

World Anti-doping Agency

Lausanne

Report of the statutory auditor
to the Foundation Board

on the financial statements 2020



Report of the statutory auditor

to the Foundation Board of World Anti-doping Agency

Lausanne

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the accompanying financial statements of World Anti-doping Agency, which comprise the balance sheet, statement of activities, statement of other comprehensive income, statement of changes in Equity, statement of cash flows and notes, for the year ended 31 December 2020.

Foundation Board's responsibility

The Foundation Board is responsible for the preparation of the financial statements in accordance with the International Financial Reporting Standards (IFRS) and the foundation's deed and internal regulations. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Foundation Board is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements 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 system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 31 December 2020 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the International Financial Reporting Standards (IFRS) and comply with the foundation's deed and internal regulations.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 83b paragraph 3 CC in connection with article 728 CO) and that there are no circumstances incompatible with our independence.

We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers SA

Philippe Tzaud
Audit expert
Auditor in charge

Edouard Clergue
Audit expert

Lausanne, 9 June 2021

Enclosure:

- Financial statements (balance sheet, statement of activities, statement of other comprehensive income, statement of changes in Equity, statement of cash flows and notes)

World Anti-Doping Agency Lausanne

Balance Sheet

As at December 31, 2020

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

	Note	2020 USD	2019 USD	2020 CHF	2019 CHF
Assets					
Current assets					
Cash and cash equivalents	4	22,341	14,598	19,713	14,122
Investments	5(b)	5,170	4,359	4,562	4,217
Receivables	6	593	1,845	524	1,785
Derivative financial instruments		142	-	125	-
Other current assets	7	2,608	2,265	2,301	2,191
		<u>30,854</u>	<u>23,067</u>	<u>27,225</u>	<u>22,315</u>
Non-current assets					
Investments	5(b)	14,524	15,723	12,816	15,211
Fixed assets	8	586	752	518	727
Intangible assets	9	6,821	7,345	6,019	7,105
Right-of-use assets	10	5,055	5,519	4,460	5,340
		<u>26,986</u>	<u>29,339</u>	<u>23,813</u>	<u>28,383</u>
Total assets		<u>57,840</u>	<u>52,406</u>	<u>51,038</u>	<u>50,698</u>
Liabilities and Equity					
Current liabilities					
Accounts payable		2,957	2,548	2,610	2,465
Lease liability	10	524	480	462	464
Accrued expenses	11	1,077	1,203	951	1,163
Advance contributions		9,508	10,540	8,390	10,197
		<u>14,066</u>	<u>14,771</u>	<u>12,413</u>	<u>14,289</u>
Non-current liabilities					
Net pension plan obligation	17	672	-	593	-
Lease liability	10	5,111	5,355	4,509	5,181
		<u>19,849</u>	<u>20,126</u>	<u>17,515</u>	<u>19,470</u>
Total liabilities		<u>19,849</u>	<u>20,126</u>	<u>17,515</u>	<u>19,470</u>
Equity					
Foundation capital	12	4,006	4,006	5,000	5,000
Cumulative translation adjustment		-	-	(11,883)	(8,799)
Litigation reserve	13(a)	2,000	1,500	1,917	1,476
Operation reserve	13(b)	6,400	3,900	6,035	3,829
Accumulated other comprehensive income		1,057	540	931	521
Excess of income over expenses brought forward		24,528	22,334	31,523	29,201
		<u>37,991</u>	<u>32,280</u>	<u>33,523</u>	<u>31,228</u>
Total equity		<u>37,991</u>	<u>32,280</u>	<u>33,523</u>	<u>31,228</u>
Total liabilities and equity		<u>57,840</u>	<u>52,406</u>	<u>51,038</u>	<u>50,698</u>
Commitments	20				
Contingent liabilities	21				

World Anti-Doping Agency Lausanne

Statement of Activities

For the year ended December 31, 2020

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

	Note	2020 USD	2019 USD	2020 CHF	2019 CHF
Income					
Annual contributions	14	36,657	34,550	34,699	34,352
Grants	15	1,676	3,073	1,586	3,055
Other	16	202	427	192	424
		<u>38,535</u>	<u>38,050</u>	<u>36,477</u>	<u>37,831</u>
Operating expenses					
Salaries and other personnel costs	17	17,931	15,733	16,921	15,643
Travel and accommodation		579	3,974	548	3,951
Information and communications		53	136	50	135
Testing fees		304	533	288	530
Accreditation fees		302	347	285	345
Research grants	18	1,394	2,307	1,319	2,293
Other grants		50	50	47	50
Testing material for development programs		-	51	-	50
Project consulting fees		5,733	6,886	5,427	6,847
Variable lease expense		277	305	262	304
Depreciation of right-of-use assets	10	535	505	507	502
Administration		1,915	2,932	1,813	2,915
IT costs		1,245	1,314	1,178	1,306
Depreciation and amortization of fixed and intangible assets	8, 9	3,576	2,771	3,386	2,755
		<u>33,894</u>	<u>37,844</u>	<u>32,031</u>	<u>37,626</u>
Excess of operating income over expenses before financial income		<u>4,641</u>	<u>206</u>	<u>4,446</u>	<u>205</u>
Financial income (expenses)					
Interest		482	558	456	555
Bank fees		(125)	(121)	(118)	(120)
Net gain (loss) on currency exchange rates		196	(70)	185	(70)
		<u>553</u>	<u>367</u>	<u>523</u>	<u>365</u>
Excess of income over expenses for the year		<u>5,194</u>	<u>573</u>	<u>4,969</u>	<u>570</u>

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Statement of Other comprehensive Income ⁽¹⁾

For the year ended December 31, 2020

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

	2020 USD	2019 USD	2020 CHF	2019 CHF
Excess of income over expense for the year	5,194	573	4,969	570
Other comprehensive income (loss)				
Items that will be reclassified to the statement of activities:				
Net change in unrealised gains and losses on investments classified at fair value through other comprehensive income:	377	783	287	760
Item that may be subsequently reclassified to the statement of activities:				
Currency translation adjustment	-	-	(3,084)	(528)
Item will not be subsequently reclassified to the statement of activities:				
Remeasurement of net pension plan obligation	140	-	123	-
Total other comprehensive income for the year	5,711	1,356	2,295	802

(1) The presentation of the statement of change in equity and the statement of other comprehensive income has been modified as at December 31, 2020 to present the two statements separately

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Statement of Changes in Equity ⁽¹⁾

For the year ended December 31, 2020

(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 USD	Excess of income over expenses brought forward USD	Total USD
Balance as at December 31, 2018	4,006	1,500	3,400	(243)	22,261	30,924
Excess of income over expenses for the year recognised in the statement of activities	-	-	-	-	573	573
Transfer to operation reserve	-	-	500	-	(500)	-
Other comprehensive income for the year	-	-	-	783	-	783
Total comprehensive income for the year						1,356
Balance as at December 31, 2019	4,006	1,500	3,900	540	22,334	32,280
Excess of income over expenses for the year recognised in the statement of activities	-	-	-	-	5,194	5,194
Transfers to litigation and operation reserves	-	500	2,500	-	(3,000)	-
Other comprehensive income for the year	-	-	-	517	-	517
Total comprehensive income for the year						5,711
Balance as at December 31, 2020	4,006	2,000	6,400	1,057	24,528	37,991

	Foundation capital CHF	Cumulative translation adjustment CHF	Litigation reserve CHF	Operation reserve CHF	Accumulated other comprehensive income CHF	Excess of income over expenses brought forward CHF	Total CHF
Balance as at December 31, 2018	5,000	(8,271)	1,476	3,345	(239)	29,115	30,426
Excess of income over expenses for the year recognised in the statement of activities	-	-	-	-	-	570	570
Transfer to operation reserve	-	-	-	484	-	(484)	-
Other comprehensive income (loss) for the year	-	(528)	-	-	760	-	232
Total comprehensive income for the year							802
Balance as at December 31, 2019	5,000	(8,799)	1,476	3,829	521	29,201	31,228
Excess of income over expenses for the year recognised in the statement of activities	-	-	-	-	-	4,969	4,969
Transfers to litigation and operation reserves	-	-	441	2,206	-	(2,647)	-
Other comprehensive income (loss) for the year	-	(3,084)	-	-	410	-	(2,674)
Total comprehensive income for the year							2,295
Balance as at December 31, 2020	5,000	(11,883)	1,917	6,035	931	31,523	33,523

(1) The presentation of the statement of change in equity and the statement of other comprehensive income has been modified as at December 31, 2020 to present the two statements separately

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Statement of Cash Flows

For the year ended December 31, 2020

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

	2020 USD	2019 USD	2020 CHF	2019 CHF
Cash flows from				
Operating activities				
Excess of income over expenses for the year	5,194	573	4,969	570
Depreciation and amortization of fixed and intangible assets	3,576	2,771	3,386	2,755
Depreciation of right-of-use assets	535	505	507	502
Gain (loss) on currency exchange rates	204	248	(280)	247
Change in fair value of financial assets through profit or loss	(142)	-	(125)	-
Excess of defined contributions costs over contributions	812	-	716	-
Changes in				
Receivables	1,252	(889)	1,261	(844)
Other current assets	(343)	13	(110)	13
Accounts payable	483	380	145	378
Accrued expenses	(126)	(57)	(212)	(77)
Advance contributions	(1,032)	(1,155)	(1,807)	(1,309)
Net cash provided by operating activities	10,413	2,389	8,450	2,235
Investing activities				
Purchase of fixed assets	(193)	(232)	(183)	(227)
Purchase of intangible assets	(2,767)	(3,138)	(2,619)	(3,119)
Purchase of investments	(4,706)	(1,914)	(4,455)	(1,903)
Proceeds from sale of investments	5,471	4,772	5,178	4,745
Net cash used in investing activities	(2,195)	(512)	(2,079)	(504)
Financing activities				
Principal payments on lease liability	(475)	(437)	(461)	(434)
Net cash used in financing activities	(475)	(437)	(461)	(434)
Increase in cash and cash equivalents	7,743	1,440	5,910	1,297
Currency translation impact	-	-	(319)	(121)
Cash and cash equivalents – Beginning of year	14,598	13,158	14,122	12,946
Cash and cash equivalents – End of year	22,341	14,598	19,713	14,122
Supplementary information				
Interest received	496	782	470	779
Interest paid on lease liability	191	198	169	197

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Notes to Financial Statements

December 31, 2020

(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 in Tallinn, Estonia, 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 May 21, 2021 and cannot be amended after issuance. The financial statements of WADA for the year ended December 31, 2020 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.

It also requires management to exercise its judgment 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.

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. 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 transaction rate. Any resulting exchange difference is recorded in the cumulative translation adjustment on the balance sheet in equity. The statement of cash flows is translated into Swiss francs at the transaction rate. Any resulting exchange difference is shown separately on the statement of cash flows.

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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	Fair value through other comprehensive income	
Derivative financial instruments	Fair value through profit or loss	
Receivables		Amortised cost

Liabilities

Accounts payable		Amortised cost
Accrued expenses		Amortised cost

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

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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. Realised gains or losses are transferred to the statement of activities.

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 at fair value through other comprehensive income, 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.

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).

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Substantially all investments held by WADA are valued using quoted prices (unadjusted) in active markets (Level 1) at the balance sheet date.

WADA assesses at each balance sheet 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.

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 due. However,

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annual contributions which have not been paid by year-end when due are only recognised when 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.

Leases

At inception of a contract, the Agency assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Agency assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Agency has the right to obtain substantially all the economic benefits from the use of the asset throughout the period of use; and

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- The Agency has the right to direct the use of the asset. The Agency has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

At inception or on reassessment of a contract that contains a lease component, the Agency allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

As a lessee

The Agency recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use 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.

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

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.

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, 2020, 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.

- a) Foreign currency exchange risk

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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, 2020, 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 CHF402 (USD456) lower (2019 – excess of income over expenses would have been CHF190 (USD271) lower) mainly as a result of foreign exchange loss on translation of cash and cash equivalents denominated in Canadian dollars.

As at December 31, 2020, 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 balance sheet.

	2020					
Denominated in	CAD	CHF	EUR	ZAR	JPY	GBP
Cash and cash equivalents	15,638	379	352	684	4,741	642
Receivables	543	17	2	-	6	1
Accounts payable and accrued expenses	1,566	929	235	80	218	268
	2019					
Denominated in	CAD	CHF	EUR	ZAR	JPY	GBP
Cash and cash equivalents	10,345	347	222	1,046	6,684	224
Receivables	898	47	3	-	6	662
Accounts payable and accrued expenses	1,524	670	200	7	1,687	191

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, 2020, WADA's interest-bearing assets were cash and cash equivalents and investments at FVOCI.

As at December 31, 2020, had interest rates been 0.25% lower, with all other variables held constant, equity would have been CHF106 (USD120) higher (2019 – CHF142 (USD145) higher) as a result of an increase in the fair value of bonds classified as FVOCI.

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.

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	December 31, 2020			
	Less than 1 year USD	1 to 5 years USD	More than 5 years USD	Total USD
Accounts payable and accrued expenses	4,034	-	-	4,034
Lease liability	524	2,992	2,119	5,635
	<u>4,558</u>	<u>2,992</u>	<u>2,119</u>	<u>9,669</u>
	December 31, 2020			
	Less than 1 year CHF	1 to 5 years CHF	More than 5 years CHF	Total CHF
Accounts payable and accrued expenses	3,561	-	-	3,561
Lease liability	462	2,639	1,870	4,971
	<u>4,023</u>	<u>2,639</u>	<u>1,870</u>	<u>8,532</u>
	December 31, 2019			
	Less than 1 year USD	1 to 5 years USD	More than 5 years USD	Total USD
Accounts payable and accrued expenses	3,751	-	-	3,751
Lease liability	480	2,667	2,688	5,835
	<u>4,231</u>	<u>2,667</u>	<u>2,688</u>	<u>9,586</u>
	December 31, 2019			
	Less than 1 year CHF	1 to 5 years CHF	More than 5 years CHF	Total CHF
Accounts payable and accrued expenses	3,628	-	-	3,628
Lease liability	464	2,580	2,601	5,645
	<u>4,092</u>	<u>2,580</u>	<u>2,601</u>	<u>9,273</u>

d) Credit risk

Substantially all of WADA's revenues are generated from contributions, which are recognised in the statement of activities at their payment date. Revenues generated from grants are considered to be fully collectible by WADA. WADA has policies which limit the amount of credit and investment exposures.

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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 and term deposits at the three major banks at the balance sheet date.

	Rating	2020		Rating	2019	
		Balance			Balance	
		USD	CHF		USD	CHF
USB	A+	9,339	8,840	A+	5,769	5,736
Lombard Odier Darier Hentsch	AA-	956	905	AA-	539	536
The Bank of Nova Scotia	AA-	11,998	11,357	AA-	8,230	8,183
		<u>22,293</u>	<u>21,102</u>		<u>14,538</u>	<u>14,455</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, 2020, 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 balance sheet date. As at December 31, 2020, no financial assets were impaired or past due.

4 Cash and cash equivalents

	2020 USD	2019 USD	2020 CHF	2019 CHF
Cash	10,736	7,555	9,473	7,309
Term deposits	11,605	7,043	10,240	6,813
	<u>22,341</u>	<u>14,598</u>	<u>19,713</u>	<u>14,122</u>

Cash and term deposits are subject to current interest rates.

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5 Financial instruments

a) Financial instruments by category

As at December 31, 2020	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	4	22,341	19,713	-	-	-	-	22,341	19,713
Investments	5(b)	-	-	5,170	4,562	-	-	5,170	4,562
Receivables	6	593	524	-	-	-	-	593	524
Derivative financial instruments		-	-	-	-	142	125	142	125
Non-current assets									
Investments	5(b)	-	-	14,524	12,816	-	-	14,524	12,816
		<u>22,934</u>	<u>20,237</u>	<u>19,694</u>	<u>17,378</u>	<u>142</u>	<u>125</u>	<u>42,770</u>	<u>37,740</u>

As at December 31, 2019	Note	Financial assets at amortised cost		Investments at FVOCI		Total	
		USD	CHF	USD	CHF	USD	CHF
Current assets							
Cash and cash equivalents	4	14,598	14,122	-	-	14,598	14,122
Investments	5(b)	-	-	4,359	4,217	4,359	4,217
Receivables	6	1,845	1,785	-	-	1,845	1,785
Non-current assets							
Investments	5(b)	-	-	15,723	15,211	15,723	15,211
		<u>16,443</u>	<u>15,907</u>	<u>20,082</u>	<u>19,428</u>	<u>36,525</u>	<u>35,335</u>

b) Investments at FVOCI

	2020 USD	2019 USD	2020 CHF	2019 CHF
Bonds in US dollars	19,694	20,082	17,378	19,428
Less: Current portion	<u>5,170</u>	<u>4,359</u>	<u>4,562</u>	<u>4,217</u>
	<u>14,524</u>	<u>15,723</u>	<u>12,816</u>	<u>15,211</u>

Bonds bear interest at rates ranging from 0.13% to 4.85% and mature from January 2021 to December 2027. Investments at FVOCI comprise corporate bonds in the amount of CHF15,315 (USD17,356) (2019 – CHF16,711 (USD17,273)), banking institution bonds in the amount of CHF1,673 (USD1,896) (2019 – CHF2,007 (USD2,075)) and government bonds in the amount of CHF389 (USD442) (2019 – CHF710 (USD734)).

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6 Receivables

	2020 USD	2019 USD	2020 CHF	2019 CHF
Quebec sales tax receivable	418	410	369	396
Other receivables	132	1,366	117	1,322
Recoverable withholding taxes	15	42	13	40
Rental deposit and guarantees – Uruguay office	28	27	25	27
	<u>593</u>	<u>1,845</u>	<u>524</u>	<u>1,785</u>

7 Other current assets

	2020 USD	2019 USD	2020 CHF	2019 CHF
Prepaid expenses	1,890	1,638	1,668	1,585
Accrued interest	127	141	112	137
Prepaid scientific research grants 2013	60	-	53	-
Prepaid scientific research grants 2015	-	34	-	33
Prepaid scientific research grants 2016	-	37	-	35
Prepaid scientific research grants 2017	-	31	-	30
Prepaid scientific research grants 2018	309	108	273	104
Prepaid scientific research grants 2019	150	183	132	177
Prepaid scientific research grants 2020	7	-	6	-
Prepaid social science research grants 2015	11	2	10	2
Prepaid social science research grants 2017	3	25	3	24
Prepaid social science research grants 2018	-	66	-	64
Prepaid social science research grants 2019	51	-	44	-
	<u>2,608</u>	<u>2,265</u>	<u>2,301</u>	<u>2,191</u>

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8 Fixed assets

	Computer equipment		Office equipment		Leasehold improvements		Total	
	USD	CHF	USD	CHF	USD	CHF	USD	CHF
Year ended December 31, 2019								
Opening net book amount	189	186	146	143	576	567	911	896
Additions	140	139	51	51	41	37	232	227
Depreciation charge	(164)	(163)	(57)	(56)	(170)	(170)	(391)	(389)
Currency exchange impact	-	(2)	-	(3)	-	(2)	-	(7)
Closing net book amount	165	160	140	135	447	432	752	727
As at December 31, 2019								
Cost	912	1,874	1,432	1,429	879	1,356	3,223	4,659
Accumulated depreciation	(747)	(1,793)	(1,292)	(1,304)	(432)	(989)	(2,471)	(4,086)
Currency exchange impact	-	79	-	10	-	65	-	154
Net book amount	165	160	140	135	447	432	752	727
Year ended December 31, 2020								
Opening net book amount	165	160	140	135	447	432	752	727
Additions	132	126	26	25	3	3	161	154
Depreciation charge	(94)	(89)	(57)	(54)	(176)	(167)	(327)	(310)
Currency exchange impact	-	(17)	-	(10)	-	(26)	-	(53)
Closing net book amount	203	180	109	96	274	242	586	518
As at December 31, 2020								
Cost	1,045	2,000	1,458	1,453	653	1,358	3,156	4,811
Accumulated depreciation	(842)	(1,882)	(1,349)	(1,358)	(379)	(1,155)	(2,570)	(4,395)
Currency exchange impact	-	62	-	1	-	39	-	102
Net book amount	203	180	109	96	274	242	586	518

As at December 31, 2020, the amount of leasehold improvements included in accounts payable was USD1 (CHF1) (2019 – USD32 (CHF32)).

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9 Intangible assets

	Software	
	USD	CHF
Year ended December 31, 2019		
Opening net book amount	6,762	6,653
Additions	2,963	2,946
Amortization charge	(2,380)	(2,366)
Currency exchange impact	-	(128)
Closing net book amount	7,345	7,105
As at December 31, 2019		
Cost	23,763	24,773
Accumulated amortization	(16,418)	(17,771)
Currency exchange impact	-	103
Closing net book amount	7,345	7,105
Year ended December 31, 2020		
Opening net book amount	7,345	7,105
Additions	2,725	2,580
Amortization charge	(3,249)	(3,076)
Currency exchange impact	-	(590)
Closing net book amount	6,821	6,019
As at December 31, 2020		
Cost	26,489	27,353
Accumulated amortization	(19,668)	(20,847)
Currency exchange impact	-	(487)
Closing net book amount	6,821	6,019

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, 2020, the amount of intangible assets included in accounts payable was USD435 (CHF384) (2019 – USD476 (CHF473)).

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10 Right-of-use assets and lease liability

	2020 USD	2019 USD	2020 CHF	2019 CHF
Right-of-use assets				
Cost as at January 1	6,024	-	5,827	-
Recognition following application of IFRS 16	-	5,915	-	5,722
Acquisitions	-	109	-	105
Lease modifications	71	-	67	-
Depreciation charge for the year	(535)	(505)	(507)	(502)
Accumulated depreciation	(1,040)	(505)	(1,009)	(502)
Currency exchange impact	-	-	(425)	15
Net carrying amount as at December 31	5,055	5,519	4,460	5,340
Lease liabilities				
Lease liabilities at January 1	5,835	-	5,645	-
Liabilities following application of IFRS 16	-	5,915	-	5,722
Acquisitions	-	109	-	105
Lease modifications	71	-	67	-
Principal lease payments	(475)	(437)	(461)	(422)
Currency exchange rate impact	204	248	(280)	240
Lease liabilities at December 31	5,635	5,835	4,971	5,645

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11 Accrued expenses

	2020 USD	2019 USD	2020 CHF	2019 CHF
Accruals	426	472	376	456
Accrued scientific research grants 2008	33	34	30	32
Accrued scientific research grants 2013	68	68	60	66
Accrued scientific research grants 2015	-	60	-	58
Accrued scientific research grants 2016	62	162	55	157
Accrued scientific research grants 2017	163	199	144	193
Accrued scientific research grants 2018	219	141	193	136
Accrued scientific research grants 2019	28	-	24	-
Accrued social science grants 2009	-	1	-	1
Accrued social science grants 2010	7	7	6	7
Accrued social science grants 2011	7	7	6	7
Accrued social science grants 2012	4	4	4	4
Accrued social science grants 2013	4	4	3	3
Accrued social science grants 2014	-	5	-	5
Accrued social science grants 2015	26	36	23	35
Accrued social science grants 2016	3	3	3	3
Accrued social science grants 2017	4	-	4	-
Accrued social science grants 2018	23	-	20	-
	<u>1,077</u>	<u>1,203</u>	<u>951</u>	<u>1,163</u>

12 Foundation capital

Foundation capital is defined in the statutes as a fixed amount of CHF 5.0M (USD 4.0M).

13 Reserves

Litigation

In 2007, the Foundation Board agreed to a reserve of USD1.5M dedicated to litigation. This will allow the Agency to engage in any case where it is required.

In 2020, the litigation reserve was increased to USD2M funded through surplus from operations.

Operations

In 2009, the Foundation Board agreed to a reserve of USD2.4M dedicated to operations.

In 2015, the Executive Committee of WADA agreed to increase the operation reserve to hold six months of operations or USD9.6M. The operation reserve would be funded over time through the allocation of unallocated

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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 2020, the operation reserve was increased to USD6.4M funded through surplus from operations.

14 Annual contributions

	2020 USD	2019 USD	2020 CHF	2019 CHF
2002 to 2010 contributions	1	-	1	-
2011 Public Authorities and governments	-	1	-	1
2012 Public Authorities and governments	1	1	1	1
2014 Public Authorities and governments	-	1	-	1
2015 Public Authorities and governments	-	2	-	1
2016 Public Authorities and governments	-	14	-	14
2016 International Olympic Committee	4	-	4	-
2017 Public Authorities and governments	11	19	11	19
2018 Public Authorities and governments	43	60	40	60
2019 Public Authorities and governments	133	17,117	126	17,019
2019 International Olympic Committee	-	17,335	-	17,236
2020 Public Authorities and governments	18,391	-	17,408	-
2020 International Olympic Committee	18,073	-	17,108	-
	<u>36,657</u>	<u>34,550</u>	<u>34,699</u>	<u>34,352</u>

15 Grants

	2020 USD	2019 USD	2020 CHF	2019 CHF
Montréal International	1,405	1,452	1,330	1,443
Government of China	-	993	-	987
Government of Australia	55	75	52	75
Government of Japan	175	163	165	162
Canton de Vaud / City of Lausanne	41	40	39	40
Government of Poland	-	350	-	348
	<u>1,676</u>	<u>3,073</u>	<u>1,586</u>	<u>3,055</u>

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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 grants are paid as one combined amount from a corporation, Montréal International, formed by the mentioned 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

	2020 USD	2019 USD	2020 CHF	2019 CHF
Laboratory accreditation and re-accreditation fees	125	345	119	343
Code monitoring	37	30	35	30
Inducements and reward programs	40	52	38	51
	<u>202</u>	<u>427</u>	<u>192</u>	<u>424</u>

17 Salaries and other personnel costs

	2020 USD	2019 USD	2020 CHF	2019 CHF
Salaries	12,176	10,949	11,526	10,887
Social charges and other benefits	4,724	4,563	4,472	4,536
Defined benefit pension plan costs	1,031	185	923	184
Temporary staff	-	36	-	36
	<u>17,931</u>	<u>15,733</u>	<u>16,921</u>	<u>15,643</u>

The number of people employed was 144 as at December 31, 2020 (2019 – 130).

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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, 2020, the pension benefit obligation and the fair value of the plan assets amounted to CHF 1,617 (USD 1,838) CHF 1,024 (USD 1,164), respectively. Before that date, because of the limited number of employees under this plan, no actuarial calculations had been performed for reasons of materiality.

18 Research grants

	2020 USD	2019 USD	2020 CHF	2019 CHF
Research grants expensed				
Scientific research grants expensed	1,154	2,143	1,092	2,131
Social science research grants expensed	252	200	238	198
Refunds received on cancellation of project	(12)	(36)	(11)	(36)
Total research grants expensed	1,394	2,307	1,319	2,293
Research grants paid out				
Research grants expensed	1,394	2,307	1,319	2,293
Prepaid expenses (movement)	105	(327)	100	(325)
Accruals (movement)	(79)	158	(75)	157
Total research grants paid out	1,420	2,138	1,344	2,125

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, 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.

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	2020 USD	2019 USD	2020 CHF	2019 CHF
Compensation of key management				
Salaries	2,800	2,592	2,625	2,578
Benefits and social charge	1,114	1,149	1,043	1,142
	<u>3,914</u>	<u>3,741</u>	<u>3,668</u>	<u>3,720</u>

Key management of WADA is defined as all the directors of the Agency. Compensation is for 16 directors as at December 31, 2020 (2019 – 14 directors).

20 Commitments

Commitments for service contracts

	2020 USD	2019 USD	2020 CHF	2019 CHF
Less than one year	565	480	498	465
More than one year and less than five years	121	61	107	58
	<u>686</u>	<u>541</u>	<u>605</u>	<u>523</u>

The commitments for service contracts are related mainly to consulting services.

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:

	2020 USD	2019 USD	2020 CHF	2019 CHF
Less than one year	3,758	3,048	3,316	2,949
More than one year and less than five years	1,035	886	913	857
	<u>4,793</u>	<u>3,934</u>	<u>4,229</u>	<u>3,806</u>

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21 Contingent liabilities

As at December 31, 2020, WADA has contingent liabilities in the amount of CHF2,141 (USD2,427) (2019 – CHF2,358 (USD2,438)). 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 2021.