

World Anti-Doping Agency

Lausanne

Independent auditor's report
to the Foundation Board
on the financial statements 2022



Independent auditor's report

to the Foundation Board of World Anti-Doping Agency

Lausanne

Opinion

On your instructions, we have audited the financial statements of World Anti-Doping Agency, which comprise the statement of financial position as of December 31, 2022, the statement of activities, the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the entity as of December 31, 2022 and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the entity in accordance with the requirements of the Swiss audit profession and the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Foundation Board for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The Foundation Board is responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 ISAs and Swiss Standards on Auditing (SA-CH) 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.

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As part of an audit in accordance with ISAs and Swiss Standards on Auditing (SA-CH), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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.
- 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 the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of the Management'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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements 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 auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Foundation Board or its relevant committee 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.

PricewaterhouseCoopers SA

Andrea Costa
Audit expert

Polina Pyatakhina

Lausanne, June 14, 2023

Enclosure:

- Financial statements (statement of financial position, statement of activities, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes)

World Anti-Doping Agency Lausanne

Statement of Financial Position

As at December 31, 2022

(in thousands of Swiss francs with audited US dollar figures as complementary information – Note 2)

	Note	2022 USD	2021 USD	2022 CHF	2021 CHF
Assets					
Current assets					
Cash and cash equivalents	4	33,804	23,786	31,213	21,160
Guaranteed investment certificate	4	4,489	3,011	4,146	3,299
Investments	5(b)	4,100	3,533	3,785	3,225
Receivables	6	1,996	2,686	1,843	2,452
Other current assets	7	2,917	3,003	2,693	2,741
		<u>47,306</u>	<u>36,019</u>	<u>43,680</u>	<u>32,877</u>
Non-current assets					
Investments	5(b)	16,532	16,490	15,266	15,051
Fixed assets	8	3,011	531	2,780	485
Intangible assets	9	5,370	5,788	4,959	5,283
Right-of-use assets	10	13,355	4,495	12,331	4,103
		<u>38,268</u>	<u>27,304</u>	<u>35,336</u>	<u>24,922</u>
Total assets		<u>85,574</u>	<u>63,323</u>	<u>79,016</u>	<u>57,799</u>
Liabilities and Equity					
Current liabilities					
Accounts payable		3,090	2,106	2,853	1,922
Lease liabilities	10	398	543	368	496
Accrued expenses	11	1,711	1,469	1,580	1,341
Derivative financial instruments		221	46	205	42
Advance contributions		20,886	12,383	19,285	11,303
		<u>26,306</u>	<u>16,547</u>	<u>24,291</u>	<u>15,104</u>
Non-current liabilities					
Net pension obligation		279	584	256	533
Lease liabilities	10	12,906	4,544	11,917	4,148
Total liabilities		<u>39,491</u>	<u>21,675</u>	<u>36,464</u>	<u>19,785</u>
Equity					
Foundation capital	12	4,006	4,006	5,000	5,000
Cumulative translation adjustment		-	-	(10,491)	(10,725)
Litigation reserve	13	2,000	2,000	1,917	1,917
Operation reserve	13	7,400	7,400	6,754	6,754
Accumulated other comprehensive income (loss)		(564)	477	(521)	402
Excess of income over expenses brought forward		33,241	27,765	39,893	34,666
Total equity		<u>46,083</u>	<u>41,648</u>	<u>42,552</u>	<u>38,014</u>
Total liabilities and equity		<u>85,574</u>	<u>63,323</u>	<u>79,016</u>	<u>57,799</u>
Commitments	20				
Contingent liabilities	21				

Approved by the Board of Directors

Director

Director

The accompanying notes are an integral part of these financial statements.

World Anti-Doping Agency Lausanne

Statement of Activities

For the year ended December 31, 2022

(in thousands of Swiss francs with audited US dollar figures as complementary information – Note 2)

	Note	2022 USD	2021 USD	2022 CHF	2021 CHF
Income					
Annual contributions	14	44,751	39,475	42,722	35,983
Grants	15	2,586	2,254	2,468	2,055
Other	16	349	449	334	410
		<u>47,686</u>	<u>42,178</u>	<u>45,524</u>	<u>38,448</u>
Operating expenses					
Salaries and other personnel costs	17	23,584	20,979	22,514	19,123
Travel and accommodation*		3,128	866	2,986	789
Information and communications		142	427	136	389
Testing fees		407	398	388	363
Accreditation fees		484	381	461	349
Research grants	18	1,602	1,393	1,529	1,269
Other grants		50	50	48	46
Project consulting fees		4,454	5,674	4,252	5,173
Rents		534	311	510	283
Depreciation of right-of-use assets	10	616	560	588	511
Administration		3,199	2,566	3,054	2,325
IT costs		1,613	1,407	1,540	1,283
Depreciation and amortization of fixed and intangible assets	8, 9	3,039	3,509	2,902	3,212
		<u>42,852</u>	<u>38,521</u>	<u>40,908</u>	<u>35,115</u>
Gain on disposal of leases		92	-	87	-
Excess of operating income over expenses before financial income (expenses)		<u>4,926</u>	<u>3,657</u>	<u>4,703</u>	<u>3,333</u>
Financial income (expenses)					
Interest		251	440	240	401
Bank fees		(157)	(145)	(151)	(132)
Net gain on currency exchange rates		456	285	435	260
		<u>550</u>	<u>580</u>	<u>524</u>	<u>529</u>
Excess of income over expenses for the year		<u>5,476</u>	<u>4,237</u>	<u>5,227</u>	<u>3,862</u>

*As the COVID-19 pandemic largely subsided in 2022, many planned activities pertaining to WADA's mission re-emerged in-person which explained the increase in travel expenditures. They had been approved by the Foundation Board as part of the overall WADA budget.

The accompanying notes are an integral part of these financial statements.

World Anti-Doping Agency Lausanne

Statement of Comprehensive Income

For the year ended December 31, 2022

(in thousands of Swiss francs with audited US dollar figures as complementary information – Note 2)

	2022 USD	2021 USD	2022 CHF	2021 CHF
Excess of income over expenses for the year	5,476	4,237	5,227	3,862
Other comprehensive income (loss)				
Item that will be reclassified to the statement of activities:				
Net change in unrealized gains and losses on investments classified at fair value through other comprehensive income:	(1,354)	(800)	(1,214)	(730)
Item that may be subsequently reclassified to the statement of activities:				
Currency translation adjustment	-	-	234	1,158
Item that will not be subsequently reclassified to the statement of activities:				
Remeasurement of net pension plan obligation	313	220	291	201
Total comprehensive income for the year	4,435	3,657	4,538	4,491

The accompanying notes are an integral part of these financial statements.

World Anti-Doping Agency Lausanne

Statement of Changes in Equity

For the year ended December 31, 2022

(in thousands of Swiss francs with audited US dollar figures as complementary information – Note 2)

	Foundation capital USD	Litigation reserve USD	Operation reserve USD	Accumulated other comprehensive income (loss) USD	Excess of income over expenses brought forward USD	Total USD
Balance as at December 31, 2020	4,006	2,000	6,400	1,057	24,528	37,991
Excess of income over expenses for the year recognised in the statement of activities	-	-	-	-	4,237	4,237
Transfers to litigation and operation reserves	-	-	1,000	-	(1,000)	-
Other comprehensive loss for the year	-	-	-	(580)	-	(580)
Total comprehensive income for the year						3,657
Balance as at December 31, 2021	4,006	2,000	7,400	477	27,765	41,648
Excess of income over expenses for the year recognised in the statement of activities	-	-	-	-	5,476	5,476
Other comprehensive loss for the year	-	-	-	(1,041)	-	(1,041)
Total comprehensive income for the year						4,435
Balance as at December 31, 2022	4,006	2,000	7,400	(564)	33,241	46,083

	Foundation capital CHF	Cumulative translation adjustment CHF	Litigation reserve CHF	Operation reserve CHF	Accumulated other comprehensive income (loss) CHF	Excess of income over expenses brought forward CHF	Total CHF
Balance as at December 31, 2020	5,000	(11,883)	1,917	6,035	931	31,523	33,523
Excess of income over expenses for the year recognised in the statement of activities	-	-	-	-	-	3,862	3,862
Transfers to litigation and operation reserves	-	-	-	719	-	(719)	-
Other comprehensive income (loss) for the year	-	1,158	-	-	(529)	-	629
Total comprehensive income for the year							4,491
Balance as at December 31, 2021	5,000	(10,725)	1,917	6,754	402	34,666	38,014
Excess of income over expenses for the year recognised in the statement of activities	-	-	-	-	-	5,227	5,227
Transfers to litigation and operation reserves	-	-	-	-	-	-	-
Other comprehensive income (loss) for the year	-	234	-	-	(923)	-	(689)
Total comprehensive income for the year							4,538
Balance as at December 31, 2022	5,000	(10,491)	1,917	6,754	(521)	39,893	42,552

The accompanying notes are an integral part of these financial statements.

World Anti-Doping Agency Lausanne

Statement of Cash Flows

For the year ended December 31, 2022

(in thousands of Swiss francs with audited US dollar figures as complementary information – Note 2)

	2022 USD	2021 USD	2022 CHF	2021 CHF
Cash flows from				
Operating activities				
Excess of income over expenses for the year	5,476	4,237	5,227	3,862
Depreciation and amortization of fixed and intangible assets	3,039	3,509	2,902	3,212
Gain on disposal of leases	(92)	-	(87)	-
Depreciation of right-of-use assets	616	560	588	511
Excess of defined contribution cost over contributions	314	65	286	59
Gain (loss) on currency exchange rates	(826)	104	(753)	95
Remeasurement of net pension obligation	(305)	-	(278)	-
Changes in				
Receivables	690	(2,093)	609	(1,928)
Other current assets	86	(395)	47	(440)
Accounts payable	701	(773)	931	(688)
Accrued expenses	242	392	239	390
Advance contributions	8,503	2,875	7,982	2,913
Net cash provided by operating activities	18,444	8,481	17,693	7,986
Investing activities				
Purchase of fixed assets	(2,746)	(221)	(2,659)	(292)
Purchase of intangible assets	(2,074)	(2,278)	(2,190)	(1,925)
Purchase of investments	(5,850)	(6,805)	(5,333)	(6,203)
Proceeds from sale of investments	4,100	5,800	3,734	5,287
Net cash used in investing activities	(6,570)	(3,504)	(6,448)	(3,133)
Financing activities				
Principal payments on lease liabilities	(378)	(521)	(349)	(476)
Net cash used in financing activities	(378)	(521)	(349)	(476)
Increase in cash and cash equivalents	11,496	4,456	10,896	4,377
Currency translation impact	-	-	4	369
Cash and cash equivalents and guaranteed investment certificate – Beginning of year	26,797	22,341	24,459	19,713
Cash and cash equivalents and guaranteed investment certificate – End of year	38,293	26,797	35,359	24,459
Supplementary information				
Interest received	251	464	240	423

The accompanying notes are an integral part of these financial statements.

World Anti-Doping Agency Lausanne

Notes to Financial Statements

December 31, 2022

(in thousands of Swiss francs with audited US dollar figures as complementary information – Note 2)

1 Activity

The World Anti-Doping Agency (WADA or the Agency), domiciled in Lausanne, Switzerland, is a not-for-profit foundation constituted in Lausanne on November 10, 1999 under the Swiss Civil Code. On June 2, 2002, the Head Office of WADA was officially moved to Montréal, Canada, in accordance with the vote of the Foundation Board on August 21, 2001, the office in Lausanne therefore becoming a branch office. However, WADA remains a Swiss foundation with its registered office in Lausanne, Switzerland.

The mission of WADA is to promote and coordinate, at an international level, the fight against doping in sports in all its forms. The Agency cooperates with intergovernmental organizations and governments (hereafter Public Authorities) and other public and private organizations devoted to fighting against doping in sports, including the International Olympic Committee, the International Sports Federations, the National Olympic Committees and athletes.

The financing of WADA is provided equally by the International Olympic Committee and the Public Authorities involved in the mission of WADA.

2 Basis of presentation and summary of significant accounting policies

Basis of presentation

These financial statements have been approved by the Foundation Board of WADA on June 14, 2023 and cannot be amended after issuance. The financial statements of WADA for the year ended December 31, 2022 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared under the historical cost principle, except for investments at fair value through other comprehensive income, which are shown at fair value. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Management exercises judgment, as needed, in the process of applying WADA's accounting policies. In particular, areas involving a higher degree of judgment or complexity are the definition of the Agency's functional currency and the research grant recognition described below.

World Anti-Doping Agency Lausanne

Notes to Financial Statements

December 31, 2022

(in thousands of Swiss francs with audited US dollar figures as complementary information – Note 2)

The functional currency of the Agency is the US dollar, as the majority of its activities (income and expenses) are based in US dollars. The presentation currency of the Agency is the Swiss franc, and US dollars as chosen by management are included as complementary information. Assets and liabilities are converted from US dollars to Swiss francs at the closing rate. The Agency's capital in Swiss francs is kept at historical exchange rates. The statement of activities is translated into Swiss francs at the average rate. Any resulting exchange difference is recorded in the cumulative translation adjustment on the statement of financial position in equity. The statement of cash flows is translated into Swiss francs at the average rate. Any resulting exchange difference is shown separately on the statement of cash flows.

Foreign currencies

Foreign currency income and expenses are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of activities. Non-monetary items that are carried at historical cost and denominated in a foreign currency are reported using the historical exchange rate at the date of the transaction.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and unrestricted deposits held with banks with original maturity of three months or less.

Financial instruments

On initial recognition, the Agency determines the financial instruments classification as per the following categories:

- instruments measured at amortised cost;
- instruments measured at fair value through other comprehensive income (FVOCI); and
- instruments measured at fair value through profit or loss (FVTPL).

The table below summarises the classification and measurement of the Agency's financial instruments:

Classification and measurement

Assets

Cash and cash equivalents	Amortised cost
Investments	FVOCI
Receivables	Amortised cost
Derivative financial instruments	FVTPL

Liabilities

Accounts payable	Amortised cost
Accrued expenses	Amortised cost

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Notes to Financial Statements

December 31, 2022

(in thousands of Swiss francs with audited US dollar figures as complementary information – Note 2)

Evaluation

Financial instruments at amortised cost

Financial instruments at amortised cost are initially measured at fair value, and subsequently at amortised cost using the effective interest method less any impairment loss. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of activities.

Financial instruments at FVOCI

Financial instruments at FVOCI are initially and subsequently measured at fair value and are accounted for in the statements of comprehensive income and changes in equity. Upon disposal, the realised gains or losses included in the OCI are transferred to the excess income within equity.

Financial instruments at FVTPL

Financial instruments at FVTPL are initially and subsequently measured at fair value and are accounted for in the statement of activities.

Derecognition

Financial assets

WADA derecognises a financial asset when, and only when, the contractual rights to the cash flows from the financial asset have expired or when contractual rights to the cash flows have been transferred.

Financial liabilities

The Agency derecognises a financial liability when, and only when, it is extinguished, meaning when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the extinguished financial liability and the consideration paid or payable, including non-cash assets transferred or liabilities assumed, is recognised in the statement of activities.

Impairment

IFRS 9, Financial Instruments, also introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial recognition. IFRS 9 requires that an entity recognise a loss allowance for expected credit losses on financial assets which are measured at amortised cost or FVOCI. The loss allowance shall be recognised in other comprehensive income. Since the Agency has no trade receivables, the impairment related to expected credit losses on receivables is limited. The Agency has limited exposure to credit risk from financial assets recorded FVOCI, given that credit risk on those instruments is low and no loss allowance is recognised as any such impairment will not have a significant impact on the financial statements.

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Notes to Financial Statements

December 31, 2022

(in thousands of Swiss francs with audited US dollar figures as complementary information – Note 2)

Financial assets and financial liabilities disclosure

WADA discloses the fair value measurements by level as per the following hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Substantially all investments held by WADA are valued using quoted prices (unadjusted) in active markets (Level 1) at the statement of financial position date.

WADA assesses at the financial reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. If any such evidence exists for assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from other comprehensive income and recognised in the statement of activities.

Regular purchases and sales of investments are recognised on the settlement date. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and WADA has transferred substantially all risks and rewards of ownership.

Fixed assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Computer equipment	2.5 years
Office equipment	4.0 years
Leasehold improvements	Over the lower of the life of the lease and its useful life

Intangible assets

Intangible assets comprise the Anti-Doping Administration & Management System software (ADAMS) and other software, which are stated at cost less accumulated amortization. Amortization is calculated on a straight-line basis over four years, which is the estimated useful life of the assets.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

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(in thousands of Swiss francs with audited US dollar figures as complementary information – Note 2)

Impairment of non-financial assets

Fixed assets and intangible assets are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset as determined by management).

Revenue and income recognition

Annual contributions and advance contributions

The annual contributions due from Public Authorities involved in the fight against doping in sports and the International Olympic Committee are recognised as income in the period for which they are received.

Advance contributions are composed of annual contributions received in the current year for the following years' income and grants received for special projects such as Regional Anti-Doping Organizations (RADO), Symposium for Anti-Doping Organizations (ADO) and additional contributions from Public Authorities.

Grants

Grants are recorded as income when there is reasonable assurance that the grants will be received and WADA will comply with all attached conditions.

Other

Laboratory accreditation and re-accreditation fees are recognised on the date of payment, which is the date giving full effect to the accreditation.

Financial income

Interest income is recognised on an effective yield basis.

Income taxes

WADA is exempt from paying income taxes.

Research grants

Research grants are provided for specific research projects and paid by WADA on a yearly basis by an up-front payment of 80% of the granted amount and 20% payment upon completion of the yearly research project report. These grants cover a 12-month research period. They are expensed on a straight-line basis from the date the amount is granted as per the contractual agreement.

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(in thousands of Swiss francs with audited US dollar figures as complementary information – Note 2)

Leases

As a lessee

The Agency recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use of the asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset, less any lease incentives received prior to the commencement date. Any costs related to the removal and restoration of leasehold improvements, which meet the definition of fixed assets under IAS 16, Property, Plant and Equipment, are assessed under IAS 37, Provisions, Contingent Liabilities and Contingent Assets, and are not within the scope of IFRS 16, Leases.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, which is considered the appropriate useful life of these assets. In addition, the right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability, to the extent necessary.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Agency's incremental borrowing rate if the rate implicit in the lease arrangement is not readily determinable.

Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments and variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

The lease liability is measured to reflect a constant periodic rate of interest on the remaining balance of the lease liability. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, lease term, or if the Agency changes its assessment of whether it will exercise an extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease incentives receivable are included in the initial measurement of the lease liability and right-of-use asset.

Short-term leases and lease of low-value assets

The Agency has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Agency recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

On the statement of cash flows, lease payments related to short-term leases, low-value assets and variable lease payments not included in lease liabilities and interest on lease liabilities are classified as cash outflows from operating activities, whereas the remaining lease payments are classified as cash flows from financing activities.

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(in thousands of Swiss francs with audited US dollar figures as complementary information – Note 2)

The Agency does not currently act in the capacity of a lessor.

The disclosures relating to IFRS 16 can be found in note 10.

Pension benefit plan

WADA offers to its employees based in Switzerland a defined benefit pension plan subject to the Swiss Prévoyance professionnelle regime.

The cost of this plan is recognized in the statement of activities and includes current service cost, past service cost and net interest on net defined benefit plan liability.

Remeasurements of net defined benefit plan liabilities are recognized in items of other comprehensive income that will not be reclassified subsequently to excess of income over expenses and are immediately reclassified to accumulated other comprehensive income. These remeasurements include actuarial gains and losses and the difference between the actual return on plan assets and the interest income generated by such assets, which is recognized in excess of income over expenses. Actuarial gains and losses result from changes in actuarial assumptions used to determine the defined benefit plan obligation and experience gains and losses on such obligation.

Net defined benefit plan assets or liabilities are equal to the present value of the plans' obligation, calculated using the projected unit credit method, less the fair value of plan assets. The value of any defined benefit plan asset is, when appropriate, limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the pension plans.

Future accounting changes

As at December 31, 2022, there were no accounting standards issued by the IASB that were not yet effective as at such date that would have a significant impact on the Agency.

3 Financial risk management

Financial risk factors

Because of the international nature of its activities, WADA is exposed to the following financial risks: foreign currency exchange risk, interest rate risk, liquidity risk, credit risk and capital risk.

Risk management is carried out by management under policies approved by the Foundation Board. Management identifies, evaluates and hedges financial risks.

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a) Foreign currency exchange risk

WADA is exposed to foreign currency exchange risk mainly because most of its revenues are generated in US dollars, whereas its operating expenses are partially in Canadian dollars. WADA uses price collars and bank deposits in Canadian dollars, Swiss francs and Euros to partly cover its currency exposure.

As at December 31, 2022, had the Canadian dollar weakened by 5% against the US dollar, with all other variables held constant, excess of income over expenses for the year would have been CHF228 (USD298) lower (2021 – CHF137 (USD191) higher) mainly as a result of foreign exchange loss on translation of cash and cash equivalents denominated in Canadian dollars.

As at December 31, 2022, the following accounts are shown in Canadian dollars, Swiss francs, Euros, South African rand, Japanese yen and British pounds sterling, and have been converted to the functional currency in the statement of financial position.

	2022					
Denominated in	CAD	CHF	EUR	ZAR	JPY	GBP
Cash and cash equivalents	11,087	4,839	788	1,258	16,332	107
Receivables	62	28	5	-	246	-
Accounts payable and accrued expenses	3,080	645	144	120	118	25

	2021					
Denominated in	CAD	CHF	EUR	ZAR	JPY	GBP
Cash and cash equivalents	8,487	679	617	1,074	16,807	205
Receivables	820	17	13	-	6	1
Accounts payable and accrued expenses	1,669	870	104	65	77	10

b) Interest rate risk

WADA is exposed to interest rate risk through the impact of rate changes on interest-bearing assets. As at December 31, 2022, WADA's interest-bearing assets were cash and cash equivalents and investments at FVOCI.

As at December 31, 2022, had interest rates been 0.25% lower, with all other variables held constant, equity would have been CHF48 (USD52) higher (2021 – CHF45 (USD49) higher) as a result of an increase in the fair value of bonds classified as FVOCI.

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c) Liquidity risk

WADA needs to maintain sufficient levels of cash and cash equivalents to finance its ongoing activities. In the absence of bank financing facilities, WADA is dependent on the receipt of contributions from stakeholders on a timely basis to meet its cash needs.

	December 31, 2022			
	Less than 1 year USD	1 to 5 years USD	More than 5 years USD	Total USD
Accounts payable and accrued expenses	4,801	-	-	4,801
Lease liabilities	398	1,592	11,314	13,304
	5,199	1,592	11,314	18,105

	December 31, 2021			
	Less than 1 year USD	1 to 5 years USD	More than 5 years USD	Total USD
Accounts payable and accrued expenses	3,575	-	-	3,575
Lease liabilities	543	2,246	2,298	5,087
	4,118	2,246	2,298	8,662

	December 31, 2022			
	Less than 1 year CHF	1 to 5 years CHF	More than 5 years CHF	Total CHF
Accounts payable and accrued expenses	4,433	-	-	4,433
Lease liabilities	368	1,470	10,447	12,285
	4,801	1,470	10,447	16,718

	December 31, 2021			
	Less than 1 year CHF	1 to 5 years CHF	More than 5 years CHF	Total CHF
Accounts payable and accrued expenses	3,263	-	-	3,263
Lease liabilities	496	2,050	2,098	4,644
	3,759	2,050	2,098	7,907

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d) Credit risk

Substantially all of WADA's revenues are generated from contributions, which are recognised in the statement of activities. Revenues generated from grants are considered to be fully collectible by WADA. WADA has policies which limit the amount of credit and investment exposures. WADA is exposed to minimal credit risk on receivables, as a large portion is due from the Quebec government for Quebec sales tax. Cash and cash equivalents and investments at FVOCI are placed with major banks. The table below shows the balance held in the form of cash, term deposits and guaranteed investment certificate at the three major banks at the statement of financial position date.

	2022			2021		
	Rating	Balance		Rating	Balance	
		USD	CHF		USD	CHF
UBS	AA-	28,568	27,272	AA-	18,222	16,611
Lombard Odier Darier Hentsch	AA-	7,894	7,536	AA-	3,607	3,288
The Bank of Nova Scotia	A+	1,791	1,710	AA-	4,901	4,467
		<u>38,253</u>	<u>36,518</u>		<u>26,730</u>	<u>24,366</u>

Investments at FVOCI represent mainly bonds issued by major corporations and banking institutions.

e) Capital risk

WADA's objective when managing capital is to maintain an appropriate level to develop new programs and participate in new activities. Foundation capital, litigation reserve and operation reserve are considered for capital risk management.

Fair value estimation

As at December 31, 2022, the fair value of cash and cash equivalents, receivables, accounts payable and accrued expenses was not significantly different from their book value because of their maturity being close to the statement of financial position date. As at December 31, 2022, no financial assets were impaired or past due.

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4 Cash and cash equivalents and guaranteed investment certificate

	2022 USD	2021 USD	2022 CHF	2021 CHF
Cash	32,028	20,196	29,574	18,434
Guaranteed investment certificate	4,489	3,011	4,146	3,299
Term deposits	1,776	3,590	1,639	2,726
	<u>38,293</u>	<u>26,797</u>	<u>35,359</u>	<u>24,459</u>

Cash and term deposits are subject to current interest rates.

5 Financial instruments

a) Financial instruments by category

As at December 31, 2022	Note	Financial assets at amortised cost		Investments at FVOCI		Investments at FVTPL		Total	
		USD	CHF	USD	CHF	USD	CHF	USD	CHF
Current assets									
Cash and cash equivalents and guaranteed investment certificate	4	38,293	35,359	-	-	-	-	38,293	35,359
Investments	5(b)	-	-	4,100	3,785	-	-	4,100	3,785
Receivables	6	1,996	1,843	-	-	-	-	1,996	1,843
Non-current assets									
Investments	5(b)	-	-	16,532	15,266	-	-	16,532	15,266
		<u>40,289</u>	<u>37,202</u>	<u>20,632</u>	<u>19,051</u>	<u>-</u>	<u>-</u>	<u>60,921</u>	<u>56,253</u>

As at December 31, 2021	Note	Financial assets at amortised cost		Investments at FVOCI		Investments at FVTPL		Total	
		USD	CHF	USD	CHF	USD	CHF	USD	CHF
Current assets									
Cash and cash equivalents and guaranteed investment certificate	4	26,797	24,459	-	-	-	-	26,797	24,459
Investments	5(b)	-	-	3,533	3,225	-	-	3,533	3,225
Receivables	6	2,686	2,452	-	-	-	-	2,686	2,452
Derivative financial instruments		-	-	-	-	(46)	(42)	(46)	(42)
Non-current assets									
Investments	5(b)	-	-	16,490	15,051	-	-	16,490	15,051
		<u>29,483</u>	<u>26,911</u>	<u>20,023</u>	<u>18,276</u>	<u>(46)</u>	<u>(42)</u>	<u>49,460</u>	<u>45,145</u>

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b) Investments at FVOCI

	2022 USD	2021 USD	2022 CHF	2021 CHF
Bonds in US dollars	20,632	20,023	19,051	18,276
Less: Current portion	4,100	3,533	3,785	3,225
	<u>16,532</u>	<u>16,490</u>	<u>15,266</u>	<u>15,051</u>

Bonds bear interest at rates ranging from 0.6% to 6.7% and mature from January 2023 to January 2028. Investments at FVOCI represent mainly bonds issued by major corporations and banking institutions: corporate bonds in the amount of CHF16,511 (USD17,882) (2021 – CHF15,535 (USD17,022)), banking institution bonds in the amount of CHF2,355 (USD2,550) (2021 – CHF2,741 (USD3,001)) and government bonds in the amount of CHF185 (USD200) (2021 – CHF nil (USD nil)).

6 Receivables

	2022 USD	2021 USD	2022 CHF	2021 CHF
Quebec sales tax receivable	1,471	629	1,359	574
Other receivables	484	2,019	447	1,843
Recoverable withholding taxes	15	14	13	13
Rental deposit and guarantees	26	24	24	22
	<u>1,996</u>	<u>2,686</u>	<u>1,843</u>	<u>2,452</u>

7 Other current assets

	2022 USD	2021 USD	2022 CHF	2021 CHF
Prepaid expenses	1,960	2,207	1,810	2,014
Accrued interest	123	103	113	94
Prepaid scientific research grants	551	472	509	430
Prepaid social science research grants	283	221	261	203
	<u>2,917</u>	<u>3,003</u>	<u>2,693</u>	<u>2,741</u>

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8 Fixed assets

	Computer equipment		Office equipment		Leasehold improvements		Work in progress		Total	
	USD	CHF	USD	CHF	USD	CHF	USD	CHF	USD	CHF
Year ended December 31, 2021										
Opening net book amount	203	180	109	96	274	242	-	-	586	518
Additions	285	269	3	3	21	20	-	-	309	292
Depreciation charge	(143)	(136)	(70)	(66)	(151)	(143)	-	-	(364)	(345)
Currency exchange impact	-	1	-	7	-	12	-	-	-	20
Closing net book amount	345	314	42	40	144	131	-	-	531	485
As at December 31, 2021										
Cost	855	2,269	339	1,456	433	1,378	-	-	1,627	5,103
Accumulated depreciation	(510)	(2,018)	(297)	(1,424)	(289)	(1,298)	-	-	(1,096)	(4,740)
Currency exchange impact	-	63	-	8	-	51	-	-	-	122
Net book amount	345	314	42	40	144	131	-	-	531	485
Year ended December 31, 2022										
Opening net book amount	345	314	42	40	144	131	-	-	531	485
Additions	62	59	71	68	115	110	2,537	2,422	2,785	2,659
Depreciation charge	(189)	(181)	(30)	(29)	(86)	(82)	-	-	(305)	(292)
Currency exchange impact	-	9	-	(3)	-	(5)	-	(73)	-	(72)
Closing net book amount	218	201	83	76	173	154	2,537	2,349	3,011	2,780
As at December 31, 2022										
Cost	917	2,331	410	1,524	548	1,488	2,537	2,422	4,412	7,765
Accumulated depreciation	(699)	(2,199)	(327)	(1,454)	(375)	(1,380)	-	-	(1,401)	(5,033)
Currency exchange impact	-	69	-	6	-	46	-	(73)	-	48
Net book amount	218	201	83	76	173	154	2,537	2,349	3,011	2,780

As at December 31, 2022, the amount of leasehold improvements included in accounts payable was USD35 (CHF33) (2021 – USD88 (CHF80)).

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9 Intangible assets

	Software		Work in progress		Total	
	USD	CHF	USD	CHF	USD	CHF
Year ended December 31, 2021						
Opening net book amount	6,821	6,019	-	-	6,821	6,019
Additions	2,112	1,925	-	-	2,112	1,925
Amortization charge	(3,145)	(2,867)	-	-	(3,145)	(2,867)
Currency exchange impact	-	206	-	-	-	206
Closing net book amount	5,788	5,283	-	-	5,788	5,283
As at December 31, 2021						
Cost	27,534	29,278	-	-	27,534	29,278
Accumulated amortization	(21,746)	(23,714)	-	-	(21,746)	(23,714)
Currency exchange impact	-	(281)	-	-	-	(281)
Closing net book amount	5,788	5,283	-	-	5,788	5,283
Year ended December 31, 2022						
Opening net book amount	5,788	5,283	-	-	5,788	5,283
Additions	1,841	1,757	475	433	2,316	2,190
Amortization charge	(2,734)	(2,610)	-	-	(2,734)	(2,610)
Currency exchange impact	-	57	-	39	-	96
Closing net book amount	4,895	4,487	475	472	5,370	4,959
As at December 31, 2022						
Cost	29,375	31,035	475	433	29,850	31,468
Accumulated amortization	(24,480)	(26,323)	-	-	(24,480)	(26,323)
Currency exchange impact	-	(225)	-	39	-	(186)
Closing net book amount	4,895	4,487	475	472	5,370	4,959

Intangible assets comprise the ADAMS project and other software mainly developed internally. The amount related to the ADAMS project represents the core software necessary to fulfill the requirements of the World Anti-Doping Code regarding tracking and management of testing activity. This software enables more efficient tracking and management of the testing results.

As at December 31, 2022, the amount of intangible assets included in accounts payable was USD243 (CHF222) (2021 – USD269 (CHF246)).

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10 Right-of-use assets and lease liabilities

	2022 USD	2021 USD	2022 CHF	2021 CHF
Right-of-use assets				
Net cost as at January 1	6,144	6,095	5,865	5,894
Acquisitions	469	-	448	-
Disposal	(634)	-	(605)	-
Lease remeasurement	9,641	-	9,204	-
Accumulated depreciation	(2,265)	(1,600)	(2,162)	(1,520)
Currency exchange impact	-	-	(419)	(271)
Net carrying amount as at December 31	13,355	4,495	12,331	4,103
Depreciation charge for the year	(616)	(560)	(588)	(511)
Lease liabilities				
Lease liabilities as at January 1	5,087	5,635	4,697	5,251
Acquisitions	469	-	433	-
Disposal	(726)	-	(670)	-
Lease remeasurement	9,641	-	8,902	-
Principal lease payments	(378)	(521)	(349)	(476)
Currency exchange rate impact	(789)	(27)	(728)	(131)
Lease liabilities as at December 31	13,304	5,087	12,285	4,644
Less: Current lease liabilities	(398)	(543)	(368)	(496)
	12,906	4,544	11,917	4,148

11 Accrued expenses

	2022 USD	2021 USD	2022 CHF	2021 CHF
Accruals*	1,080	779	999	711
Accrued scientific research grants	511	609	472	557
Accrued social science grants	120	81	109	73
	1,711	1,469	1,580	1,341

* Accruals represents accruals of employees travel vouchers, consulting fees and insurance.

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12 Foundation capital

Foundation capital is defined in the statutes as a fixed amount of CHF5,000 (USD4,006).

13 Reserves

Litigation

In 2007, the Foundation Board agreed to a reserve of USD2,000 (CHF1,917) dedicated to litigation. This will allow the Agency to engage in any case where it is required.

Operations

In 2009, the Foundation Board agreed to a reserve of USD2,400 (CHF2,263) dedicated to operations.

In 2015, the Executive Committee of WADA agreed to increase the operation reserve to hold six months of operations or USD9,600. The operation reserve would be funded over time through the allocation of unallocated funds as a regular budgetary item, or with any surplus from operations (year-end profits) or through specific sources of revenue such as one-time gifts of special grants.

In 2021, the operation reserve was increased to USD7,400 (CHF6,754) funded through surplus from operations.

14 Annual contributions

	2022 USD	2021 USD	2022 CHF	2021 CHF
International Olympic Committee – Current year	21,412	18,451	20,441	16,819
International Olympic Committee – Previous years	1,738	663	1,661	604
Public Authorities and governments – Current year	21,425	19,974	20,454	18,208
Public Authorities and governments – Previous years	176	387	166	352
	<u>44,751</u>	<u>39,475</u>	<u>42,722</u>	<u>35,983</u>

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15 Grants

	2022 USD	2021 USD	2022 CHF	2021 CHF
Montréal International	2,374	2,164	2,266	1,973
Government of Australia	55	55	53	50
Government of Japan	54	35	51	32
Canton de Vaud / City of Lausanne	40	-	38	-
Government of India	63	-	60	-
	<u>2,586</u>	<u>2,254</u>	<u>2,468</u>	<u>2,055</u>

WADA benefits from two major government supports in Canada. The Government of Canada provides WADA with a total cash contribution of CAD10.0M, indexed over a 10-year period (2002–2011), and exempts WADA from any income tax. The Government of Quebec also provides WADA with a total cash contribution of CAD5.0M, indexed over a 10-year period (2002–2011). The Governments of Canada and Quebec amended the agreement in order to extend the financial contributions for the initial period by an additional 10-year period. Under this amended agreement, WADA will receive an additional total cash contribution of CAD10.0M, indexed over a 10-year period (2012–2021), from the Government of Canada and an additional total cash contribution of CAD5.0M, indexed over a 10-year period (2012–2021), from the Government of Quebec. The Governments of Canada and Quebec amended the agreement in order to extend the financial contributions from the second amendment by an additional 10-year period. Under this amended agreement, WADA will receive an additional total cash contribution of CAD20.2M, indexed over a 10-year period (2021–2031), from the Government of Canada and an additional total cash contribution of CAD10.0M, indexed over a 10-year period (2021–2031), from the Government of Quebec. The grants are paid as one combined amount from a corporation, Montréal International, formed by the aforementioned governments. The grants are subject to the following conditions: WADA must maintain its permanent operational headquarters in Montréal; maintain a minimum staff of 17 to 25 employees; supply quarterly unaudited and annual audited accounts, budgets and activity reports; and continue its original mission. The aim of these government supports is to encourage and maintain WADA's activities on a long-term basis.

WADA also receives additional grants from Public Authorities (governments) to support specific activities.

16 Other income

	2022 USD	2021 USD	2022 CHF	2021 CHF
Laboratory accreditation and re-accreditation fees	130	220	124	201
Code monitoring	184	217	177	198
Inducements and reward programs	35	12	33	11
	<u>349</u>	<u>449</u>	<u>334</u>	<u>410</u>

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17 Salaries and other personnel costs

	2022 USD	2021 USD	2022 CHF	2021 CHF
Salaries	16,950	15,089	16,181	13,754
Social charges and other benefits	6,231	5,763	5,948	5,254
Defined benefit pension plan contributions	403	127	385	115
	<u>23,584</u>	<u>20,979</u>	<u>22,514</u>	<u>19,123</u>

The number of people employed was 172 as at December 31, 2022 (2021 – 160).

Retirement benefit obligation

Most of WADA's employees are located at its Montréal headquarters. WADA grants all of its employees a predefined proportion of their salary as a contribution to their pension plan. Considering that WADA has no further obligation once payments are made, these costs are considered as fringe benefits and are included in salaries and other personnel costs in the statement of activities in the period they are incurred. The retirement obligations for WADA's employees in Tokyo are met by the Japanese government. For its South African office employees, WADA only contributes with the employees into the state pension scheme. For WADA's employees in Switzerland, the retirement obligations qualify as a defined benefit plan. It is funded by contributions from WADA to a financially independent trust.

As at December 31, 2022, the pension benefit obligation and the fair value of the plan assets amount to CHF2,350 (USD2,545) and CHF2,092 (USD2,266), respectively. As at December 31, 2021, the pension benefit obligation and the fair value of the plan assets amounted to CHF1,604 (USD1,757) and CHF1,071 (USD1,173) respectively.

18 Research grants

	2022 USD	2021 USD	2022 CHF	2021 CHF
Research grants expensed				
Scientific research grants expensed	1,196	1,163	1,141	1,059
Social science research grants expensed	406	224	388	204
Refunds received on cancellation of project	-	6	-	6
Total research grants expensed	<u>1,602</u>	<u>1,393</u>	<u>1,529</u>	<u>1,269</u>
Research grants paid out				
Research grants expensed	1,602	1,393	1,529	1,269
Prepaid expenses (movement)	140	103	134	94
Accruals (movement)	60	(40)	57	(36)
Total research grants paid out	<u>1,802</u>	<u>1,456</u>	<u>1,720</u>	<u>1,327</u>

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19 Related party transactions

Transactions with Public Authorities and other organizations including the Olympic Movement are disclosed separately in these financial statements. The Foundation Board members and the President and the Executive Committee of WADA are not remunerated by the Agency. However, in accordance with WADA statute, the President and Vice-President receive a fixed annual indemnity amount of CHF100 (USD95) and CHF50 (USD48), respectively. WADA covers all expenses related to the execution of their functions, in particular, travel, hotel and meal expenses and a daily allowance for out-of-pocket expenses. These costs are included in travel and accommodation in the statement of activities.

	2022 USD	2021 USD	2022 CHF	2021 CHF
Compensation of key management				
Salaries	3,885	3,671	3,709	3,346
Benefits and social charge	1,657	1,637	1,582	1,492
	<u>5,542</u>	<u>5,308</u>	<u>5,291</u>	<u>4,838</u>

Key management of WADA is defined as all the directors of the Agency. Compensation is for 19 directors as at December 31, 2022 (2021 – 18 directors).

20 Commitments

Commitments for service contracts

	2022 USD	2021 USD	2022 CHF	2021 CHF
Less than one year	722	438	667	400
More than one year and less than five years	1,210	94	1,118	86
	<u>1,932</u>	<u>532</u>	<u>1,785</u>	<u>486</u>

The commitments for non-lease elements are related mainly to the external expert services in government support.

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Scientific and social science research commitments

Scientific research grants and social science research grants may be committed over several years by the signing of research grant contracts, including upcoming years of research for certain projects. The related amounts at the end of the year are as follows:

	2022 USD	2021 USD	2022 CHF	2021 CHF
Less than one year	2,908	3,580	2,685	3,268
More than one year and less than five years	354	621	327	567
	<u>3,262</u>	<u>4,201</u>	<u>3,012</u>	<u>3,835</u>

21 Contingent liabilities

As at December 31, 2022, WADA has contingent liabilities in the amount of CHF3,626 (USD3,927) (2021 –CHF3,296 (USD3,611)). This amount is for all research grants that have been granted by WADA but are contingent upon one or more of the following approvals: ethical approval from the government of the country of the laboratory which is to conduct the research or the signing of the research contract by the laboratory. Eighty percent of the amount would be due upon these approvals and would probably be disbursed in 2023.

22 Military conflict between Russia and Ukraine

The management has evaluated the effects, or possible effects, arising from the military conflict between Russia and Ukraine (the conflict) that commenced in February 2022. Management's assessment considered the implications of the conflict and related global sanctions on accounting, disclosure and internal control over financial reporting. Based on the management's evaluation, there is no impact that requires additional disclosures in the financial statements.