
Agence mondiale antidopage

Lausanne

***Report of the statutory auditor
to the Foundation Board
on the financial statements
2016***





Report of the statutory auditor to the Foundation Board of Agence mondiale antidopage

Lausanne

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the accompanying financial statements of Agence mondiale antidopage (World Anti-doping Agency), which comprise the balance sheet, statement of activities, statement of comprehensive loss and changes in equity, cash flow statement and notes, for the year ended 31 December 2016.

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 requirements of Swiss law and the foundation's deed. 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 2016 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 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 Board.

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

PricewaterhouseCoopers SA

Pierre-Alain Dévaud
Audit expert
Auditor in charge

Raphaël Marclay
Audit expert

Lausanne, 7 June 2017

Enclosure:

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

World Anti-Doping Agency

Balance Sheet as at 31 December 2016

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

	Note	2016 USD	2015 USD	2016 CHF	2015 CHF
Assets					
Current assets					
Cash and cash equivalents	4	16,287,385	24,646,325	16,589,027	24,461,478
Available-for-sale investments	5b	6,613,134	1,438,280	6,735,609	1,427,493
Receivables	6	739,403	739,035	753,097	733,492
Other current assets	7	2,046,849	2,132,424	2,084,757	2,116,431
		<u>25,686,771</u>	<u>28,956,064</u>	<u>26,162,490</u>	<u>28,738,894</u>
Non-current assets					
Available-for-sale investments	5b	10,907,720	7,863,846	11,109,731	7,804,867
Fixed assets	8	1,007,691	1,008,752	1,026,353	1,001,186
Intangible assets	9	4,221,307	5,199,475	4,299,486	5,160,479
		<u>16,136,718</u>	<u>14,072,073</u>	<u>16,435,570</u>	<u>13,966,532</u>
Total Assets		<u>41,823,489</u>	<u>43,028,137</u>	<u>42,598,060</u>	<u>42,705,426</u>
Liabilities and Equity					
Current liabilities					
Accounts payable		2,042,683	1,639,541	2,080,513	1,627,245
Accrued expenses	10	2,106,871	2,320,230	2,145,890	2,302,830
Advance contributions		12,072,172	12,804,275	12,295,749	12,708,243
Total Liabilities		<u>16,221,726</u>	<u>16,764,046</u>	<u>16,522,152</u>	<u>16,638,318</u>
Equity					
Foundation capital	11	4,006,500	4,006,500	5,000,000	5,000,000
Cumulative translation adjustment		-	-	(7,528,244)	(8,084,386)
Litigation reserve	12a	1,500,000	1,500,000	1,527,780	1,488,750
Operation reserve	12b	2,400,000	2,400,000	2,444,448	2,382,000
Cumulative fair value gain (loss) on available-for-sale investments		53,180	(13,923)	54,166	(13,819)
Excess of income over expenses brought forward		17,642,083	18,371,514	24,577,758	25,294,563
Total Equity		<u>25,601,763</u>	<u>26,264,091</u>	<u>26,075,908</u>	<u>26,067,108</u>
Total Liabilities and Equity		<u>41,823,489</u>	<u>43,028,137</u>	<u>42,598,060</u>	<u>42,705,426</u>

World Anti-Doping Agency

Statement of Activities for the year ended 31 December 2016

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

	Note	2016 USD	2015 USD	2016 CHF	2015 CHF
Income					
Annual contributions	13	27,930,920	27,443,532	27,447,392	26,357,225
Grants	14	1,729,469	2,246,861	1,699,529	2,157,923
Other	15	300,067	208,986	294,872	200,714
Total income		29,960,456	29,899,379	29,441,793	28,715,862
Operating expenses					
Salaries and other personnel costs	16	10,764,158	10,290,367	10,577,813	9,883,040
Travel and accommodation		3,297,416	3,056,166	3,240,333	2,935,193
Information and communications materials		103,123	140,135	101,338	134,588
Testing fees		987,448	565,421	970,354	543,040
Accreditation fees		339,027	368,573	333,158	353,984
Research grants	17	3,372,053	4,401,981	3,313,677	4,227,736
Other grants		312,581	490,586	307,170	471,167
Education materials		65,861	52,494	64,721	50,416
Project consulting fees		3,993,614	3,230,716	3,924,478	3,102,833
Rents		783,069	716,593	769,513	688,228
Administration		2,367,447	2,302,925	2,326,463	2,211,767
IT costs		1,418,843	1,463,569	1,394,281	1,405,636
Depreciation and amortization of fixed and intangible assets		1,997,623	2,077,400	1,963,041	1,995,171
Writedown of intangible assets		1,350,316	121,080	1,326,940	116,287
Total operating expenses		31,152,579	29,278,006	30,613,280	28,119,086
Excess of operating expenses over income (income over expenses) before financial income		(1,192,123)	621,373	(1,171,487)	596,776
Financial income (expenses)					
Interest		412,879	271,347	405,731	260,606
Bank fees		(140,633)	(83,297)	(138,198)	(80,000)
Net gains (losses) on exchange rates		190,446	(1,975,746)	187,149	(1,897,539)
		462,692	(1,787,696)	454,682	(1,716,933)
Excess of expenses over income for the year		(729,431)	(1,166,323)	(716,805)	(1,120,157)

World Anti-Doping Agency

Statement of Cash Flows for the year ended 31 December 2016

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

	2016 USD	2015 USD	2016 CHF	2015 CHF
Operating activities				
Excess of expenses over income for the year	(729,431)	(1,166,323)	(716,805)	(1,120,157)
Depreciation and amortization of fixed and intangible assets	1,997,623	2,077,400	1,963,041	1,995,171
Interest	(412,879)	(271,347)	(405,731)	(260,606)
Writedown of intangible assets	1,350,316	121,080	1,326,940	116,287
Changes in				
Receivables	(368)	(333,811)	(362)	(320,598)
Other current assets	137,680	257,074	135,296	246,898
Accounts payable	501,715	(38,866)	493,030	(37,327)
Accrued expenses	(213,359)	115,579	(209,666)	111,004
Advance contributions	(732,104)	9,554,447	(719,430)	9,176,251
Net cash provided by operating activities	1,899,193	10,315,233	1,866,313	9,906,923
Investing activities				
Purchase of fixed assets	(674,264)	(464,300)	(662,592)	(445,921)
Purchase of intangible assets	(1,793,019)	(2,501,795)	(1,761,979)	(2,402,765)
Interest received	360,774	277,746	354,529	266,752
Purchase of available-for-sale investments	(13,197,692)	(3,837,343)	(12,969,219)	(3,685,448)
Proceeds from sale of available-for-sale investments	5,046,068	4,336,142	4,958,712	4,164,502
Net cash used in investing activities	(10,258,133)	(2,189,550)	(10,080,549)	(2,102,880)
Increase (decrease) in cash and cash equivalents	(8,358,940)	8,125,683	(8,214,236)	7,804,043
Currency translation impact	-	-	341,785	311,912
Cash and cash equivalents at beginning of year	24,646,325	16,520,642	24,461,478	16,345,523
Cash and cash equivalents at end of year	16,287,385	24,646,325	16,589,027	24,461,478

Statement of Comprehensive Loss and Changes in Equity for the year ended 31 December 2016

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

	Foundation capital USD	Litigation reserve USD	Operation reserve USD	Cumulative fair value gain (loss) on available- for-sale investments USD	Excess of income over expenses brought forward USD	Total USD
Balance as at 31 December 2014	4,006,500	1,500,000	2,400,000	135,856	19,537,837	27,580,193
Excess of expenses over income for the year	-	-	-	-	(1,166,323)	(1,166,323)
Item that will be reclassified to profit or loss						
Fair value loss on available-for-sale investments	-	-	-	(149,779)	-	(149,779)
Total comprehensive loss for the year						(1,316,102)
Balance as at 31 December 2015	4,006,500	1,500,000	2,400,000	(13,923)	18,371,514	26,264,091
Excess of expenses over income for the year	-	-	-	-	(729,431)	(729,431)
Item that will be reclassified to profit or loss						
Fair value gain on available-for-sale investments	-	-	-	67,103	-	67,103
Total comprehensive loss for the year						(662,328)
Balance as at 31 December 2016	4,006,500	1,500,000	2,400,000	53,180	17,642,083	25,601,763

World Anti-Doping Agency

Statement of Comprehensive Loss and Changes in Equity for the year ended 31 December 2016 (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 (loss) on available- for-sale investments CHF	Excess of income over expenses brought forward CHF	Total CHF
Balance as at 31 December 2014	5,000,000	(8,119,954)	1,484,100	2,374,560	134,416	26,414,720	27,287,842
Excess of expenses over income for the year	-	-	-	-	-	(1,120,157)	(1,120,157)
Item that will be reclassified to profit or loss							
Fair value loss on available-for-sale investments	-	-	-	-	(148,235)	-	(148,235)
Item that will not be reclassified to profit or loss							
Exchange movement	-	35,568	4,650	7,440	-	-	47,658
Total comprehensive loss for the year							(1,220,734)
Balance as at 31 December 2015	5,000,000	(8,084,386)	1,488,750	2,382,000	(13,819)	25,294,563	26,067,108
Excess of expenses over income for the year	-	-	-	-	-	(716,805)	(716,805)
Item that will be reclassified to profit or loss							
Fair value gain on available-for-sale investments	-	-	-	-	67,985	-	67,985
Item that will not be reclassified to profit or loss							
Exchange movement	-	556,142	39,030	62,448	-	-	657,620
Total comprehensive gain for the year							8,800
Balance as at 31 December 2016	5,000,000	(7,528,244)	1,527,780	2,444,448	54,166	24,577,758	26,075,908

Notes to Financial Statements
31 December 2016

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.

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

a) Basis of presentation

These financial statements have been approved by the Foundation Board of WADA on 18 May 2017 and cannot be amended after issuance. The financial statements of WADA for the year ended 31 December 2016 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 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 to fulfill Swiss legal requirements. 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. 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.

US Dollar figures are included as complementary information.

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.

**Notes to Financial Statements
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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 assets

The Agency classifies its financial assets in the following categories: 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.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market nor intended for trading. They are included in current assets, except for assets with 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 are subsequently measured at amortized cost, less a provision for bad debts or impairment losses, as appropriate.

Available-for-sale assets

Available-for-sale assets are non-derivative financial assets that are either designated in this category or not classified in the other category. 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 recognized at fair value plus transaction fees. Gains or losses arising from changes in the fair value are presented in equity in Cumulative fair value gain (loss) on available-for-sale investments.

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 (expenses).

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

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

Substantially all available-for-sale assets 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 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.

**Notes to Financial Statements
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Regular purchases and sales of available-for-sale investments are recognized on the settlement date. Available-for-sale 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) Financial liabilities at amortized cost

Financial liabilities at amortized cost comprise accounts payable and accrued expenses.

f) 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 years
Leasehold improvements	Over the lower of the life of the lease and its useful life

g) 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 capitalized on the basis of the costs incurred to acquire and bring to use the specific software.

h) 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).

i) 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.

j) Revenue 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 recognized as income in the period for which they are due. However, annual contributions which have not been paid by year-end when due are only recognized when they are received.

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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 Research Fund, Olympic Solidarity and ADAMS.

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 recognized on the date of payment, which is the date giving full effect to the accreditation.

Financial income

Interest income is recognized on an effective yield basis.

k) Income taxes

WADA is exempt from paying income taxes.

l) 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 the contractual agreement.

m) Changes in accounting policy and disclosures

The Agency has not yet adopted certain standards, interpretations to existing standards and amendments which have been issued but have an effective date of later than January 1, 2016. Many of these updates are not relevant to the Agency and are therefore not discussed herein.

IFRS 9, Financial Instruments ("IFRS 9")

IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in International Accounting Standard ("IAS") 39, Financial Instruments: Recognition and Measurement, that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through the statement of activities. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income for liabilities designated at fair value through profit or loss. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Agency is currently assessing the impact of IFRS 9 on its financial statements.

IFRS 15, Revenue from Contracts with Customers ("IFRS 15")

In May 2014, the IASB issued IFRS 15. IFRS 15 replaces all previous revenue recognition standards, including IAS 18, Revenue, and related interpretations. The standard sets out the requirements for recognizing revenue.

**Notes to Financial Statements
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Specifically, the new standard introduces a comprehensive framework with the general principle being that an entity recognizes revenue to depict the transfer of promised goods and services in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduces more prescriptive guidance than was included in previous standards and may result in changes to the timing of revenue for certain types of revenues. The new Standard will also result in enhanced disclosures about revenue that would result in an entity providing comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The new standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. Management is currently evaluating the impact that this standard will have on its consolidated financial statements.

IFRS 16, Leases (“IFRS 16”)

In January 2016, the IASB issued IFRS 16. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, which is the customer (“lessee”) and the supplier (“lessor”). IFRS 16 replaces IAS 17, Leases (“IAS 17”), and related interpretations. All leases result in the lessee obtaining the right to use an asset at the commencement of the lease and, if lease payments are made over time, also obtaining financing. Accordingly, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Applying that model, a lessee is required to recognize:

- a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and
- b) depreciation of lease assets separately from interest on lease liabilities in the statement of income.

The new standard is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted if IFRS 15 is also applied. Management is currently evaluating the impact that this standard will have on its consolidated financial statements.

There are no other IFRS or IAS interpretations that are not yet effective that would be expected to have a material impact on the Agency.

3 Financial risk management

a) 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.

i) Foreign currency exchange risk

WADA is exposed to foreign currency exchange risk mainly because most of its revenues are generated in US Dollars, whereas its operating expenses are essentially in Canadian Dollars. During the year ended 31 December 2016, WADA used price collars and bank deposits in Canadian Dollars, Swiss Francs and Euros to partly cover its currency exposure.

As at 31 December 2016, had the Canadian Dollar weakened by 5% against the US Dollar, with all other variables held constant, excess of expenses over income for the year would have been CHF68,045 (USD89,767)

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higher (2015 – excess of expenses over income would have been CHF246,694 (USD344,726) higher) mainly as a result of foreign exchange loss on translation of cash and cash equivalents denominated in Canadian Dollars

As at 31 December 2016, had the Swiss Franc weakened by 2% against the US Dollar, with all other variables held constant, excess of expenses over income for the year would have been CHF6,526 (USD6,408) higher (2015 – excess of expenses over income would have been CHF2,221 (USD2,238) higher) mainly as a result of foreign exchange loss on translation of cash and cash equivalents denominated in Swiss Francs.

As at 31 December 2016, the following accounts are shown in Canadian Dollars, Swiss Francs, Euros, South African Rands and Japanese Yen, and have been converted to the functional currency in the balance sheet.

Denominated in	2016				
	CAD	CHF	EUR	ZAR	YEN
Cash and cash equivalents	1,676,421	477,198	1,359,693	803,754	9,753,849
Available-for-sale investments	403,566	-	202,280	-	-
Receivables	566,333	5,330	2,885	-	389,591
Accounts payable and accrued expenses	1,851,953	192,852	85,693	13,942	774,119
Denominated in	2015				
	CAD	CHF	EUR	ZAR	YEN
Cash and cash equivalents	5,851,133	413,762	1,673,787	1,198,623	9,997,644
Available-for-sale investments	1,304,460	-	203,550	-	-
Receivables	563,424	2,250	3,236	-	-
Accounts payable and accrued expenses	1,950,924	336,812	101,155	17,591	153,648

ii) Interest rate risk

WADA is exposed to interest rate risk through the impact of rate changes on interest-bearing assets. As at 31 December 2016, WADA's interest-bearing assets were cash and cash equivalents and available-for-sale investments.

As at 31 December 2016, had interest rates been 0.25% lower, with all other variables held constant, equity would have been CHF92,785 (USD91,097) higher (2015 – CHF62,736 (USD63,210) higher) as a result of an increase in the fair value of bonds classified as available for sale.

iii) 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.

iv) 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 receivables, as a large portion is due from the Quebec government for sales taxes (Quebec sales tax). 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.

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Banks	Rating	2016		Rating	2015	
		Balance			Balance	
		USD	CHF		USD	CHF
UBS	A+	11,928,198	11,721,702	A	17,557,638	16,862,649
Lombard Odier Darier Hentsch	AA-	2,838,412	2,789,274	AA-	3,405,508	3,270,707
The Bank of Nova Scotia	AA-	1,468,065	1,442,650	AA-	3,634,714	3,490,840
		<u>16,234,675</u>	<u>15,953,626</u>		<u>24,597,860</u>	<u>23,624,196</u>

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

v) 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.

b) **Fair value estimation**

As at 31 December 2016, 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 31 December 2016, no financial assets were impaired or past due.

4 Cash and cash equivalents

	2016 USD	2015 USD	2016 CHF	2015 CHF
Cash	13,481,629	18,719,989	13,731,308	18,579,589
Term deposits	2,805,756	5,926,336	2,857,719	5,881,889
	<u>16,287,385</u>	<u>24,646,325</u>	<u>16,589,027</u>	<u>24,461,478</u>

Cash and term deposits are subject to current interest rates.

5 Financial instruments

a) **Financial instruments by category**

As at 31 December 2016	Loans and receivables		Available-for-sale assets		Total	
	USD	CHF	USD	CHF	USD	CHF
Current assets						
Cash and cash equivalents (note 4)	16,287,385	16,589,027	-	-	16,287,385	16,589,027
Available-for-sale investments (note 5b)			6,613,134	6,735,609	6,613,134	6,735,609
Receivables (note 6)	739,403	753,097	-	-	739,403	753,097
Non-current assets						
Available-for-sale investments (note 5b)	-	-	10,907,720	11,109,731	10,907,720	11,109,731
Total	<u>17,026,788</u>	<u>17,342,124</u>	<u>17,520,854</u>	<u>17,845,340</u>	<u>34,547,642</u>	<u>35,187,464</u>

Notes to Financial Statements
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As at 31 December 2015	Loans and receivables		Available-for-sale assets		Total	
	USD	CHF	USD	CHF	USD	CHF
Current assets						
Cash and cash equivalents (note 4)	24,646,325	24,461,478	-	-	24,646,325	24,461,478
Available-for-sale investments (note 5b)	-	-	1,438,280	1,427,493	1,438,280	1,427,493
Receivables (note 6)	739,035	733,492	-	-	739,035	733,492
Non-current assets						
Available-for-sale investments (note 5b)	-	-	7,863,846	7,804,867	7,863,846	7,804,867
Total	25,385,360	25,194,970	9,302,126	9,232,360	34,687,486	34,427,330

b) Available-for-sale investments

	2016 USD	2015 USD	2016 CHF	2015 CHF
Bonds in US Dollars	17,007,546	8,139,464	17,322,526	8,078,418
Bonds in Euros	212,966	221,961	216,910	220,296
Bonds in Canadian Dollars	300,342	940,701	305,904	933,646
	17,520,854	9,302,126	17,845,340	9,232,360
Less current portion	6,613,134	1,438,280	6,735,609	1,427,493
Total non-current portion	10,907,720	7,863,846	11,109,731	7,804,867

Bonds bear interest at rates ranging from 1.10% to 3.45% and mature from January 2017 to February 2022. Available-for-sale investments comprise corporate bonds in the amount of CHF13,608,959 (USD13,361,504) (2015 – CHF8,342,876 (USD8,405,921)), banking institution bonds CHF3,828,283 (USD3,758,672) (2015 – CHF889,484 (USD896,205)), and CHF406,695 (USD399,300) of government bonds (2015 – nil).

6 Receivables

	2016 USD	2015 USD	2016 CHF	2015 CHF
Quebec sales tax receivable	360,051	423,408	366,719	420,232
Other receivables	356,752	292,668	363,359	290,472
Recoverable withholding taxes	-	359	-	357
Rental deposit and guarantees	22,600	22,600	23,019	22,431
	739,403	739,035	753,097	733,492

The rental deposit is for the Uruguay office and amounts to CHF23,019 (USD22,600) (2015 – CHF22,431 (USD22,600)).

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7 Other current assets

	2016 USD	2015 USD	2016 CHF	2015 CHF
Prepaid expenses	1,031,323	941,846	1,050,424	934,782
Accrued interest	113,429	61,325	115,530	60,865
Prepaid scientific research grants 2009	-	5,743	-	5,700
Prepaid scientific research grants 2012	39,764	2,167	40,500	2,150
Prepaid scientific research grants 2013	47,572	203,311	48,453	201,787
Prepaid scientific research grants 2014	129,000	437,051	131,389	433,774
Prepaid scientific research grants 2015	171,841	417,647	175,024	414,515
Prepaid scientific research grants 2016	438,589	-	446,711	-
Prepaid social science research grants 2009	-	2,552	-	2,533
Prepaid social science research grants 2013	2,411	-	2,457	-
Prepaid social science research grants 2014	6,119	24,868	6,232	24,681
Prepaid social science research grants 2015	43,823	35,914	44,634	35,644
Prepaid social science research grants 2016	22,978	-	23,403	-
	2,046,849	2,132,424	2,084,757	2,116,431

8 Fixed assets

	Computer equipment		Office equipment		Leasehold improvements		Total	
	USD	CHF	USD	CHF	USD	CHF	USD	CHF
Year ended 31 December 2015								
Opening net book amount	360,845	357,020	52,289	51,734	172,611	170,782	585,745	579,536
Additions	468,137	425,089	99,570	90,414	229,314	208,227	797,021	723,730
Depreciation charge	(241,149)	(231,604)	(28,377)	(27,254)	(104,488)	(100,352)	(374,014)	(359,210)
Exchange effect	-	32,920	-	7,661	-	16,549	-	57,130
Closing net book amount	587,833	583,425	123,482	122,555	297,437	295,206	1,008,752	1,001,186
As at 31 December 2015								
Cost	1,283,018	1,252,276	1,240,989	1,225,584	751,755	761,672	3,275,762	3,239,532
Accumulated depreciation	(695,185)	(722,261)	(1,117,507)	(1,113,402)	(454,318)	(491,228)	(2,267,010)	(2,326,891)
Exchange effect	-	53,410	-	10,373	-	24,762	-	88,545
Net book amount	587,833	583,425	123,482	122,555	297,437	295,206	1,008,752	1,001,186
Year ended 31 December 2016								
Opening net book amount	587,833	583,425	123,482	122,555	297,437	295,206	1,008,752	1,001,186
Additions	242,180	219,910	10,830	9,834	131,693	119,583	384,703	349,327
Depreciation charge	(248,733)	(244,427)	(40,295)	(39,597)	(96,736)	(95,061)	(385,764)	(379,085)
Exchange effect	-	33,137	-	2,966	-	18,822	-	54,925
Closing net book amount	581,280	592,045	94,017	95,758	332,394	338,550	1,007,691	1,026,353
As at 31 December 2016								
Cost	1,525,198	1,472,186	1,251,819	1,235,419	492,548	881,255	3,269,565	3,588,860
Accumulated depreciation	(943,918)	(966,688)	(1,157,802)	(1,152,999)	(160,154)	(586,289)	(2,261,874)	(2,705,976)
Exchange effect	-	86,547	-	13,338	-	43,584	-	143,469
Net book amount	581,280	592,045	94,017	95,758	332,394	338,550	1,007,691	1,026,353

As at 31 December 2016, the amount of leasehold improvements included in accounts payable was USD73,501 (CHF74,796) (2015 – USD363,063 (CHF360,340)).

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9 Intangible assets

	Software	
	USD	CHF
Year ended 31 December 2015		
Opening net book amount	4,242,490	4,197,520
Additions	2,781,451	2,671,352
Amortization charge	(1,703,386)	(1,635,960)
Writedown	(121,080)	(116,287)
Exchange effect	-	43,854
Closing net book amount	5,199,475	5,160,479
As at 31 December 2015		
Cost	15,403,792	14,758,497
Accumulated amortization	(10,204,317)	(9,891,460)
Exchange effect	-	293,442
Net book amount	5,199,475	5,160,479
Year ended 31 December 2016		
Opening net book amount	5,199,475	5,160,479
Additions	1,984,007	1,949,660
Amortization charge	(1,611,859)	(1,583,956)
Writedown	(1,350,316)	(1,326,940)
Exchange effect	-	100,243
Closing net book amount	4,221,307	4,299,486
As at 31 December 2016		
Cost	16,037,484	15,381,217
Accumulated amortization	(11,816,177)	(11,475,416)
Exchange effect	-	393,685
Net book amount	4,221,307	4,299,486

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 31 December 2016, the amount of intangible assets included in accounts payable was USD605,002 (CHF615,660) (2015 – USD414,014 (CHF410,909)).

Notes to Financial Statements
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10 Accrued expenses

	2016 USD	2015 USD	2016 CHF	2015 CHF
Accruals	718,852	885,256	732,165	878,616
Accrued scientific research grants 2005	20,000	20,000	20,370	19,850
Accrued scientific research grants 2006	2,469	2,469	2,515	2,450
Accrued scientific research grants 2007	37,030	37,030	37,716	36,753
Accrued scientific research grants 2008	102,601	90,934	104,501	90,252
Accrued scientific research grants 2009	32,393	41,494	32,993	41,183
Accrued scientific research grants 2010	90,359	130,358	92,032	129,381
Accrued scientific research grants 2011	92,572	238,971	94,286	237,179
Accrued scientific research grants 2012	65,523	263,450	66,737	261,474
Accrued scientific research grants 2013	324,248	377,860	330,253	375,026
Accrued scientific research grants 2014	425,801	154,350	433,687	153,193
Accrued scientific research grants 2015	145,721	-	148,419	-
Accrued social science grants 2009	630	-	644	-
Accrued social science grants 2010	6,767	6,767	6,892	6,716
Accrued social science grants 2011	11,098	11,098	11,303	11,015
Accrued social science grants 2012	6,328	14,929	6,445	14,817
Accrued social science grants 2013	6,934	15,138	7,062	15,025
Accrued social science grants 2014	9,080	30,126	9,248	29,900
Accrued social science grants 2015	8,465	-	8,622	-
	<u>2,106,871</u>	<u>2,320,230</u>	<u>2,145,890</u>	<u>2,302,830</u>

11 Foundation capital

Foundation capital is defined in the statutes as a fixed amount of CHF5,000,000 (USD4,006,500).

12 Reserves

a) Litigation

In 2007, the 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 Foundation Board agreed to a reserve of USD2,400,000 dedicated to operations. In 2016, the Foundation Board agreed to increase the operation reserve as of 2018.

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13 Annual contributions

	2016 USD	2015 USD	2016 CHF	2015 CHF
2002 to 2010 contributions	3,851	464	3,784	446
2011 Public Authorities and governments	449	1,781	441	1,710
2012 Public Authorities and governments	3,778	5,545	3,713	5,326
2013 Public Authorities and governments	3,806	3,216	3,740	3,089
2014 Public Authorities and governments	5,337	125,979	5,245	120,992
2015 Public Authorities and governments	88,804	13,564,133	87,267	13,027,219
2015 International Olympic Committee	-	13,742,414	-	13,198,443
2016 Public Authorities and governments	13,862,374	-	13,622,394	-
2016 International Olympic Committee	13,962,521	-	13,720,808	-
	<u>27,930,920</u>	<u>27,443,532</u>	<u>27,447,392</u>	<u>26,357,225</u>

14 Grants

	2016 USD	2015 USD	2016 CHF	2015 CHF
Montréal International	1,430,722	1,418,142	1,405,954	1,362,006
Government of Australia	44,508	60,000	43,738	57,625
Government of Japan	176,465	145,259	173,410	139,509
Government of Uruguay	6,985	6,750	6,864	6,483
Government of the Russian Federation	-	339,417	-	325,982
Government of United Kingdom	-	49,995	-	48,017
Government of Seychelles	-	227	-	218
Government of Kuwait	50,441	56,938	49,568	54,684
Canton de Vaud / City of Lausanne	20,348	31,826	19,995	30,566
Asia Anti-Doping Foundation	-	20,000	-	19,208
Fondation Sport Santé (France)	-	6,024	-	5,786
Olympic Solidarity	-	112,283	-	107,839
	<u>1,729,469</u>	<u>2,246,861</u>	<u>1,699,529</u>	<u>2,157,923</u>

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 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 CAD5,000,000, 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 CAD10,000,000, indexed over a 10-year period (2012–2021), from the Government of Canada and an additional total cash contribution of CAD5,000,000, 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 aforementioned governments. The grants are subject to the following conditions: WADA must maintain its permanent operational headquarters in Montréal, maintain a minimum staff of 17 to 25 employees, supply quarterly unaudited and annual audited accounts, budgets and activity reports, and continue its original mission. The aim of these government supports is to encourage and maintain WADA's activities on a long-term basis.

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

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15 Other income

	2016 USD	2015 USD	2016 CHF	2015 CHF
Laboratory accreditation and re-accreditation fees	225,006	159,957	221,110	153,625
Code monitoring	36,980	30,937	36,340	29,713
Inducements and Reward programs	38,081	18,092	37,422	17,376
	<u>300,067</u>	<u>208,986</u>	<u>294,872</u>	<u>200,714</u>

16 Salaries and other personnel costs

	2016 USD	2015 USD	2016 CHF	2015 CHF
Salaries	6,322,380	5,946,152	6,212,930	5,710,783
Social charges and other benefits	4,278,950	4,199,877	4,204,874	4,033,632
Defined benefit pension plan contributions	156,802	143,516	154,087	137,835
Temporary staff	6,026	822	5,922	790
	<u>10,764,158</u>	<u>10,290,367</u>	<u>10,577,813</u>	<u>9,883,040</u>

The number of people employed was 89 as at 31 December 2016 (2015 – 81).

Retirement benefit obligation

Most of WADA's employees are located at its Montréal headquarters. WADA grants all of its employees a pre-defined 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 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

	2016 USD	2015 USD	2016 CHF	2015 CHF
Research grants expensed				
Scientific research grants expensed	3,125,397	4,212,426	3,071,291	4,045,684
Social science research grants expensed	246,656	251,943	242,386	241,970
Refunds received on cancellation of project	-	(62,388)	-	(59,918)
Total research grants expensed	<u>3,372,053</u>	<u>4,401,981</u>	<u>3,313,677</u>	<u>4,227,736</u>
Research grants paid out				
Research grants expensed	3,372,053	4,401,981	3,313,677	4,227,736
Prepaid expenses (movement)	(221,370)	(182,500)	(217,538)	(175,276)
Accruals (movement)	46,942	(2,277)	46,129	(2,187)
Total research grants paid out	<u>3,197,625</u>	<u>4,217,204</u>	<u>3,142,268</u>	<u>4,050,273</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	2016 USD	2015 USD	2016 CHF	2015 CHF
Salaries	2,123,755	2,014,180	2,086,989	1,934,452
Benefits and social charges	967,367	973,556	950,620	935,019
Defined benefit pension plan contributions	39,760	64,331	39,072	61,783
	<u>3,130,882</u>	<u>3,052,067</u>	<u>3,076,681</u>	<u>2,931,254</u>

Key management of WADA is defined as all the directors of the Agency. Compensation is for 12 directors as at 31 December 2016 (2015 – 11 directors).

19 Commitments

a) Operating lease commitments

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

	2016 USD	2015 USD	2016 CHF	2015 CHF
Less than one year	480,801	461,721	489,705	458,258
More than one year and less than five years	2,148,825	1,591,990	2,188,621	1,580,050
More than five years	195,867	398,686	199,494	395,696
	<u>2,825,493</u>	<u>2,452,397</u>	<u>2,877,820</u>	<u>2,434,004</u>

The operating lease commitments are for the following:

Montréal, Canada office lease to February 2021
Lausanne, Switzerland office lease to April 2017
Tokyo, Japan office lease to March 2017
Montevideo, Uruguay office lease to June 2017

b) Commitments for non-lease elements

	2016 USD	2015 USD	2016 CHF	2015 CHF
Less than one year	2,679,714	2,076,259	2,729,342	2,060,688
More than one year and less than five years	3,043,335	1,297,802	3,099,698	1,288,068
More than five years	-	-	-	-
	<u>5,723,049</u>	<u>3,374,061</u>	<u>5,829,040</u>	<u>3,348,756</u>

The commitments for non-lease elements are related mainly to the IT management service contract from 2016 to 2020, ADAMS development, Infosys Ltd., contract from 2016 to 2018, and various other contracts.

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c) 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:

	2016 USD	2015 USD	2016 CHF	2015 CHF
Less than one year	3,658,718	4,341,727	3,726,477	4,309,164
More than one year and less than five years	779,548	304,643	793,985	302,358
More than five years	-	-	-	-
	4,438,266	4,646,370	4,520,462	4,611,522

20 Contingent liabilities

At the end of 2016, WADA has contingent commitments in the amount of CHF2,290,821 (USD2,249,167) (2015 – CHF2,913,450 (USD2,935,467)). 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 2017.