



INTERNATIONAL TESTING AGENCY
Financial Statements
As of December 31, 2019

BALANCE SHEET AS OF 31 DECEMBER 2019

	31.12.2019	31.12.2018	Variance vs PY
	CHF	CHF	CHF
ASSETS			
1.0) Cash and cash equivalents	5'401'966	4'620'155	781'811
1.1) Account receivables	1'711'768	1'290'105	421'663
1.1) Provision for doubtful debts	-85'940	-	-85'940
1.2) Other current receivables	567'349	257'521	309'828
1.3) Accrued income and prepaid expenses	992'558	118'538	874'020
Total current assets	8'587'701	6'286'319	2'301'382
AS % OF TOTAL ASSETS	94%	95%	
Deposits guarantees	161'145	105'825	55'320
Other tangible fixed assets	351'156	241'954	109'202
1.4) Total non-current assets	512'301	347'779	164'522
AS % OF TOTAL ASSETS	6%	5%	
TOTAL ASSETS	9'100'002	6'634'098	2'465'904
	31.12.2019	31.12.2018	Variance vs PY
	CHF	CHF	CHF
EQUITY AND LIABILITIES			
1.5) Account payables	1'903'467	584'293	1'319'174
1.6) Other current liabilities	265'451	343'170	-77'719
1.7) Deferred income and accrued expenses	874'812	1'678'109	-803'297
Provision for untaken holidays	126'891	53'031	73'860
2.4) Current provisions	5'429'381	3'475'495	1'953'886
Total current liabilities	8'600'002	6'134'098	2'465'904
AS % OF TOTAL LIABILITIES	95%	92%	
Total liabilities	8'600'002	6'134'098	2'465'904
AS % OF TOTAL LIABILITIES	95%	92%	
Undesignated Reserve	500'000	500'000	-
Net income/loss for the year	-	-	-
Total equity	500'000	500'000	-
AS % OF TOTAL LIABILITIES	5%	8%	
TOTAL EQUITY AND LIABILITIES	9'100'002	6'634'098	2'465'904

INCOME STATEMENT 2019

INCOME STATEMENT		2019	28.02.2018- 31.12.2018	Variance vs PY
		CHF	CHF	CHF
2.0)	Sales Service Fees	4'172'764	822'987	3'349'777
2.0)	Sales Testing fees / sample collection recharges	8'275'503	1'072'765	7'202'738
2.0)	Cost of services recharged	-8'295'748	-1'073'992	-7'221'756
Gross Margin		4'152'519	821'760	3'330'759
GROSS MARGIN AS % OF REVENUE		100%	100%	
2.1)	Personnel expenses	-3'945'466	-1'096'683	-2'848'783
2.2)	Other operating expenses	-1'212'505	-737'754	-474'751
	Marketing & Communication	-51'622	-22'601	-29'021
	Office Rent + Cleaning	-306'529	-43'357	-263'172
	General & Administrative Costs	-308'629	-125'701	-182'928
	Professional Services Fee	-282'375	-472'498	190'123
	Travel & Accommodation Costs	-172'147	-71'916	-100'231
	Bad debts expenses	-85'940	-	-85'940
	Other expenses	-5'263	-1'681	-3'582
Earnings before interest & depreciation (EBITDA)		-1'005'452	-1'012'677	7'225
EBITDA AS % OF REVENUE		-24%	-123%	
1.4)	Depreciation of non-current assets	-98'474	-69'837	-28'637
Earnings before interest and tax (EBIT)		-1'103'926	-1'082'514	-21'412
EBIT AS % OF REVENUE		-26%	-132%	
2.3)	Financial cost	-255'867	-107'734	-148'133
2.3)	Financial income	99'662	203'899	-104'237
Operating Results before taxes		-1'260'131	-986'349	-273'782
OPERATING RESULTS AS % OF REVENUE		-30%	-120%	
2.3)	Non-operating expense	-	-300'000	300'000
2.3)	Non-operating income	3'782'047	5'161'844	-1'379'797
	Other Loss	-23'858	-	-23'858
2.4)	Provision for upcoming costs	-2'498'058	-3'475'495	977'437
Net Income before attribution to Undesignated Reserve		-	400'000	-400'000
NET INCOME/LOSS IN % OF REVENUE		0%	49%	
2.4)	Attribution to Undesignated Reserve	-	-400'000	400'000
Net Income		-	-	-
NET INCOME/LOSS IN % OF REVENUE		0%	0%	

CAFH FLOW STATEMENT 2019

CASH FLOW STATEMENT	2019	2018
	CHF	CHF
Net Income before Olympic Movement Contribution and after allocation to undesignated reserves	-3'500'000	-4'383'575
Depreciation of non-current assets	98'474	69'837
Change in Net Working Capital		
Change in Trade receivables	-421'663	-1'290'105
Change in Provision for doubtful debts	85'940	-
Change in Other receivables	-257'728	-257'521
Change in Accrued income and Prepaid expenses	-874'020	-118'538
Change in Trade payables	1'319'174	584'293
Change in Other payables	-129'820	343'170
Change in Provision for untaken holidays	73'860	53'031
Change in Deferred income and Accrued expenses	-803'297	1'678'109
Change in Current Provision	1'953'887	3'475'495
Cash flow from Operating activities	-2'455'194	154'196
Investments in tangible fixed assets	-208'326	-311'791
Disposals of tangible fixed assets	650	-
Investments in financial assets	-55'320	-105'825
Cash flow from Investing activities	-262'996	-417'616
Cash received from initial statutory capital	-	100'000
Cash flow from Financing activities	-	100'000
Change in net cash and Cash equivalents excl. Contribution	-2'718'189	-163'420
Olympic Movement Contribution	3'500'000	4'783'575
Change in net cash and Cash equivalents	781'811	4'620'155
CHANGE IN NET CASH AND CASH EQUIVALENTS		
As of 1 January	4'620'155	-
As of 31 December	5'401'966	4'620'155
Change in net cash and Cash equivalents	781'811	4'620'155

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

ORGANIZATION

The International Testing Agency (ITA) is an international organization constituted as an independent not-for-profit Swiss foundation, located in Lausanne (Switzerland). It manages anti-doping programs for International sports Federations (IFs), Major Event Organizers (MEOs) and Anti-Doping Organizations (ADOs) that wish to delegate their anti-doping activities to a body that implements high quality anti-doping programs with increased transparency and independence.

ITA's mission is to reinforce the fight against doping by bringing together expertise and helping IFs and MEOs fulfil their duties under the World Anti-Doping Code.

Foundation Number: 7349

Last Status: 05.12.2019

FOUNDATION BOARD

NAME	POSITION	ROLE
Fourneyron Valérie	Board President	Independent Chair
Chen Peijie	Board Member	Independent Member
Coventry Kirsty	Board Member	Athlete Committee representative
Erdener Ugur	Board Member	IOC representative
Ricci Bitti Francesco	Board Member	International Federation representative
Cohen Benjamin	Board Secretary	Director General

STATUTORY AUDITOR

The Foundation Board reelected Ernst & Young as auditing body of the Foundation on November 04th 2019.

SUMMARY OF ACCOUNTING POLICIES

The financial statements of the ITA were prepared according to the provisions of the Swiss Code of Obligations (CO 957-963).

FOREIGN CURRENCIES

In the Income Statement, the transactions in foreign currencies were posted at the average exchange rate of the month published by the Swiss Tax Authorities (AFC).

In the Balance Sheet, the balances were calculated using the exchange rates from the AFC as of December 31, 2019.

The foreign currencies exchange rates against CHF on December 31, 2019:

	<u>31.12.2019</u>	<u>31.12.2018</u>
USD/CHF	0.968382	0.985784
EUR/CHF	1.087	1.126900
GBP/CHF	1.282822	1.255528

1.0) CASH

Cash consists of cash held in bank accounts in CHF, USD and EUR.

1.1) ACCOUNT RECEIVABLES

The account receivables consist of reinvoiced third party costs, which are expenses paid by ITA on behalf of its partners to cover testing activities including but not limited to laboratory analysis, sample collection and shipment, and contractual ITA Management fees. The management assessed to post a provision on doubtful debtors of 5% at year end.

Aging Analysis (in days)	Value in CHF
0-30	CHF 1'634'310
31-60	CHF 30'150
61-90	CHF 47'308

1.2) OTHER CURRENT RECEIVABLES

Other current receivables are made of advance payments regarding social charges for employees' pension (LPP).

1.3) ACCRUED INCOME AND PREPAID EXPENSES

Accrued income for ITA Management fees (CHF 871k), third-party costs related to un-reinvoiced testing fees (CHF 93k), and prepaid expenses for January 2020 rent are included under this section.

1.4) NON-CURRENT ASSETS

Non-current assets are composed of a deposit guarantee for the rental of ITA's office and other tangible fixed assets including the office furniture and IT equipment as shown in the tables below.

Furniture, IT equipment and leasehold improvements owned by ITA are recorded at cost.

Depreciation is charged using the straight-line method based on estimated useful lives of the assets generally estimated at 3 years for IT Equipment and 5 years for leasehold improvements and furniture.

[in CHF]	Leasehold improvements	Office Equipment	IT Equipment	Total
Costs				
Balance on 28 February 2018	-	-	-	-
Acquisitions	50'130	205'570	56'092	311'791
Disposals / write-off	-	-	-	-
Balance on 31 December 2018	50'130	205'570	56'092	311'791
Acquisitions	25'763	95'039	87'524	208'326
Disposals / write-off	-	-650	-	-650
Balance on 31 December 2019	75'893	299'959	143'616	519'467
Accumulated Depreciation				
Balance on 28 February 2018	-	-	-	-
Depreciation for the year	-10'026	-41'114	-18'697	-69'837
Disposals / write-off	-	-	-	-
Balance on 31 December 2018	-10'026	-41'114	-18'697	-69'837
Depreciation for the year	-12'507	-49'617	-36'350	-98'474
Disposals / write-off	-	-	-	-
Balance on 31 December 2019	-22'533	-90'731	-55'047	-168'311
Net Book Value				
On 31 December 2018	CHF 40'104	CHF 164'456	CHF 37'395	CHF 241'954
On 31 December 2019	CHF 53'360	CHF 209'228	CHF 88'568	CHF 351'156

1.5) ACCOUNT PAYABLES

Account Payables mainly consist of payable testing costs such as sample collection fees and laboratory analysis fees.

1.6) OTHER CURRENT LIABILITIES

Other current liabilities include support to a research project.

1.7) DEFERRED INCOME AND ACCRUED EXPENSES

Deferred income and accrued expenses consist of deferred 2020 revenues perceived in 2019 related to Management fees & Third-party variable costs.

2.0) INCOME STATEMENT ANALYSIS

	2019	2018	Var vs PY
2.01) Sales Service Fees	CHF 4'172'764	CHF 822'987	CHF 3'349'777
2.02) Sales Testing fees / sample collection recharges	8'275'503	1'072'765	7'202'738
2.02) Cost of services recharged	-8'295'748	-1'073'992	-7'221'756
Gross margin	CHF 4'152'519	CHF 821'760	CHF 3'330'759

2.01) Sales Service Fees represent ITA's revenue and consist of Management Fees for services performed by ITA employees. Sales Service Fees in 2019 are composed of CHF 2.5mio IF Contracts, CHF 872K MEOs and CHF 755K Reanalysis versus CHF 553K IF Contracts and CHF 269K Reanalysis in 2018. The variance comes significantly from the higher number of IF that joined the ITA in 2019 as well as the work done in preparation of the IOC Tokyo Games.

2.02) The Sales Testing fees / sample collection recharges and Cost of services recharged are split by nature of service for a better understanding of what constitutes the Gross Margin (see table below).

	2019	2018	Var vs PY
	CHF 4'172'764	CHF 822'987	CHF 3'349'777
Sales Service Fees			
Sales Testing fees / sample collection recharges Out of Competition (OOC)	6'571'318	598'888	5'972'430
Purchased testing fees / sample collection charges OOC	-6'594'538	-598'268	-5'996'270
	-23'220	620	-23'840
Sales testing fees / sample collection recharges In Competition (IC)	726'689	249'977	476'712
Purchased testing fees / sample collection charges IC	-730'246	-250'630	-479'616
	-3'557	-653	-2'904
Sales testing fees re-analysis	552'767	131'993	420'774
Purchased testing fees re-analysis	-552'767	-131'993	-420'774
	-	-	-
Sales Testing Fees IRMS recharges	53'342	-	53'342
Purchase testing fees IRMS	-54'191	-	-54'191
	-849	-	-849
Sales ABP Athlete Biological Passport	217'513	89'607	127'906
Purchased ABP Athlete Biological passport	-218'115	-89'598	-128'517
	-602	9	-611
Sales TUEs Therapeutic Use Exemptions	11'100	2'300	8'800
Purchased TUEs Therapeutic Use Exemptions	-11'100	-3'503	-7'597
	-	-1'203	1'203
Sales Result Management	102'058	-	102'058
Purchased Result Management	-94'075	-	-94'075
	7'983	-	7'983
Sales IOC Olympic Games	40'717	-	40'717
Purchased IOC Olympic Games	-	-	-
	40'717	-	40'717
	-	-	-
Gross Margin	CHF 4'152'519	CHF 821'760	CHF 3'330'759

The different sales accounts are used to re-invoice the third-party costs and should be balanced by its respective cost account. The differences between the third-party costs and the related re-invoiced revenues are explained by exchange rate differences. The difference between sales and purchase for Result Management comes from a 2018 invoice that was not accrued at the end of the year and re-invoiced in 2019.

2.1) PERSONNEL EXPENSES

	2019	2018	Var vs PY
Salaries	-3'284'797	-893'639	-2'391'158
Social security costs	-294'396	-75'481	-218'915
Pension costs - defined benefit plans	-216'340	-58'267	-158'073
Other personnel costs	-149'933	-69'296	-80'637
Total Personnel Expenses	CHF -3'945'466	CHF -1'096'683	CHF -2'848'783

Personnel expenses reflect the cost of salaries and social charges for ITA employees which have significantly increased due to the expansion of the company and the creation of new positions. On December 31, 2019 the ITA employed 41 employees (39.5 Full Time Employees) versus 17 last year. The average FTE by month is shown in the table below and represent an average FTE of 28.5 for 2019 versus 6.8 for 2018.

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
18.2	21.8	21.9	23.2	24.7	25.4	28.7	30.6	33.5	36.4	37.8	39.5	28.5

2.2) OTHER OPERATING EXPENSES

	2019	2018	Var vs PY
Marketing & Communication	-51'622	-22'601	-29'021
2.21) Office Rent + Cleaning	-306'529	-43'357	-263'172
General & Administrative Costs	-308'629	-125'701	-182'928
2.22) Professional Services Fee	-282'375	-472'498	190'123
Travel & Accommodation Costs	-172'147	-71'916	-100'231
Bad debts expenses	-85'940	-	-85'940
Other expenses	-5'263	-1'681	-3'582
Total Other Operating Expenses	CHF -1'212'505	CHF -737'754	CHF -474'751

2.21) Due to the expansion of its activities and the creation of several new positions, the ITA increased the surface of its office by renting some extra space on the 1st floor starting July 2019. The variance versus last year is due to the additional lease as of July 2019 and the fact that ITA only started paying a rent in November 2018 due to damages to the building caused by the bad weather during summer 2018.

2.22) The Professional Services Fee are mainly composed of:

- CHF 55K – 2019 audit
- CHF 39K – GDPR and Data protection
- CHF 35K – Data privacy and Cybersecurity services
- CHF 33K – ITA Experts

2.3) NON-OPERATING INCOME & EXPENSES

	2019	2018	Var vs PY
Olympic Movement Contribution	3'500'000	4'783'575	-1'283'575
Contribution to cover for the GAISF's DFSU transfer costs	-	300'000	-300'000
Subvention from Lausanne City & Vaud State for office rental costs	225'050	45'550	179'500
Reimbursement of office rent	-	9'022	-9'022
Various other income	56'997	23'697	33'300
Non-operating income	CHF 3'782'047	CHF 5'161'844	CHF -1'379'797
Cost of transfer of GAISF's DFSU Activity	-	-300'000	300'000
Non-operating expense	-	CHF -300'000	CHF 300'000
Foreign exchange gains	99'662	203'899	-104'237
Foreign exchange losses	-255'867	-107'734	-148'133
Other Income/Expenses	CHF -156'205	CHF 96'165	CHF -252'370

ITA benefited from a contribution from the Olympic Movement that covers the running costs for 2019 (CHF 3.5mio). As ITA fulfilled all criteria as an international non for-profit foundation, the city of Lausanne and state of Vaud granted a subvention to cover the office rent.

Overall, the ITA endured a foreign exchange loss which is mainly due to year end unfavorable currency reevaluation exchange rate on December 31, 2019.

2.4) PROVISION FOR UPCOMING COSTS

	2019	2018
Net Income/Loss before attribution to Provision	CHF 2'498'058	CHF 3'875'495
Attribution to Provision for upcoming costs	-2'498'058	-3'475'495
Net Income after attribution to Provision	-	400'000
Attribution to Undesignated Reserve	-	-400'000
Profit carried forward	-	-

The Foundation Board decided to attribute CHF 2'498'058 to Provision for upcoming costs as a measure to ensure the long-term prosperity of the Foundation.

USE AND ALLOCATION OF PROVISION

Provision	Opening balance 01.01.2019	Constitution	Reallocation	Use	Ending Balance 31.12.2019
Undesignated Provision	3'475'495	2'498'058	- 544'172		5'429'381
Loss on Contractual Agreements			544'172	- 544'172	-
TOTAL CURRENT PROVISIONS	CHF 3'475'495	CHF 2'498'058	-	CHF -544'172	CHF 5'429'381

The ITA started 2019 with an undesignated provision of CHF 3'475'495, attributed an additional CHF 2'498'058 and used CHF 544'172 to cover some losses incurred during the year on contractual agreements.

NON-CANCELLABLE DEBTS

The non-cancellable debts within 12 months following 31.12.2020 (excluding 2020) are composed of the office rental lease for a total amount of CHF 869'361.

<u>Due dates for future payments</u>	<u>Value in CHF</u>
2021	347'744
2022	347'744
2023	173'872
2024	-
TOTAL COMMITMENT	CHF 869'361

TAX-EXEMPT STATUS

The tax authorities have granted the ITA a tax exemption from income and capital taxes on a communal, cantonal, and federal level.

SUBSEQUENT EVENTS

The ITA evaluated subsequent events from December 31, 2019 through June 11th, 2020 the date on which the financial statements were available to be issued. Due to the Covid-19 pandemic and following the recommendations from the various governments throughout the world, a majority of 2020 worldwide sports competitions have been postponed or cancelled. As nearly all countries closed their borders and imposed a lockdown, it became almost impossible to tests athletes which resulted in a significant reduction of testing activities. The situation still being unclear at this stage, the ITA estimates a 30-50% reduction of its revenue for 2020.

The Foundation Board certifies that the accounts' annexes are compliant and complete.

Location & Date: Lausanne, 9.06.2020

Authorized Signatory: 

Location & Date: Lausanne, 9.06.2020

Authorized Signatory: 