

2006



Note: Photographs featured in this year's Annual Report have been provided by WADA's Athlete Outreach Manager, Stacy Spletzer. They feature athletes and sports officials from a variety of WADA Outreach events.



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TRUE



PLAY

The World Anti-Doping Agency (WADA) is the international independent organization created in 1999 to promote, coordinate and monitor the fight against doping in sport in all its forms.

Composed and funded equally by the sports movement and governments of the world, WADA coordinated the development and implementation of the World Anti-Doping Code (Code), the document harmonizing anti-doping policies in all sports and all countries.

WADA works towards a vision of the world that values and fosters a doping-free culture in sport.



TABLE OF CONTENTS

WADA Foundation Board and Executive Committee	5
Chairman's Letter to Stakeholders	6
Director General's Letter to Stakeholders	8
01 - The World Anti-Doping Code	10
02 - Science & Research	12
03 - Medicine	14
04 - Anti-Doping Development	15
05 - Education	16
06 - Communications	18
07 - Independent Observers	20
08 - Anti-Doping Coordination	21
09 - Out-of-Competition Testing	22
Management Report	24
Financial Statements	26



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Ms Rania Amr ELWANI
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Sports, Science and Technology
Japan
(January–September)

Mr Toshiaki ENDO
Senior Vice Minister of Education, Culture,
Sports, Science and Technology
Japan

(October–December)

Oceania Representative

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Australia



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Member of the IOC Press Commission
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Prof Arne LJUNGVIST

Dr Robin MITCHELL
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President, National Olympic Committee of Fiji
Fiji

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Organization (PASO) Medical Commission
Brazil

Sir Craig REEDIE

Mr Patrick CHAMUNDA
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Zambia

Mr Richard YOUNG
Attorney, Holmes, Roberts & Owens
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Hungary

Mr Mustapha LARFAOUI

Mr Francesco RICCI BITTI
President ITF (tennis)
Italy

GAISF Representative

Mr Gian Franco KASPER

Association of International Olympic Winter Sports Federations (AWOIF) Representative

Mr Anders BESSEBERG
President IBU (biathlon)
Norway

IOC Athletes Commission Representatives

Ms Charmaine CROOKS
IOC Athletes Commission
Canada

Ms Rania Amr ELWANI

Mr Jari KURRI
IOC Member, IOC Athletes Commission
Finland
(January–April)

Dr Alexander POPOV
IOC Member, IOC Athletes Commission
Russian Federation

Ms Beckie SCOTT
IOC Member, IOC Athletes Commission
Canada
(April–December)

International Paralympic Committee (IPC) Representative

Sir Phil CRAVEN
President IPC
United Kingdom

PUBLIC AUTHORITIES

Member States of the European Union Representatives

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Minister of Culture
Finland

Mr Karl SCHWEITZER
State Secretary for Sports
Austria
(January–June)

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Vice Minister of the Interior
Germany
(July–December)

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Chairman of the State Committee for
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Mr Terry DAVIS
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Minister of Youth and Sports
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Dr Saidu Samaila SAMBAWA
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Mr Bala Bawa KA'OJE
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H.E. Mr Makhenkesi Arnold STOFILE

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Minister of Education, Youth Affairs and Sports
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Mr Anthony WOOD
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Barbados
(March–December)

Mr Stephen OWEN
Minister of Western Economic Diversification
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Mr Michael CHONG
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Sport Council (CONSUDE)
Argentina
(April–December)

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President, Jordan Anti-Doping Organization
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Mr Hiroshi HASE
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Mr Toshiaki ENDO
(October–December)

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Mr Duan SHIJIE
Vice Minister, State Sport General Administration
China

Oceania Representatives

Prof David F. GERRARD
Chairman, New Zealand Sports Drug Agency
New Zealand

Senator the Honorable Rod KEMP



RICHARD W. POUND

CHAIRMAN'S MESSAGE



This year marks seven years since the establishment of WADA as the international independent organization responsible for promoting, coordinating and monitoring the fight against doping in sport. We have made great strides in our relatively brief history, and I am pleased to share with you the accomplishments of 2006 which you will read about in the pages of this report.

In reviewing the year's successes in the context of the overall state of affairs, I would have to say that it's a "good-news-bad-news" story.

First, the bad news.

- We will always be confronted by cheating. Just as in any other sector of society, there will be those who refuse to abide by the rules, even, in the case of sport, rules which they purport to accept and follow.
- Doping is very seldom an accident. The overwhelming majority of doping cases are planned and deliberate, and are carried out with the full knowledge that it is cheating, with the specific objective of gaining an unfair advantage over other competitors.
- In many cases, doping is initiated, or at least supported, by the athlete entourages. Doctors, trainers, coaches and other members of the entourages profit from the athlete's success, derived from doping, while risking very little themselves.
- Meanwhile, the athlete's health can be put in grave danger. Treated as guinea pigs, athletes are often doped with substances that are not safe enough to be approved for therapeutic use and with quantities that greatly exceed any possible therapeutic dosage.
- No sport and no country are immune to the threat of doping. The high profile cases and investigations of 2006 underscore this reality.
- The doping that occurs in sport is no longer just about sport. It is a matter of public health. The athletes at the elite or professional level have an inordinate influence on youth who wish to emulate them.

Now, the good news.

- The public is becoming less tolerant of doping and more aware of its dangers and consequences. They understand that what happens at the elite level has a trickle-down effect on their children.
- The Code has proved to be an effective tool for harmonizing the global fight against doping in sport, based on sound principles and rules that are fair and practicable, as evidenced by the rapidly-developing jurisprudence, established both in the Court of Arbitration for Sport (CAS) and in state courts, supporting the Code and its tenets.
- The role and reputation of WADA as an independent agency has been well-established. Now that stakeholders understand how the global system under the Code works, there is a general confidence that the approach is practical and effective.
- We are now engaged in a process of fine-tuning the Code and the related standards, building on our—and our stakeholders'—experience over the past three years since the Code came into force. The fine-tuning of the Code is a major undertaking, launched by WADA in 2006 and scheduled to conclude in November 2007 at the

“While we are realistic about the challenges ahead, we are also very optimistic, given the growing cooperation between government and sport that renders our collective tools and resources, when coordinated under WADA, all the more effective.”



Third World Conference on Doping in Sport to be hosted by WADA in Madrid (Spain), is on a scale similar to the consultations that led to adoption of the Code, and will result in an even more robust tool for combating doping. By the time of the World Conference next November, everyone with an interest in improving the Code will have had plenty of opportunity to provide their input, which will have been given the most careful consideration.

- Advances in scientific research mean that we are closing the gap on the cheats. We are particularly optimistic in relation to the threat of gene doping.
- More and more countries are engaged in the fight. Some 186* nations have made the political commitment to the global fight against doping by signing the Copenhagen Declaration, and 44* countries have already followed through on that commitment by ratifying the UNESCO International Convention against Doping in Sport (UNESCO Convention). No convention in UNESCO's history has been adopted so quickly and ratified so quickly.
- Through WADA's Development Program, and with our active assistance, countries in developing regions with fewer resources are banding together and pooling these resources to create Regional Anti-Doping Organizations (RADO) responsible for testing and education in those countries.

We hope that the International Federations (IF) will soon recognize the value of an anti-doping organization that, based on the RADO model, facilitates anti-doping activities of the smaller federations currently not engaged, or are so in a limited way, in the fight against doping.

- There is a growing emphasis on major investigations, engaging the participation of multiple governmental agencies, in cooperation with sports authorities, to attack the more sinister elements in the doping underground—the entourages, the traffickers, the “upstream” organizers of doping on a broad scale. With particular focus on the problem of trafficking, we have forged an alliance with Interpol to facilitate a more unified action involving law enforcement.

While we are realistic about the challenges ahead, we are also very optimistic, given the growing cooperation between government and sport that renders our collective tools and resources, when coordinated under WADA, all the more effective.

Most of all, we are determined. Cheating should—indeed must—be confronted, head-on, and exposed as what it is: cheating that destroys the values of sport and robs honest athletes of the safe and fair competition they deserve. We will continue in the coming years to work around the clock and across the globe to fight for the integrity of sport and the health of athletes.

Richard W. Pound

*At the time of writing.



DIRECTOR GENERAL'S MESSAGE



“The developments of 2006 point to a new evolution in anti-doping that calls for new strategies and tools, all while maintaining focus on the traditional methods and core activities that have brought us this far.”

It is my pleasure to report to you that 2006 was a good year for WADA and to direct you to many achievements outlined in this report.

Throughout 2006, attention remained firmly focused on WADA's core functions.

WADA's Development Program continued to bring together stakeholders in regions where doping control programs were lacking to establish RADOs. WADA facilitated the launch of 4 more RADOs, adding another 40 countries to the global fight against doping in sport.

ADAMS, the web-based database management program, launched in late 2005 to enable stakeholders to manage doping control and results management activities in one secure system, was implemented for the first time at major competitions and by anti-doping organizations and laboratories.

Our Scientific Research Program continued to be the world leader in fostering advances in the science of detection to close the gap on the cheaters. Since 2001, WADA has committed more than US\$25 million to research, and we are pleased to be able to share publicly some of the outcomes of this research.

WADA's Athlete Outreach Program saw overwhelming success in raising the awareness of the dangers and consequences of doping among competitors and officials at major events, including the Winter Olympic and Paralympic Games. More and more anti-doping organizations are developing their own outreach based on the WADA model.

Similarly, other core function areas, such as Education and Testing, saw significant advances, as detailed in this report.

The year 2006 will also be remembered as an important transitional year for the global fight against doping.

As the year began, the UNESCO Convention had just been made available for individual ratification by governments—of which 30 were needed for this treaty to come into formal effect. By year-end, the 30-ratifications threshold had been surpassed and we were accordingly

guaranteed the Convention's entering into force in early 2007.

The questions raised in February during the Olympic Winter Games (questions surrounding "no start" suspensions of athletes by their federations for health reasons following blood tests) resulted in a renewed interest in the "Athlete's Passport" concept that had been initiated by WADA several years ago. WADA is now leading the way in dedicating resources to research and developing the concept which, through the longitudinal analysis of biological parameters, would contribute to greater efficiency in athlete testing.

In April, only three years following the Code's entry into force, we launched a major consultative process with stakeholders in order to fine-tune the Code's provisions and strengthen its overall effectiveness. By the close of 2006, the first of three consultation phases had just completed, with the first of three subsequent draft revisions presented to WADA's Foundation Board. This process will culminate in November 2007 at the World Conference on Doping in Sport and will result in an even more practically effective tool for the global fight against doping in sport.

The high profile doping cases and investigations of 2006 underscore the urgent need for government leadership in cooperation with sports. This includes the involvement of multiple government agencies in investigatory work targeting the "upstream" organizers of doping and facilitating follow-up of non-analytical doping violations. In October, we met with Interpol and agreed to work together in a more unified approach to combat the trafficking of doping substances. And in November, during a symposium we hosted with the U.S. Anti-Doping Agency and the U.S. Olympic Committee, we were able to discuss some promising and innovative strategies in relation to investigatory powers. We look forward to pursuing these initiatives in the coming year.

The developments of 2006 point to a new evolution in anti-doping that calls for new strategies and tools, all while maintaining focus on the traditional methods and core activities that have brought us this far. I would like to thank our stakeholders for their invaluable support of our activities and our dedicated staff for their contributions in making 2006 such a success.

David Howman

1

THE WORLD ANTI-DOPING CODE



Harmonizing anti-doping worldwide so that athletes benefit from the same anti-doping procedures and protections, no matter the nationality, the sport or the country where tested

Code: Acceptance, Implementation & Compliance

As the international independent organization responsible for the Code, WADA has a duty to monitor all three aspects of stakeholder Code activities—from acceptance to implementation to compliance. WADA therefore facilitates and monitors government and sport anti-doping efforts, taking necessary measures to ensure the integrity of the Code.

Governments & the Code: UNESCO Convention

The UNESCO Convention is the practical instrument through which governments align their domestic policies with the Code. Having unanimously approved the Convention in late 2005, governments had as their priority in 2006 to achieve 30 individual ratifications, the threshold set for this Convention in order for it to enter into formal effect.

That milestone was surpassed before year-end, causing the Convention to become UNESCO's most successful treaty—the quickest to be drafted and the quickest to be ratified—and demonstrating public authorities' overwhelming commitment to the global fight against doping in sport. In June 2006, WADA and UNESCO signed a Memorandum of Understanding to further strengthen the relationship between the two organizations, facilitating ongoing cooperation on all anti-doping matters.

Sports & the Code: Acceptance, Implementation & Compliance

WADA continued to track and report on sports organizations' acceptance of the Code. By the close of 2006, some 570 organizations had accepted the Code. WADA also actively reviewed the rules and regulations of IFs, National Anti-Doping Organizations (NADO) and Major Games Organizations, and provided guidance and model rules of best practice to facilitate full implementation of the Code.

To ensure Code compliance, WADA monitored doping sanctions and exercised its right of appeal to the CAS when sanctions were not in line with the Code. In 2006, 423 decisions were reviewed, almost twice those in 2005. Most of these decisions (82 percent) were found to be Code-compliant, and only 18 percent were not in line with the Code. This is a clear improvement in comparison with 2005 where 27 percent of the decisions were not compliant.

Of the 75 decisions not in line with the Code, 43 could not be appealed, primarily because of National Federations whose rules are not yet in compliance with their IFs' rules and the Code; 8 were appealed by WADA before CAS or before the IF's internal appeal body, 6 were appealed before CAS by the IF concerned, and 17 were dealt with in another manner satisfactory to WADA (e.g., a resolution appropriately reached by the parties or the IF amended the decision). Of the eight appeals lodged by WADA, two are pending, two were fully successful, three were partially upheld, and one was dismissed due to the IF's rule not being Code-compliant at the time of the doping offence (following this case, the IF amended its rules to ensure full compliance).

Next Evolution of the Code: Review & Consultation

Code Article 23.6 assigns WADA the responsibility of overseeing the evolution and improvement of the Code. To this end, WADA, already in 2006 and under its own initiative, launched an extensive and ambitious process for the purpose of consolidating the experience gained by both WADA and stakeholders since the Code's implementation in 2004 and refining its provisions for the enhancement of anti-doping programs worldwide. This "Code Review & Consultation," kicked off by WADA in April and scheduled to culminate with the World Conference on Doping in Sport in November 2007, is modeled on the process used in the Code's initial creation and stresses practical and constructive input from stakeholders for enhancing anti-doping programs worldwide. Over the course of three phases, WADA consults with and receives comments from all stakeholders for the improvement of the harmonized fight against doping. By the close of 2006, phase one had just been completed with a draft revised Code having been presented to WADA's Executive Committee and Foundation Board at their November meetings.

This extensive consultation is expected to result in an even stronger, more practical tool to ensure that all athletes continue to benefit from the same anti-doping procedures and protections, no matter the sport, the nationality or the country where tested, so that, in the end, athletes may participate in competition that is safe and fair.

2

SCIENCE & RESEARCH



Advancing the systems and science of anti-doping in order to deter and detect cheating and to protect clean athletes' right to competition that is safe and fair

List of Prohibited Substances and Methods

Since 2004, WADA has been responsible for annually preparing and publishing the List of Prohibited Substances and Methods (List). This is done in consultation with a panel of experts in the field as well as WADA's many stakeholders involving an extensive year-long process.

Accredited Anti-Doping Laboratories

WADA is also responsible for accrediting and re-accrediting the world's network of anti-doping laboratories, a duty it inherited from the International Olympic Committee (IOC) in 2004. WADA achieves this by monitoring laboratory compliance with the International Standard for Laboratories. In 2006, the Sport Medicine Research and Testing Laboratory based in Salt Lake City (U.S.) successfully completed the requirements of the WADA accreditation process monitored by WADA's Laboratory Committee, bringing the global network of accredited anti-doping laboratories to a total of 34.

Scientific Research

WADA's Scientific Research Program has contributed to the development and implementation of a number of detection methods for doping substances and methods. In 2006, WADA received a record number of proposals for scientific research: 71 requests were received from all 5 continents (compared to 60 applications in 2005), of which 26 were selected for funding, totalling US\$5.4 million. Funding was approved following scientific review by a group of independent experts as well as an ethical review.

In the period 2001–2006, WADA committed more than US\$25 million to research, of which US\$13.4 million has already been engaged. In 2006, WADA approved US\$6.6 million for the 2007 Research Program, bringing WADA's total commitment to more than US\$31 million. Of the 117 total projects approved for WADA funding since 2001, 31 have been completed and have contributed to advancing the science of detection. Some examples of publicized outcomes include the development and validation of detection methods for haemoglobin based oxygen carriers, homologous blood transfusions and human growth hormone, as well as improvement in detection of steroids.

3

MEDICINE



Focusing on all matters relating to athlete health—including generating a broader understanding of the dangers of doping and exploring new medical models for enhanced detection

Therapeutic Use Exemptions

Athletes, like all others, may have illnesses or conditions that require them to take particular medications. If the medication an athlete is required to take to treat a legitimate illness or condition happens to fall under the List, a Therapeutic Use Exemption (TUE) may permit the athlete to take the needed medicine. WADA monitors the TUE process implemented by anti-doping organizations around the world to ensure compliance with the International Standard. In 2006, WADA hosted a medical workshop on TUE matters, co-organized with the German authorities in Bonn, to discuss the medical approach for different medical conditions and to develop medical information to help anti-doping organizations in their TUE decision-making. Representatives of 24 NADOs and 17 IFs attended, and Model Guidelines were developed for release in early 2007. An additional document to assist anti-doping organizations in their TUE management has been developed and released as a Model of Best Practices, or TUE Guidelines.

Medical Experts Network & Education

In 2006, WADA focused efforts on increasing communication and collaboration with experts in sport medicine to ensure that anti-doping education is shared with medical practitioners who treat athletes. In cooperation with Olympic Solidarity, WADA began the development of a medical course for sport physicians. And, an open

letter against medical doping, penned by WADA's Medical Director Dr. Alain Garnier in August 2006, received much attention from academic societies of sport medicine.

Athlete's Passport

WADA advanced the concept of the Athlete's Passport, which WADA had been developing since 2002 and whose objective would be to track biological data from athletes over a period of time in order to identify abnormal profiles in the context of the fight against doping. Momentum for this area of research escalated in 2006, in large part due to questions raised during the 2006 Olympic Winter Games surrounding "no start" suspensions of athletes by their federations following health checks that reported high haemoglobin levels. Following the Turin Games, WADA convened several meetings of sports and anti-doping experts to explore and develop the concept. The consensus from these expert meetings was that the analysis of blood parameters should be considered as part of the anti-doping process itself as it can help to identify suspicious profiles. It was also agreed that longitudinal analysis of athlete biological parameters should be registered in a database, to be used in target testing and sanctioning when abnormal values are observed. WADA supports research to study the technical, scientific and legal feasibility of the Athlete's Passport concept, as well as provide the opportunity to test and develop the most appropriate models for decision-making in relation to abnormal profiles.

ANTI-DOPING DEVELOPMENT



Fostering the development of anti-doping programs so that all countries and regions of the world become actively engaged in the harmonized fight against doping in sport

WADA's Development Program, launched in 2004, made great strides in 2006. Its purpose is to contribute to the development of anti-doping programs in underserved regions of the world through the establishment of RADOs. WADA does this by bringing together countries in regions where there is no anti-doping program, no collection and limited resources, so that stakeholders in the region can pool human and financial resources in developing and managing their own anti-doping organization. The ultimate goal is to ensure that athletes have the same opportunity to be tested, in all areas of the world, so that competition is fair.

Adding to the progress of 2004 and 2005, during which 5 RADOs were established (Central America, Caribbean, Gulf States, Africa Zone V and Oceania) to collectively engage 41 countries in anti-doping, the 2006 Development Program helped to foster 4 additional RADOs (Africa Zone VI, Central Asia, South East Asia and Africa Zones II & III) to bring another 40 countries into the global anti-doping movement.

In convening representatives from NADOs, National Olympic Committees and governments in the same region, benefiting from WADA's guidance during the initial start-up phase, and collectively sharing resources from the region and sometimes with the assistance of other organizations such as IFs, National Olympic Committee Associations or the Commonwealth Secretariat, RADOs become independent structures responsible for developing and directing efficient anti-doping programs in their region. The Commonwealth Secretariat has been directly involved with supporting four RADOs (Africa Zone V, Africa Zone VI, Caribbean and Oceania) by way of employing experts and funding educational initiatives.

5

EDUCATION



Promoting values inherent to the Spirit of Sport through coordinated education activities worldwide for the purpose of preventing doping in sport

WADA's education activities are intended to be constructive and non-punitive so as to maximize their preventive effect. While these activities naturally target the athlete and all of the athlete's entourage, in 2006 particular attention was directed at developing values-based educational activities directed at children and adolescents, for implementation as of the end of the year.

Symposia and Traveling Seminars

Education Symposia hosted in key regions of the world offer stakeholders guidance and practical tools to initiate or enhance doping prevention programs. Symposia participants discuss current anti-doping activities, set up basic frameworks for annual and long-term activity planning, develop key educational messages and establish a network of contacts for partnerships. In 2006, Symposia were held in Athens (Greece) and in Kuala Lumpur (Malaysia).

For stakeholders located in developing countries without the opportunity to attend or the resources to host a Symposium, WADA developed a 'Traveling Seminar' format, combining content similar to that of the traditional Symposium, with school and education focus group activities and using a train-the-trainer model approach. In 2006, a pilot of the Traveling Seminar was held in Managua (Nicaragua) and in Bogotá (Colombia).

Social Science Research

In 2006, WADA pursued its Social Science Research Grant Program, of which the principal objective is to encourage research in the social sciences to obtain results that will inform more efficient doping prevention strategies. The Program's results to date were evaluated at the beginning of the year, and the call for proposals for the 2007 Program was issued in May. Having committed \$100,000 to the 2006 Program, WADA's Foundation Board decided, at its meeting in November, to commit \$200,000 to the 2007 Program.

In addition, in partnership with the Council of Europe, WADA hosted a successful conference on social science research in Larnaca (Cyprus) in May. Participants, including social scientists, researchers and anti-doping organization representatives from 23 countries, shared recent research results and information on doping prevention initiatives. The participants concluded that better cooperation and communication between researchers and anti-doping officials was needed to ensure that research results are used appropriately to develop prevention programs.

Key Education Tools

Tool Kits: In 2006, WADA began developing a set of tool kits to serve the needs of stakeholders for materials and activities for anti-doping education. The 'tools' are designed for adaptability and customization by stakeholders to suit local conditions and targeted audiences. A Program Officers' Tool Kit contains a selection of materials from various authors on a variety of key anti-doping topics and is for use by persons in charge of setting up anti-doping education programs. A Teachers' Tool Kit facilitates the development and implementation of values-based anti-doping education programs for youth within schools and assists with circulating general information on anti-doping in sport. A Coaches' Tool Kit provides anti-doping organizations responsible for coach education with a ready-to-deliver doping prevention workshop for elite coaches.

Electronic Forum: WADA's eForum, initially devised to facilitate communications among Education Symposia participants, provides stakeholders and partners generally with a Web-based platform to share new initiatives and successful program ideas, and to give or obtain relevant feedback on anti-doping issues.

Digital Library: Through the Digital Library, expanded in 2006, stakeholders can browse and take advantage of educational materials already developed by other organizations.

6

COMMUNICATIONS



Building awareness and understanding of the global fight for Clean Sport and championing the voice of Clean Athletes

Athlete Relations

WADA's Athlete Committee, chaired by Russian Sport Minister and Ice Hockey Hall of Famer Vyacheslav Fetisov, is composed of 13 elite international athletes. Created in 2005, the Committee rapidly established itself as an effective representative for Clean Athletes within WADA programs. Not only have Committee members provided constructive feedback to WADA on anti-doping topics, such as the handling of whereabouts information, but they are also speaking out on behalf of Clean Athletes worldwide. Committee members have been key participants in the review of the Code launched in 2006.

WADA's Athlete Outreach Program educates athletes at major international and multi-sport events through direct one-on-one interaction with anti-doping experts who answer athlete questions about the dangers and consequences of doping. Athletes are invited to play the "Doping Quiz," a computer game that tests their knowledge about anti-doping, and participants are rewarded for their efforts with a WADA token, as well as take-home educational materials in a multitude of languages.

2006 events included:

- Olympic Games in Turin, Italy (February)
- Paralympic Games in Turin, Italy (March)
- Commonwealth Games in Melbourne, Australia (March)
- Central American & Caribbean Games in Cartagena, Colombia (July)
- Asian Games in Doha, Qatar (December)

Given the overwhelming success of WADA's Athlete Outreach Program, WADA launched the *Athlete Outreach Model* in January 2006. The Model allows WADA's key stakeholders (both anti-doping and sports federations) to adopt and adapt the program for their own sport-specific or national outreach programs. Template materials designed by WADA, including the interactive computer game "Doping Quiz," booth signage and educational handouts, are made available to stakeholders with a step-by-step guide. In this manner, the anti-doping message will reach more athletes around the world. WADA's Athlete Outreach Model was selected by the Mentor Foundation in 2006 as a best practice in drug prevention programs.

Media Relations

In 2006, WADA responded to media requests from all regions of the world and proactively focused media outreach in areas where traditionally there has been limited understanding of anti-doping. In this vein, WADA piloted a Media Outreach program in Doha, Qatar, in December, during the Asian Games, in order to educate media from the region about the fight against doping in sport. An information booth was set up in the Media Center by WADA Media Relations staff who interacted with hundreds of journalists and provided important information about WADA, the Code and global efforts to combat doping. In addition, to facilitate media understanding of hot issues, WADA developed a host of topic-specific Questions and Answers and posted them to the Web site.

Corporate Communications

For a better-informed public, each issue of WADA's *Play True* magazine provides an in-depth analysis of a specific anti-doping topic. In 2006, three issues were dedicated to the Winter Olympic and Paralympic Games, WADA's global mission through the development of RADOs, and a guide to the Code in light of the ongoing Code Review & Consultation. A new tri-lingual WADA corporate brochure, as well as new informational pamphlets for dissemination in the different regions of the world, provide education to stakeholders, media and the public about the history of doping, the origins of WADA, the principles of the Code and current strategies to combat doping in sport.

With the support of the Montreal-based partner of TBWA, one of the world's leading advertising agencies, WADA produced "Level the Playing Field," a two-minute video promoting the virtues of Clean Sport from the perspective of the Clean Athlete. The video has been made available on DVD (free of charge, in English, French and Spanish) for stakeholders to use at conferences and meetings to introduce the fight against doping in sport, remind audiences of the significance of anti-doping efforts and inspire them to support the fight for clean sport.

New resources released in 2006 also include the 2007 List. WADA continued its Content Sharing Program, allowing stakeholders to co-brand WADA-approved anti-doping content such as the List and Athlete Guide. WADA also provided to stakeholders the opportunity to receive 100 free copies each of the List and Athlete Guide to help educate their own stakeholders about anti-doping.

7

INDEPENDENT OBSERVERS



Monitoring anti-doping programs at major events to enhance athlete and public confidence in the doping control process

WADA's Independent Observer (IO) program helps enhance athlete and public confidence at major events by randomly monitoring and auditing all phases of the doping control and results management processes.

Since its launch at the 2000 Olympic Games in Sydney, the IO program has monitored the anti-doping programs of more than 20 major events including Olympic and Paralympic Games, World Championships, Mediterranean Games and Commonwealth Games. A number of successful IO missions were held at major events in 2006:

- Olympic Games in Turin, Italy (February)
- Paralympic Games in Turin, Italy (March)
- Commonwealth Games in Melbourne, Australia (March)
- Asian Games in Doha, Qatar (December)

In June, WADA hosted an IO Leaders meeting during which a group of senior and experienced IOs were invited to consider and provide recommendations for the future approach of the program. Several valuable suggestions were made including the recommendation that a more interactive approach could be undertaken by the IOs at some of the future events, where deemed appropriate. Modifications to the program in this respect were made for the Asian Games in late 2006, and will be reviewed in light of missions in 2007.

ANTI-DOPING COORDINATION



Globally coordinating the anti-doping process to help anti-doping organizations and athletes fulfill their responsibilities under the Code

Under the Code, WADA has an obligation to coordinate anti-doping activities and to provide a mechanism to assist stakeholders with their implementation of the Code. The Anti-Doping Administration & Management System (ADAMS) was developed for this purpose.

ADAMS is a web-based database management system that simplifies the daily activities of all stakeholders and athletes involved in the anti-doping system. Not only is it easy to use, but also it is free to WADA's stakeholders in French, English and Spanish, increasing the efficiency and effectiveness of the fight against doping in sport.

Within one secure system stakeholders coordinate anti-doping activities, from athletes providing whereabouts information, to anti-doping organizations ordering tests, to laboratories reporting results, to anti-doping organizations managing results.

ADAMS was piloted and launched in 2005. In 2006, 30 IFs, 30 NADOs and 32 accredited laboratories were trained on the ADAMS system; ADAMS was implemented (or committed to) by 15 IFs, 10 NADOs and 14 laboratories; and the system was used for managing doping control during the International Paralympic Winter Games in March and the Asian Games in December.

ADAMS' four primary functions address the key activities of anti-doping operations:

Athlete Whereabouts: The Web-based functionality allows athletes to enter their information from anywhere in the world. Those without internet access may designate a representative such as their anti-doping organization (ADO) to enter the information for them. This function also helps stakeholders share whereabouts information, crucial for maximizing the surprise effect and the efficiency of unannounced out-of-competition testing.

Doping Control Platform: The ADAMS doping control database provided to ADOs is an essential tool for managing a doping control program, both in- and out-of-competition. Stakeholders can use ADAMS to plan, coordinate and order tests, as well as manage test results. Coordination of doping control programs in the ADAMS system helps to avoid duplication in doping controls.

TUE Management: ADAMS allows for online management of TUE requests, as well as online notification of those involved in the process.

Information Clearing House: The clearing house is where all data is stored securely, in particular lab results, TUE authorizations and anti-doping rules violations. It permits the sharing of information among the relevant organizations and guarantees that anti-doping activities are performed with the highest level of security, efficiency and transparency.

OUT-OF-COMPETITION TESTING



Directing an independent out-of-competition testing program to complement existing international anti-doping activities

Pursuant to the Code, sports organizations are responsible for implementing their own in-competition as well as out-of-competition testing programs. To complement the IFs' efforts, WADA manages an independent out-of-competition testing program. Test distribution planning is carried out by WADA, with the prime focus of the program continuing to be on those areas of the world with minimal or non-existent testing programs, although no athletes are excluded from test distribution planning. WADA's goal is to give all athletes an equal opportunity to be tested, regardless of geographical location. In 2006, this was achieved as a result of direct partnership agreements with 17 anti-doping organizations worldwide. All samples collected were analyzed at independent WADA-accredited anti-doping laboratories.

The 2006 out-of-competition testing program met its target by conducting 3,279 tests, including blood collection for the analysis of human growth hormone, transfusion and haemoglobin based oxygen carriers. A significant number of these urine samples are regularly analyzed for EPO in those sports at highest risk for its abuse. Statistics show that the testing program completed 3,009 urine and 270 blood tests in 72 countries on athletes of 108 different nationalities.

Forty-one IFs committed to the WADA out-of-competition testing program in 2006. Testing was carried out in accordance with the rules of each

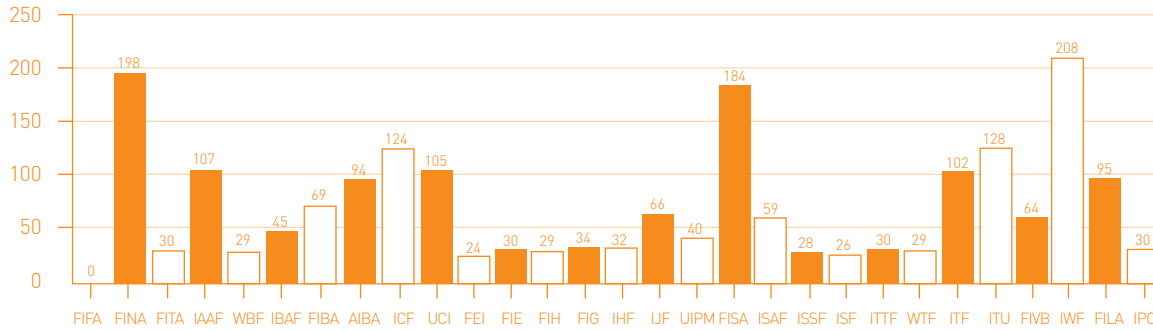
relevant IF and the World Anti-Doping Program. Sample collection was carried out by 17 NADOs as well as a private company. All controls were distributed among International Olympic Summer Sports Federations, the International Paralympic Committee, all International Olympic Winter Sport Federations, and several Recognized Federations.

Testing focused on winter Olympic and Paralympic sports as well as on Commonwealth sports in the lead up to these major events in 2006. This testing included an IOC-WADA testing taskforce focused on the period leading up to the Games, as well as WADA conducting similar testing for athletes participating at the Commonwealth Games in Melbourne, in conjunction with the Australian Sports Anti-Doping Authority and the Commonwealth Games Federation.

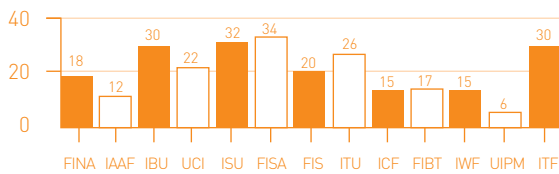
The 2006 WADA program has resulted in 47 adverse analytical findings (AAF) thus far and 2 potential anti-doping rule violations (ADRV):

S1 (Anabolic agents):	12
S3 (Beta-2 agonists):	4
S5 (Diuretics and other masking agents):	2
Elevated T/Es:	33
Refusal:	4
Potential failure to comply (Manipulation):	2
TOTAL:	57

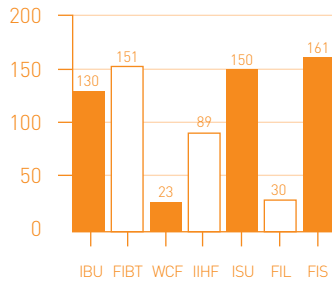
2006 - Total Out-of-Competition Testing (OOCT) Doping Controls:
Olympic/Paralympic Summer IFs (urine samples)



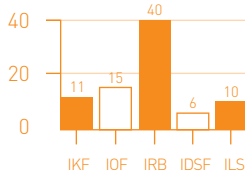
2006 - OOCT Doping Controls:
Blood Analysis (Transfusion/hGH/HBOCS)



2006 - Total OOCT Doping Controls:
Olympic Winter IFs (urine samples)



2006 - Total OOCT Doping Controls:
Recognized Federations (urine only)



WADA 2006 Out-of-Competition Testing Program	
Urine tests	3,009
Blood tests	270
Sports	41
In countries	72
Athlete nationalities	108



SUMMER FEDERATIONS

- AIBA International Boxing Association
- FEI International Equestrian Federation
- FIBA International Basketball Federation
- FIE International Fencing Federation
- FIFA International Federation of Football Associations
- FIG International Gymnastics Federation
- FIH International Hockey Federation
- FILA International Federation of Associated Wrestling Styles
- FINA International Swimming Federation
- FISA International Rowing Federation
- FITA International Archery Federation
- FIVB International Volleyball Federation
- IAAF International Association of Athletics Federations
- IBAF International Baseball Federation
- IBF International Badminton Federation
- ICF International Canoe Federation
- IHF International Handball Federation
- IJF International Judo Federation
- IPC International Paralympic Committee
- ISAF International Sailing Federation
- ISF International Softball Federation
- ISSF International Shooting Sport Federation
- ITF International Tennis Federation
- ITTF International Table Tennis Federation
- ITU International Triathlon Union
- IWF International Weightlifting Federation
- UCI International Cycling Union
- UIPM International Modern Pentathlon Union
- WTF World Taekwondo Federation

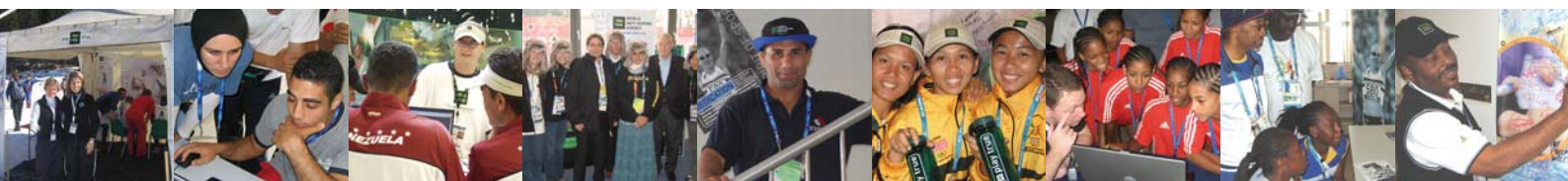
WINTER FEDERATIONS

- FIBT International Bobsleigh and Tobogganing Federation
- FIL International Luge Federation
- FIS International Ski Federation
- IBU International Biathlon Union
- IIHF International Ice Hockey Federation
- ISU International Skating Union
- WCF World Curling Federation

RECOGNIZED FEDERATIONS

- IDSF International Dance Sport Federation
- IKF International Korfball Federation
- ILS International Life Saving Federation
- IOF International Orienteering Federation
- IRB International Rugby Board
- WKF World Karate Federation

MANAGEMENT REPORT



The 2006 Accounts reveal a small reduction in government contributions. In 2004, the Public Authorities (matched by the Olympic Movement) made contributions equivalent to 96 percent of the total budget. In 2006 contributions reached 94 percent of the total budget. Although the overall level of contributions is encouraging, it is noted that contributions from Asia have declined as Japan has retained a fixed rate of US\$1.5 million. In addition, in the Americas, only 81 percent of the possible total from the region was collected: 75 percent represents contributions from Canada and the United States while only 6 percent represents contributions from the remaining countries in the region. Efforts are being made to resolve this issue.

Total Income grew to 97 percent of the budget, resulting mostly from the higher level of income from bank interest due to increases in short term U.S. interest rates.

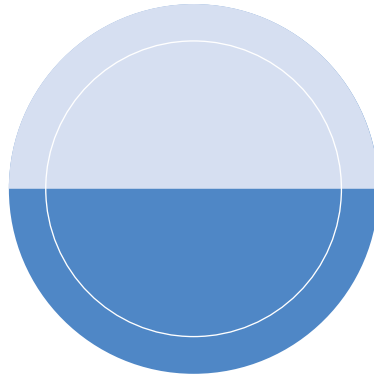
Departmental expenses in 2006 represented just over 95 percent of the agreed budget which indicates that operational targets are now being met. The obvious exception is in expenditure in Education due to a delay in the program until the appointment of the new Director in the second quarter of the year.

The allocation to Research programs in 2006 was US\$6.5 million. The actual money spent on research in the year was US\$4 million. This follows the normal trend that research funds are actually spent over a two to five year period and not within the year of allocation. In 2006, of the US\$6.5 million allocated, US\$1.4 million was paid out with the remaining US\$5.1 million added to the funds which are retained to meet research costs as this research progresses and claims on the funds are made. The total funds held for this purpose (and which are, therefore, restricted) is US\$9.5 million to which must be added the WADA capital of US\$4 million and other small grants and guarantees of US\$150,000.

At the end of 2006 WADA held US\$12.3 million in unrestricted cash. The Executive Committee has agreed in principle to establish a reasonable operating reserve with the balance of unrestricted cash being depleted over the next few years. The 2007 budget was agreed on the assumption that US\$3.07 million of unrestricted cash would be used in this way.

The overall financial position of WADA is stable but future budgets will attempt to identify priorities in activity which will guide prospective contribution levels. It is to be anticipated that WADA will face increased legal costs and the challenge will be to identify a suitable level of operational reserves and a predictable level of contributions over future years which will assist the Public Authorities.

2006 Budget:
22,356,150 (USD)

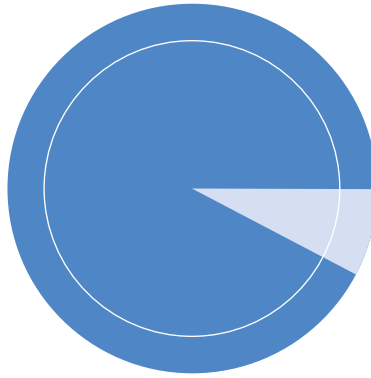


IOC contribution:
11,178,075 (USD)

Public Sector contribution:
11,178,075 (USD)

IOC contribution remitted
as of 31/12/2006*

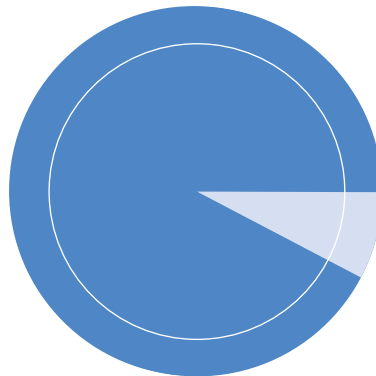
* The IOC matches public sector contributions dollar for dollar. The outstanding balance for 2006 was remitted by the IOC in 2007.



Remitted:
10,455,363 (USD)

Balance owed:
722,712 (USD)

Public Sector contribution
remitted
as of 31/12/2006

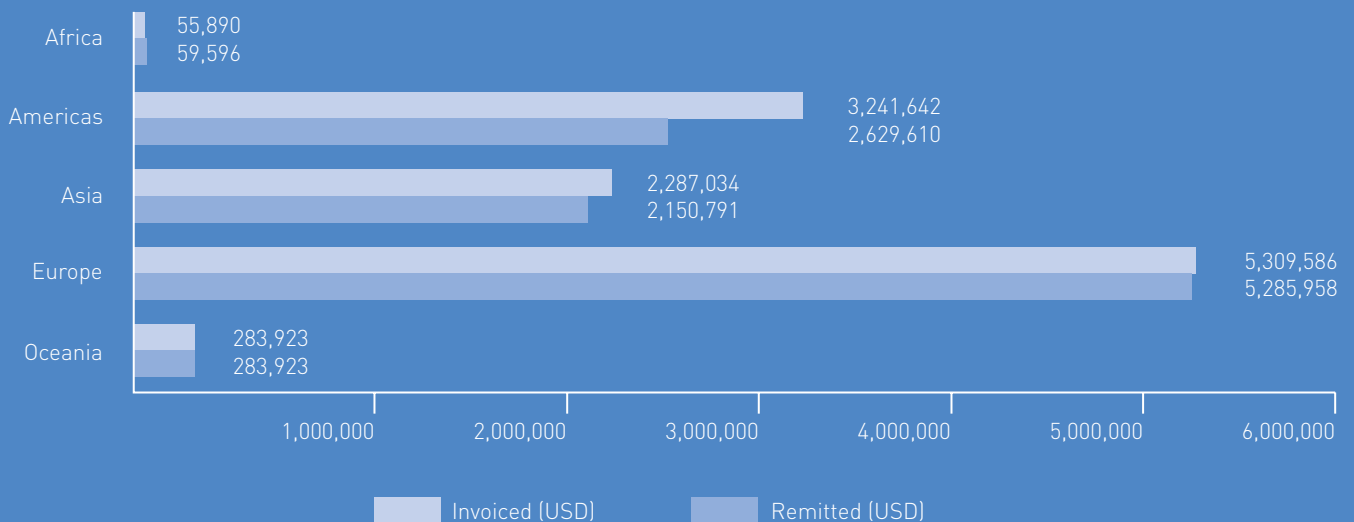


Remitted:
10,465,385 (USD)

Balance owed:
712,690 (USD)

FUNDING REVIEW

Public Sector Contributions by Region: Invoiced and Remitted as of 31 December 2006 for Budget Year 2006.



FINANCIAL STATEMENTS





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

Pricewaterhouse Coopers SA

Avenue C.F. Ramuz 45
Case postale 1172
1001 Lausanne
Tel: +41 (58) 792 81 00
Fax: +41 (58) 792 81 10

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

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

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

In our opinion, the financial statements give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the International Financial Reporting Standards (IFRS) and comply with Swiss law.

PricewaterhouseCoopers SA

F. Roth
Auditor in charge

E. Hamoir

Lausanne, 13 May 2007

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

Balance sheet at 31 December 2006

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

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

Statement of Activities for the year ended 31 December 2006

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

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

Statement of Cash Flow for the year ended 31 December 2006

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

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

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

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

	Foundation capital USD	Excess of income over expenses brought forward USD	Exchange adjustment on USD foundation capital USD	Total USD
Balance as at 1 January 2005	<u>4,388,656</u>	<u>15,758,622</u>	<u>(382,156)</u>	<u>19,765,122</u>
Excess of income over expenses for the year	-	3,614,158	-	<u>3,614,158</u>
Exchange movement	<u>(584,320)</u>	<u>-</u>	<u>584,320</u>	<u>-</u>
Total income (expenses) for the year	<u>(584,320)</u>	<u>3,614,158</u>	<u>584,320</u>	<u>3,614,158</u>
Balance as at 31 December 2005 and 1 January 2006	<u>3,804,336</u>	<u>19,372,780</u>	<u>202,164</u>	<u>23,379,280</u>
Excess of income over expenses for the year	-	4,283,892	-	<u>4,283,892</u>
Exchange movement	<u>298,055</u>	<u>-</u>	<u>(298,055)</u>	<u>-</u>
Total income (expenses) for the year	<u>298,055</u>	<u>4,283,892</u>	<u>(298,055)</u>	<u>4,283,892</u>
Balance as at 31 December 2006	<u>4,102,391</u>	<u>23,656,672</u>	<u>(95,891)</u>	<u>27,663,172</u>
	Foundation capital CHF	Excess of income over expenses brought forward CHF	Currency translation reserve CHF	Total CHF
Balance at 1 January 2005	<u>5,000,000</u>	<u>20,296,326</u>	<u>(2,777,902)</u>	<u>22,518,424</u>
Excess of income over expenses for the year	-	4,454,887	-	<u>4,454,887</u>
Exchange movement	<u>-</u>	<u>-</u>	<u>3,753,869</u>	<u>3,753,869</u>
Total income for the year	<u>-</u>	<u>4,454,887</u>	<u>3,753,869</u>	<u>8,208,756</u>
Balance at 31 December 2005 and 1 January 2006	<u>5,000,000</u>	<u>24,751,213</u>	<u>975,967</u>	<u>30,727,180</u>
Excess of income over expenses for the year	-	5,402,459	-	<u>5,402,459</u>
Exchange movement	<u>-</u>	<u>-</u>	<u>(2,413,737)</u>	<u>(2,413,737)</u>
Total income (expenses) for the year	<u>-</u>	<u>5,402,459</u>	<u>(2,413,737)</u>	<u>2,988,722</u>
Balance at 31 December 2006	<u>5,000,000</u>	<u>30,153,672</u>	<u>(1,437,770)</u>	<u>33,715,902</u>

1. Activity

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

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

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

2. Basis of presentation and summary of significant accounting policies

A. Basis of presentation and changes to accounting policies

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

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

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

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

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

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

B. Foreign currencies

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

C. Cash and cash equivalents

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

D. Financial assets

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

(a) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that WADA's management has the positive intention and ability to hold to maturity. Financial assets in this category are classified as current assets if they have maturities of less than 12 months from the balance sheet date and otherwise as non-current assets.

(b) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as noncurrent assets. Loans and receivables are classified as "receivables" in the balance sheet.

Regular purchases and sales of investments are recognised on settlement date. Held-to-maturity investments are originally recognized at cost and subsequently carried at amortized cost using the effective interest method. Loans and receivables are originally recognized at cost and subsequently measured at amortised cost less provision for bad debts or impairment losses as appropriate. WADA assesses at each balance sheet date whether there is objective evidence that a financial asset is impaired. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the WADA has transferred substantially all risks and rewards of ownership.

E. Fixed assets

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

Computer hardware	2,5 years
Office equipment	4 years
Leasehold improvements	5 years

F. Intangible assets

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

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

G. Leases

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

H. Revenue recognition

Annual Contributions

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

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

Annual contributions for the current year which have not been paid by the year-end are only recognised when they are received.

Project grants

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

Financial income

Interest income is recognized on an effective yield basis.

Grants

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

Other

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

I. Income taxes

WADA is exempt from paying income taxes.

J. Research grants

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

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

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

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

L. Comparative information

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

3. Financial risk management

1. Financial risk factors

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

a. Foreign exchange risk

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

b. Interest rate risk

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

c. Liquidity risk

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

d. Credit risk

Substantially all of WADA's revenues are generated from contributions which are recognized in the statement of activities at their payment date. Revenues generated from grants are considered to be fully collectible by WADA. WADA has policies which limit the amount of credit and investment exposures. WADA is exposed to minimal credit risk on accounts receivable as major amounts are due from the Quebec government for value-added taxes (QST) and withholding taxes. Cash and held-to-maturity investments are placed with major banks.

2. Fair value estimation

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

4. Cash and cash equivalents

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

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

5. Held -to-maturity investments

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

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

6. Receivables

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

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

6a. Movement of provision for bad debt	2006	2005	2006	2005
	USD	USD	CHF	CHF
Opening balance	685,142	662,643	898,639	870,906
Allocation	-	22,499	-	27,733
Used	(685,142)	-	(898,639)	-
Closing balance	-	685,142	-	898,639

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

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

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

9. Intangible assets

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

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

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

10. Accrued expenses

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

11. Foundation capital

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

12. Annual contributions

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

13. Grants

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

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

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

14. Other Income

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

15. Salaries and other personnel costs

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

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

15. Salaries and other personnel costs (continued)

Retirement benefit obligation

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

16. Research Grants

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

17. Related party transactions

Transactions with Public Authorities and other organizations including the Olympic Movement are disclosed separately in these financial statements. The Foundation Board Members, the President and the Executive Committee of WADA are not remunerated by the Agency. However, WADA covers all expenses related to the execution of their functions, in particular travel, hotel and meal expenses and a daily allowance for out-of-pocket expenses. These costs are included in travel and accommodation expenses in the statement of activities.

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

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

18. Commitments

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

Operating lease commitments without non lease elements

	2006 USD	2005 USD	2006 CHF	2005 CHF
Less than one year	544,744	472,629	663,935	621,172
More than one year and less than five years	2,061,013	1,769,806	2,511,965	2,326,040
More than five years	90,187	517,241	109,920	679,805
	2,695,944	2,759,676	3,285,820	3,627,017

The above commitments are for the following: Montreal Office lease to Feb 2012
Lausanne office lease to April 2012
Tokyo office lease to February 2007

Operating lease commitments including payments for non lease elements

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

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

Scientific and social science research commitments

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

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

19. Contingent liabilities

At the end of 2006, WADA has CHF 4,695,907 (USD 3,852,891) and CHF 5,041,050 (USD 3,835,566) in 2005 of contingent commitments. This amount is for all research grants that have been granted by WADA but are contingent upon one or more of the following approvals: Ethical approval from the government of the country of the laboratory which is to conduct the research or signing of the research contract by the laboratory. Eighty percent of the amount would be due upon these approvals and would probably occur in 2007.