



**World Anti-Doping Agency
Lausanne**

**Report of the statutory auditor
to the Foundation Board
on the Financial Statements 2010**

15 May 2011/ROF/DPI

With offices in Aarau, Basel, Berne, Chur, Geneva, Lausanne, Lugano, Lucerne, Neuchâtel, Sitten, St. Gallen, Thun, Winterthur, Zug and Zurich, PricewaterhouseCoopers AG is a provider of auditing services and tax, legal and business consultancy services. PricewaterhouseCoopers AG is a member of a global network of companies that are legally independent of one another; the network is represented in some 150 countries throughout the world.

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 cash flows, statement of comprehensive income and changes in equity and notes, for the year ended 31 December 2010.

Foundation Board's Responsibility

The Foundation Board is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), the requirements of Swiss law and the Foundation's deed. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation 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 as well as the International Standards on Auditing. 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 and fair presentation 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 the 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 2010 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law and the Foundation's deed.


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.

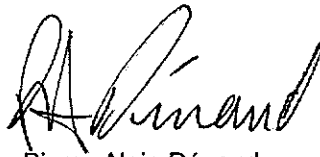
In accordance with article 83b paragraph 3 CC in connection with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Foundation's Board.

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

PricewaterhouseCoopers SA



Felix Roth
Audit expert
Auditor in charge



Pierre-Alain Dévaud
Audit expert

Lausanne, 15 May 2011

Enclosure:

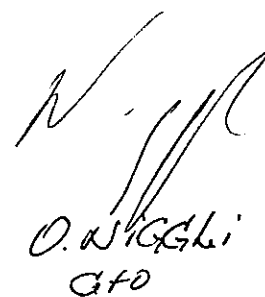
- Financial statements (balance sheet, statement of activities, statement of cash flows, statement of comprehensive income and changes in equity and notes)

World Anti-Doping Agency

Balance Sheet as at 31 December 2010

(in Swiss Francs with audited US Dollar figures as complementary information – Note 2a)

	Notes	2010 USD	2009 USD	2010 CHF	2009 CHF
Assets					
Current assets					
Cash and cash equivalents	4	14,982,740	15,315,826	13,995,392	15,857,254
Available-for-sale investments	5b	1,300,000	4,000,000	1,214,331	4,141,404
Receivables	6	302,807	527,220	282,852	545,858
Other current assets	7	2,947,351	3,353,993	2,753,123	3,472,561
		<u>19,532,898</u>	<u>23,197,039</u>	<u>18,245,698</u>	<u>24,017,077</u>
Non-current assets					
Available-for-sale investments	5b	11,805,654	8,086,784	11,027,673	8,372,661
Fixed assets	8	742,091	541,390	693,188	560,529
Intangible assets	9	2,927,913	3,182,891	2,734,967	3,295,410
		<u>15,475,658</u>	<u>11,811,065</u>	<u>14,455,828</u>	<u>12,228,600</u>
Total Assets		<u>35,008,556</u>	<u>35,008,104</u>	<u>32,701,526</u>	<u>36,245,677</u>
Liabilities and Equity					
Current liabilities					
Accounts payable		730,642	379,808	682,493	393,237
Accrued expenses	10	2,484,399	2,127,890	2,320,679	2,203,113
Advance contributions		1,438,641	1,598,433	1,343,836	1,654,939
Total Liabilities		<u>4,653,682</u>	<u>4,106,131</u>	<u>4,347,008</u>	<u>4,251,289</u>
Equity					
Foundation capital	11	5,352,741	4,829,281	5,000,000	5,000,000
Exchange adjustment on USD Foundation capital		(1,346,241)	(822,781)	-	-
Cumulative translation adjustment		-	-	(9,374,395)	(6,742,163)
Litigation reserve	12a	1,500,000	1,500,000	1,401,152	1,553,027
Operation reserve	12b	2,400,000	2,400,000	2,241,842	2,484,842
Cumulative fair value gain on available-for-sale investments		376,371	280,484	351,569	290,400
<i>Excess of income over expenses brought forward</i>		22,072,003	22,714,989	28,734,350	29,408,282
Total Equity		<u>30,354,874</u>	<u>30,901,973</u>	<u>28,354,518</u>	<u>31,994,388</u>
Total Liabilities and Equity		<u>35,008,556</u>	<u>35,008,104</u>	<u>32,701,526</u>	<u>36,245,677</u>


 O. NIGGLI
 CFO

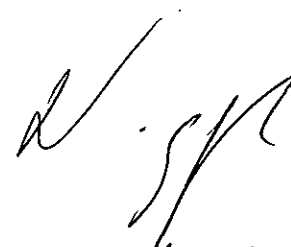
"Notes 1 to 20 are an integral part of the financial statements."

World Anti-Doping Agency

Statement of Activities for the year ended 31 December 2010

(in Swiss Francs with audited US Dollar figures as complementary information – Note 2a)

	Notes	2010 USD	2009 USD	2010 CHF	2009 CHF
Income					
Annual contributions	13	25,825,716	25,343,032	27,068,766	27,745,708
Grants	14	2,031,434	1,939,542	2,129,211	2,123,423
Other	15	211,933	185,317	222,134	202,886
Total income		28,069,083	27,467,891	29,420,111	30,072,017
Operating expenses					
Salaries and other personnel costs	16	8,597,721	7,464,975	9,011,548	8,172,700
Travel and accommodation		3,249,554	2,627,010	3,405,962	2,876,065
Information and communications		299,792	100,545	314,222	110,077
Testing fees		1,617,570	1,415,457	1,695,427	1,549,651
Accreditation fees		349,616	316,531	366,444	346,540
Research grants	17	5,933,043	6,478,044	6,218,613	7,092,203
Other grants		312,646	244,667	327,694	267,863
Education		54,941	43,099	57,585	47,185
Project consulting fees		2,452,659	2,197,101	2,570,711	2,405,400
Administration		3,139,845	2,693,838	3,290,973	2,949,230
IT costs		1,684,867	2,321,770	1,765,963	2,541,888
Depreciation of fixed and intangible assets		1,280,015	1,128,148	1,341,625	1,235,104
Writedown of intangible assets		542,084	-	568,176	-
		29,514,353	27,031,185	30,934,943	29,593,906
Excess of operating income over expenses (operating expenses over income) before financial income		(1,445,270)	436,706	(1,514,832)	478,111
Financial income (expenses)					
Interest		558,752	679,830	585,647	744,282
Gains (losses) from disposal of available-for-sale investments		(396)	57,036	(415)	62,443
Bank fees		(123,780)	(104,444)	(129,738)	(114,346)
Net gains on exchange rates		367,708	669,037	385,406	732,465
		802,284	1,301,459	840,900	1,424,844
Excess of income over expenses (expenses over income) for the year		(642,986)	1,738,165	(673,932)	1,902,955


D. NIGGLI
Cfo

“Notes 1 to 20 are an integral part of the financial statements.”

Statement of Cash Flows for the year ended 31 December 2010

(in Swiss Francs with audited US Dollar figures as complementary information – Note 2a)

	2010 USD	2009 USD	2010 CHF	2009 CHF
Operating activities				
Excess of income over expenses (expenses over income) for the year	(642,986)	1,738,165	(673,932)	1,902,955
Depreciation of fixed and intangible assets	1,280,015	1,128,148	1,341,625	1,235,104
Writedown of intangible assets	542,084	-	568,176	-
Interest	(558,752)	(679,830)	(585,647)	(744,282)
Losses (gains) from disposal of available-for-sale investments	396	(57,036)	415	(62,443)
Changes in				
Receivables	224,413	440,713	235,215	482,495
Other current assets	392,264	(646,116)	411,142	(707,373)
Accounts payable	157,211	120,104	164,779	131,489
Accrued expenses	356,509	105,266	373,668	115,247
Advance contributions	(159,792)	828,028	(167,483)	906,530
Net cash provided by operating activities	1,591,362	2,977,442	1,667,958	3,259,722
Investing activities				
Purchase of fixed assets	(324,124)	(97,665)	(339,725)	(106,924)
Purchase of intangible assets	(1,250,076)	(1,684,556)	(1,310,245)	(1,844,262)
Interest received	573,131	716,501	600,717	784,429
Purchase of investments	(4,936,495)	(3,829,480)	(5,174,100)	(4,192,539)
Proceeds from sale of investments	4,013,116	4,431,867	4,206,277	4,852,036
Net cash used in investing activities	(1,924,448)	(463,333)	(2,017,076)	(507,260)
Increase (decrease) in cash and cash equivalents	(333,086)	2,514,109	(349,118)	2,752,462
Currency translation impact	-	-	(1,512,744)	(546,970)
Cash and cash equivalents at beginning of year	15,315,826	12,801,717	15,857,254	13,651,762
Cash and cash equivalents at end of year	14,982,740	15,315,826	13,995,392	15,857,254

“Notes 1 to 20 are an integral part of the financial statements.”

Statement of Comprehensive Income and Changes in Equity for the year ended 31 December 2010

(in Swiss Francs with audited US Dollar figures as complementary information – Note 2a)

	Foundation capital USD	Cumulative translation adjustment on USD Foundation capital USD	Litigation reserve USD	Operation reserve USD	Cumulative fair value gain on available-for-sale investments USD	Excess of income over expenses brought forward USD	Total USD
Balance as at 1 January 2009	4,688,671	(682,171)	1,500,000	-	63,497	23,376,824	28,946,821
Excess of income over expenses for the year	-	-	-	-	-	1,738,165	1,738,165
Transfer to operation reserve	-	-	-	2,400,000	-	(2,400,000)	-
Fair value gain on available-for-sale investments	-	-	-	-	216,987	-	216,987
Exchange movement	140,610	(140,610)	-	-	-	-	-
Total comprehensive income for the year							1,955,152
Balance as at 31 December 2009	4,829,281	(822,781)	1,500,000	2,400,000	280,484	22,714,989	30,901,973
Excess of expenses over income for the year	-	-	-	-	-	(642,986)	(642,986)
Fair value gain on available-for-sale investments	-	-	-	-	95,887	-	95,887
Exchange movement	523,460	(523,460)	-	-	-	-	-
Total comprehensive loss for the year							(547,099)
Balance as at 31 December 2010	5,352,741	(1,346,241)	1,500,000	2,400,000	376,371	22,072,003	30,354,874

“Notes 1 to 20 are an integral part of the financial statements.”

World Anti-Doping Agency

Statement of Comprehensive Income and Changes in Equity for the year ended 31 December 2010 (cont'd)

(in Swiss Francs with audited US Dollar figures as complementary information – Note 2a)

	Foundation capital CHF	Cumulative translation adjustment CHF	Litigation reserve CHF	Operation reserve CHF	Cumulative fair value gain on available- for-sale investments CHF	Excess of income over expenses brought forward CHF	Total CHF
Balance as at 1 January 2009	5,000,000	(5,788,568)	1,599,602	-	67,713	29,990,169	30,868,916
Excess of income over expenses for the year	-	-	-	-	-	1,902,955	1,902,955
Transfer to operation reserve	-	-	-	2,484,842	-	(2,484,842)	-
Fair value gain on available-for-sale investments	-	-	-	-	222,687	-	222,687
Exchange movement	-	(953,595)	(46,575)	-	-	-	(1,000,170)
Total comprehensive income for the year							1,125,472
Balance as at 31 December 2009	5,000,000	(6,742,163)	1,553,027	2,484,842	290,400	29,408,282	31,994,388
Excess of expenses over income for the year	-	-	-	-	-	(673,932)	(673,932)
Fair value gain on available-for-sale investments	-	-	-	-	61,169	-	61,169
Exchange movement	-	(2,632,232)	(151,875)	(243,000)	-	-	(3,027,107)
Total comprehensive loss for the year							(3,639,870)
Balance as at 31 December 2010	5,000,000	(9,374,395)	1,401,152	2,241,842	351,569	28,734,350	28,354,518

"Notes 1 to 20 are an integral part of the financial statements."

Notes to Financial Statements
31 December 2010

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 Montréal, Canada, 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 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.

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 15 May 2011 and cannot be amended after issuance. The financial statements of WADA for the year ended 31 December 2010 have been prepared in accordance with International Financial Reporting Standards (“IFRS”). WADA’s financial statements are prepared in accordance with Swiss legal requirements.

The financial statements have been prepared under the historical cost principle, except for available-for-sale investments which are shown at fair value. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting 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 functional currency and the research grant recognition described below.

The functional currency is the US Dollar, as the majority of the activities (both funding and expenses) is based in US Dollars. The presentation currency is the Swiss Franc to fulfil Swiss legal requirements. Assets and liabilities are converted from US 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 US Dollars. The resulting exchange differences are recorded as the cumulative translation adjustment on USD Foundation capital in equity. The statement of activities is translated into Swiss Francs at the average exchange rate for the year. Any resulting exchange difference is recorded in the cumulative translation adjustment. The cash flow is converted into Swiss Francs at the average rate for the year. Any resulting exchange difference is shown separately on the statement of cash flows.

US Dollar figures are included as complementary information.

Notes to Financial Statements
31 December 2010

b) 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 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 original maturity of three months or less.

d) Financial instruments

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

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.

Held-to-maturity investments are originally recognized at fair value and subsequently carried at amortized cost using the effective interest rate method.

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, which are classified as non-current assets. Loans and receivables are classified as Receivables on the balance sheet.

Loans and receivables are originally recognized at fair value and subsequently measured at amortized cost less provision for bad debts or impairment losses, as appropriate.

Available-for-sale assets

Available-for-sale assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Available-for-sale assets are classified as Available-for-sale investments on the balance sheet.

Available-for-sale assets are initially recognized at fair value plus transaction costs and subsequently carried at fair value. Gains or losses arising from changes in the fair value are presented in equity in Cumulative fair value gain on available-for-sale investments.

Notes to Financial Statements
31 December 2010

When assets classified as available for sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in the statement of activities as Gains (losses) from disposal of available-for-sale investments. Interest on available-for-sale investments calculated using the effective interest rate method is recognized in the statement of activities as part of financial income.

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 (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Substantially all available-for-sale assets held by WADA are valued using quoted prices (unadjusted) in active markets (Level 1). The fair value of available-for-sale financial assets is based on quoted market prices 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 available-for-sale 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 recognized in profit or loss – is removed from equity and recognized in the statement of activities.

Regular purchases and sales of investments are recognized on the settlement date. 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. Leasehold improvements are depreciated over the lower of the life of the lease and its useful life. 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 years
Leasehold improvements	5 years

f) Intangible assets

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

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

Notes to Financial Statements
31 December 2010

g) Leases

The leasing of computer equipment 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 and 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, and such 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 finance leases.

h) Revenue recognition

Annual contributions

The annual contributions due from Public Authorities involved in the fight against doping in sports and the Olympic Movement are recognized as income in the period for which they are due. Payments received in advance relating to the following year's activities are deferred and presented as advance contributions in the balance sheet. Annual contributions for the current year which have not been paid by year-end are only recognized when they are received.

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 for 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 2010

k) Standards, interpretations and amendments to published standards not yet effective

The standards, amendments or interpretations becoming effective in 2010 had no impact on the financial statements as at 31 December 2010. Certain standards, amendments and interpretations to existing standards have been published and are mandatory to WADA's accounting periods beginning on or after 1 January 2011 or later periods, but WADA has not early-adopted them. WADA currently believes that none of them will have an impact on its financial statements.

3 Financial risk management

1. Financial risk factors

Because of the international nature of its activities, WADA is exposed to the following financial risks: changes in foreign currency exchange rates, changes in interest rates, 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

WADA is exposed to foreign exchange risk mainly because most of its revenues are generated in US Dollars, whereas its operating expenses are essentially in US Dollars and Canadian Dollars. As at 31 December 2010, WADA used price collars and bank deposits in US Dollars, Swiss Francs, Canadian Dollars and Euros to partly cover its currency exposure.

As at 31 December 2010, if the Canadian Dollar had weakened by 5% against the US Dollar with all other variables held constant, excess of expenses over income for the year would have been CHF194,374 (USD208,086) lower (2009 – income over expenses would have been CHF110,422 (USD106,652) higher), mainly as a result of foreign exchange loss on translation of cash and cash equivalents denominated in Canadian Dollars. Excess of expenses over income is more sensitive to movement in US Dollar exchange rates in 2010 than excess of income over expenses was in 2009 because of the high amount of cash and cash equivalents denominated in Canadian Dollars.

As at 31 December 2010, if the Swiss Franc had weakened by 2% against the US Dollar with all other variables held constant, excess of expenses over income for the year would have been CHF18,451 (USD19,753) lower (2009 -- excess of income over expenses would have been CHF22,460 (USD21,693) higher), mainly as a result of foreign exchange gain on translation of cash and cash equivalents denominated in Swiss Francs.

b) Interest rate risk

WADA is exposed to interest rate risk through the impact of rate changes on interest-bearing assets. As at 31 December 2010, WADA's only interest-bearing assets were cash and cash equivalents, and available-for-sale investments.

As at 31 December 2010, if interest rates had been 0.25% lower, with all other variables held constant, equity would have been CHF87,727 (USD93,916) higher (2009 – CHF62,175 (USD60,052)) as a result of an increase in the fair value of bonds classified as available for sale.

Notes to Financial Statements
31 December 2010

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, it is dependent on the receipt of contributions on a timely basis from stakeholders to meet its cash needs.

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 (Quebec sales tax) and withholding taxes. Cash and cash equivalents and available-for-sale investments are placed with major banks. The table below shows the balance held at the three major banks at the balance sheet date, in the form of cash and term deposits.

Banks	Rating	2010		Rating	2009	
		Balance			Balance	
		USD	CHF		USD	CHF
UBS	A+	8,029,575	7,500,434	Aa3	10,502,035	10,873,292
Lombard Odier Darier Hentsch	AA-	4,121,485	3,849,883	AA-	3,068,323	3,176,791
The Bank of Nova Scotia	AA-	2,810,652	2,625,433	Aa1	1,703,359	1,763,574
		<u>14,961,712</u>	<u>13,975,750</u>		<u>15,273,717</u>	<u>15,813,657</u>

Available-for-sale investments represent mainly bonds issued by major corporations and government entities.

e) *Capital risk management*

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

2. Fair value estimation

As at 31 December 2010, the fair value of cash and cash equivalents, receivables, other current assets, accounts payable, accrued expenses and advance contributions were not significantly different from their book value because of their maturity being close to the balance sheet date. As at 31 December 2010, no financial assets were impaired or past due.

Notes to Financial Statements
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4 Cash and cash equivalents

	2010 USD	2009 USD	2010 CHF	2009 CHF
Cash	6,050,756	9,453,691	5,652,018	9,787,888
Term deposits				
in US Dollars	4,790,000	3,485,803	4,474,344	3,609,029
in Canadian Dollars	2,744,418	583,679	2,563,564	604,312
in Swiss Francs	642,329	869,270	600,000	900,000
in Euros	755,237	923,383	705,466	956,025
	<u>14,982,740</u>	<u>15,315,826</u>	<u>13,995,392</u>	<u>15,857,254</u>

Cash and term deposits are held in major Swiss and Canadian banks. They are subject to current interest rates.

5 Financial instruments

a) Financial instruments by category

As at 31 December 2010	Loans and receivables		Available for sale		Total	
	USD	CHF	USD	CHF	USD	CHF
Current assets						
Cash and cash equivalents (note 4)	14,982,740	13,995,392	-	-	14,982,740	13,995,392
Available-for-sale investments (note 5 b))	-	-	1,300,000	1,214,331	1,300,000	1,214,331
Receivables (note 6)	302,807	282,852	-	-	302,807	282,852
Non-current assets						
Available-for-sale investments (note 5 b))	-	-	11,805,654	11,027,673	11,805,654	11,027,673
Total	<u>15,285,547</u>	<u>14,278,244</u>	<u>13,105,654</u>	<u>12,242,004</u>	<u>28,391,201</u>	<u>26,520,248</u>
As at 31 December 2009	Loans and receivables		Available for sale		Total	
	USD	CHF	USD	CHF	USD	CHF
Current assets						
Cash and cash equivalents (note 4)	15,315,826	15,857,254	-	-	15,315,826	15,857,254
Available-for-sale investments (note 5 b))	-	-	4,000,000	4,141,404	4,000,000	4,141,404
Receivables (note 6)	527,220	545,858	-	-	527,220	545,858
Non-current assets						
Available-for-sale investments (note 5 b))	-	-	8,086,784	8,372,661	8,086,784	8,372,661
Total	<u>15,843,046</u>	<u>16,403,112</u>	<u>12,086,784</u>	<u>12,514,065</u>	<u>27,929,830</u>	<u>28,917,177</u>

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b) Available-for-sale investments

	2010 USD	2009 USD	2010 CHF	2009 CHF
Bonds in US Dollars	10,609,233	11,133,198	9,910,095	11,526,768
Structured products in US Dollars	267,340	500,000	249,723	517,676
Bonds in Euros	1,934,673	453,586	1,807,180	469,621
Bonds in Canadian Dollars	294,408	-	275,006	-
	<u>13,105,654</u>	<u>12,086,784</u>	<u>12,242,004</u>	<u>12,514,065</u>

Bonds bear interest at rates ranging from 2.38% to 6.13% and mature from February 2011 to October 2015. The structured product is capital guaranteed and will mature on 9 September 2013.

6 Receivables

	2010 USD	2009 USD	2010 CHF	2009 CHF
Other receivables	151,033	235,122	141,080	243,434
Quebec sales tax receivable	110,253	252,522	102,987	261,449
Recoverable withholding taxes	2,886	9,182	2,696	9,507
Rental deposits and guarantees	22,449	22,574	20,969	23,372
Interest receivable on long-term investments	16,186	7,820	15,120	8,096
	<u>302,807</u>	<u>527,220</u>	<u>282,852</u>	<u>545,858</u>

The rental deposit is for the Uruguay office amounting to CHF20,969 (USD22,449) (2009 – CHF23,372 (USD22,574)).

7 Other current assets

	2010 USD	2009 USD	2010 CHF	2009 CHF
Prepaid expenses	1,015,982	605,586	949,030	626,994
Prepaid expenses – Olympic games	-	404,884	-	419,197
Accrued interest	219,104	233,482	204,665	241,736
Prepaid scientific research grants 2005	46,660	64,993	43,585	67,291
Prepaid scientific research grants 2006	-	144,921	-	150,044
Prepaid scientific research grants 2007	245,844	407,076	229,643	421,467
Prepaid scientific research grants 2008	375,442	795,150	350,700	823,259
Prepaid scientific research grants 2009	259,672	643,480	242,560	666,228
Prepaid scientific research grants 2010	666,087	-	622,192	-
Prepaid social science research grants 2008	11,340	17,350	10,593	17,963
Prepaid social science research grants 2009	14,497	37,071	13,542	38,382
Prepaid social science research grants 2010	92,723	-	86,613	-
	<u>2,947,351</u>	<u>3,353,993</u>	<u>2,753,123</u>	<u>3,472,561</u>

Notes to Financial Statements
31 December 2010

8 Fixed assets – Computer and office equipment and leasehold improvements

	Computer equipment		Office equipment		Leasehold improvements		Total	
	USD	CHF	USD	CHF	USD	CHF	USD	CHF
Year ended 31 December 2009								
Opening net book amount	540,485	576,374	43,519	46,410	53,473	57,023	637,477	679,807
Additions	90,372	93,567	-	-	-	-	90,372	93,567
Depreciation charge	(147,175)	(161,129)	(22,006)	(24,092)	(17,278)	(18,916)	(186,459)	(204,137)
Exchange effect	-	(8,031)	-	(44)	-	(633)	-	(8,708)
Closing net book amount	483,682	500,781	21,513	22,274	36,195	37,474	541,390	560,529
As at 31 December 2009								
Cost	978,376	1,258,165	1,124,218	1,532,891	86,389	99,029	2,188,983	2,890,085
Accumulated depreciation	(494,694)	(742,376)	(1,102,705)	(1,425,263)	(50,194)	(56,144)	(1,647,593)	(2,223,783)
Exchange effect	-	(15,008)	-	(85,354)	-	(5,411)	-	(105,773)
Net book amount	483,682	500,781	21,513	22,274	36,195	37,474	541,390	560,529
Year ended 31 December 2010								
Opening net book amount	483,682	500,781	21,513	22,274	36,195	37,474	541,390	560,529
Additions	69,109	72,435	77,843	81,589	349,235	366,044	496,187	520,068
Depreciation charge	(260,380)	(272,913)	(17,828)	(18,686)	(17,278)	(18,109)	(295,486)	(309,708)
Exchange effect	-	(27,161)	-	(9,022)	-	(41,518)	-	(77,701)
Closing net book amount	292,411	273,142	81,528	76,155	368,152	343,891	742,091	693,188
As at 31 December 2010								
Cost	979,149	1,330,600	1,202,060	1,614,480	435,624	465,073	2,616,833	3,410,153
Accumulated depreciation	(686,738)	(1,015,289)	(1,120,532)	(1,443,949)	(67,472)	(74,253)	(1,874,742)	(2,533,491)
Exchange effect	-	(42,169)	-	(94,376)	-	(46,929)	-	(183,474)
Net book amount	292,411	273,142	81,528	76,155	368,152	343,891	742,091	693,188

As at 31 December 2010, the amount of leasehold improvements included in payables was USD172,063 (2009 – nil).

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9 Intangible assets

	Software	
	USD	CHF
Year ended 31 December 2009		
Opening net book amount	2,440,024	2,602,045
Additions	1,684,556	1,744,106
Depreciation charge	(941,689)	(1,030,967)
Exchange effect	-	(19,774)
Closing net book amount	3,182,891	3,295,410
As at 31 December 2009		
Cost	6,043,193	6,722,439
Accumulated depreciation	(2,860,302)	(3,257,800)
Exchange effect	-	(169,229)
Net book amount	3,182,891	3,295,410
Year ended 31 December 2010		
Opening net book amount	3,182,891	3,295,410
Additions	1,271,635	1,187,836
Depreciation charge	(984,529)	(1,031,917)
Exchange effect	-	(148,186)
Writedown of intangible assets	(542,084)	(568,176)
Closing net book amount	2,927,913	2,734,967
As at 31 December 2010		
Cost	6,772,744	7,910,275
Accumulated depreciation	(3,844,831)	(4,857,893)
Exchange effect	-	(317,415)
Net book amount	2,927,913	2,734,967

The total amount of intangible assets is linked to the ADAMS project and other software. The amount linked to the ADAMS project represents the core software necessary to fulfil 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 31 December 2010, the amount of intangible assets included in payables was USD21,559 (2009 – nil).

Notes to Financial Statements
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10 Accrued expenses

	2010 USD	2009 USD	2010 CHF	2009 CHF
Accruals	1,247,263	1,329,696	1,165,069	1,376,702
Accrued scientific research grants 2003	-	2,000	-	2,071
Accrued scientific research grants 2004	10,838	67,878	10,123	70,277
Accrued scientific research grants 2005	50,199	134,043	46,891	138,782
Accrued scientific research grants 2006	149,464	171,859	139,615	177,935
Accrued scientific research grants 2007	402,481	306,641	375,958	317,481
Accrued scientific research grants 2008	398,965	110,368	372,674	114,269
Accrued scientific research grants 2009	215,911	-	201,683	-
Accrued social science grants 2006	2,280	2,280	2,130	2,361
Accrued social science grants 2008	1,755	3,125	1,639	3,235
Accrued social science grants 2009	5,243	-	4,897	-
	<u>2,484,399</u>	<u>2,127,890</u>	<u>2,320,679</u>	<u>2,203,113</u>

11 Foundation capital

The Foundation capital is defined in the statutes as a fixed amount of CHF5,000,000.

12 Reserves

a) Litigation

In 2007, the WADA Foundation Board agreed to a reserve of USD1,500,000 dedicated to litigation. This will allow the Agency to engage in any case where it is required.

b) Operations

In 2009, the WADA Foundation Board agreed to a reserve of USD2,400,000 dedicated to operations.

Notes to Financial Statements
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13 Annual contributions

	2010 USD	2009 USD	2010 CHF	2009 CHF
2002 Public Authorities and governments	1,853	1,500	1,942	1,642
2002 International Olympic Committee	1,853	1,500	1,942	1,642
2003 Public Authorities and governments	2,149	1,740	2,253	1,905
2003 International Olympic Committee	2,149	1,740	2,253	1,905
2004 Public Authorities and governments	-	6,405	-	7,012
2004 International Olympic Committee	-	6,405	-	7,012
2005 Public Authorities and governments	-	6,916	-	7,572
2005 International Olympic Committee	-	6,916	-	7,572
2006 Public Authorities and governments	2,232	7,820	2,340	8,561
2006 International Olympic Committee	2,232	7,820	2,340	8,561
2007 Public Authorities and governments	9,073	95,108	9,509	104,125
2007 International Olympic Committee	9,073	95,108	9,509	104,125
2008 Public Authorities and governments	7,753	160,148	8,126	175,331
2008 International Olympic Committee	-	178,130	-	195,018
2009 Public Authorities and governments	62,559	12,312,864	65,570	13,480,200
2009 International Olympic Committee	-	12,452,912	-	13,633,525
2010 Public Authorities and governments	12,773,762	-	13,388,592	-
2010 International Olympic Committee	12,951,028	-	13,574,390	-
	25,825,716	25,343,032	27,068,766	27,745,708

14 Grants

	2010 USD	2009 USD	2010 CHF	2009 CHF
Cash amount granted by Montréal International	1,608,251	1,406,490	1,685,659	1,539,834
Government of Australia	120,000	60,000	125,776	65,688
Government of Canada – Caribbean RADO	91,956	-	96,382	-
Government of Japan	80,461	214,749	84,334	235,109
Government of France	-	199,975	-	218,934
Government of Malaysia	-	3,000	-	3,284
Amgen Fund	100,000	-	104,813	-
CONFESSES	15,599	-	16,350	-
Olympic Council of Asia	15,167	-	15,897	-
Commonwealth secretariat	-	55,328	-	60,574
	2,031,434	1,939,542	2,129,211	2,123,423

WADA benefits from two major government supports in Canada. The Government of Canada provides WADA with a total cash contribution of CAD10,000,000, indexed, over a ten-year period (2002–2011) and exempts WADA from any income tax. The Government of Quebec also provides WADA with a total cash contribution of CAD5,000,000, indexed, over a ten-year period (2002–2011). The grants are paid as one combined amount from a corporation, Montréal International, formed by the aforementioned governments. In 2002, the total grant of CHF2,533,440 (USD1,828,011) represented the initial instalment, whereas the remaining instalments, in Canadian Dollars, are indexed and equally split over the remaining nine years. 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 support WADA's activities on a long-term basis.

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

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15 Other income

	2010 USD	2009 USD	2010 CHF	2009 CHF
Laboratory accreditation and re-accreditation fees	169,980	157,352	178,162	172,270
Code monitoring	41,953	27,965	43,972	30,616
	<u>211,933</u>	<u>185,317</u>	<u>222,134</u>	<u>202,886</u>

16 Salaries and other personnel costs

	2010 USD	2009 USD	2010 CHF	2009 CHF
Salaries	4,881,224	4,210,195	5,116,168	4,609,346
Social charges and other benefits	3,584,179	3,056,149	3,756,693	3,345,891
Defined benefit pension plan contributions	128,688	103,119	134,882	112,895
Temporary staff	3,630	41,245	3,805	45,156
Recruitment expenses	-	54,267	-	59,412
	<u>8,597,721</u>	<u>7,464,975</u>	<u>9,011,548</u>	<u>8,172,700</u>

The number of people employed was 57 as at 31 December 2010 (2009 – 59).

Retirement benefit obligation

Most of WADA's employees are located at its Montréal 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 employees to a financially independent trust. Because of the limited number of employees under this plan, no actuarial calculations have been performed for reasons of materiality.

17 Research grants

	2010 USD	2009 USD	2010 CHF	2009 CHF
Scientific research grants expensed	5,757,127	6,366,198	6,034,230	6,969,753
Social science research grants expensed	175,916	111,846	184,383	122,450
Total research grants expensed	<u>5,933,043</u>	<u>6,478,044</u>	<u>6,218,613</u>	<u>7,092,203</u>
Research grants paid out				
Research grants expensed	5,933,043	6,478,044	6,218,613	7,092,203
Prepaid expenses (movement)	(397,777)	489,821	(416,923)	536,261
Accruals (movement)	(438,946)	(152,895)	(460,073)	(167,390)
Research grants paid out	<u>5,096,320</u>	<u>6,814,970</u>	<u>5,341,617</u>	<u>7,461,074</u>

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18 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 in the statement of activities.

Compensation of key management	2010 USD	2009 USD	2010 CHF	2009 CHF
Salaries	2,241,818	2,140,779	2,349,722	2,343,738
Benefits and social charges	996,849	1,075,000	1,044,830	1,176,917
Defined benefit pension plan contributions	47,071	77,182	49,337	84,499
	<u>3,285,738</u>	<u>3,292,961</u>	<u>3,443,889</u>	<u>3,605,154</u>

Key management of WADA is defined as all the directors of the Agency. Compensation is for 12 directors through 2010, ending with 10 directors as at 31 December 2010 (2009 – 12 directors).

19 Commitments

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

Operating lease commitments	2010 USD	2009 USD	2010 CHF	2009 CHF
Less than one year	675,997	634,902	631,449	657,346
More than one year and less than five years	211,084	789,124	197,174	817,020
More than five years	-	23,340	-	24,165
	<u>887,081</u>	<u>1,447,366</u>	<u>828,623</u>	<u>1,498,531</u>

The operating lease commitments are for the following:

Montréal, Canada office lease to February 2012
Lausanne, Switzerland office lease to April 2012
Tokyo, Japan office lease to February 2011
Montevideo, Uruguay office lease to December 2015

Commitments for non-lease elements	2010 USD	2009 USD	2010 CHF	2009 CHF
Less than one year	1,820,969	1,262,262	1,700,969	1,306,884
More than one year and less than five years	2,162,888	3,199,153	2,020,356	3,312,246
More than five years	639	-	597	-
	<u>3,984,496</u>	<u>4,461,415</u>	<u>3,721,922</u>	<u>4,619,130</u>

The commitments for non-lease elements are related mainly to the OSI Technologies management service contract to 2013 and various other contracts.

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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:

	2010 USD	2009 USD	2010 CHF	2009 CHF
Less than one year	4,221,495	4,216,188	4,424,685	4,615,909
More than one year and less than five years	773,743	579,590	810,985	634,539
	<u>4,995,238</u>	<u>4,795,778</u>	<u>5,235,670</u>	<u>5,250,448</u>

20 Contingent liabilities

At the end of 2010, WADA has CHF4,882,370 (USD5,226,812) (2009 – CHF5,751,638 (USD5,555,255)) 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 2011.

21 Comparative figures

For the fiscal year ended 31 December 2009, an amount of USD4,000,000 (CHF4,141,404) was reclassified from non-current assets “Available-for-sale investments” to current assets “Available-for-sale investments” in the balance sheet in order to comply with the presentation adopted for the fiscal year ended 31 December 2010.

