



INTERNATIONAL TESTING AGENCY
Financial Statements
As of December 31, 2020

BALANCE SHEET AS OF 31 DECEMBER 2020

ASSETS	31.12.2020	31.12.2019
	CHF	CHF
1.0) Cash and cash equivalents	6'700'839	5'401'966
1.1) Account receivables	749'741	1'711'768
1.1) Provision for doubtful debts	-43'710	-85'940
1.2) Other current receivables	872'530	567'349
1.3) Accrued income and prepaid expenses	358'938	992'558
Total current assets	8'638'338	8'587'701
<i>AS % OF TOTAL ASSETS</i>	90%	94%
Deposits guarantees	161'145	161'145
Other tangible fixed assets	345'593	351'156
Intangible fixed assets	486'015	-
1.4) Total non-current assets	992'754	512'301
<i>AS % OF TOTAL ASSETS</i>	10%	6%
TOTAL ASSETS	9'631'091	9'100'002
	31.12.2020	31.12.2019
EQUITY AND LIABILITIES	CHF	CHF
1.5) Account payables	1'276'623	1'903'467
1.6) Other current liabilities	218'221	215'488
1.7) Deferred income and accrued expenses	2'084'910	874'812
Provision for untaken holidays	148'601	126'891
Other short term provisions	84'862	49'962
2.4) Current provisions	5'317'874	5'429'381
Total current liabilities	9'131'091	8'600'002
<i>AS % OF TOTAL LIABILITIES</i>	95%	95%
Total liabilities	9'131'091	8'600'002
<i>AS % OF TOTAL LIABILITIES</i>	95%	95%
Undesignated Reserve	500'000	500'000
Net income/loss for the year	-	-
Total equity	500'000	500'000
<i>AS % OF TOTAL LIABILITIES</i>	5%	5%
TOTAL EQUITY AND LIABILITIES	9'631'091	9'100'002

INCOME STATEMENT 2020

INCOME STATEMENT	2020	2019
	CHF	CHF
2.0) Sales Service Fees	3'285'223	4'172'764
2.0) Sales Testing fees / sample collection recharges	5'306'667	8'275'503
2.0) Cost of services recharged	-5'340'375	-8'295'748
Gross Margin	3'251'515	4'152'519
<i>GROSS MARGIN AS % OF REVENUE</i>	<i>99%</i>	<i>100%</i>
2.1) Personnel expenses	-5'806'686	-3'945'466
2.2) Other operating expenses	-1'493'405	-1'212'505
Marketing & Communication	-161'688	-51'622
Office Rent + Cleaning	-357'475	-306'529
General & Administrative Costs	-430'188	-308'629
Professional Services Fee	-478'026	-282'375
Travel & Accommodation Costs	-40'939	-172'147
Bad debts	14'911	-85'940
Other expenses	-40'000	-5'263
Earnings before interest & depreciation (EBITDA)	-4'048'576	-1'005'452
<i>EBITDA AS % OF REVENUE</i>	<i>-123%</i>	<i>-24%</i>
1.4) Depreciation of non-current assets	-216'476	-98'474
Earnings before interest and tax (EBIT)	-4'265'052	-1'103'926
<i>EBIT AS % OF REVENUE</i>	<i>-130%</i>	<i>-26%</i>
2.3) Financial cost	-276'649	-255'867
2.3) Financial income	142'142	99'662
Operating Results before taxes	-4'399'559	-1'260'131
<i>OPERATING RESULTS AS % OF REVENUE</i>	<i>-134%</i>	<i>-30%</i>
2.3) Non-operating income	4'289'185	3'782'047
Other Loss	-1'134	-23'858
2.4) Attribution/Dissolution of Provision for upcoming costs	111'507	-2'498'058
Net Income	-	-
<i>NET INCOME/LOSS IN % OF REVENUE</i>	<i>0%</i>	<i>0%</i>

CAFH FLOW STATEMENT 2020

CASH FLOW STATEMENT	2020	2019
	CHF	CHF
Net Income before Olympic Movement Contribution and after allocation to undesignated reserves	-3'500'000	-3'500'000
Depreciation of non-current assets	216'476	98'474
Change in Net Working Capital		
Change in Trade receivables	962'027	-421'663
Change in Provision for doubtful debts	-42'231	85'940
Change in Other receivables	-305'180	-309'829
Change in Accrued income and Prepaid expenses	633'620	-874'020
Change in Trade payables	-626'844	1'319'174
Change in Other payables	2'732	-127'681
Change in Provision for untaken holidays	21'710	73'860
Change in Other short term provisions	34'900	49'962
Change in Deferred income and Accrued expenses	1'210'098	-803'297
Change in Current Provision	-111'507	1'953'887
Cash flow from Operating activities	-1'504'199	-2'455'194
Investments in tangible fixed assets	-696'929	-208'326
Disposals of tangible fixed assets	-	650
Investments in financial assets	-	-55'320
Cash flow from Investing activities	-696'929	-262'996
Cash received from initial statutory capital	-	-
Cash flow from Financing activities	-	-
Change in net cash and Cash equivalents excl. Contribution	-2'201'127	-2'718'189
Olympic Movement Contribution	3'500'000	3'500'000
Change in net cash and Cash equivalents	1'298'873	781'811
CHANGE IN NET CASH AND CASH EQUIVALENTS		
As of 1 January	5'401'966	4'620'155
As of 31 December	6'700'839	5'401'966
Change in net cash and Cash equivalents	1'298'873	781'811

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2020

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
Brunner Chantal	Board Member	Independent Member
Chen Peijie	Board Member	Independent Member
Coventry Kirsty	Board Member	Athlete Committee representative
Erdener Ugur	Board Member	IOC representative
Jackson Roger	Board Member	Independent Member
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 03th 2020.

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). For comparison purposes, some prior year figures might have been reclassified.

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, 2020.

The foreign currencies exchange rates against CHF on December 31, 2020:

	<u>31.12.2020</u>	<u>31.12.2019</u>
USD/CHF	0.883944	0.968382
EUR/CHF	1.081550	1.087
GBP/CHF	1.208300	1.282822

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 invoiced 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)	2020	2019
0-30	CHF 290'386	CHF 1'634'310
31-60	CHF 234'132	CHF 30'150
61-90	CHF 13'946	CHF 47'308
>90	CHF 211'276	-

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

Prepaid insurance and rent expenses (CHF 204K), accrued income for third-party costs and ITA Management fees (CHF 155k).

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, IT equipment and Software as shown in the tables below.

Furniture, IT equipment, software 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 software and 5 years for leasehold improvements and furniture.

	Leasehold improvements	Office Equipment	IT Equipment	Software	Total
Costs					
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
Acquisitions	1'814	59'959	73'514	561'642	696'929
Disposals / write-off	-	-	-	-	-
Balance on 31 December 2020	77'706	359'917	217'130	561'642	1'216'396
Accumulated Depreciation					
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
Depreciation for the year	-15'269	-65'071	-60'509	-75'627	-216'476
Disposals / write-off	-	-	-	-	-
Balance on 31 December 2020	-37'802	-155'801	-115'556	-75'627	-384'787
Net Book Value					
On 31 December 2019	53'360	209'228	88'568	-	351'156
On 31 December 2020	39'904	204'116	101'573	486'015	831'609

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 mainly payable VAT and personnel costs.

1.7) DEFERRED INCOME AND ACCRUED EXPENSES

Deferred income and accrued expenses consist of deferred 2021 revenues perceived in 2020 related to Third-party variable costs.

2.0) INCOME STATEMENT ANALYSIS

	2020	2019	Var vs PY
2.01) Sales Service Fees	CHF 3'285'223	CHF 4'172'764	CHF -887'541
2.02) Sales Testing fees / sample collection recharges	5'306'667	8'275'503	-2'968'837
2.02) Cost of services recharged	-5'340'375	-8'295'748	2'955'374
Gross margin	CHF 3'251'516	CHF 4'152'519	CHF -901'004

2.01) Sales Service Fees represent ITA's revenue and consist of Management Fees for services performed by ITA employees. Sales Service Fees in 2020 are composed of CHF 2.6mio IF Contracts and CHF 687K MEOs versus CHF 2.5mio IF Contracts, CHF 872K MEOs and CHF 755K Reanalysis in 2019. The decrease of revenues is mainly due to the Covid-19 pandemic which led to the postponement of the IOC Tokyo Games to 2021 and the reduction in the number of tests conducted.

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).

	2020	2019
Sales Service Fees	3'285'223	4'172'764
Sales Testing fees Out of competition	4'492'636	6'624'660
Purchased testing fees Out of competition	-4'525'330	-6'648'728
	-32'694	-24'069
Sales Testing fees In competition	308'197	726'689
Purchased Testing fees In competition	-311'812	-730'246
	-3'615	-3'557
Sales Expert fees	133'110	228'613
Purchased Expert fees	-132'531	-229'215
	579	-602
Sales Result Management	110'844	102'058
Purchased Result Management	-108'789	-94'075
	2'055	7'983
Sales re-analysis fees	28'200	552'767
Purchased re-analysis fees	-28'200	-552'767
	-	-
Sales Long Term Storage fees	194'878	-
Purchased Long Term Storage Fees	-194'912	-
	-34	-
Sales Major Events	38'802	40'717
Purchased Major Events	-38'802	-40'717
	-	-
Gross Margin	3'251'515	4'152'519

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.

2.1) PERSONNEL EXPENSES

	2020	2019	Var vs PY
Salaries	-4'817'725	-3'284'797	-1'532'928
Social security costs	-428'308	-294'396	-133'912
Pension costs - defined benefit plans	-318'735	-216'340	-102'395
Other personnel costs	-241'918	-149'933	-91'985
Total Personnel Expenses	CHF -5'806'686	CHF -3'945'466	CHF -1'861'220

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, 2020 the ITA employed 50 employees (44.9 Full Time Employees) versus 41 last year. The average FTE by month is shown in the table below and represent an average FTE of 44.9 for 2020 versus 28.5 for 2019.

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
39.3	42.0	42.0	42.0	43.0	44.5	46.0	46.0	48.0	47.0	48.5	49.0	44.9

2.2) OTHER OPERATING EXPENSES

	2020	2019	Var vs PY
Marketing & Communication	-161'688	-51'622	-110'066
Office Rent + Cleaning	-357'475	-306'529	-50'947
General & Administrative Costs	-430'188	-308'629	-121'559
2.21) Professional Services Fee	- 478'026	-282'375	-195'651
Travel & Accommodation Costs	-40'939	-172'147	131'208
Bad debts	14'911	-85'940	100'851
Other expenses	-40'000	-5'263	-34'737
Total Other Operating Expenses	CHF -1'493'405	CHF -1'212'505	CHF -280'900

Due to the expansion of its activities and the creation of several new positions, the ITA incurred higher operating expenses which were partly offset by lower travelling costs due to the covid-19 pandemic.

2.21) The Professional Services Fee are mainly composed of:

- CHF 145K – ITA Experts
- CHF 133K – IT consultant
- CHF 103K – Data privacy and Cybersecurity services
- CHF 33K – Legal and Data protection

2.3) NON-OPERATING INCOME & EXPENSES

	2020	2019	Var vs PY
Olympic Movement Contribution	3'500'000	3'500'000	-
Covid-19 subsidy (RHT)	410'555	-	410'555
Subvention from Lausanne City & Vaud State for office rental costs	-	225'050	-225'050
Other Income - Re invoicing	204'340	-	204'340
Sponsorship	50'000	-	50'000
Various other income	124'290	56'997	67'294
Non-operating income	CHF 4'289'185	CHF 3'782'047	CHF 507'139
Foreign exchange gains	142'142	99'662	42'480
Foreign exchange losses	-276'649	-255'867	-20'782
Other Income/Expenses	CHF -134'507	CHF -156'205	CHF 21'698

ITA benefited from a contribution from the Olympic Movement that covers the running costs for 2020 (CHF 3.5mio). Due to the Covid-19 pandemic and the reduction of working hours, the ITA was eligible to receive Covid-19 subsidy (RHT). The other income include CHF 200K received from the Union Cycliste Internationale (UCI) to cover the asset purchase of the Cycling Anti-Doping Foundation (CADF).

Overall, the ITA endured a foreign exchange loss which is mainly due to year end unfavorable currency reevaluation exchange rate on December 31, 2020.

2.4) PROVISION FOR UPCOMING COSTS

	2020	2019
Net Income/Loss before attribution to Provision	CHF -111'507	CHF 2'498'058
Dissolution/Attribution to Provision for upcoming costs	111'507	-2'498'058
Net Income after attribution to Provision	-	-
Attribution to Undesignated Reserve	-	-
Profit carried forward	-	-

The Foundation Board decided to use CHF 111'507 of the Provision for upcoming costs in order to cover for the net loss of the year.

USE AND ALLOCATION OF PROVISION

Provision	Opening balance 01.01.2020	Constitution	Reallocation	Use	Ending Balance 31.12.2020
Undesignated Provision	5'429'381		- 111'507		5'317'874
Cover Net Loss			111'507	- 111'507	-
TOTAL CURRENT PROVISIONS	CHF 5'429'381	-	-	CHF -111'507	CHF 5'317'874

The ITA started 2020 with an undesignated provision of CHF 5'429'381 and used CHF 111'507 to cover the net loss of the year.

NON-CANCELLABLE DEBTS

The non-cancellable debts within 12 months following 31.12.2021 (excluding 2021) are composed of the office rental lease for a total amount of CHF 521'616.

<u>Due dates for future payments</u>	<u>Value in CHF</u>
2022	347'744
2023	173'872
2024	-
TOTAL COMMITMENT	CHF 521'616

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, 2020 through July 25th, 2021 the date on which the financial statements were available to be issued. The Covid-19 pandemic had an important impact on the organizations of sports competitions and thus on ITA's ability to conduct Anti-Doping tests. An improvement can be seen in 2021 as International Federations are able to organize competitions by taking the necessary precautions. The Tokyo 2020 Olympic Games will take place and it seems that the Beijing 2022 Olympic Games will also happen. A little slow down of ITA's activities is still expected as some restrictions linked to Covid-19 remain. As of January 2021, the Union Cycliste Internationale (UCI) transferred its operational Anti-Doping activities from the Cycling Anti-Doping Foundation (CADF) to the ITA. UCI's Anti-Doping program being the largest one among the Olympic sports, it will represent a significant increase in testing activities for the ITA.

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

Location & Date: Tokyo, 25.07.2021 Authorized Signatory: 

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