

**World Anti-Doping Agency  
Lausanne**

**Report of the statutory auditor  
to the Foundation Board on the  
financial statements 2009**

9 May 2010/ROF/DPI

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

### **Report of the statutory auditor on the financial statements**

As statutory auditor, we have audited the accompanying financial statements of World Anti-Doping Agency, which comprise the balance sheet, statement of activities, statement of cash flows, statement of comprehensive income and changes in equity and notes, for the year ended 31 December 2009.

#### *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), 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 2009 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



Felix Roth  
Audit expert  
Auditor in charge



Pierre-Alain Dévaud  
Audit expert

Lausanne, 9 May 2010

Enclosure:

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

## World Anti-Doping Agency

### Balance Sheet as at 31 December

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

	Notes	2009 USD	2008 USD	2009 CHF	2008 CHF
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	4	15,315,826	12,801,717	15,857,254	13,651,762
Receivables	6	527,220	967,933	545,858	1,032,206
Other current assets	7	3,353,993	2,744,548	3,472,561	2,926,787
		<u>19,197,039</u>	<u>16,514,198</u>	<u>19,875,673</u>	<u>17,610,755</u>
<b>Non-current assets</b>					
Available-for-sale investments	5b	12,086,784	12,415,148	12,514,065	13,239,527
Fixed assets	8	541,390	637,477	560,529	679,807
Intangible assets	9	3,182,891	2,440,024	3,295,410	2,602,045
		<u>15,811,065</u>	<u>15,492,649</u>	<u>16,370,004</u>	<u>16,521,379</u>
<b>Total Assets</b>		<b><u>35,008,104</u></b>	<b><u>32,006,847</u></b>	<b><u>36,245,677</u></b>	<b><u>34,132,134</u></b>
<b>Liabilities and Equity</b>					
<b>Current liabilities</b>					
Accounts payable		379,808	266,997	393,237	284,729
Accrued expenses	10	2,127,890	2,022,624	2,203,113	2,156,928
Advance contributions		1,598,433	770,405	1,654,939	821,561
<b>Total Liabilities</b>		<u>4,106,131</u>	<u>3,060,026</u>	<u>4,251,289</u>	<u>3,263,218</u>
<b>Equity</b>					
Foundation capital	11	4,829,281	4,688,671	5,000,000	5,000,000
Exchange adjustment on USD Foundation capital		(822,781)	(682,171)	-	-
Cumulative translation adjustment		-	-	(6,742,163)	(5,788,568)
Litigation reserve	12a	1,500,000	1,500,000	1,553,027	1,599,602
Operation reserve	12b	2,400,000	-	2,484,842	-
Cumulative fair value gain on available-for-sale investments		280,484	63,497	290,400	67,713
<i>Excess of income over expenses brought forward</i>		<u>22,714,989</u>	<u>23,376,824</u>	<u>29,408,282</u>	<u>29,990,169</u>
<b>Total Equity</b>		<u>30,901,973</u>	<u>28,946,821</u>	<u>31,994,388</u>	<u>30,868,916</u>
<b>Total Liabilities and Equity</b>		<b><u>35,008,104</u></b>	<b><u>32,006,847</u></b>	<b><u>36,245,677</u></b>	<b><u>34,132,134</u></b>

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

## World Anti-Doping Agency

### Statement of Activities for the years ended 31 December

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

	Notes	2009 USD	2008 USD	2009 CHF	2008 CHF
<b>Income</b>					
Annual contributions	13	25,343,032	24,878,905	27,745,708	26,798,002
Grants	14	1,939,542	1,628,390	2,123,423	1,754,000
Other	15	185,317	169,980	202,886	183,092
<b>Total income</b>		<b>27,467,891</b>	<b>26,677,275</b>	<b>30,072,017</b>	<b>28,735,094</b>
<b>Operating expenses</b>					
Salaries and other personnel costs	16	7,464,975	7,487,210	8,172,700	8,064,756
Travel and accommodation		2,627,010	3,275,024	2,876,065	3,527,651
Information and communications		100,545	129,415	110,077	139,397
Testing fees		1,415,457	1,649,136	1,549,651	1,776,347
Accreditation fees		316,531	265,558	346,540	286,042
Research grants	17	6,478,044	6,307,661	7,092,203	6,794,219
Other grants		244,667	-	267,863	-
Education		43,099	6,947	47,185	7,483
Project consulting fees		2,197,101	3,055,342	2,405,400	3,291,024
Administration		2,693,838	2,962,394	2,949,230	3,190,905
IT costs		2,321,770	1,603,902	2,541,888	1,727,624
Depreciation of fixed and intangible assets		1,128,148	856,619	1,235,104	922,696
		<b>27,031,185</b>	<b>27,599,208</b>	<b>29,593,906</b>	<b>29,728,144</b>
<b>Excess of operating income over expenses (operating expenses over income) before financial income</b>		<b>436,706</b>	<b>(921,933)</b>	<b>478,111</b>	<b>(993,050)</b>
<b>Financial income (expenses)</b>					
Interest		679,830	968,401	744,282	1,043,103
Gains from disposal of available-for-sale investments		57,036	13,610	62,443	14,658
Bank fees		(104,444)	(100,699)	(114,346)	(108,466)
Net gains (losses) on exchange rates		669,037	(638,272)	732,465	(687,507)
		<b>1,301,459</b>	<b>243,040</b>	<b>1,424,844</b>	<b>261,788</b>
<b>Excess of income over expenses (expenses over income) for the year</b>		<b>1,738,165</b>	<b>(678,893)</b>	<b>1,902,955</b>	<b>(731,262)</b>

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

## World Anti-Doping Agency

### Statement of Cash Flows for the years ended 31 December

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

	<b>2009</b> <b>USD</b>	<b>2008</b> <b>USD</b>	<b>2009</b> <b>CHF</b>	<b>2008</b> <b>CHF</b>
<b>Operating activities</b>				
Excess of income over expenses				
(expenses over income) for the year	1,738,165	(678,893)	1,902,955	(731,262)
Depreciation of fixed and intangible assets	1,128,148	856,619	1,235,104	922,696
Interest	(679,830)	(968,401)	(744,282)	(1,043,103)
Gains from disposal of available-for-sale investments	(57,036)	(13,610)	(62,443)	(14,658)
Changes in				
Receivables	440,713	(152,799)	482,495	(164,586)
Other current assets	(646,116)	(168,410)	(707,373)	(181,401)
Accounts payable	120,104	(946)	131,489	(1,019)
Accrued expenses	105,266	(160,352)	115,247	(172,721)
Advance contributions	828,028	(887,398)	906,530	(955,850)
<b>Net cash provided by (used in) operating activities</b>	<b>2,977,442</b>	<b>(2,174,190)</b>	<b>3,259,722</b>	<b>(2,341,904)</b>
<b>Investing activities</b>				
Purchase of fixed assets	(97,665)	(536,009)	(106,924)	(577,355)
Purchase of intangible assets	(1,684,556)	(1,504,358)	(1,844,262)	(1,620,401)
Interest received	716,501	1,012,024	784,429	1,090,089
Purchase of investments	(3,829,480)	(6,400,000)	(4,192,539)	(6,893,680)
Proceeds from sale of investments	4,431,867	8,145,925	4,852,036	8,774,280
<b>Net cash provided by (used in) investing activities</b>	<b>(463,333)</b>	<b>717,582</b>	<b>(507,260)</b>	<b>772,933</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>2,514,109</b>	<b>(1,456,608)</b>	<b>2,752,462</b>	<b>(1,568,971)</b>
<b>Currency translation impact</b>	<b>-</b>	<b>-</b>	<b>(546,970)</b>	<b>(939,103)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>12,801,717</b>	<b>14,258,325</b>	<b>13,651,762</b>	<b>16,159,836</b>
<b>Cash and cash equivalents at end of year</b>	<b>15,315,826</b>	<b>12,801,717</b>	<b>15,857,254</b>	<b>13,651,762</b>

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

**World Anti-Doping Agency**

**Statement of Comprehensive Income and Changes in Equity for the years ended 31 December**

(in Swiss Francs with audited US dollars 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 investment USD	Excess of income over expenses brought forward USD	Total USD
<b>Balance as at 1 January 2008</b>	4,411,656	(405,156)	1,500,000	-	202,433	24,055,717	<b>29,764,650</b>
Excess of expenses over income for the year	-	-	-	-	-	(678,893)	<b>(678,893)</b>
Fair value loss on available-for-sale investments	-	-	-	-	(138,936)	-	<b>(138,936)</b>
Exchange movement	277,015	(277,015)	-	-	-	-	-
Total comprehensive loss for the year							<b>(817,829)</b>
<b>Balance as at 31 December 2008</b>	4,688,671	(682,171)	1,500,000	-	63,497	23,376,824	<b>28,946,821</b>
Excess of income over expenses for the year	-	-	-	-	-	1,738,165	<b>1,738,165</b>
Transfer to operation reserve	-	-	-	2,400,000	-	(2,400,000)	-
Fair value gain on available-for-sale investments	-	-	-	-	216,987	-	<b>216,987</b>
Exchange movement	140,610	(140,610)	-	-	-	-	-
Total comprehensive income for the year							<b>1,955,152</b>
<b>Balance as at 31 December 2009</b>	<b>4,829,281</b>	<b>(822,781)</b>	<b>1,500,000</b>	<b>2,400,000</b>	<b>280,484</b>	<b>22,714,989</b>	<b>30,901,973</b>

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

**World Anti-Doping Agency**

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

(in Swiss Francs with audited US dollars 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
<b>Balance as at 1 January 2008</b>	5,000,000	(3,916,795)	1,700,042	-	229,429	30,721,431	<b>33,734,107</b>
Excess of expenses over income for the year	-	-	-	-	-	(731,262)	<b>(731,262)</b>
Fair value loss on available-for-sale investments	-	-	-	-	(161,716)	-	<b>(161,716)</b>
Exchange movement	-	(1,871,773)	(100,440)	-	-	-	<b>(1,972,213)</b>
Total comprehensive loss for the year							<b>(2,865,191)</b>
<b>Balance as at 31 December 2008</b>	5,000,000	(5,788,568)	1,599,602	-	67,713	29,990,169	<b>30,868,916</b>
Excess of income over expenses for the year	-	-	-	-	-	1,902,955	<b>1,902,955</b>
Transfer to operation reserve	-	-	-	2,484,842	-	(2,484,842)	<b>-</b>
Fair value gain on available-for-sale investments	-	-	-	-	222,687	-	<b>222,687</b>
Exchange movement	-	(953,595)	(46,575)	-	-	-	<b>(1,000,170)</b>
Total comprehensive income for the year							<b>1,125,472</b>
<b>Balance as at 31 December 2009</b>	<b>5,000,000</b>	<b>(6,742,163)</b>	<b>1,553,027</b>	<b>2,484,842</b>	<b>290,400</b>	<b>29,408,282</b>	<b>31,994,388</b>

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



**Notes to Financial Statements**  
**31 December 2009**

**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 (IOC), the International Sports Federations, 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 9 May 2010 and cannot be amended after issuance. The financial statements of WADA for the year ended 31 December 2009 have been prepared in accordance with International Financial Reporting Standards (IFRS). WADA’s financial statements are prepared in accordance with Swiss legal requirements.

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

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

US Dollar figures are included as complementary information.

WADA has adopted the following new and amended IFRS as of 1 January 2009:

IFRS 7, “Financial Instruments: Disclosures” (amendment) – effective 1 January, 2009. The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. As the change in accounting policy only results in additional disclosures, there is no impact on excess of income over expenses.

**Notes to Financial Statements**  
**31 December 2009**

IAS 1 (revised), "Presentation of Financial Statements" – effective 1 January, 2009. The revised standard prohibits the presentation of items of income and expenses (that is, "non-owner changes in equity") in the statement of changes in equity, requiring "non-owner changes in equity" to be presented separately from owner changes in equity in a statement of comprehensive income. As a result, WADA presents a statement of comprehensive income and changes in equity balances as there are no owner changes in equity requiring separate disclosure. As the change in accounting policy only impacts presentation aspects, there is no impact on excess of income over expenses.

Other standards, amendments or interpretations becoming effective in 2009 are not relevant for WADA. WADA has not early-adopted any other standards, amendments or interpretations.

**B. Foreign currencies**

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

**C. Cash and cash equivalents**

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

**D. Financial instruments**

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

**Held-to-maturity investments**

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

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

**Loans and receivables**

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

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

**Notes to Financial Statements**  
**31 December 2009**

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 or loss on available-for-sale investments.

When assets classified as available for sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in the statement of activities as Gains or 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.

Effective 1 January 2009, WADA adopted the amendment to IFRS 7 that requires disclosure of fair value measurements by level of the following hierarchy:

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

Substantially all available-for-sale assets held by WADA are valued using quoted prices (unadjusted) in active markets (level 1). The fair value of available-for-sale financial assets is based on quoted market prices at the balance sheet date.

WADA assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. If any such evidence exists for available-for-sale assets, the cumulative loss –measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss – is removed from equity and recognized in the statement of activities.

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

**E. Fixed assets**

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

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

**Notes to Financial Statements**  
**31 December 2009**

**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.

**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, 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 finance leases.

**H. Revenue recognition**

Annual contributions

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

Financial income

Interest income is recognized on an effective yield basis.

Grants

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

Other

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

**I. Income taxes**

WADA is exempt from paying income taxes.

**Notes to Financial Statements**  
**31 December 2009**

**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.

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

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 2010 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, interest rates, liquidity risk and credit risk.

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

*a) Foreign exchange risk*

WADA is exposed to foreign exchange risk mainly because most of its revenues are generated in US Dollars, whereas its operating expenses are essentially US Dollar and Canadian Dollar based. As at 31 December 2009, WADA used price collars and bank deposits in US Dollars, Swiss Francs, Canadian Dollars and Euros to partly cover its currency exposure.

As at 31 December 2009, if the Canadian Dollar had weakened by 5% against the US Dollar with all other variables held constant, excess of income over expenses for the year would have been CHF110,422 (USD106,652) higher (2008 – excess of expenses over income would have been CHF320,465 (USD300,444) lower), mainly as a result of foreign exchange loss on translation of cash and cash equivalents denominated in Canadian Dollars. Excess of income over expenses is less sensitive to movement in US Dollar exchange rates in 2009 than excess of expenses over income was in 2008 because of the lower amount of cash and cash equivalents denominated in Canadian Dollars.

As at 31 December 2009, if the Swiss Franc had weakened by 2% against the US Dollar with all other variables held constant, excess of income over expenses for the year would have been CHF22,460 (USD21,693) higher (2008 – excess of expenses over income would have been CHF32,677 (USD30,635) 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 2009, WADA's only interest-bearing assets were cash and cash equivalents, and available-for-sale investments.

**Notes to Financial Statements**  
**31 December 2009**

As at 31 December 2009, if interest rates had been 0.25% lower, with all other variables held constant, equity would have been CHF62,175 (USD60,052) higher (2008 – CHF80,250 (USD75,281)) as a result of an increase in the fair value of bonds classified as available for sale.

*c) Liquidity risk*

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

*d) Credit risk*

Substantially all of WADA's revenues are generated from contributions, which are recognized in the statement of activities at their payment date. Revenues generated from grants are considered to be fully collectible by WADA. WADA has policies which limit the amount of credit and investment exposures. WADA is exposed to minimal credit risk on accounts receivable as major amounts are due from the Quebec government for value-added taxes (Quebec sales tax) and withholding taxes. Cash and cash equivalents and available-for-sale investments are placed with major banks. The table below shows the balance held at the three major banks at the balance sheet date, in the form of cash and term deposits.

Banks	Rating	2009		Rating	2008	
		Balance			Balance	
		USD	CHF		USD	CHF
UBS	Aa3	10,502,035	10,873,292	Aa2	5,729,986	6,110,463
Lombard Odier Darier Hentsch	AA-	3,068,323	3,176,791	AA-	5,520,103	5,886,643
The Bank of Nova Scotia	Aa1	1,703,359	1,763,574	Aa1	1,520,491	1,621,453
		15,273,717	15,813,657		12,770,580	13,618,559

Available-for-sale investments mainly represent 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 2009, the fair value of cash and cash equivalents, receivables, other current assets, accounts payable, accrued expenses and advance contributions were not significantly different from their book value because of their maturity being close to the balance sheet date. As at 31 December 2009, no financial assets were impaired or past due.

Notes to Financial Statements  
31 December 2009

4 Cash and cash equivalents

	2009 USD	2008 USD	2009 CHF	2008 CHF
Cash	9,453,691	3,183,473	9,787,888	3,394,858
Term deposits				
in US Dollars	3,485,803	2,005,903	3,609,029	2,139,097
in Canadian Dollars	583,679	4,952,821	604,312	5,281,693
in Swiss Francs	869,270	1,192,879	900,000	1,272,087
in Euros	923,383	1,466,641	956,025	1,564,027
	<u>15,315,826</u>	<u>12,801,717</u>	<u>15,857,254</u>	<u>13,651,762</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 2009	Loans and receivable		Available for sale		Total	
	USD	CHF	USD	CHF	USD	CHF
<b>Current assets</b>						
Cash and cash equivalents (note 4)	15,315,826	15,857,254	-	-	15,315,826	15,857,254
Receivables (note 6)	527,220	545,858	-	-	527,220	545,858
<b>Non-current assets</b>						
Available-for-sale investments (note 5 b))	-	-	12,086,784	12,514,065	12,086,784	12,514,065
<b>Total</b>	<u>15,843,046</u>	<u>16,403,112</u>	<u>12,086,784</u>	<u>12,514,065</u>	<u>27,929,830</u>	<u>28,917,177</u>
As at 31 December 2008	Loans and receivable		Available for sale		Total	
	USD	CHF	USD	CHF	USD	CHF
<b>Assets per balance sheet</b>						
<b>Current assets</b>						
Cash and cash equivalents (note 4)	12,801,717	13,651,762	-	-	12,801,717	13,651,762
Receivables (note 6)	967,933	1,032,206	-	-	967,933	1,032,206
<b>Non-current assets</b>						
Available-for-sale investments (note 5 b))	-	-	12,415,148	13,239,527	12,415,148	13,239,527
<b>Total</b>	<u>13,769,650</u>	<u>14,683,968</u>	<u>12,415,148</u>	<u>13,239,527</u>	<u>26,184,798</u>	<u>27,923,495</u>

**Notes to Financial Statements**  
**31 December 2009**

**b) Available-for-sale investments**

	<b>2009</b> <b>USD</b>	<b>2008</b> <b>USD</b>	<b>2009</b> <b>CHF</b>	<b>2008</b> <b>CHF</b>
Bonds in US Dollars	11,133,198	11,336,238	11,526,768	12,088,976
Structured products in US Dollars	500,000	1,078,910	517,676	1,150,551
Bonds in Euros	453,586	-	469,621	-
	<u>12,086,784</u>	<u>12,415,148</u>	<u>12,514,065</u>	<u>13,239,527</u>

Bonds bear interest at rates ranging from 3.375% to 6.125% and mature from January 2010 to October 2015. The structured product is capital guaranteed and matured on 8 February 2010.

**6 Receivables**

	<b>2009</b> <b>USD</b>	<b>2008</b> <b>USD</b>	<b>2009</b> <b>CHF</b>	<b>2008</b> <b>CHF</b>
Other receivables	235,122	320,483	243,434	341,764
Quebec sales tax receivable	252,522	293,765	261,449	313,271
Recoverable withholding taxes	9,182	114,159	9,507	121,740
Rental deposits and guarantees	22,574	226,719	23,372	241,774
Interest receivable on long-term investments	7,820	12,807	8,096	13,657
	<u>527,220</u>	<u>967,933</u>	<u>545,858</u>	<u>1,032,206</u>

The rental deposit is for the Uruguay office amounting to CHF23,372 (USD22,574) (2008 – CHF23,702 (USD22,226)). Cash guarantees for corporate credit cards in 2008 of CHF213,280 (USD200,000) are not required in 2009.

**7 Other current assets**

	<b>2009</b> <b>USD</b>	<b>2008</b> <b>USD</b>	<b>2009</b> <b>CHF</b>	<b>2008</b> <b>CHF</b>
Prepaid expenses	605,586	854,175	626,994	910,893
Prepaid expenses – Olympic games	404,884	-	419,197	-
Accrued interest	233,482	270,153	241,736	288,091
Prepaid scientific research grants 2005	64,993	157,078	67,291	167,508
Prepaid scientific research grants 2006	144,921	486,612	150,044	518,923
Prepaid scientific research grants 2007	407,076	562,747	421,467	600,114
Prepaid scientific research grants 2008	795,150	392,056	823,259	418,089
Prepaid scientific research grants 2009	643,480	-	666,228	-
Prepaid monitoring program	-	8,334	-	8,887
Prepaid social science research grants 2007	-	3,299	-	3,518
Prepaid social science research grants 2008	17,350	10,094	17,963	10,764
Prepaid social science research grants 2009	37,071	-	38,382	-
	<u>3,353,993</u>	<u>2,744,548</u>	<u>3,472,561</u>	<u>2,926,787</u>



Notes to Financial Statements  
31 December 2009

8 Fixed assets – Computer and office equipment and leasehold improvements

	Computer equipment		Office equipment		Leasehold improvements		Total	
	USD	CHF	USD	CHF	USD	CHF	USD	CHF
<b>Year ended 31 December 2008</b>								
Opening net book amount	4,359	4,940	66,005	74,808	71,377	80,896	141,741	160,644
Additions	541,350	577,296	1,952	2,082	-	-	543,302	579,378
Depreciation charge	(5,224)	(5,627)	(24,438)	(26,322)	(17,904)	(19,286)	(47,566)	(51,235)
Exchange effect	-	(235)	-	(4,158)	-	(4,587)	-	(8,980)
<b>Closing net book amount</b>	<b>540,485</b>	<b>576,374</b>	<b>43,519</b>	<b>46,410</b>	<b>53,473</b>	<b>57,023</b>	<b>637,477</b>	<b>679,807</b>
<b>As at 31 December 2008</b>								
Cost	980,365	1,164,598	1,124,217	1,532,891	86,389	99,029	2,190,971	2,796,518
Accumulated depreciation	(439,880)	(581,262)	(1,080,698)	(1,401,171)	(32,916)	(37,228)	(1,553,494)	(2,019,661)
Exchange effect	-	(6,962)	-	(85,310)	-	(4,778)	-	(97,050)
<b>Net book amount</b>	<b>540,485</b>	<b>576,374</b>	<b>43,519</b>	<b>46,410</b>	<b>53,473</b>	<b>57,023</b>	<b>637,477</b>	<b>679,807</b>
<b>Year ended 31 December 2009</b>								
Opening net book amount	540,485	576,374	43,519	46,410	53,473	57,023	637,477	679,807
Additions	90,372	93,567	-	-	-	-	90,372	93,567
Depreciation charge	(147,175)	(161,129)	(22,006)	(24,092)	(17,278)	(18,916)	(186,459)	(204,137)
Exchange effect	-	(8,031)	-	(44)	-	(633)	-	(8,708)
<b>Closing net book amount</b>	<b>483,682</b>	<b>500,781</b>	<b>21,513</b>	<b>22,274</b>	<b>36,195</b>	<b>37,474</b>	<b>541,390</b>	<b>560,529</b>
<b>As at 31 December 2009</b>								
Cost	978,376	1,258,165	1,124,218	1,532,891	86,389	99,029	2,188,983	2,890,085
Accumulated depreciation	(494,694)	(742,376)	(1,102,705)	(1,425,263)	(50,194)	(56,144)	(1,647,593)	(2,223,783)
Exchange effect	-	(15,008)	-	(85,354)	-	(5,411)	-	(105,773)
<b>Net book amount</b>	<b>483,682</b>	<b>500,781</b>	<b>21,513</b>	<b>22,274</b>	<b>36,195</b>	<b>37,474</b>	<b>541,390</b>	<b>560,529</b>

Notes to Financial Statements  
31 December 2009

9 Intangible assets

	Software	
	USD	CHF
<b>Year ended 31 December 2008</b>		
Opening net book amount	1,744,719	1,977,397
Additions	1,504,358	1,604,249
Depreciation charge	(809,053)	(871,461)
Exchange effect	-	(108,140)
<b>Closing net book amount</b>	<b>2,440,024</b>	<b>2,602,045</b>
<b>As at 31 December 2008</b>		
Cost	4,358,637	4,978,333
Accumulated depreciation	(1,918,613)	(2,226,833)
Exchange effect	-	(149,455)
<b>Net book amount</b>	<b>2,440,024</b>	<b>2,602,045</b>
<b>Year ended 31 December 2009</b>		
Opening net book amount	2,440,024	2,602,045
Additions	1,684,556	1,744,106
Depreciation charge	(941,689)	(1,030,967)
Exchange effect	-	(19,774)
<b>Closing net book amount</b>	<b>3,182,891</b>	<b>3,295,410</b>
<b>As at 31 December 2009</b>		
Cost	6,043,193	6,722,439
Accumulated depreciation	(2,860,302)	(3,257,800)
Exchange effect	-	(169,229)
<b>Net book amount</b>	<b>3,182,891</b>	<b>3,295,410</b>

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

10 Accrued expenses

	2009 USD	2008 USD	2009 CHF	2008 CHF
Accruals	1,329,696	1,377,325	1,376,702	1,468,780
Accrued scientific research grants 2002	-	8,000	-	8,531
Accrued scientific research grants 2003	2,000	2,000	2,071	2,133
Accrued scientific research grants 2004	67,878	107,447	70,277	114,581
Accrued scientific research grants 2005	134,043	101,749	138,782	108,506
Accrued scientific research grants 2006	171,859	217,702	177,935	232,157
Accrued scientific research grants 2007	306,641	188,540	317,481	201,060
Accrued scientific research grants 2008	110,368	-	114,269	-
Accrued social science grants 2006	2,280	7,280	2,361	7,763
Accrued social science grants 2007	-	6,901	-	7,360
Accrued social science grants 2008	3,125	5,680	3,235	6,057
	<b>2,127,890</b>	<b>2,022,624</b>	<b>2,203,113</b>	<b>2,156,928</b>

**Notes to Financial Statements**  
**31 December 2009****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) Operation

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

**13 Annual contributions**

	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>USD</b>	<b>USD</b>	<b>CHF</b>	<b>CHF</b>
2002 Public Authorities and governments	1,500	5,027	1,642	5,415
2002 International Olympic Committee (IOC)	1,500	5,949	1,642	6,408
2003 Public Authorities and governments	1,740	5,892	1,905	6,346
2003 International Olympic Committee (IOC)	1,740	6,962	1,905	7,499
2004 Public Authorities and governments	6,405	4,822	7,012	5,194
2004 International Olympic Committee (IOC)	6,405	4,822	7,012	5,194
2005 Public Authorities and governments	6,916	147,030	7,572	158,372
2005 International Olympic Committee (IOC)	6,916	147,030	7,572	158,372
2006 Public Authorities and governments	7,820	152,971	8,561	164,770
2006 International Olympic Committee (IOC)	7,820	160,734	8,561	173,133
2007 Public Authorities and governments	95,108	225,122	104,125	242,487
2007 International Olympic Committee (IOC)	95,108	480,896	104,125	517,991
2008 Public Authorities and governments	160,148	11,735,824	175,331	12,641,097
2008 International Olympic Committee (IOC)	178,130	11,795,824	195,018	12,705,724
2009 Public Authorities and governments	12,312,864	-	13,480,200	-
2009 International Olympic Committee (IOC)	12,452,912	-	13,633,525	-
	<b>25,343,032</b>	<b>24,878,905</b>	<b>27,745,708</b>	<b>26,798,002</b>

**14 Grants**

	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>USD</b>	<b>USD</b>	<b>CHF</b>	<b>CHF</b>
Cash amount granted by Montreal International	1,406,490	1,568,390	1,539,834	1,689,372
Government of Australia	60,000	60,000	65,688	64,628
Government of Japan	214,749	-	235,109	-
Government of France	199,975	-	218,934	-
Government of Malaysia	3,000	-	3,284	-
Commonwealth secretariat	55,328	-	60,574	-
	<b>1,939,542</b>	<b>1,628,390</b>	<b>2,123,423</b>	<b>1,754,000</b>

**Notes to Financial Statements**  
**31 December 2009**

WADA benefits from two major government supports in Canada. The Government of Canada provides WADA with a total cash contribution of CAD10,000,000, indexed, over a ten-year period (2002–2011) and exempts WADA from any income tax. The Government of Quebec also provides WADA with a total cash contribution of CAD5,000,000, indexed, over a ten-year period (2002–2011). The grants are paid as one combined amount from a corporation, Montreal International, formed by the aforementioned governments. In 2002, the total grant of CHF2,533,440 (USD1,828,011) represented the initial instalment, whereas the remaining instalments, in Canadian Dollars, are indexed and equally split over the remaining nine years. The grants are subject to the following conditions: WADA must maintain its permanent operational headquarters in Montréal, maintain a minimum staff of 17 to 25 employees, supply quarterly unaudited and annual audited accounts, budgets and activity reports, and continue its original mission. The aim of these government supports is to encourage and support WADA's activities on a long-term basis.

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

**15 Other income**

	<b>2009</b> <b>USD</b>	<b>2008</b> <b>USD</b>	<b>2009</b> <b>CHF</b>	<b>2008</b> <b>CHF</b>
Laboratory accreditation and re-accreditation fees	157,352	148,480	172,270	159,933
Code monitoring	27,965	20,000	30,616	21,543
Other	-	1,500	-	1,616
	<u>185,317</u>	<u>169,980</u>	<u>202,886</u>	<u>183,092</u>

**16 Salaries and other personnel costs**

	<b>2009</b> <b>USD</b>	<b>2008</b> <b>USD</b>	<b>2009</b> <b>CHF</b>	<b>2008</b> <b>CHF</b>
Salaries	4,210,195	4,370,086	4,609,346	4,707,184
Social charges and other benefits	3,056,149	2,937,364	3,345,891	3,163,945
Defined benefit pension plan contributions	103,119	106,423	112,895	114,632
Temporary staff	41,245	18,104	45,156	19,501
Recruitment expenses	54,267	55,233	59,412	59,494
	<u>7,464,975</u>	<u>7,487,210</u>	<u>8,172,700</u>	<u>8,064,756</u>

The number of people employed was 59 as at 31 December 2009 (2008 – 55).

**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.

Notes to Financial Statements  
31 December 2009

17 Research grants

	2009 USD	2008 USD	2009 CHF	2008 CHF
Scientific research grants expensed	6,366,198	6,140,633	6,969,753	6,614,306
Social science research grants expensed	111,846	167,028	122,450	179,913
<b>Total research grants expensed</b>	<b>6,478,044</b>	<b>6,307,661</b>	<b>7,092,203</b>	<b>6,794,219</b>
<b>Research grants paid out</b>				
Research grants expensed	6,478,044	6,307,661	7,092,203	6,794,219
Prepaid expenses (movement)	489,821	20,819	536,261	22,425
Accruals (movement)	(152,895)	102,359	(167,390)	110,255
<b>Research grants paid out</b>	<b>6,814,970</b>	<b>6,430,839</b>	<b>7,461,074</b>	<b>6,926,899</b>

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	2009 USD	2008 USD	2009 CHF	2008 CHF
Salaries	2,140,779	1,903,458	2,343,738	2,050,286
Benefits and social charges	1,075,000	882,886	1,176,917	950,990
Defined benefit pension plan contributions	77,182	85,559	84,499	92,159
	<b>3,292,961</b>	<b>2,871,903</b>	<b>3,605,154</b>	<b>3,093,435</b>

Key management of WADA is defined as all the directors of the Agency. There are 12 directors as at 31 December 2009 (2008 – 11 directors).

19 Commitments

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

Operating lease commitments	2009 USD	2008 USD	2009 CHF	2008 CHF
Less than one year	634,902	563,271	657,346	600,673
More than one year and less than five years	789,124	1,209,541	817,020	1,289,856
More than five years	23,340	46,680	24,165	49,780
	<b>1,447,366</b>	<b>1,819,492</b>	<b>1,498,531</b>	<b>1,940,309</b>

**Notes to Financial Statements**  
**31 December 2009**

The operating lease commitments are for the following:

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

<b>Commitments for non-lease elements</b>	<b>2009 USD</b>	<b>2008 USD</b>	<b>2009 CHF</b>	<b>2008 CHF</b>
Less than one year	1,262,262	1,247,217	1,306,884	1,330,033
More than one year and less than five years	3,199,153	4,229,538	3,312,246	4,510,384
More than five years	-	-	-	-
	<u>4,461,415</u>	<u>5,476,755</u>	<u>4,619,130</u>	<u>5,840,417</u>

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

**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:

	<b>2009 USD</b>	<b>2008 USD</b>	<b>2009 CHF</b>	<b>2008 CHF</b>
Less than one year	4,216,188	4,700,437	4,615,909	5,012,551
More than one year and less than five years	579,590	891,508	634,539	950,705
More than five years	-	-	-	-
	<u>4,795,778</u>	<u>5,591,945</u>	<u>5,250,448</u>	<u>5,963,256</u>

**20 Contingent liabilities**

At the end of 2009, WADA has CHF5,751,638 (USD5,555,255) (2008 – CHF6,153,255 (USD5,770,114)) 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 2010.