,420	48,805
Institutional media subscription	2,813	1,751
Star Creation	50,000	107,679
Digital Strategy	1,033,946	370,093
Editorial & Graphics	29,315	7,335
Photographer	180,622	107,607
Media Manager/Officer traveling fee	106,616	26,905
Media equipment	2,057	3,827
China Marketing Initiative	162,500	-
	<u>1,618,289</u>	<u>674,002</u>

**14. ADMINISTRATION**

	<b>2021 USD</b>	<b>2020 USD</b>
Awards	18,823	1,935

**15. INTEGRITY**

	<b>2021</b> <b>USD</b>	<b>2020</b> <b>USD</b>
Anti-Doping	282,987	382,803
Investigation and legal advice	153,325	128,745
Player integrity education	13,411	15,403
	<u>449,723</u>	<u>526,951</u>

**16. COUNCIL, ATHLETES' COMMISSION AND DISCIPLINARY PANELS**

	<b>2021</b> <b>USD</b>	<b>2020</b> <b>USD</b>
Honorarium to President	110,000	110,000
Council meeting	92,028	179,809
Disciplinary committee	8,713	15,033
	<u>210,741</u>	<u>304,842</u>

**17. GENERAL AND ADMINISTRATIVE EXPENSES**

	<b>2021</b> <b>USD</b>	<b>2020</b> <b>USD</b>
Staff costs (Note 18)	2,563,767	2,502,657
Other staff costs	159,376	79,671
Staff travelling	13,877	19,418
Staff recruitment	5,995	3,838
Office general administrative	9,984	61,070
Other office, property and utilities costs	19,257	31,611
Statute Book	4,557	3,976
Computer consumables, network maintenance and web project	389,381	356,808
	<u>3,166,194</u>	<u>3,059,049</u>

**18. STAFF COSTS**

	<b>Number of employees</b>	
	<b>2021</b>	<b>2020</b>
Full time	<u>44</u>	<u>44</u>
	<b>2021</b> <b>USD</b>	<b>2020</b> <b>USD</b>
<b>Employee costs</b>		
Wages and salaries	2,471,893	2,415,125
Social security contribution	7,294	5,803
Employment insurance system	918	903
Employees' provident fund	83,662	80,826
	<u>2,563,767</u>	<u>2,502,657</u>

**19. LEGAL AND PROFESSIONAL CHARGES**

	<b>2021 USD</b>	<b>2020 USD</b>
Legal fees	12,633	19,652
Tax consult fees	-	2,258
Other professional fees	6,027	2,912
	<u>18,660</u>	<u>24,822</u>

**20. INTEREST INCOME**

	<b>Dr. Kang Young Joong's Fund USD</b>	<b>World Junior Championships Fund USD</b>	<b>Others USD</b>
<b>2021</b>			
Bank interest	-	-	8,117
Fixed deposit interest	-	-	175,410
	<u>-</u>	<u>-</u>	<u>183,527</u>
<b>2020</b>			
Bank interest	-	-	4,624
Fixed deposit interest	855	1,534	467,981
	<u>855</u>	<u>1,534</u>	<u>472,605</u>

Interest income is recognised as it accrues, using the effective interest method.

**21. EQUIPMENT**

	<b>Office furniture and office equipment USD</b>	<b>Computer equipment and software USD</b>	<b>Total USD</b>
<b>Cost</b>			
Balance as at 1 January 2020	165,358	229,161	394,519
Additions	-	17,582	17,582
Balance as at 31 December 2020/ 1 January 2021	165,358	246,743	412,101
Additions	-	6,265	6,265
Write off	-	(45,132)	(45,132)
Balance as at 31 December 2021	<u>165,358</u>	<u>207,876</u>	<u>373,234</u>

**21. EQUIPMENT (continued)**

	<b>Office furniture and office equipment USD</b>	<b>Computer equipment and software USD</b>	<b>Total USD</b>
<b>Accumulated depreciation</b>			
Balance as at 1 January 2020	165,358	201,990	367,348
Charge for the financial year	-	22,366	22,366
Balance as at 31 December 2020/ 1 January 2021	165,358	224,356	389,714
Charge for the financial year	-	18,615	18,615
Write off	-	(45,132)	(45,132)
Balance as at 31 December 2021	165,358	197,839	363,197
<b>Carrying amounts</b>			
Balance as at 31 December 2020	-	22,387	22,387
Balance as at 31 December 2021	-	10,037	10,037

All items of equipment are initially measured at cost. After initial recognition, equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write down the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal annual depreciation periods are as follows:

Office furniture and office equipment	3 years
Computer equipment and software	3 years

**22. RIGHT-OF-USE ASSET AND LEASE LIABILITY**

(a) Right-of-use asset

	<b>2021 USD</b>	<b>2020 USD</b>
<b>Cost</b>		
Balance as at 1 January	1,853,832	1,240,552
Addition	-	613,280
Balance as at 31 December	1,853,832	1,853,832

**22. RIGHT-OF-USE ASSET AND LEASE LIABILITY (continued)**

(a) Right of use asset (continued)

	<b>2021</b>	<b>2020</b>
	<b>USD</b>	<b>USD</b>
<b>Accumulated depreciation</b>		
Balance as at 1 January	719,815	568,586
Reassessment and modification	-	(56,544)
Charge for the financial year	201,537	207,773
	<u>921,352</u>	<u>719,815</u>
<b>Carrying amount</b>	<u>932,480</u>	<u>1,134,017</u>

The right-of-use asset represents non-cancellable operating lease agreement entered into by the Federation for the use of office. The lease is for an initial lease period of three (3) years with an option to renew of three (3) years.

(b) Lease liability

	<b>2021</b>	<b>2020</b>
	<b>USD</b>	<b>USD</b>
<b>Non-current</b>		
Lease liability	854,048	1,082,500
<b>Current</b>		
Lease liability	195,964	191,586
	<u>1,050,012</u>	<u>1,274,086</u>

The movement of lease liability during the financial year is as follows:

	<b>2021</b>	<b>2020</b>
	<b>USD</b>	<b>USD</b>
<b>Balance as at 1 January</b>	1,274,086	802,126
Addition	-	613,280
Interest charged for the financial year	61,241	73,038
Reassessment and modification	-	29,940
<b>Payments of:</b>		
- Principal	(224,074)	(171,260)
- Interest	(61,241)	(73,038)
	<u>1,050,012</u>	<u>1,274,086</u>
<b>Balance as at 31 December</b>	<u>1,050,012</u>	<u>1,274,086</u>

(c) The Federation determines the lease term of a lease as non-cancellable period of the lease, together with periods covered by an option to extend or to terminate the lease if the Federation is reasonably certain to exercise the relevant options. Management has considered the relevant facts and circumstances that create an economic incentive for the Federation to either exercise the option to extend the lease, or to exercise the option to terminate the lease. Any differences in expectations from the original estimates would impact the carrying amount of the lease liability of the Federation.

**22. RIGHT-OF-USE ASSET AND LEASE LIABILITY (continued)**

- (d) Lease payments relating to lease liability are discounted using the Federation's annual incremental borrowing rate of 5.45% (2020: 5.45%).
- (e) Lease liability is a fixed rate instrument. Sensitivity analysis at the end of the reporting period is not presented as it is not affected by changes in interest rates.
- (f) The following are the amounts recognised in profit or loss of the Federation:

	<b>2021</b> <b>USD</b>	<b>2020</b> <b>USD</b>
Depreciation charge of right-of-use assets	201,537	151,229
Interest expense on lease liabilities	<u>61,241</u>	<u>102,978</u>
	<u><u>262,778</u></u>	<u><u>254,207</u></u>

- (g) Reconciliation of liability arising from financing activities

The table below details changes in lease liability of the Federation arising from financing activities, including both cash and non-cash changes. Lease liability arising from financing activity is those for which cash flow was, or future cash flow will be, classified in the statement of cash flows of the Federation as cash flows from financing activities.

	<b>2021</b> <b>USD</b>	<b>2020</b> <b>USD</b>
<b>Lease liability</b>		
Balance as at 1 January	1,274,086	802,126
Cash flow	(285,315)	(244,298)
Non-cash flows	<u>61,241</u>	<u>716,258</u>
Balance as at 31 December	<u><u>1,050,012</u></u>	<u><u>1,274,086</u></u>

**23. TRADE AND OTHER RECEIVABLES**

	<b>2021</b> <b>USD</b>	<b>2020</b> <b>USD</b>
<b>Trade receivables</b>		
Trade receivables	7,303,488	424,817
Less: Impairment loss	<u>(64,105)</u>	<u>(78,465)</u>
Total trade receivables	<u><u>7,239,383</u></u>	<u><u>346,352</u></u>
<b>Other receivables</b>		
Other receivables	8,378	170,708
Deposits	<u>83,961</u>	<u>68,778</u>
Total other receivables	<u><u>92,339</u></u>	<u><u>239,486</u></u>
<b>Total trade and other receivables</b>	<u><u>7,331,722</u></u>	<u><u>585,838</u></u>
Prepayments	<u>61,611</u>	<u>510,507</u>
	<u><u>7,393,333</u></u>	<u><u>1,096,345</u></u>



### 23. TRADE AND OTHER RECEIVABLES (continued)

- (a) Trade and other receivables are classified as financial assets measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal credit terms of trade receivables granted by the Federation ranged from 30 to 60 days (2020: 30 to 60 days). They are recognised at their original invoices amounts, which represent their fair values on initial recognition.
- (c) Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

The Federation considers factors such as credit lost experience and observable current changes and future forecasts in national or local economic conditions that correlate with default on trade receivables to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

During this process, the probability of non-payment by the trade receivables is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within professional and other fees in the statement of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

It requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward looking information.

- (d) The reconciliation of movements in allowance for impairment accounts is as follows:

	<b>Lifetime ECL allowance USD</b>	<b>Specific allowance USD</b>	<b>Total allowance USD</b>
<b>Balance as at 1 January 2021</b>	14,105	64,360	78,465
Reversal during the financial year	-	(14,360)	(14,360)
<b>Balance as at 31 December 2021</b>	<u>14,105</u>	<u>50,000</u>	<u>64,105</u>
<b>Balance as at 1 January 2020</b>	35,859	62,206	98,065
Charge for the financial year	-	2,154	2,154
Reversal during the financial year	(21,754)	-	(21,754)
<b>Balance as at 31 December 2020</b>	<u>14,105</u>	<u>64,360</u>	<u>78,465</u>

Specific allowance refers to individually determined debtors who are in significant financial difficulties and have defaulted on payments to be impaired as at the financial year end.

**23. TRADE AND OTHER RECEIVABLES (continued)**

- (e) As at the end of each reporting period, the credit risks exposures and concentration relating to trade receivables of the Federation are summarised in the table below:

	<b>2021 USD</b>	<b>2020 USD</b>
<b>Maximum exposure</b>	7,239,383	346,352
Collateral obtained	<u>-</u>	<u>-</u>
Net exposure to credit risk	<u>7,239,383</u>	<u>346,352</u>

- (f) The ageing analysis of trade receivables of the Federation are as follows:

	<b>2021 USD</b>	<b>2020 USD</b>
Current	790,748	180,621
Past due:		
1 to 60 days	933,944	-
More than 60 days	5,514,691	165,731
Impaired	<u>6,448,635</u>	<u>165,731</u>
	<u>64,105</u>	<u>78,465</u>
	<u>7,303,488</u>	<u>424,816</u>

- (g) Impairment for other receivables is recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. At the end of the reporting period, the Federation assesses whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The probability of non-payment by other receivables is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the twelve month or lifetime expected credit loss for the other receivables.

It requires management to exercise significant judgement in determining the probability of default by other receivables, appropriate forward looking information and significant increase in credit risk.

No expected credit loss is recognised arising from other receivables as it is negligible.

### 23. TRADE AND OTHER RECEIVABLES (continued)

- (h) The currency exposure profile of trade and other receivables (excluding prepayments) are as follows:

	<b>2021</b> <b>USD</b>	<b>2020</b> <b>USD</b>
Euro (“EUR”)	572,923	-
Ringgit Malaysia (“MYR”)	1,422	3,112
United States Dollar (“USD”)	<u>6,757,377</u>	<u>582,726</u>
	<u><u>7,331,722</u></u>	<u><u>585,838</u></u>

- (i) Sensitivity analysis of USD against foreign currency at the end of the reporting period, assuming that all other variables remain constant, is as follows:

	<b>2021</b> <b>USD</b>	<b>2020</b> <b>USD</b>
Surplus/(deficit) before taxation		
EUR/USD		
- strengthen by 10%	63,658	-
- weaken by 10%	(63,658)	-
MYR/USD		
- strengthen by 10%	158	352
- weaken by 10%	<u>(158)</u>	<u>(352)</u>

### 24. CASH AND BANK BALANCES

	<b>2021</b> <b>USD</b>	<b>2020</b> <b>USD</b>
Cash and bank balances	29,930,720	19,006,676
Fixed deposits with licensed banks	<u>19,019,325</u>	<u>20,025,361</u>
	<u><u>48,950,045</u></u>	<u><u>39,032,037</u></u>

- (a) Included in cash and bank balances are cash held for the F S Coaching Fund (Note 26), World Junior Championships Fund (Note 27) and Dr. Kang Young Joong’s Fund (Note 28) of USD507,558 (2020: USD507,558).

- (b) The weighted average effective interest rate of fixed deposits with licensed banks of the Federation is 0.23% (2020: 0.82%) per annum. The average maturity period range from 1 to 12 months (2020: 1 to 12 months).

**24. CASH AND BANK BALANCES (continued)**

(c) The currency exposure profile of cash and bank balances are as follows:

	<b>2021</b> <b>USD</b>	<b>2020</b> <b>USD</b>
Chinese Yen (“CNY”)	314	306
Ringgit Malaysia (“MYR”)	3,478,302	485,697
Swiss Franc (“CHF”)	7,232	7,232
British Pound Sterling (“GBP”)	368	500
United States Dollar (“USD”)	45,463,829	38,538,302
	<u>48,950,045</u>	<u>39,032,037</u>

(d) Sensitivity analysis of USD against foreign currencies at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	<b>2021</b> <b>USD</b>	<b>2020</b> <b>USD</b>
Surplus/(deficit) before taxation		
CNY/USD		
- strengthen by 10%	35	34
- weaken by 10%	(35)	(34)
MYR/USD		
- strengthen by 10%	386,478	53,966
- weaken by 10%	(386,478)	(53,966)
CHF/USD		
- strengthen by 10%	804	804
- weaken by 10%	(804)	(804)
GBP/USD		
- strengthen by 10%	41	56
- weaken by 10%	(41)	(56)

(e) For the purpose of the statement of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

	<b>2021</b> <b>USD</b>	<b>2020</b> <b>USD</b>
Cash and bank balances	29,930,720	19,006,676
Fixed deposits with licensed banks	19,019,325	20,025,361
	48,950,045	39,032,037
Fixed deposits placed with licensed banks with original maturity of more than three (3) months	(17,819,325)	(19,728,361)
Total cash and cash equivalents	<u>31,130,720</u>	<u>19,303,676</u>

(f) No expected credit losses were recognised arising from the deposits with financial institutions because the probability of default by these financial institutions is negligible.

## 25. ACCUMULATED SURPLUS

	<b>2021</b> <b>USD</b>	<b>2020</b> <b>USD</b>
Balance as at 1 January	29,892,405	39,715,655
Surplus/(deficit) for the financial year	<u>19,708,317</u>	<u>(9,823,250)</u>
Balance as at 31 December	<u><u>49,600,722</u></u>	<u><u>29,892,405</u></u>

The Federation committed a total of USD6.0 million from the BWF accumulated surplus to build the human resources capacity of the five Continental Confederations through a programme over six years, starting from the financial year ended 31 December 2018.

## 26. F S COACHING FUND

The F S Coaching Fund represents a gift of USD10,000. Interest generated by this fund is to be used for coaching.

	<b>2021</b> <b>USD</b>	<b>2020</b> <b>USD</b>
Balance as at 1 January/balance as at 31 December	<u>10,000</u>	<u>10,000</u>

## 27. WORLD JUNIOR CHAMPIONSHIPS FUND

In 1992, the Federation received USD300,000 from the sponsors of the first World Junior Championships. Income generated by this fund is to be used for the championships.

	<b>2021</b> <b>USD</b>	<b>2020</b> <b>USD</b>
Balance as at 1 January	319,500	317,966
Interest on fund (Note 20)	<u>-</u>	<u>1,534</u>
Balance as at 31 December	<u><u>319,500</u></u>	<u><u>319,500</u></u>

## 28. DR. KANG YOUNG JOONG'S FUND

From 2006 to 2013, the Federation received funds from Dr. Kang Young Joong. The Fund and the income generated from this Fund are to be used for:

- (a) assisting Continental Confederations in their development activities;
- (b) assisting in developing badminton for the disabled;
- (c) assisting in events development/activities and prize money; and
- (d) assisting other projects as defined by Dr. Kang Young Joong.

	<b>2021</b> <b>USD</b>	<b>2020</b> <b>USD</b>
Balance as at 1 January	178,058	177,203
Interest on fund (Note 20)	<u>-</u>	<u>855</u>
Balance as at 31 December	<u><u>178,058</u></u>	<u><u>178,058</u></u>

## 29. OTHER PAYABLES AND ACCRUALS

	<b>2021</b> <b>USD</b>	<b>2020</b> <b>USD</b>
Other payables	402,537	104,719
Accruals	5,150,596	1,043,105
Deferred income	<u>574,270</u>	<u>8,462,913</u>
	<u><u>6,127,403</u></u>	<u><u>9,610,737</u></u>

- (a) Other payables and accruals are classified as financial liabilities measured at amortised cost.
- (b) Included in other payables is USD600 (2020: USD7,133) owing to members/players for outstanding prize monies.
- (c) Deferred income of the Federation represents deferred income from hosting fees, equipment approval scheme income and subscription income of major events.

## 30. TAXATION

	<b>2021</b> <b>USD</b>	<b>2020</b> <b>USD</b>
<b>Current income tax</b>		
- Current year provision	-	-
- Over provision in prior years	<u>-</u>	<u>(142,949)</u>
	<u><u>-</u></u>	<u><u>(142,949)</u></u>

A reconciliation of income tax expense applicable to the surplus before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Federation is as follows:

	<b>2021</b> <b>USD</b>	<b>2020</b> <b>USD</b>
<b>Reconciliation of tax expense</b>		
Surplus/(deficit) before taxation	<u>19,708,517</u>	<u>(9,966,199)</u>
Tax calculated using Malaysia tax rates	5,518,385	(2,849,360)
Non-deductible expenses	69,347	1,796,321
Tax exempt income	(3,374,101)	(132,329)
Deferred tax assets not recognised	-	1,126,600
Effect of utilisation of previously unrecognised deferred tax assets	(2,213,169)	-
Other items	<u>(462)</u>	<u>58,768</u>
	-	-
Over provision in prior years	<u>-</u>	<u>(142,949)</u>
	<u><u>-</u></u>	<u><u>(142,949)</u></u>

### 30. TAXATION (continued)

Badminton World Federation has been granted the status as an international organisation status under the International Organisations (Privileges and Immunities) Act 1922 [Act 485] effective 28 December 2018. The privileges for tax exemption is applied to the Federation for the period the Host Country agreement is in effect (letter from Ministry of Youth and Sports dated 31 January 2019).

#### Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	<b>2021</b>	<b>2020</b>
	<b>USD</b>	<b>USD</b>
Unutilised tax losses		
- Expires by 31 December 2028	1,957,155	1,957,155
Unabsorbed capital allowances	43,450	43,450
Other temporary differences	548,449	8,452,626
	<u>2,549,054</u>	<u>10,453,231</u>

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits would be available against which the deductible temporary differences could be utilised.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the local tax authority.

### 31. FINANCIAL RISK MANAGEMENT

The Federation is exposed to financial risks arising from its use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

#### (a) Credit risk

Cash deposits and trade receivables could give rise to credit risk, which requires the loss to be recognised if a counter party fails to perform as contracted. The counter parties are members and sponsorship agents. It is the policy of the Federation to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Federation is exposed to minimal credit risk.

#### Exposure to credit risk

At the end of each reporting period, the maximum exposure to credit risk of the Federation is represented by the carrying amount of each class of financial assets recognised in the statement of financial position. Information regarding credit enhancement for trade and other receivables is disclosed in Note 23 to the financial statements.

#### Credit risk concentration profile

At the end of the reporting period, concentration of credit risk arose from three (3) trade receivables amounting to USD6,603,848 (2020: three (3) trade receivables amounting to USD219,999), which represents 90% (2020: 52%) of trade receivables. The maximum exposure to credit risk are represented by the carrying amounts of the financial assets in the statement of financial position.

### 31. FINANCIAL RISK MANAGEMENT (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Federation will not be able to meet its financial obligations as they fall due. The Federation's exposure to liquidity risk arises principally from its various payables.

The Federation maintains a level of cash and cash equivalents deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as and when they fall due.

The table below summarises the maturity profile of the liabilities of the Federation at the end of each reporting period based on contractual undiscounted repayment obligations.

	<b>On demand or within one year USD</b>	<b>Between one to five years USD</b>	<b>Undiscounted financial liabilities USD</b>
<b>Balance as at 31 December 2021</b>			
Other payables and accruals	6,127,403	-	6,127,403
Lease liability	<u>247,077</u>	<u>938,892</u>	<u>1,185,969</u>
<b>Balance as at 31 December 2020</b>			
Other payables and accruals	9,610,737	-	9,610,737
Lease liability	<u>254,722</u>	<u>1,222,663</u>	<u>1,477,385</u>

(c) Interest rate risk

The Federation's cash and bank balances, deposits and short term receivables and payables are not significantly exposed to interest rate risk.

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates.

The Federation is exposed to foreign currency risk on transactions that are denominated in currencies other than its functional currency. The currencies giving rise to this risk are primarily Chinese Yuan, Ringgit Malaysia, British Pound Sterling, Euro and Swiss Franc. The Federation does not hedge these exposures but the Council will keep this policy under review.

The exposure and sensitivity analysis for foreign currency risk have been disclosed in Notes 23 and 24 to the financial statements respectively.



## 32. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (continued)

### 32.1 New MFRSs adopted during the financial year

The Federation adopted the following Standards and Amendments of the MFRS Framework that were issued by the Malaysian Accounting Standards Board (“MASB”) during the financial year:

Title	Effective Date
<i>Interest Rate Benchmark Reform - Phase 2</i> (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021
<i>Covid-19 Related Rent Concessions beyond 30 June 2021</i> (Amendment to MFRS 16 Leases)	1 April 2021 (early adoption)

Adoption of the above Standards and Amendments did not have any material effect on the financial performance or position of the Federation.

### 32.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2022

Title	Effective Date
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 16 Property, Plant and Equipment - <i>Proceeds before intended use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contract – Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
<i>Disclosure of Accounting Policies</i> (Amendments to MFRS 101 <i>Presentation of Financial Statements</i> )	1 January 2023
<i>Definition of Accounting Estimates</i> (Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> )	1 January 2023
Amendments to MFRS 112 <i>Deferred tax related to Assets and Liabilities arising from Single Transaction</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Federation is in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable for the future financial years.