



Annual Report 2019/2020

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From the President

Diana Troke - President



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The oncoming season is going to be very challenging for everyone after having such a prolonged absence of play

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I would like to start by thanking the Board, staff, players, and volunteers who have been managing a very difficult end to the year.

As you will see from this report, there are a number of achievements and great performances to celebrate, but our attention, quite rightly, turned to managing the extraordinary times that began to impact on us all as we approached the end of 2019/20.

Personally, I was very upset that for the first time since being very involved with badminton, I was advised not to attend the YONEX All England Championships because of my husband, Graham, being a vulnerable person. I am sure everyone understands and realises that health and common sense prevail under the current restrictions and difficulties that we are all facing.

I sincerely hope that we will all soon be returning to some form of normality having been isolated since March.

At Badminton England, we are finding the overall situation that we are all facing at this time, very frustrating and worrying, with the various guidelines that the sporting governing bodies are being required to manage. I am very confident that with the experience of the staff at Milton Keynes, and being ably led by our Chief Executive, Adrian Christy, that we are all in safe hands for the oncoming season.

The oncoming season is going to be very challenging for everyone after having such a prolonged absence of play, training, coaching, tournaments and matches. But with the help of all our wonderful volunteers, it does make it so much easier for everyone and one of the consolations is that it is the same for everyone.

I find that writing this report, with the lack of events and the usual format for clubs and counties over a season, very sad but when you think of the thousands of people who have lost their lives during these troublesome times, we are very fortunate to have survived this dreadful virus and my heartfelt sympathy goes out to all those families who have lost their loved ones.

It is sad to say goodbye to all our lost friends over the last year, but I would like to spare a thought for Karen Beckman's family at this sad time for them. I, for one, will miss not seeing her on the circuit to have a laugh and a natter.

I wish you all the very best for the coming months and hope that you will all enjoy getting back to playing badminton safely.



Diana Troke
President

From the Chairman

Mike Robinson - Chairman



It is a great honour to have taken over as the Chairman of Badminton England and I am pleased to present my first annual report on the year.

As I took over, we were in the midst of a four-year deficit budget, which has been replacing the grant funding of the GB performance programme. Our ability to fund all worthwhile badminton activities has been constrained by the need to balance the books and whilst we had increased our commercial revenues, the Board has been conscious of the need to watch our financial position.

Against that background, what we achieved in the year is set out in more detail in the Chief Executive's report and the Board is pleased to report continued progress against our key performance metrics, at least until the start of 2020 and the onset of Covid-19. Since then and with all badminton activity suspended, our focus has switched to protecting the sport, talking to counties, clubs and leagues and players, coaches and volunteers about their ability to weather the storm, in preparation for a safe return to play, whilst keeping a close eye on our own costs and preserving cash.

The position would have been significantly different had the government closed down major sporting events weeks, even days, earlier than they did, in response to Covid-19. We were able to complete the YONEX All England Championships by the skin of our teeth, but critically with the support of the Department of Culture, Media, and Sport (DCMS) throughout.

“ This will be an exciting and ambitious plan for long term success, to be delivered through the development of existing and new structures and partnerships. ”

Other than “that” Mixed semi-final, my most vivid memory of the Championships is of our Chief Executive, BWF officials and the Championship's executive team huddled round the hot line to DCMS on Friday afternoon, checking yet again on the latest, evolving guidance, as the country was bracing itself for lock down. My thanks to all our staff and volunteers for their contribution to a great event, delivered under such enormous pressure and to YONEX, our commercial partner for many years, for their continued support.

At a personal level, my highlights of the year have been meeting so many badminton people, whether players, coaches, officials and volunteers at various events, clubs and meetings and getting to watch badminton up and down the country. To pick a few, I was delighted to witness young Dillon Chong's silver medal at the U15 European Championships in France, attend a high energy Racket Pack session at Badminton Wycombe and be part of the inaugural UK Para-badminton Championships in Sheffield.

Strong governance is critical to success in any walk of life and in sport, it is a pre-requisite to investment from our funding partners, Sport England, and UK Sport. The Board is, therefore, committed to maintaining the highest standards of governance and I am pleased to confirm that we again comply with the Code for Sports Governance.

This year, we experienced significant change at Board level. Four directors, Derek Bachelor (our Chairman), Eric Brown, Brian Hooper, and Sandra Dodd, stood down at the 2019 AGM and I would like to thank them for their service to badminton over the years. Derek, Eric, and Brian have been involved in badminton in some capacity for as long as we can all remember and Derek and Eric each served as directors for many years. Their collective passion for the sport, their knowledge of who and how and their contribution to Board debates is greatly missed.

In their place and following an extensive recruitment campaign, four new directors were elected, Joyce Church, Nick Cox, Pete Fitzboydon and Mike McSweeney. They bring a range of skills and expertise from both sport and business and they have all settled in well.

I am also pleased to welcome some new faces to our Advisory Boards (the England Performance Board, the Player Development Board and the Finance & Risk Board) and I feel confident that they will make a significant contribution to our future success. I would also like to thank all those who have stood down for playing their part over the years.

Looking ahead

With an eye on the future, the Board has embarked on a review of strategy to drive the growth and success of English badminton and we are hopeful of successful outcomes to our funding applications for the next cycle. Covid-19 has forced us all to slow down and re-evaluate, but with real focus and careful management, our sport can emerge stronger in the years ahead.

The Board are keen to prioritise investment into talent and coach development programmes, to accelerate the number of players progressing to and through our pathways and, ultimately, to achieve greater medal success. This will be a plan for the long term, to be delivered through the development of existing and new structures and partnerships.

Finally, thanks to my fellow Directors, our staff and many volunteers, sponsors, funding partners and other stakeholders, all of whom made a huge contribution in the year to the success of our great sport.



Mike Robinson
Chairman

From the Chief Executive

Adrian Christy - Chief Executive

This year has been one of further growth which is a reflection on the significant contribution of our staff and the 50,000+ volunteers, the length and breadth of the country who all have an extraordinary commitment to badminton in England. To you all, my sincere thanks.

Through the year, we have continued to be creative, innovative and responsible as we come together to encourage more people to play and compete more often, to develop more and better coaches, to identify and nurture young players and to provide medal winning moments, in a financially sustainable way.

Creating sustainable value

A key focus for us this year has been to reach and engage more members and to better serve our existing members and customers by providing greater value to their support of, and investment into, English badminton.

With this in mind, we published a clear and bold vision for a new way that participation and the 'selling of badminton' to key audiences could be delivered in the future. It is an approach that will challenge traditional sector thinking in sports development in particular, but also more widely the promotion of our sport in general.

This approach recognises the continued shift in the way consumers expect to be communicated with, and the level of service that they expect, which now forces us to think differently about how we reach and engage participants to ensure that badminton remains relevant and a natural choice for people in the future.

We appointed Giles Dunning into a new Chief Operating Officer position with the responsibility to establish a new approach to recruiting and retaining participants, fans, and partners, based

on changing consumer behaviour, through a marketing and sales led approach. This will provide the cornerstone of our approach to shaping our strategy for future participation growth and customer engagement.

Growing Grass Roots Badminton

Our primary objective for the year was to ensure further growth in regular participation. We experienced a 14% growth in our adult core market to 263,528 and a 5% growth in junior core market to 188,164: an average growth of 18% since the start of the strategy period.

While the trend away from people joining clubs to playing more flexibly continues – 7% fewer adults played in clubs in the year - it was pleasing to see a 10% growth in junior club players.

The Racket Pack remains a key driver in the continued growth of U11's playing badminton. This year saw just over 80,000 U11's playing, an increase of 65% over the past 12 months and a 181% increase since the programme started in 2017.

Clubs remain a key part of our development work and in the year, we saw the establishment of 82 new clubs and 328 clubs receiving direct investment from Badminton England to support the development of grass roots badminton, an increase of 73% compared to the previous year and a four-fold increase over the funding period.

We continue to provide a strong calendar of tournaments for more of our members. We hosted a 32% increase in senior circuit tournaments this year which included a growth in Tier 4 tournaments to 32. We also saw a 7% increase in junior tournaments with 172 held during the year.



50,000+
Volunteers

65%

Increase over the past
12 months in U11'S

181%

Increase since the U11's
programme started in 2017

263,528
Adult core market

In total, more than 4,100 players entered Badminton England tournaments during the year, an increase of 4% over the year. We also saw a 3% increase, to 6,325 players, in the number of players holding a national ranking, a 27% increase over the strategy period.

The development of coaches is key to our progress and I am pleased to report more than 100 additional coaches became part of our registration scheme, thereby accessing additional learning; almost 50% of that increase was female coaches. In respect of education and development, the year saw an increase of 130% in tournament referees which included a three-fold increase in female referees.

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Win World, Olympic and Paralympic Medals

The performance highlight of the year was the outstanding success at the European (Olympic) Games where our team topped the badminton and Team GB medal tables winning 2 Gold and 3 Silver.

At the Para-Badminton World Championships it was also a successful year for our England players who won 7 medals, including 3 gold, finishing fourth in the medal table.

European (Olympic) Games



Para Badminton World Championships



We also achieved our target at the World Junior Championships.

The Covid-19 situation has had a huge impact on the Olympic and Paralympic qualification period although we were on track to achieve our qualification target of having athletes represent GB in every Olympic discipline and had qualified our target of three players for the Paralympic Games.

In respect of the World Tour, we achieved three quarter final positions, two semi-final positions (including the All England) and secured the title at the Thailand Open with a great victory by Marcus Ellis and Lauren Smith.

Some unforgettable moments

As we approached the end of the business year, the impact of Covid-19 began to be felt across the world.

Acting strictly on guidance and advice from the UK Government, Badminton England was able to stage the 110th YONEX All England Championships which was understandably affected by such unprecedented times.

For the 25,000+ crowd and 776,000 fans watching live on the BBC and BT sport in the UK, and the global reach of 359 million people, some outstanding performances provided more unforgettable moments. Who will ever forget the extraordinary performances of Marcus Ellis and Lauren Smith who produced the form of their lives to get within touching distance of their first All England final? They did English badminton proud as did more than 300 volunteers and all our events partners – we could not stage these incredible Championships without your support – thank you.

10%
Growth in junior club players

32%
Increase in senior circuit tournaments

4,100+
Players entered the Badminton England tournaments

100+
Additional coaches became part of our registration scheme

Building our Fan Base

We have remained focused on developing our commercial plan, particularly on building our audiences – our customer base – by which future revenue growth will flow.

Our digital strategy – Reach, Engagement, Revenue – is now considered ‘core business’ and it continues to be the driver to the growth of our fan base, the new revenues we are generating and the increase of existing income streams.

Our unique digital audience grew 11% this year to almost 635,000 people. The All England was a key focus of our marketing this year as we sought to drive greater global engagement and the All England social channels grew by 44,350 people with the Badminton England YouTube channel increasing its subscribers by 169,000. Our contactable database now stands at 127,000 (excluding ticket buyers), an increase of 17%.

Membership remains a challenge for Badminton England. This year saw 3% reduction in the number of affiliated clubs and a 5% reduction in individual members from the previous year.

I remain determined to present a membership proposition that is perceived to have greater value by our members and work will start this year to address this.

The Covid-19 situation had a clear impact on the All England. Just four weeks out from the Championships, we were ahead of ticket sales – volume and revenue – however, the pandemic resulted in sales drying up almost overnight. With that in mind, I was pleased that results for the year were only marginally down on the 2019 event – 900 fewer tickets sold and £6,500 less revenue. It could have been a lot worse had the great work done before the coronavirus situation arose, not been so successful.

It was also disappointing not to be able to progress some of the very encouraging discussions we were having with potential new partners. The pandemic was fast becoming a huge challenge for many businesses and their ability to invest into new properties, such as the All England, became very difficult.

The simulcast deal done between the BBC and BT sport achieved record breaking viewing figures for the All England. The Championships were watched by 776,000 people in the UK, almost 150,000 more than our previous best.

The performance of the NBC showed an overall usage increase of 7% over the year with the highlight being a 33% increase in usage of the badminton hall.

“
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Looking Ahead

Covid-19 is truly unprecedented – a dreadfully sad way to end the year and we now move into uncharted territory that could easily change badminton in England for many months, possibly years, to come.

The financial impact to Badminton England will be significant as the business forecasts a revenue loss of circa £1m because our commercial income streams turned off immediately upon lockdown. We are forecasting a reduction in membership income as we expect the pandemic to have an impact on the restart of our clubs and coaches, and we are also unsure how fans will be able to attend the YONEX All England Championship in 2021.



Such devastating financial consequences pose a significant risk to Badminton England's financial stability and the revenues we can reinvest back into the sport.

While we must of course plan for the future, right now, it is very difficult to look too far beyond ensuring that we do everything we possibly can to protect Badminton England and the badminton community. That said, it is responsible for us to consider the future growth and

success of English badminton and the management team, Board and Advisory Boards will be reviewing our strategy over the coming months.

We know the future of many clubs and coaches will be threatened by the ongoing pandemic, but one of the things I love about our great sport, is that we are so much stronger when we are together and I want to ensure badminton and the badminton community in this country comes through this.



Adrian Christy
Chief Executive

Governance Statement



Equality & Diversity

Badminton is recognised as a global sport and that worldwide appeal is reflected in those taking part in badminton in England. Badminton England also celebrates the inclusivity and diversity of its membership, being a sport played by those from primary school age to the older population and from all sections of society.

Badminton England strives to ensure that the diverse representation of those taking part in badminton is reflected across its governance structure and welcomes the Code and its requirement that “Organisations shall recruit and engage people with appropriate diversity, independence, skills, experience and knowledge to take effective decisions that further the organisation’s goals”.

Badminton England has made significant progress in recent years in recruiting greater female representation to its Board of Directors. The female representation on the Board is in line with the requirements of the Code; that being a minimum of 30% of each gender on the Board.

However, Badminton England remains committed to making further progress by working towards gender parity on the Board and to ensure that the composition of the Board better reflects the diversity of those taking part in the sport in England. In doing so it will ensure that Board members possess the skills and experience necessary to deliver its strategic plan and to ensure good governance. This requirement is reflected in the terms of reference of Badminton England’s Nominations Committee when recruiting and making recommendations for new members of the Board and will remain under regular scrutiny.

Badminton England has engaged the support of organisations such as Women in Sport, Sporting Equals, and the Activity Alliance in its efforts to broaden the diversity of its Board.

Risk management and internal controls

The Board of Directors (“the Board”) is responsible for risk management and internal controls. The Chief Executive and the Corporate Management Team are responsible for identifying and reviewing the risks to Badminton England and reporting these to the appropriate Advisory Board, the Finance and Risk Board and the Board of Directors. Controls and suitable actions are put in place to mitigate these identified risks as far as is possible and practical. The Finance and Risk Board is responsible for assessing Badminton England’s internal controls.

The Board has conducted a review of the effectiveness of the Company’s risk management and internal control systems and is satisfied that the Company’s risk management and internal control systems provide reasonable assurance.

Principal risks and uncertainties

A key source of the organisation’s self-generated revenue, and the profit derived, is the YONEX All England Championships.

The risks to the income and profit are mitigated by the title sponsorship contract being in place until 2025, a fixed guarantee from the International Federation (because the Championships are part of the HSBC BWF World Tour), the partnership with Birmingham City Council and other sponsorship agreements. This combined, contracted, income is c£1.8m annually.

In addition, Badminton England has specific event insurance cover to protect itself against loss of revenue from the Championships, although the Covid-19 situation exposed Badminton England to losses because of communicable disease being excluded from our cover.

There will also be an impact on our commercial incomes from the Covid-19 scenario, although these will be partly mitigated by related cost savings. Badminton England has also received significant investment from Sport England – c£10m for the period 2017-21. Rollover funding from Year 4 to Year 5 was approved by the Sport England Board in June; this funding is up to £2.4m for the year.

Badminton England continues to comply with the Code for Sports Governance and has met the KPIs agreed with Sport England for the period to date; the organisation is in good standing with Sport England. Badminton England is also committed to winning World, Olympic and Paralympic medals. The Board recognises the risks associated with elite sport and in developing talented players for future years. Badminton England has policies in place to deal with these risks, along with programmes of player and coach education.

We have a long-term strategic plan, Discover Badminton (2017-2025), and resources are allocated appropriately to deliver our strategy. Headline achievements against the objectives contained within the strategic plan can be found in this report.

“**Badminton is recognised as a global sport and that worldwide appeal is reflected in those taking part in badminton in England. Badminton England also celebrates the inclusivity and diversity of its membership, being a sport played by those from primary school age to the older population and from all sections of society.**”

Financial Performance

The audited accounts for the year ended 31 March 2020 show a deficit for the year of £(485,000) (2019: deficit of £338,000) against a budgeted deficit of £(420,000), a negative variance of £65,000.

The Statement of Financial Position shows that we have net assets of £1,801,000 (2019: £2,286,000). The net asset position consists of fixed assets of £3,473,000 (2019: £3,523,000), net current assets of £1,098,000 (2019: £1,631,000) and long-term grant funding of £2,770,000 (2019: £2,868,000). Included within net current assets is cash at bank of £2,412,000 (2019: £1,534,000).

During the year we received three key income streams:

- Income derived from Badminton England's own activities of £4,618,000 (2019: £4,272,000), which is up £346,000 on the prior year and this included membership income of £625,000 (2019: £587,000)
- Investment from Sport England of £2,720,000 (2019: £2,786,000), which includes capital grant funding, to support the growth in badminton participation.
- Investment from UK Sport of £819,000 (2019: £548,000) related to the GB World Class Performance Programme.

We continued to invest into our sport, including significant amounts into programmes designed to increase participation, develop talent, and fund our elite athletes.

Otherwise, we maintained careful control over other operating costs, whilst gaining more sustainability by increasing our self-generated income.

At the start of the current funding period, the Board approved a financial plan that will result in the organisation running at a deficit of up to £1,000,000 for the period 2017-2021. This investment was to support the England Performance Programme and the strategic objective to qualify, and medal, at the Tokyo 2020 Olympic Games. In 2019 the Board approved an additional £200,000 to invest into the All England Growth project, thus bringing the

total 4-year deficit position planned to £1,200,000. The deficit this year is higher than planned, due to impacts resulting from Covid-19, however our balance sheet remains strong. Reserves are retained in order to ensure the continued financial strength of the organisation, as well as to provide adequate resources for the future development of the sport.

Financial key performance indicators

- Income - £8,158,000 (2019: £7,605,000); increase 7% (2019: 9% increase)
- Operating deficit - £486,000 (2019: £344,000 deficit)
- Reserves - £1,801,000 (2019: £2,286,000)

Future developments

Covid-19 has presented exceptional times to the world and the sport sector is not immune to the uncertainty and challenges that lay ahead in the next 12 months.

While Badminton England will continue to pursue its strategic plan as far as possible, it considers its principal responsibility over the next 12 months will be to protect the organisation's financial position, while also protecting the strength of the sport's levels of activity. As such, the organisation will be focused on cost control and reducing its exposure to risk, given the anticipated reduction in commercial revenues.

Despite this short-term focus, the Board remains committed to growing income from commercial sources to fund Badminton England's own activities and this will continue to be a strategic priority for the coming years.



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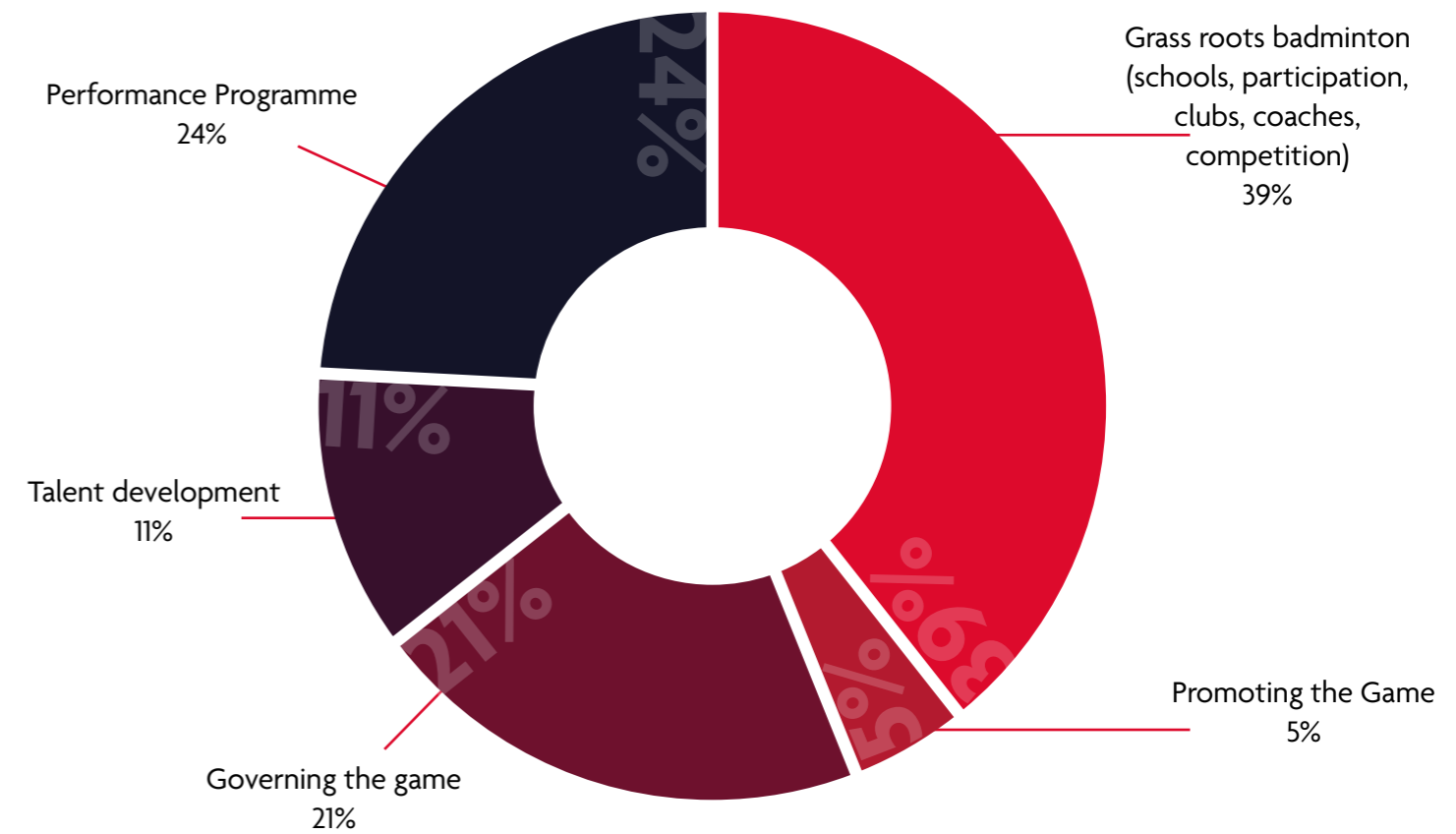
Investing in Badminton

The following charts set out the main sources of income that Badminton England receives, and we are extremely appreciative of the support we receive from Sport England, UK Sport and our members, customers, and fans.

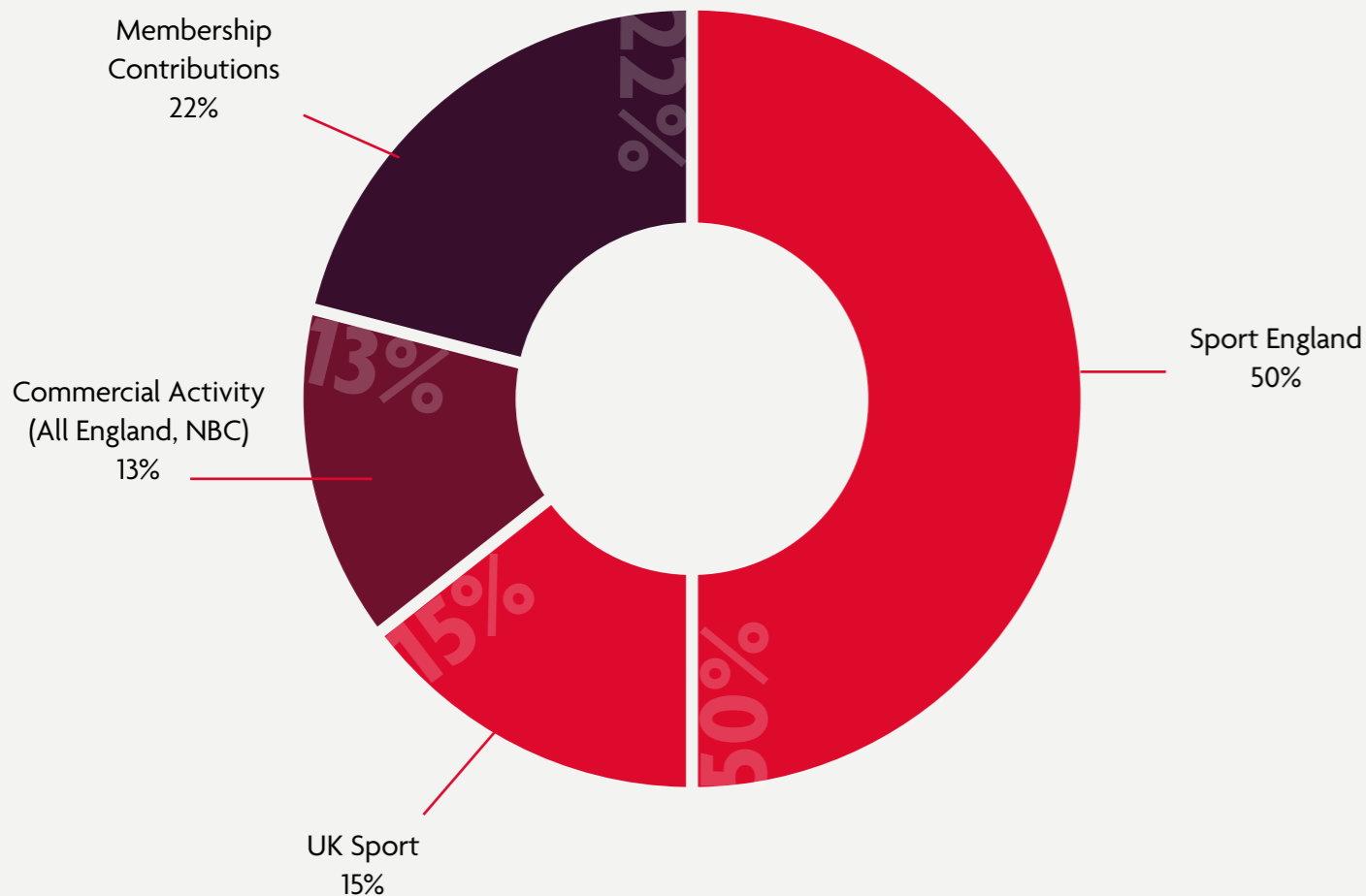
We could not do what we strive to do without the support of the badminton community, and we would like to thank those who join Badminton England, who buy tickets for the YONEX All England and National Championships, those who take part in our talent camps, who enter our tournaments or who take part in our coach education courses, those who hire our courts, who stay in our Lodge or are members of our health club.

Thank you because your contribution ensures that badminton in this country is well organised, is financially sustainable, is able to protect young players, is able to flourish at all levels of the game, is recognised as one of this country's largest participation sports, can host the greatest open badminton event in the world and can deliver medal moments to make you proud.

Where we invest our income



Where our income comes from



Some of the headlines that your investment enabled us to achieve this year:

82

New clubs formed

328

Clubs receiving direct investment from Badminton England

172

Junior tournaments held

4,000

Players entered tournaments



2 Gold and 3 Silver at the European Games



7 medals, including 3 gold, at the Para-badminton World Championships

14%

Increase to 265,000 adults playing badminton twice a month

5%

Increase to 190,000 juniors playing badminton twice a month

65%

Increase to 80,000 U11's playing badminton

32%

Increase in adult tournaments

130

Increase in number of referees

776,000

people in the UK watched the YONEX All England Championships on BBC / BT Sport



359m

Global TV audience

11%

Growth in digital audience to 635,000 people

17%

Increase in our contactable database

33%

Increase in usage of the National Badminton Centre

Awards

The following recipients were recognised for their outstanding contribution to badminton:

Queens Honours

- Mr. Geoff Rofe, British Empire Medal
- Mr. Rajiv Ouseph, British Empire Medal

The English Badminton Award

- Brian Matthews
- Patricia Noble
- Ray Harding
- Carole Harding

National Badminton Awards

- YONEX Young Volunteer of the Year – Annie Zhu
- YONEX Volunteer of the Year – Melanie Vickery



In Memorium

Badminton England pays tribute to the following friends who sadly passed away during the year:

- Mark Methven
- Bill Goode
- Mary Eddy
- Stanley Marchment
- Don Parker
- Tom Marrs
- Lew Kelly
- Cicely Robinson
- Karen Beckman
- Anne Ellis





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