



***World Anti-Doping Agency
Lausanne***

***Report of the statutory auditor
to the Foundation Board on the
financial statements 2011***



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

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the accompanying financial statements of World Anti-Doping Agency, which comprise the balance sheet, statement of activities, statement of cash flows, statement of comprehensive loss and changes in equity and notes, for the year ended 31 December 2011.

Foundation Board's Responsibility

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 31 December 2011 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's Board.

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

PricewaterhouseCoopers SA

A handwritten signature in blue ink, appearing to read 'P. Dévaud', written over a faint grid background.

Pierre-Alain Dévaud
Audit expert
Auditor in charge

A handwritten signature in blue ink, appearing to read 'D. Albasini', written over a faint grid background.

David Albasini
Audit expert

Lausanne, 18 May 2012

Enclosure:

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

World Anti-Doping Agency

Balance Sheet as at 31 December 2011

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

	Notes	2011 USD	2010 USD	2011 CHF	2010 CHF
Assets					
Current assets					
Cash and cash equivalents	4	16,070,589	14,982,740	15,080,496	13,995,392
Available-for-sale investments	5b	2,688,395	1,300,000	2,522,766	1,214,331
Receivables	6	452,718	302,807	424,827	282,852
Other current assets	7	2,882,696	2,947,351	2,705,095	2,753,123
		<u>22,094,398</u>	<u>19,532,898</u>	<u>20,733,184</u>	<u>18,245,698</u>
Non-current assets					
Available-for-sale investments	5b	9,008,613	11,805,654	8,453,601	11,027,673
Fixed assets	8	629,753	742,091	590,954	693,188
Intangible assets	9	3,133,138	2,927,913	2,940,109	2,734,967
		<u>12,771,504</u>	<u>15,475,658</u>	<u>11,984,664</u>	<u>14,455,828</u>
Total Assets		<u>34,865,902</u>	<u>35,008,556</u>	<u>32,717,848</u>	<u>32,701,526</u>
Liabilities and Equity					
Current liabilities					
Accounts payable		1,043,876	730,642	979,564	682,493
Accrued expenses	10	2,455,273	2,484,399	2,304,008	2,320,679
Advance contributions		1,474,339	1,438,641	1,383,507	1,343,836
Total Liabilities		<u>4,973,488</u>	<u>4,653,682</u>	<u>4,667,079</u>	<u>4,347,008</u>
Equity					
Foundation capital	11	5,328,271	5,352,741	5,000,000	5,000,000
Exchange adjustment on USD Foundation capital		(1,321,771)	(1,346,241)	-	-
Cumulative translation adjustment		-	-	(9,285,379)	(9,374,395)
Litigation reserve	12a	1,500,000	1,500,000	1,407,587	1,401,152
Operation reserve	12b	2,400,000	2,400,000	2,252,138	2,241,842
Cumulative fair value gain on available-for-sale investments		389,819	376,371	365,803	351,569
Excess of income over expenses brought forward		21,596,095	22,072,003	28,310,620	28,734,350
Total Equity		<u>29,892,414</u>	<u>30,354,874</u>	<u>28,050,769</u>	<u>28,354,518</u>
Total Liabilities and Equity		<u>34,865,902</u>	<u>35,008,556</u>	<u>32,717,848</u>	<u>32,701,526</u>

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

World Anti-Doping Agency

Statement of Activities for the year ended 31 December 2011

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

	Notes	2011 USD	2010 USD	2011 CHF	2010 CHF
Income					
Annual contributions	13	26,492,689	25,825,716	23,588,027	27,068,766
Grants	14	2,077,201	2,031,434	1,849,456	2,129,211
Other	15	188,979	211,933	168,259	222,134
Total income		28,758,869	28,069,083	25,605,742	29,420,111
Operating expenses					
Salaries and other personnel costs	16	9,436,860	8,597,721	8,402,196	9,011,548
Travel and accommodation		3,580,896	3,249,554	3,188,286	3,405,962
Information and communications		179,474	299,792	159,796	314,222
Testing fees		1,441,166	1,617,570	1,283,157	1,695,427
Accreditation fees		448,386	349,616	399,225	366,444
Research grants	17	4,887,468	5,933,043	4,351,606	6,218,613
Other grants		226,838	312,646	201,968	327,694
Education		32,786	54,941	29,192	57,585
Project consulting fees		2,489,438	2,452,659	2,216,497	2,570,711
Administration		3,053,933	3,139,845	2,719,098	3,290,973
IT costs		1,892,865	1,684,867	1,685,332	1,765,963
Depreciation of fixed and intangible assets		1,579,138	1,280,015	1,406,001	1,341,625
Writedown of intangible assets		-	542,084	-	568,176
		29,249,248	29,514,353	26,042,354	30,934,943
Excess of operating expenses over income before financial income		(490,379)	(1,445,270)	(436,612)	(1,514,832)
Financial income (expenses)					
Interest		479,396	558,752	426,835	585,647
Losses from disposal of available-for-sale investments		-	(396)	-	(415)
Bank fees		(134,168)	(123,780)	(119,459)	(129,738)
Net gains (losses) on exchange rates		(330,757)	367,708	(294,494)	385,406
		14,471	802,284	12,882	840,900
Excess of expenses over income for the year		(475,908)	(642,986)	(423,730)	(673,932)

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

World Anti-Doping Agency

Statement of Cash Flows for the year ended 31 December 2011

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

	2011 USD	2010 USD	2011 CHF	2010 CHF
Operating activities				
Excess of expenses over income for the year	(475,908)	(642,986)	(423,730)	(673,932)
Depreciation of fixed and intangible assets	1,579,138	1,280,015	1,406,001	1,341,625
Writedown of intangible assets	-	542,084	-	568,176
Interest	(479,396)	(558,752)	(426,835)	(585,647)
Losses from disposal of available-for-sale investments	-	396	-	415
Changes in				
Receivables	(149,911)	224,413	(133,475)	235,215
Other current assets	34,193	392,264	30,443	411,142
Accounts payable	474,482	157,211	422,460	164,779
Accrued expenses	(29,126)	356,509	(25,933)	373,668
Advance contributions	35,698	(159,792)	31,784	(167,483)
Net cash provided by operating activities	989,170	1,591,362	880,715	1,667,958
Investing activities				
Purchase of fixed assets	(410,766)	(324,124)	(365,730)	(339,725)
Purchase of intangible assets	(1,422,506)	(1,250,076)	(1,266,542)	(1,310,245)
Interest received	509,857	573,131	453,957	600,717
Purchase of investments	-	(4,936,495)	-	(5,174,100)
Proceeds from sale of investments	1,422,094	4,013,116	1,266,176	4,206,277
Net cash provided by (used in) investing activities	98,679	(1,924,448)	87,861	(2,017,076)
Increase (decrease) in cash and cash equivalents	1,087,849	(333,086)	968,576	(349,118)
Currency translation impact	-	-	116,528	(1,512,744)
Cash and cash equivalents at beginning of year	14,982,740	15,315,826	13,995,392	15,857,254
Cash and cash equivalents at end of year	16,070,589	14,982,740	15,080,496	13,995,392

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

World Anti-Doping Agency

Statement of Comprehensive Loss and Changes in Equity for the year ended 31 December 2011

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

	Foundation capital USD	Cumulative translation adjustment on USD Foundation capital USD	Litigation reserve USD	Operation reserve USD	Cumulative fair value gain on available- for-sale investments USD	Excess of income over expenses brought forward USD	Total USD
Balance as at 31 December 2009	4,829,281	(822,781)	1,500,000	2,400,000	280,484	22,714,989	30,901,973
Excess of expenses over income for the year	-	-	-	-	-	(642,986)	(642,986)
Fair value gain on available-for-sale investments	-	-	-	-	95,887	-	95,887
Exchange movement	523,460	(523,460)	-	-	-	-	-
Total comprehensive loss for the year							(547,099)
Balance as at 31 December 2010	5,352,741	(1,346,241)	1,500,000	2,400,000	376,371	22,072,003	30,354,874
Excess of expenses over income for the year	-	-	-	-	-	(475,908)	(475,908)
Fair value gain on available-for-sale investments	-	-	-	-	13,448	-	13,448
Exchange movement	(24,470)	24,470	-	-	-	-	-
Total comprehensive loss for the year							(462,460)
Balance as at 31 December 2011	5,328,271	(1,321,771)	1,500,000	2,400,000	389,819	21,596,095	29,892,414

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

World Anti-Doping Agency

Statement of Comprehensive Loss and Changes in Equity for the year ended 31 December 2011 (cont'd.)

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

	Foundation capital CHF	Cumulative translation adjustment CHF	Litigation reserve CHF	Operation reserve CHF	Cumulative fair value gain on available- for-sale investments CHF	Excess of income over expenses brought forward CHF	Total CHF
Balance as at 31 December 2009	5,000,000	(6,742,163)	1,553,027	2,484,842	290,400	29,408,282	31,994,388
Excess of expenses over income for the year	-	-	-	-	-	(673,932)	(673,932)
Fair value gain on available-for-sale investments	-	-	-	-	61,169	-	61,169
Exchange movement	-	(2,632,232)	(151,875)	(243,000)	-	-	(3,027,107)
Total comprehensive loss for the year							(3,639,870)
Balance as at 31 December 2010	5,000,000	(9,374,395)	1,401,152	2,241,842	351,569	28,734,350	28,354,518
Excess of expenses over income for the year	-	-	-	-	-	(423,730)	(423,730)
Fair value gain on available-for-sale investments	-	-	-	-	14,234	-	14,234
Exchange movement	-	89,016	6,435	10,296	-	-	105,747
Total comprehensive loss for the year							(303,749)
Balance as at 31 December 2011	5,000,000	(9,285,379)	1,407,587	2,252,138	365,803	28,310,620	28,050,769

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

Notes to Financial Statements
31 December 2011

1 Activity

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

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

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

2 Basis of presentation and summary of significant accounting policies

a) Basis of presentation and changes to accounting policies

These financial statements have been approved by the Foundation Board of WADA on 18 May 2012 and cannot be amended after issuance. The financial statements of WADA for the year ended 31 December 2011 have been prepared in accordance with International Financial Reporting Standards (“IFRS”). WADA’s financial statements are prepared in accordance with Swiss legal requirements.

The financial statements have been prepared under the historical cost principle, except for available-for-sale investments which are shown at fair value. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying WADA’s accounting policies. In particular, areas involving a higher degree of judgment or complexity are the definition of the functional currency and the research grant recognition described below.

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

US Dollar figures are included as complementary information.

Notes to Financial Statements
31 December 2011

b) Foreign currencies

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

c) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and unrestricted deposits held with banks with original maturity of three months or less.

d) Financial instruments

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

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that WADA's management has the positive intention and ability to hold to maturity. Financial assets in this category are classified as current assets, except for investments with maturities greater than 12 months after the balance sheet date, which are classified as non-current assets.

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for 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 subsequently measured at amortized cost less provision for bad debts or impairment losses, as appropriate.

Available-for-sale assets

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

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

Notes to Financial Statements
31 December 2011

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

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (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.

Regular purchases and sales of investments are recognized on the settlement date. Investments are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and WADA has transferred substantially all risks and rewards of ownership.

e) Fixed assets

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

Computer equipment	2.5 years
Office equipment	4 years
Leasehold improvements	5 years

f) Intangible assets

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

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

Notes to Financial Statements
31 December 2011

g) Leases

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

h) Revenue recognition

Annual contributions

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

Financial income

Interest income is recognized on an effective yield basis.

Grants

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

Other

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

i) Income taxes

WADA is exempt from paying income taxes.

j) Research grants

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

Notes to Financial Statements
31 December 2011

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

The standards, amendments or interpretations becoming effective in 2011 had no impact on the financial statements as at 31 December 2011. Certain standards, amendments and interpretations to existing standards have been published and are mandatory to WADA's accounting periods beginning on or after 1 January 2012 or later periods, but WADA has not early-adopted them. WADA currently believes that none of them will have an impact on its financial statements.

3 Financial risk management

1. Financial risk factors

Because of the international nature of its activities, WADA is exposed to the following financial risks: changes in foreign currency exchange rates, changes in interest rates, liquidity risk, credit risk and capital risk.

Risk management is carried out by management under policies approved by the Foundation Board. Management identifies, evaluates and hedges financial risks.

a) Foreign currency exchange risk

WADA is exposed to foreign currency exchange risk mainly because most of its revenues are generated in US Dollars, whereas its operating expenses are essentially in US Dollars and Canadian Dollars. As at 31 December 2011, WADA used price collars and bank deposits in US Dollars, Canadian Dollars, Swiss Francs and Euros to partly cover its currency exposure.

As at 31 December 2011, if the Canadian Dollar had weakened by 5% against the US Dollar with all other variables held constant, excess of expenses over income for the year would have been CHF406,805 (USD433,514) lower (2010 – excess of expenses over income would have been CHF194,374 (USD208,086) lower), mainly as a result of foreign exchange loss on translation of cash and cash equivalents denominated in Canadian Dollars. Excess of expenses over income was more sensitive to movement in US Dollar exchange rates in 2011 than 2010 because of the high amount of cash and cash equivalents denominated in Canadian Dollars.

As at 31 December 2011, if the Swiss Franc had weakened by 2% against the US Dollar with all other variables held constant, excess of expenses over income for the year would have been CHF26,452 (USD28,188) lower (2010 – excess of expenses over income would have been CHF18,451 (USD19,753) lower), mainly as a result of foreign exchange loss on translation of cash and cash equivalents denominated in Swiss Francs.

b) Interest rate risk

WADA is exposed to interest rate risk through the impact of rate changes on interest-bearing assets. As at 31 December 2011, WADA's only interest-bearing assets were cash and cash equivalents, and available-for-sale investments.

As at 31 December 2011, if interest rates had been 0.25% lower, with all other variables held constant, equity would have been CHF59,358 (USD63,255) higher (2010 – CHF87,727 (USD93,916)) as a result of an increase in the fair value of bonds classified as available for sale.

Notes to Financial Statements
31 December 2011

c) *Liquidity risk*

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

d) *Credit risk*

Substantially all of WADA's revenues are generated from contributions, which are recognized in the statement of activities at their payment date. Revenues generated from grants are considered to be fully collectible by WADA. WADA has policies which limit the amount of credit and investment exposures. WADA is exposed to minimal credit risk on accounts receivable, as a large portion is due from the Quebec government for value-added 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.

Banks	Rating	2011		Rating	2010	
		Balance			Balance	
		USD	CHF		USD	CHF
UBS	A	8,299,784	7,788,443	A+	8,029,575	7,500,434
Lombard Odier Darier Hentsch	AA-	5,604,336	5,259,059	AA-	4,121,485	3,849,883
The Bank of Nova Scotia	AA-	2,130,093	1,998,860	AA-	2,810,652	2,625,433
		<u>16,034,213</u>	<u>15,046,362</u>		<u>14,961,712</u>	<u>13,975,750</u>

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

e) *Capital risk management*

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

2. Fair value estimation

As at 31 December 2011, 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 2011, no financial assets were impaired or past due.

Notes to Financial Statements
31 December 2011

4 Cash and cash equivalents

	2011 USD	2010 USD	2011 CHF	2010 CHF
Cash	6,837,060	6,050,756	6,415,836	5,652,018
Term deposits				
in US Dollars	2,494,522	4,790,000	2,340,837	4,474,344
in Canadian Dollars	5,622,495	2,744,418	5,276,098	2,563,564
in Swiss Francs	479,544	642,329	450,000	600,000
in Euros	636,968	755,237	597,725	705,466
	<u>16,070,589</u>	<u>14,982,740</u>	<u>15,080,496</u>	<u>13,995,392</u>

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

5 Financial instruments

a) Financial instruments by category

As at 31 December 2011	Loans and receivables		Available for sale		Total	
	USD	CHF	USD	CHF	USD	CHF
Current assets						
Cash and cash equivalents (note 4)	16,070,589	15,080,496	-	-	16,070,589	15,080,496
Available-for-sale investments (note 5 b))	-	-	2,688,395	2,522,766	2,688,395	2,522,766
Receivables (note 6)	452,718	424,827	-	-	452,718	424,827
Non-current assets						
Available-for-sale investments (note 5 b))	-	-	9,008,613	8,453,601	9,008,613	8,453,601
Total	<u>16,523,307</u>	<u>15,505,323</u>	<u>11,697,008</u>	<u>10,976,367</u>	<u>28,220,315</u>	<u>26,481,690</u>
As at 31 December 2010	Loans and receivables		Available for sale		Total	
	USD	CHF	USD	CHF	USD	CHF
Current assets						
Cash and cash equivalents (note 4)	14,982,740	13,995,392	-	-	14,982,740	13,995,392
Available-for-sale investments (note 5 b))	-	-	1,300,000	1,214,331	1,300,000	1,214,331
Receivables (note 6)	302,807	282,852	-	-	302,807	282,852
Non-current assets						
Available-for-sale investments (note 5 b))	-	-	11,805,654	11,027,673	11,805,654	11,027,673
Total	<u>15,285,547</u>	<u>14,278,244</u>	<u>13,105,654</u>	<u>12,242,004</u>	<u>28,391,201</u>	<u>26,520,248</u>

Notes to Financial Statements
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b) Available-for-sale investments

	2011 USD	2010 USD	2011 CHF	2010 CHF
Bonds in US Dollars	9,301,343	10,609,233	8,728,297	9,910,095
Structured products in US Dollars	258,930	267,340	242,977	249,723
Bonds in Euros	1,845,778	1,934,673	1,732,061	1,807,180
Bonds in Canadian Dollars	290,957	294,408	273,032	275,006
	<u>11,697,008</u>	<u>13,105,654</u>	<u>10,976,367</u>	<u>12,242,004</u>

Bonds bear interest at rates ranging from 2.38% to 5.35% and mature from February 2012 to October 2015. The structured product is capital guaranteed and will mature on 9 September 2013.

6 Receivables

	2011 USD	2010 USD	2011 CHF	2010 CHF
Other receivables	154,392	151,033	144,880	141,080
Quebec sales tax receivable	270,940	110,253	254,248	102,987
Recoverable withholding taxes	4,840	2,886	4,542	2,696
Rental deposits and guarantees	22,546	22,449	21,157	20,969
Interest receivable on long-term investments	-	16,186	-	15,120
	<u>452,718</u>	<u>302,807</u>	<u>424,827</u>	<u>282,852</u>

The rental deposit is for the Uruguay office amounting to CHF21,157 (USD22,546) (2010 – CHF20,969 (USD22,449)).

7 Other current assets

	2011 USD	2010 USD	2011 CHF	2010 CHF
Prepaid expenses	1,071,820	1,015,982	1,005,787	949,030
Accrued interest	188,642	219,104	177,020	204,665
Prepaid scientific research grants 2005	3,677	46,660	3,450	43,585
Prepaid scientific research grants 2007	3,600	245,844	3,378	229,643
Prepaid scientific research grants 2008	133,475	375,442	125,252	350,700
Prepaid scientific research grants 2009	715,719	259,672	671,624	242,560
Prepaid scientific research grants 2010	686,736	666,087	644,426	622,192
Prepaid social science research grants 2008	759	11,340	712	10,593
Prepaid social science research grants 2009	-	14,497	-	13,542
Prepaid social science research grants 2010	15,414	92,723	14,464	86,613
Prepaid social science research grants 2011	62,854	-	58,982	-
	<u>2,882,696</u>	<u>2,947,351</u>	<u>2,705,095</u>	<u>2,753,123</u>

Notes to Financial Statements
31 December 2011

8 Fixed assets

	Computer equipment		Office equipment		Leasehold improvements		Total	
	USD	CHF	USD	CHF	USD	CHF	USD	CHF
Year ended 31 December 2010								
Opening net book amount	483,682	500,781	21,513	22,274	36,195	37,474	541,390	560,529
Additions	69,109	72,435	77,843	81,589	349,235	366,044	496,187	520,068
Depreciation charge	(260,380)	(272,913)	(17,828)	(18,686)	(17,278)	(18,109)	(295,486)	(309,708)
Exchange effect	-	(27,161)	-	(9,022)	-	(41,518)	-	(77,701)
Closing net book amount	292,411	273,142	81,528	76,155	368,152	343,891	742,091	693,188
As at 31 December 2010								
Cost	979,149	1,330,600	1,202,060	1,614,480	435,624	465,073	2,616,833	3,410,153
Accumulated depreciation	(686,738)	(1,015,289)	(1,120,532)	(1,443,949)	(67,472)	(74,253)	(1,874,742)	(2,533,491)
Exchange effect	-	(42,169)	-	(94,376)	-	(46,929)	-	(183,474)
Net book amount	292,411	273,142	81,528	76,155	368,152	343,891	742,091	693,188
Year ended 31 December 2011								
Opening net book amount	292,411	273,142	81,528	76,155	368,152	343,891	742,091	693,188
Additions	169,156	177,298	29,813	31,248	51,416	53,891	250,385	262,437
Depreciation charge	(270,635)	(240,962)	(19,925)	(17,741)	(72,163)	(64,251)	(362,723)	(322,954)
Exchange effect	-	(30,308)	-	(3,878)	-	(7,531)	-	(41,717)
Closing net book amount	190,932	179,170	91,416	85,784	347,405	326,000	629,753	590,954
As at 31 December 2011								
Cost	1,148,305	1,507,898	1,231,873	1,645,728	487,040	518,964	2,867,218	3,672,590
Accumulated depreciation	(957,373)	(1,256,251)	(1,140,457)	(1,461,690)	(139,635)	(138,504)	(2,237,465)	(2,856,445)
Exchange effect	-	(72,477)	-	(98,254)	-	(54,460)	-	(225,191)
Net book amount	190,932	179,170	91,416	85,784	347,405	326,000	629,753	590,954

As at 31 December 2011, the amount of leasehold improvements included in payables was USD11,681 (2010 – USD172,063).

Notes to Financial Statements
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9 Intangible assets

	<u>Software</u>	
	USD	CHF
Year ended 31 December 2010		
Opening net book amount	3,182,891	3,295,410
Additions	1,271,635	1,187,836
Depreciation charge	(984,529)	(1,031,917)
Exchange effect	-	(148,186)
Writedown of intangible assets	(542,084)	(568,176)
Closing net book amount	<u>2,927,913</u>	<u>2,734,967</u>
As at 31 December 2010		
Cost	6,772,744	7,910,275
Accumulated depreciation	(3,844,831)	(4,857,893)
Exchange effect	-	(317,415)
Net book amount	<u>2,927,913</u>	<u>2,734,967</u>
Year ended 31 December 2011		
Opening net book amount	2,927,913	2,734,967
Additions	1,421,640	1,334,053
Depreciation charge	(1,216,415)	(1,083,047)
Exchange effect	-	(45,864)
Closing net book amount	<u>3,133,138</u>	<u>2,940,109</u>
As at 31 December 2011		
Cost	8,194,384	9,244,328
Accumulated depreciation	(5,061,246)	(5,940,940)
Exchange effect	-	(363,279)
Net book amount	<u>3,133,138</u>	<u>2,940,109</u>

Intangible assets comprise the ADAMS project and other software. The amount related to the ADAMS project represents the core software necessary to fulfil the requirements of the World Anti-Doping Code regarding tracking and management of testing activity. This software enables more efficient tracking and management of the testing results.

As at 31 December 2011, the amount of intangible assets included in payables was USD20,693 (2010 – USD21,559).

Notes to Financial Statements
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10 Accrued expenses

	2011 USD	2010 USD	2011 CHF	2010 CHF
Accruals	997,289	1,247,263	935,849	1,165,069
Accrued scientific research grants 2004	-	10,838	-	10,123
Accrued scientific research grants 2005	39,999	50,199	37,534	46,891
Accrued scientific research grants 2006	119,464	149,464	112,104	139,615
Accrued scientific research grants 2007	362,191	402,481	339,876	375,958
Accrued scientific research grants 2008	482,145	398,965	452,441	372,674
Accrued scientific research grants 2009	253,621	215,911	237,996	201,683
Accrued scientific research grants 2010	187,177	-	175,645	-
Accrued social science grants 2006	-	2,280	-	2,130
Accrued social science grants 2008	-	1,755	-	1,639
Accrued social science grants 2009	7,550	5,243	7,085	4,897
Accrued social science grants 2010	5,837	-	5,478	-
	<hr/>	<hr/>	<hr/>	<hr/>
	2,455,273	2,484,399	2,304,008	2,320,679

11 Foundation capital

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

12 Reserves

a) Litigation

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

b) Operations

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

Notes to Financial Statements
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13 Annual contributions

	2011 USD	2010 USD	2011 CHF	2010 CHF
2002 Public Authorities and governments	3,944	1,853	3,512	1,942
2002 International Olympic Committee	3,944	1,853	3,512	1,942
2003 Public Authorities and governments	2,347	2,149	2,090	2,253
2003 International Olympic Committee	2,347	2,149	2,090	2,253
2005 Public Authorities and governments	5,000	-	4,452	-
2006 Public Authorities and governments	7,082	2,232	6,306	2,340
2006 International Olympic Committee	-	2,232	-	2,340
2007 Public Authorities and governments	281	9,073	250	9,509
2007 International Olympic Committee	281	9,073	250	9,509
2008 Public Authorities and governments	9,285	7,753	8,267	8,126
2009 Public Authorities and governments	16,624	62,559	14,801	65,570
2010 Public Authorities and governments	132,793	12,773,762	118,234	13,388,592
2010 International Olympic Committee	-	12,951,028	-	13,574,390
2011 Public Authorities and governments	13,098,712	-	11,662,566	-
2011 International Olympic Committee	13,210,049	-	11,761,697	-
	<u>26,492,689</u>	<u>25,825,716</u>	<u>23,588,027</u>	<u>27,068,766</u>

14 Grants

	2011 USD	2010 USD	2011 CHF	2010 CHF
Cash amount granted by Montréal International	1,703,227	1,608,251	1,516,484	1,685,659
Government of Australia	125,000	120,000	111,295	125,776
Government of Canada – Caribbean RADO	-	91,956	-	96,382
Government of Japan	223,360	80,461	198,871	84,334
Government of South Africa	25,614	-	22,806	-
Amgen Fund	-	100,000	-	104,813
CONFESSES	-	15,599	-	16,350
Olympic Council of Asia	-	15,167	-	15,897
	<u>2,077,201</u>	<u>2,031,434</u>	<u>1,849,456</u>	<u>2,129,211</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 ten-year period (2002–2011) and exempts WADA from any income tax. The Government of Quebec also provides WADA with a total cash contribution of CAD5,000,000, indexed, over a ten-year period (2002–2011). The Governments of Canada and Quebec amended the agreement in order to extend the financial contributions for the initial period by an additional ten-year period. Under this amended agreement, WADA will receive an additional total cash contribution of CAD10,000,000, indexed over a ten-year period (2012–2021) from the Government of Canada and an additional total cash contribution of CAD5,000,000, indexed, over a ten-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 support WADA's activities on a long-term basis.

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

Notes to Financial Statements
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15 Other income

	2011 USD	2010 USD	2011 CHF	2010 CHF
Laboratory accreditation and re-accreditation fees	162,080	169,980	144,309	178,162
Code monitoring	26,899	41,953	23,950	43,972
	<u>188,979</u>	<u>211,933</u>	<u>168,259</u>	<u>222,134</u>

16 Salaries and other personnel costs

	2011 USD	2010 USD	2011 CHF	2010 CHF
Salaries	5,480,906	4,881,224	4,879,974	5,116,168
Social charges and other benefits	3,922,919	3,584,179	3,492,809	3,756,693
Defined benefit pension plan contributions	28,681	128,688	25,536	134,882
Temporary staff	4,354	3,630	3,877	3,805
	<u>9,436,860</u>	<u>8,597,721</u>	<u>8,402,196</u>	<u>9,011,548</u>

The number of people employed was 63 as at 31 December 2011 (2010 – 57).

Retirement benefit obligation

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

17 Research grants

	2011 USD	2010 USD	2011 CHF	2010 CHF
Scientific research grants expensed	4,615,851	5,757,127	4,109,769	6,034,230
Social science research grants expensed	320,240	175,916	285,129	184,383
Refunds received on cancellation of project	(48,623)	-	(43,292)	-
Total research grants expensed	<u>4,887,468</u>	<u>5,933,043</u>	<u>4,351,606</u>	<u>6,218,613</u>
Research grants paid out				
Research grants expensed	4,887,468	5,933,043	4,351,606	6,218,613
Prepaid expenses (movement)	(90,033)	(397,777)	(80,162)	(416,923)
Accruals (movement)	(220,851)	(438,946)	(196,637)	(460,073)
Research grants paid out	<u>4,576,584</u>	<u>5,096,320</u>	<u>4,074,807</u>	<u>5,341,617</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	2011 USD	2010 USD	2011 CHF	2010 CHF
Salaries	2,207,704	2,241,818	1,965,651	2,349,722
Benefits and social charges	1,040,128	996,849	926,088	1,044,830
Defined benefit pension plan contributions	15,070	47,071	13,418	49,337
	<u>3,262,902</u>	<u>3,285,738</u>	<u>2,905,157</u>	<u>3,443,889</u>

Key management of WADA is defined as all the directors of the Agency. Compensation is for 11 directors through 2011, ending with 10 directors as at 31 December 2011 (2010 – 10 directors).

19 Commitments

a) Operating lease commitments

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

	2011 USD	2010 USD	2011 CHF	2010 CHF
Less than one year	490,666	675,997	460,437	631,449
More than one year and less than five years	1,662,240	211,084	1,559,831	197,174
More than five years	2,084,511	-	1,956,086	-
	<u>4,237,417</u>	<u>887,081</u>	<u>3,976,354</u>	<u>828,623</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 February 2013
Montevideo, Uruguay office lease to December 2013

b) Commitments for non-lease elements

	2011 USD	2010 USD	2011 CHF	2010 CHF
Less than one year	1,473,744	1,820,969	1,382,948	1,700,969
More than one year and less than five years	1,190,510	2,162,888	1,117,164	2,020,356
More than five years	-	639	-	597
	<u>2,664,254</u>	<u>3,984,496</u>	<u>2,500,112</u>	<u>3,721,922</u>

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

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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:

	2011 USD	2010 USD	2011 CHF	2010 CHF
Less than one year	4,760,505	4,221,495	4,238,562	4,424,685
More than one year and less than five years	856,305	773,743	762,420	810,985
	<u>5,616,810</u>	<u>4,995,238</u>	<u>5,000,982</u>	<u>5,235,670</u>

20 Contingent liabilities

At the end of 2011, WADA has CHF4,216,116 (USD4,492,921) (2010 – CHF4,882,370 (USD5,226,812)) 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 2012.