

**World Anti-Doping Agency
Lausanne**

**Report of the Auditors
to the Foundation Board on the
Financial Statements 2006**

Report of the auditors
to the Foundation Board of the
World Anti-Doping Agency
Lausanne

As auditors of the Foundation as per article 14 of the statutes, we have audited the financial statements (balance sheet, statements of activities, cash flows and changes in fund balances and notes) of the World Anti-Doping Agency for the year ended 31 December 2006.

These financial statements are the responsibility of the Foundation Board. Our responsibility is to express an opinion on these financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with Swiss Auditing Standards and with the International Standards on Auditing, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made and the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements 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 Swiss law.

PricewaterhouseCoopers SA



F. Roth
Auditor in charge



E. Hamoir

Lausanne, 13 May 2007

Enclosure:

- financial statements (balance sheet, statements of activities, cash flows and changes in fund balances and notes)

World Anti-Doping Agency

Balance Sheet as at 31 December 2006

(in Swiss Francs with audited U.S. Dollar figures as complementary information – Note 2A)

	Notes	2006 USD	2005 USD	2006 CHF	2005 CHF
Assets					
Current assets					
Cash and cash equivalents	4	22,224,235	21,289,252	27,086,920	27,980,272
Held-to-maturity investments	5	3,774,393	2,367,382	4,600,234	3,111,429
Receivables	6	691,409	638,799	842,690	839,568
Other current assets	7	2,678,746	2,267,455	3,264,858	2,980,097
		<u>29,368,783</u>	<u>26,562,888</u>	<u>35,794,702</u>	<u>34,911,366</u>
Non-current assets					
Fixed assets	8	81,328	98,256	99,123	129,137
Intangible assets	9	1,494,482	1,169,316	1,821,476	1,536,821
		<u>1,575,810</u>	<u>1,267,572</u>	<u>1,920,599</u>	<u>1,665,958</u>
Total Assets		<u>30,944,593</u>	<u>27,830,460</u>	<u>37,715,301</u>	<u>36,577,324</u>
Liabilities and Equity					
Current liabilities					
Accounts payable		340,125	768,946	414,545	1,010,618
Accrued expenses	10	1,518,537	1,043,688	1,850,794	1,371,710
Advance contributions		1,422,759	2,638,546	1,734,060	3,467,816
Total Liabilities		<u>3,281,421</u>	<u>4,451,180</u>	<u>3,999,399</u>	<u>5,850,144</u>
Equity					
Foundation capital	11	4,102,391	3,804,336	5,000,000	5,000,000
Exchange adjustment on USD foundation capital		(95,891)	202,164	-	-
Currency translation reserve		-	-	(1,437,770)	975,967
Excess of income over expenses brought forward					
Opening excess of income over expenses brought forward		19,372,780	15,758,622	24,751,213	20,296,326
Excess of income over expenses for the year		4,283,892	3,614,158	5,402,459	4,454,887
Total Equity		<u>27,663,172</u>	<u>23,379,280</u>	<u>33,715,902</u>	<u>30,727,180</u>
Total Liabilities and Equity		<u>30,944,593</u>	<u>27,830,460</u>	<u>37,715,301</u>	<u>36,577,324</u>

“Notes 1 to 19 are an integral part of the financial statements.”

World Anti-Doping Agency

Statement of Activities for the year ended 31 December 2006

(in Swiss Francs with audited U.S. Dollar figures as complementary information – Note 2A)

	Notes	2006 USD	2005 USD	2006 CHF	2005 CHF
Income					
Annual contributions	12	22,713,833	20,703,500	28,644,638	25,519,567
Grants	13	1,377,124	1,264,175	1,736,705	1,558,249
Other	14	164,401	294,322	207,328	362,787
Total income		24,255,358	22,261,997	30,588,671	27,440,603
Operating expenses					
Salaries and other personnel costs	15	6,133,479	5,236,801	7,734,991	6,454,990
Travel and accommodation		3,107,059	2,230,259	3,918,343	2,749,064
Information and communications		72,173	217,211	91,018	267,739
Contributions to other institutions		2,347	8,495	2,960	10,471
Testing fees		2,175,576	2,055,895	2,743,640	2,534,139
Accreditation fees		220,623	171,119	278,230	210,925
Research grants	16	4,016,847	3,745,748	5,065,685	4,617,087
Education expenses		(12,234)	2,132	(15,428)	2,628
Project consulting fees		949,394	838,841	1,197,290	1,033,973
Administration		2,777,397	2,252,394	3,502,603	2,776,348
IT costs		1,359,663	1,298,916	1,714,684	1,601,071
Bad debt expenses	6a	-	22,499	-	27,733
Depreciation on fixed and intangible assets		432,184	448,332	545,031	552,623
		21,234,508	18,528,642	26,779,047	22,838,791
Excess of operating income before financial income		3,020,850	3,733,355	3,809,624	4,601,812
Financial income (expenses)					
Interest		1,056,722	537,861	1,332,643	662,979
Bank fees		(16,315)	(13,889)	(20,575)	(17,120)
Net gains (losses) on exchange rates		222,635	(643,169)	280,767	(792,784)
		1,263,042	(119,197)	1,592,835	(146,925)
Excess of income over expenses for the year		4,283,892	3,614,158	5,402,459	4,454,887

“Notes 1 to 19 are an integral part of the financial statements.”

World Anti-Doping Agency

Statement of Cash Flows for the year ended 31 December 2006

(in Swiss Francs with audited U.S. Dollar figures as complementary information – Note 2A)

	2006 USD	2005 USD	2006 CHF	2005 CHF
Operating activities				
Excess of income over expenses for the year	4,283,892	3,614,158	5,402,459	4,454,887
Bad debt expenses	-	22,499	-	27,733
Clearing of provision for bad debt	(685,142)	-	(898,639)	-
Depreciation on fixed and intangible assets	432,184	448,332	545,031	552,623
Interest	(1,056,722)	(537,861)	(1,332,643)	(662,979)
Foreign exchange differences	23,043	536,200	29,060	660,932
Changes in				
Receivables	632,532	(150,769)	797,692	(185,841)
Other current assets	(395,886)	(468,629)	(499,256)	(577,642)
Accounts payable	(543,675)	(40,584)	(685,634)	(50,025)
Accrued expenses	474,849	322,658	598,837	397,715
Advance contributions	(1,215,787)	1,314,622	(1,533,243)	1,620,429
Net source of cash in operating activities	1,949,288	5,060,626	2,423,664	6,237,832
Investing activities				
Purchase of fixed assets	(43,482)	(62,427)	(54,836)	(76,949)
Purchase of intangible assets	(582,086)	(508,218)	(734,074)	(626,440)
Interest received	1,041,317	546,173	1,313,215	673,224
Purchase of held-to-maturity investments	(21,781,393)	(9,013,668)	(27,468,729)	(11,110,436)
Proceeds of held-to-maturity investments	20,379,128	16,933,307	25,700,319	20,872,348
Net cash provided by (used in) investing activities	(986,516)	7,895,167	(1,244,105)	9,731,747
Increase in cash and cash equivalents	962,772	12,955,793	1,179,559	15,969,579
Currency translation impact	(27,789)	(94,996)	(2,072,911)	2,408,146
Cash and cash equivalents at beginning of year	21,289,252	8,428,455	27,980,272	9,602,547
Cash and cash equivalents at end of year	22,224,235	21,289,252	27,086,920	27,980,272

“Notes 1 to 19 are an integral part of the financial statements.”

World Anti-Doping Agency

Statement of Changes in Equity for the year ended 31 December 2006

(in Swiss Francs with audited U.S. Dollar figures as complementary information – Note 2A)

	Foundation capital USD	Excess of income over expenses brought forward USD	Exchange adjustment on US foundation capital USD	Total USD
Balance as at 1 January 2005	4,388,656	15,758,622	(382,156)	19,765,122
Excess of income over expenses for the year	-	3,614,158	-	3,614,158
Exchange movement	(584,320)	-	584,320	-
Total income (expenses) for the year	(584,320)	3,614,158	584,320	3,614,158
Balance as at 31 December 2005 and 1 January 2006	3,804,336	19,372,780	202,164	23,379,280
Excess of income over expenses for the year	-	4,283,892	-	4,283,892
Exchange movement	298,055	-	(298,055)	-
Total income (expenses) for the year	298,055	4,283,892	(298,055)	4,283,892
Balance as at 31 December 2006	4,102,391	23,656,672	(95,891)	27,663,172

	Foundation capital CHF	Excess of income over expenses brought forward CHF	Currency translation reserve CHF	Total CHF
Balance as at 1 January 2005	5,000,000	20,296,326	(2,777,902)	22,518,424
Excess of income over expenses for the year	-	4,454,887	-	4,454,887
Exchange movement	-	-	3,753,869	3,753,869
Total income for the year	-	4,454,887	3,753,869	8,208,756
Balance as at 31 December 2005 and 1 January 2006	5,000,000	24,751,213	975,967	30,727,180
Excess of income over expenses for the year	-	5,402,459	-	5,402,459
Exchange movement	-	-	(2,413,737)	(2,413,737)
Total income (expenses) for the year	-	5,402,459	(2,413,737)	2,988,722
Balance as at 31 December 2006	5,000,000	30,153,672	(1,437,770)	33,715,902

“Notes 1 to 19 are an integral part of the financial statements.”

Notes to Financial Statements
31 December 2006

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 10 November 1999 under the Swiss Civil Code. On 2 June 2002, the Head Office of WADA was officially moved to Montreal, in accordance with the vote of the Foundation Board on 21 August 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 sport 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 sport, including the International Olympic Committee (IOC), the International sports Federations (IFs), the National Olympic Committees (NOCs) and athletes.

Effective 1 January 2002, the financing of WADA is provided equally by the Olympic Movement and the Public Authorities involved in the mission of WADA. Previously, the financing was exclusively provided by the Olympic Movement.

2 Basis of presentation and summary of significant accounting policies

A. Basis of presentation and changes to accounting policies

These financial statements have been approved by the Foundation Board of WADA on 13 May 2007 and cannot be amended after issuance. The financial statements of WADA for the year ended 31 December 2006 have been prepared in accordance with the International Financial Reporting Standards (IFRS). WADA’s accounts are produced according to Swiss legal requirements.

The financial statements have been prepared under the historical cost principle. The preparation of financial statements in conformity with the IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying WADA’s accounting policies. In particular, the areas involving a higher degree of judgement or complexity are the definition of the functional currency and the research grant recognition described below as well as the estimates for the calculation of the provision for bad debt (note 6a).

IFRS changes, which became effective in 2006, did not have an impact on the balance sheet or the statement of activities, as they are for very specific items not applicable to WADA. The main changes relate to the amendments of IAS 39 (Financial Instruments) and to the revision of IAS 19 (Employee Benefits). IAS 19 introduces the option of an alternative recognition approach for actuarial gains and losses for defined benefit plans. It may also impose additional recognition requirements for multi-employer plans where insufficient information is available to apply defined benefit accounting. As WADA does not participate in any multi-employer plans and has no material defined benefit plans, adoption of this amendment does not impact the financial statements.

The disclosures adopted by WADA based on the definition of presentation and functional currency are not affected by the amendments made to IAS 21 (Net Investment in a Foreign Operation).

Notes to Financial Statements
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The functional currency is the U.S. Dollar as the majority of the activities (both funding and expenses) is U.S. Dollar based. The presentation currency is the Swiss Franc to fulfil Swiss legal requirements. Assets and liabilities are converted from U.S. Dollars to Swiss Francs at the closing rate. The foundation capital in Swiss Francs is kept at historical exchange rates. The foundation capital is presented at current rates in U.S. Dollars. The resulting exchange differences are recorded in the line Exchange adjustment on USD foundation capital in equity. The statement of activities is translated at the average rate for the year. Any resulting exchange difference is recorded in the Currency translation reserve. The cash flow is converted at the average rate for the year. Any resulting exchange difference is shown separately on the cash flow statement.

U.S. Dollar figures are included as complementary information. U.S. Dollar amounts are disclosed as per audited accounting records.

B. Foreign currencies

Foreign currency income and expenditure 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 recognized 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.

C. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and unrestricted deposits held with banks with a maturity of up to three months.

D. Financial assets

The Agency classifies its financial assets in the following categories: Held-to-maturity investments, and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

- (a) **Held-to-maturity investments**
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that WADA's management has the positive intention and ability to hold to maturity. Financial assets in this category are classified as current assets if they have maturities of less than 12 months from the balance sheet date and otherwise as non-current assets.
- (b) **Loans and receivables**
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as "Receivables" in the balance sheet.

Notes to Financial Statements
31 December 2006

Regular purchases and sales of investments are recognized on settlement date. Held-to-maturity investments are originally recognized at cost and subsequently carried at amortized cost using the effective interest method. Loans and receivables are originally recognized at cost and subsequently measured at amortized cost less provision for bad debts or impairment losses, as appropriate. WADA assesses at each balance sheet date whether there is objective evidence that a financial asset is impaired. Investments are derecognized 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.

E. 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 hardware	2.5 years
Office equipment	4 years
Leasehold improvements	5 years

F. Intangible assets

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

ADAMS (Anti-Doping Administration & Management System) software	4 years
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Acquired computer software licences are capitalized on the basis of the costs incurred to acquire and bring to use the specific software.

G. Leases

Lease of computer hardware and software where the Agency has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to the statement of activities over the lease period. Leases where a significant portion of the risks and rewards of ownership is retained by the lessor are classified as operating leases, in which case, payments are charged to the statement of activities on a straight-line basis over the term of the lease. WADA does not currently hold any financial leases.

H. Revenue recognition

Annual contributions

The annual contributions due from public authorities involved in the fight against doping in sport and the Olympic Movement are recognized as income in the period for which they are due.

Payments received in advance relating to the next year's budget are deferred to the following year.

Notes to Financial Statements
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Annual contributions for the current year which have not been paid by the year-end are only recognized when they are received.

Project grants

Project grants awarded as part of a specific project are recognized as income by reference to the stage of completion of the project. The stage of completion refers to total cost incurred to date as a percentage of total estimated costs for each project. Costs relating to projects are recognized when incurred. When it is probable that total costs relating to a specific project will exceed total donations awarded for that project, the expected loss is recognized as an expense immediately.

Financial income

Interest income is recognized on an effective yield basis.

Grants

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

Other

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

I. Income taxes

WADA is exempt from paying income taxes.

J. Research grants

Research grants are provided to specific research projects and paid by WADA on a yearly basis by an upfront 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 contractual agreement.

Notes to Financial Statements
31 December 2006

K. Standards, interpretations and amendments to published standards not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory to WADA's accounting periods beginning on or after 1 January 2007 or later periods. WADA currently believes that only the following, not yet adopted standard by WADA, will have an impact on its financial statements:

IFRS 7, Financial Instruments: Disclosures, and a complementary amendment to IAS 1, Presentation of Financial Statements - Capital Disclosures (effective from 1 January 2007): This standard introduces new disclosures to improve the information about financial instruments. The amendment to IAS 1 introduces disclosures about the level of the WADA's capital and how it manages it.

L. Comparative information

Certain comparative figures have been reclassified to conform to the current year's presentation.

3 Financial risk management

1. Financial risk factors

Due to their international nature, WADA's activities expose it to the following financial risks, changes in foreign currency exchange rates and interest rates.

a) Foreign exchange risk

WADA is exposed to foreign exchange risks mainly because most of its revenues are generated in U.S. Dollars and Euros, whereas its operating expenses are essentially U.S. Dollar and Canadian Dollar based. As at 31 December 2006, WADA did not make use of any derivative financial instruments to cover its risks. However, it used U.S. Dollar, Swiss Franc and Euro bank deposits to partly cover its currency exposure.

b) Interest rate risk

WADA is exposed to interest rate risks through the impact of rate changes on interest-bearing assets. As at 31 December 2006, WADA's only interest-bearing assets were cash and held-to-maturity investments. To avoid capital loss, only term deposit investments were made.

c) Liquidity risk

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

World Anti-Doping Agency

Notes to Financial Statements 31 December 2006

d) Credit risk

Substantially all of WADA's revenues are generated from contributions which are recognized 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. WADA is exposed to minimal credit risk on accounts receivable as major amounts are due from the Quebec government for value-added taxes (QST) and withholding taxes. Cash and held-to-maturity investments are placed with major banks.

2. Fair value estimation

As at 31 December 2006, the fair value of cash and cash equivalents, held-to-maturity investments, receivables, other current assets, accounts payable, accrued expenses and advance contributions were not significantly different from their book value due to their maturity being close to the balance sheet date.

4 Cash and cash equivalents

	2006 USD	2005 USD	2006 CHF	2005 CHF
Cash and cash equivalents	4,302,289	7,840,739	5,243,635	10,305,013
Term deposits of up to three months				
in U.S. Dollars	14,400,000	12,207,000	17,550,734	16,043,550
in Canadian Dollars	3,258,024	861,079	3,970,883	1,131,708
in Swiss Francs	-	380,434	-	500,001
in Euros	263,922	-	321,668	-
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	22,224,235	21,289,252	27,086,920	27,980,272

Term deposits are in major Swiss and Canadian banks, subject to current interest rates on term deposits of up to three months and on current accounts.

5 Held-to-maturity investments

	2006 USD	2005 USD	2006 CHF	2005 CHF
Bank deposits of more than three months				
in U.S. Dollars	2,000,000	-	2,437,602	-
in Canadian Dollars	1,114,587	-	1,358,460	-
in Euros	659,806	2,367,382	804,172	3,111,429
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	3,774,393	2,367,382	4,600,234	3,111,429

Bank deposits are in major Swiss and Canadian banks, subject to current interest rates on term deposits from three to twelve months.

Notes to Financial Statements
31 December 2006

6 Receivables

	2006 USD	2005 USD	2006 CHF	2005 CHF
QST receivable	173,958	273,366	212,020	359,283
GST receivable	-	681,109	-	895,175
Recoverable withholding taxes	339,588	162,043	413,890	212,972
Other receivables	66,834	74,882	81,458	96,580
Rental deposits and guarantees	111,029	132,541	135,322	174,197
Provision for bad debts	-	(685,142)	-	(898,639)
	<u>691,409</u>	<u>638,799</u>	<u>842,690</u>	<u>839,568</u>

Rental deposits and guarantees include a cash balance of CHF 104,497 (USD 85,738) (2005 – CHF 113,033 (USD 86,003)) that is restricted in use as it is set as guarantee for corporate credit card expenses. Rental deposit for the Lausanne office amounts to CHF 27,195 (USD 22,312) (2005 – CHF 27,195 (USD 20,692)) and rental deposits for the Uruguay regional office and Director’s apartment amount to CHF 3,630 (USD 2,979) (2005 – CHF 33,969 (USD 25,846)).

6a Movement of provision for bad debt

	2006 USD	2005 USD	2006 CHF	2005 CHF
Opening balance	685,142	662,643	898,639	870,906
Allocation	-	22,499	-	27,733
Used	(685,142)	-	(898,639)	-
Closing balance	<u>-</u>	<u>685,142</u>	<u>-</u>	<u>898,639</u>

The provision for bad debt to cover the taxes on value added from the Canadian government (GST) has been used since the government has ruled that WADA is not eligible to recover GST. The 2006 and 2005 taxes on value added have been added to the appropriate expense incurred in 2006 and 2005.

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Notes to Financial Statements 31 December 2006

7 Other current assets

	2006 USD	2005 USD	2006 CHF	2005 CHF
Prepaid expenses	506,103	390,117	616,839	512,729
Prepaid expenses – Olympic games	-	363,995	-	478,395
Prepaid expenses – Commonwealth Games	-	51,711	-	67,963
Accrued interest	82,005	66,600	99,948	87,532
Prepaid insurance for laboratories	25,990	-	31,677	-
Prepaid scientific research grants 2001	119,564	279,356	145,725	367,155
Prepaid scientific research grants 2002	-	129,000	-	169,544
Prepaid scientific research grants 2003	8,447	22,295	10,295	29,302
Prepaid scientific research grants 2004	371,796	381,087	453,145	500,859
Prepaid scientific research grants 2005	582,828	550,476	710,351	723,486
Prepaid scientific research grants 2006	967,733	-	1,179,474	-
Prepaid social science research grants 2005	-	32,818	-	43,132
Prepaid social science research grants 2006	14,280	-	17,404	-
	<u>2,678,746</u>	<u>2,267,455</u>	<u>3,264,858</u>	<u>2,980,097</u>

8 Fixed assets

	Computer equipment		Office equipment		Leasehold improvements		Total	
	USD	CHF	USD	CHF	USD	CHF	USD	CHF
Year ended 31 December 2005								
Opening net book amount	57,875	65,938	272,537	310,501	-	-	330,412	376,439
Additions	41,013	53,903	21,414	28,144	-	-	62,427	82,047
Amortization charge	(45,106)	(55,599)	(249,477)	(307,510)	-	-	(294,583)	(363,109)
Exchange effect	-	6,445	-	27,315	-	-	-	33,760
Closing net book amount	<u>53,782</u>	<u>70,687</u>	<u>44,474</u>	<u>58,450</u>	<u>-</u>	<u>-</u>	<u>98,256</u>	<u>129,137</u>
As at 31 December 2005								
Cost	430,514	576,941	1,053,380	1,450,313	-	-	1,483,894	2,027,254
Accumulated amortization	(376,732)	(503,602)	(1,008,906)	(1,316,699)	-	-	(1,385,638)	(1,820,301)
Exchange effect	-	(2,652)	-	(75,164)	-	-	-	(77,816)
Net book amount	<u>53,782</u>	<u>70,687</u>	<u>44,474</u>	<u>58,450</u>	<u>-</u>	<u>-</u>	<u>98,256</u>	<u>129,137</u>
Year ended 31 December 2006								
Opening net book amount	53,782	70,687	44,474	58,450	-	-	98,256	129,137
Additions	8,501	10,361	28,379	34,588	13,093	15,958	49,973	60,907
Amortization charge	(42,739)	(53,899)	(23,944)	(30,195)	(218)	(275)	(66,901)	(84,369)
Exchange effect	-	(3,329)	-	(3,232)	-	9	-	(6,552)
Closing net book amount	<u>19,544</u>	<u>23,820</u>	<u>48,909</u>	<u>59,611</u>	<u>12,875</u>	<u>15,692</u>	<u>81,328</u>	<u>99,123</u>
As at 31 December 2006								
Cost	439,015	587,302	1,081,759	1,484,901	13,093	15,958	1,533,867	2,088,161
Accumulated amortization	(419,471)	(557,501)	(1,032,850)	(1,346,894)	(218)	(275)	(1,452,539)	(1,904,670)
Exchange effect	-	(5,981)	-	(78,396)	-	9	-	(84,368)
Net book amount	<u>19,544</u>	<u>23,820</u>	<u>48,909</u>	<u>59,611</u>	<u>12,875</u>	<u>15,692</u>	<u>81,328</u>	<u>99,123</u>

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9 Intangible assets

	Software	
	USD	CHF
Year ended 31 December 2005		
Opening net book amount	909,879	1,036,626
Additions	413,186	543,047
Amortization charge	(153,749)	(189,514)
Exchange effect	-	146,662
Closing net book amount	1,169,316	1,536,821
As at 31 December 2005		
Cost	1,323,065	1,579,673
Accumulated amortization	(153,749)	(189,514)
Exchange effect	-	146,662
Net book amount	1,169,316	1,536,821
Year ended 31 December 2006		
Opening net book amount	1,169,316	1,536,821
Additions	690,449	841,520
Amortization charge	(365,283)	(460,662)
Exchange effect	-	(96,203)
Closing net book amount	1,494,482	1,821,476
As at 31 December 2006		
Cost	2,013,514	2,421,193
Accumulated amortization	(519,032)	(650,176)
Exchange effect	-	50,459
Net book amount	1,494,482	1,821,476

The total amount of intangible assets is linked to the ADAMS project and other software. The amount represents the core software necessary to fulfil the requirement of the Antidoping Code regarding tracking and management of testing activity for ADAMS. This intangible asset enables a more efficient tracking and management of the testing results. Implementation was completed in 2005.

Amounts for intangible assets not fully implemented were CHF 12,342 (USD 9,992) as at 31 December 2006, and CHF 79,537 (USD 61,000) as at 31 December 2005.

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10 Accrued expenses

	2006 USD	2005 USD	2006 CHF	2005 CHF
Accruals	986,525	557,528	1,202,377	732,754
Accrued scientific research grants 2001	102,668	216,718	125,132	284,831
Accrued scientific research grants 2002	106,580	108,714	129,900	142,882
Accrued scientific research grants 2003	6,083	30,501	7,414	40,087
Accrued scientific research grants 2004	147,043	130,227	179,216	171,156
Accrued scientific research grants 2005	157,847	-	192,384	-
Accrued Monitoring Program	1,800	-	2,194	-
Accrued social science grants 2005	9,048	-	11,028	-
Accrued social science grants 2006	943	-	1,149	-
	<u>1,518,537</u>	<u>1,043,688</u>	<u>1,850,794</u>	<u>1,371,710</u>

11 Foundation capital

The foundation capital is defined in the statutes as a fixed amount of CHF 5,000,000.

12 Annual contributions

	2006 USD	2005 USD	2006 CHF	2005 CHF
2002 Public authorities and governments	895	-	1,129	-
2002 International Olympic Committee (IOC)	867	1,853	1,093	2,284
2003 Public authorities and governments	1,302	82,336	1,642	101,489
2003 International Olympic Committee (IOC)	1,302	84,188	1,642	103,772
2004 Public authorities and governments	27,441	112,666	34,606	138,875
2004 International Olympic Committee (IOC)	27,441	1,456,298	34,606	1,795,063
2005 Public authorities and governments	270,972	10,098,079	341,725	12,447,103
2005 International Olympic Committee (IOC)	1,464,688	8,868,080	1,847,132	10,930,981
2006 Public authorities and governments	10,463,561	-	13,195,700	-
2006 International Olympic Committee (IOC)	10,455,364	-	13,185,363	-
	<u>22,713,833</u>	<u>20,703,500</u>	<u>28,644,638</u>	<u>25,519,567</u>

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13 Grants

WADA benefits from two major government supports. On the one hand, the Canadian government provides WADA with a cash contribution of a total of CAD 10 million, indexed, over a ten-year period and exempts WADA from any income tax. On the other hand, the government of Quebec also provides WADA with CAD 5 million, indexed, over a ten-year period. The grants are actually paid as one from a corporation, Montreal International, formed by the aforementioned governments. The grants are subject to the following conditions: WADA must maintain its permanent operational headquarters in Montreal, maintain a minimum staff of 17 to 25 employees, and supply quarterly unaudited and annual audited accounts, budgets and activity reports, as well as continue its original mission. The aim of these government supports is to encourage and support WADA's activities on a long-term basis.

In 2002, the total grant of CHF 2,533,440 (USD 1,828,011) represented the initial installment, whereas the remaining installments, in Canadian Dollars, are indexed and equally split over seven years.

	2006 USD	2005 USD	2006 CHF	2005 CHF
Cash amount granted by Montreal International	1,377,124	1,264,175	1,736,705	1,558,249

14 Other income

	2006 USD	2005 USD	2006 CHF	2005 CHF
Therapeutic use exemption appeal	1,000	2,000	1,261	2,465
Laboratory accreditation and re-accreditation fees	148,421	292,322	187,176	360,322
Code monitoring	14,980	-	18,891	-
	164,401	294,322	207,328	362,787

15 Salaries and other personnel costs

	2006 USD	2005 USD	2006 CHF	2005 CHF
Salaries	3,625,798	3,119,243	4,572,529	3,844,843
Social charges and other benefits	2,322,173	2,007,758	2,928,515	2,474,805
Defined benefit pension plan contributions and expense	73,568	77,031	92,778	94,950
Temporary staff	14,539	16,860	18,335	20,782
Recruitment expenses	97,401	15,909	122,834	19,610
	6,133,479	5,236,801	7,734,991	6,454,990

The number of people employed was 57 as at 31 December 2006 (2005: 54).

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Retirement benefit obligation

Most of WADA's employees are located at its Montreal headquarters. WADA grants all of its employees a predefined proportion of each employee's 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 and the respective employees to a financially independent trust. Due to the limited number of employees under this plan, no actuarial calculations have been performed for reason of materiality.

16 Research grants

	2006 USD	2005 USD	2006 CHF	2005 CHF
Scientific research grants expensed	3,919,825	3,743,327	4,943,330	4,614,103
Social science research grants expensed	109,281	2,421	137,815	2,984
Refunds received on cancellation of project	(12,259)	-	(15,460)	-
Total research grants expensed	4,016,847	3,745,748	5,065,685	4,617,087
Research grants paid out				
Research grants expensed	4,016,847	3,745,748	5,065,685	4,617,087
Research grants on cancelled project	12,259	-	15,460	-
Prepaid expenses (movement)	669,615	92,901	844,458	114,512
Accruals (movement)	(45,851)	(201,936)	(57,823)	(248,911)
Research grants paid out	4,652,870	3,636,713	5,867,780	4,482,688

17 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, 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 expenses in the statement of activities.

Compensation of Key Management	2006 USD	2005 USD	2006 CHF	2005 CHF
Salaries	1,616,763	1,462,994	2,038,916	1,803,317
Benefits and social charges	676,647	656,967	853,326	809,791
Defined benefit pension plan contributions	57,317	55,658	72,283	68,605
	2,350,727	2,175,619	2,964,525	2,681,713

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Key Management of WADA is defined as all the directors of the Agency. There are 11 directors as at 31 December 2006 (2005: 11 directors).

18 Commitments

The future minimum lease payments payable under non-cancelable operating leases are as follows:

Operating lease commitments without non-lease elements	2006 USD	2005 USD	2006 CHF	2005 CHF
Less than one year	544,744	472,629	663,935	621,172
More than one year and less than five years	2,061,013	1,769,806	2,511,965	2,326,040
More than five years	90,187	517,241	109,920	679,805
	2,695,944	2,759,676	3,285,820	3,627,017

The above commitments are for the following:

Montreal office lease to February 2012
Lausanne office lease to April 2012
Tokyo office lease to February 2007

Operating lease commitments including payments for non-lease elements	2006 USD	2005 USD	2006 CHF	2005 CHF
Less than one year	876,055	846,000	1,067,735	1,111,890
More than one year and less than five years	1,037,081	1,745,040	1,263,994	2,293,490
	1,913,136	2,591,040	2,331,729	3,405,380

The above commitments are related to a CGI Technology managed services contract to March 2009.

Scientific and social science research commitments

Scientific research grants to laboratories 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:

	2006 USD	2005 USD	2006 CHF	2005 CHF
Less than one year	4,033,530	2,827,119	4,916,070	3,484,766
More than one year and less than five years	1,663,027	1,050,330	2,026,899	1,380,439
	5,696,557	3,877,449	6,942,969	4,865,205

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19 Contingent liabilities

At the end of 2006, WADA has CHF 4,695,907 (USD 3,852,891) and CHF 5,041,050 (USD 3,835,566) in 2005 of contingent commitments. 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 signing of the research contract by the laboratory. Eighty percent of the amount would be due upon these approvals and would probably occur in 2007.

