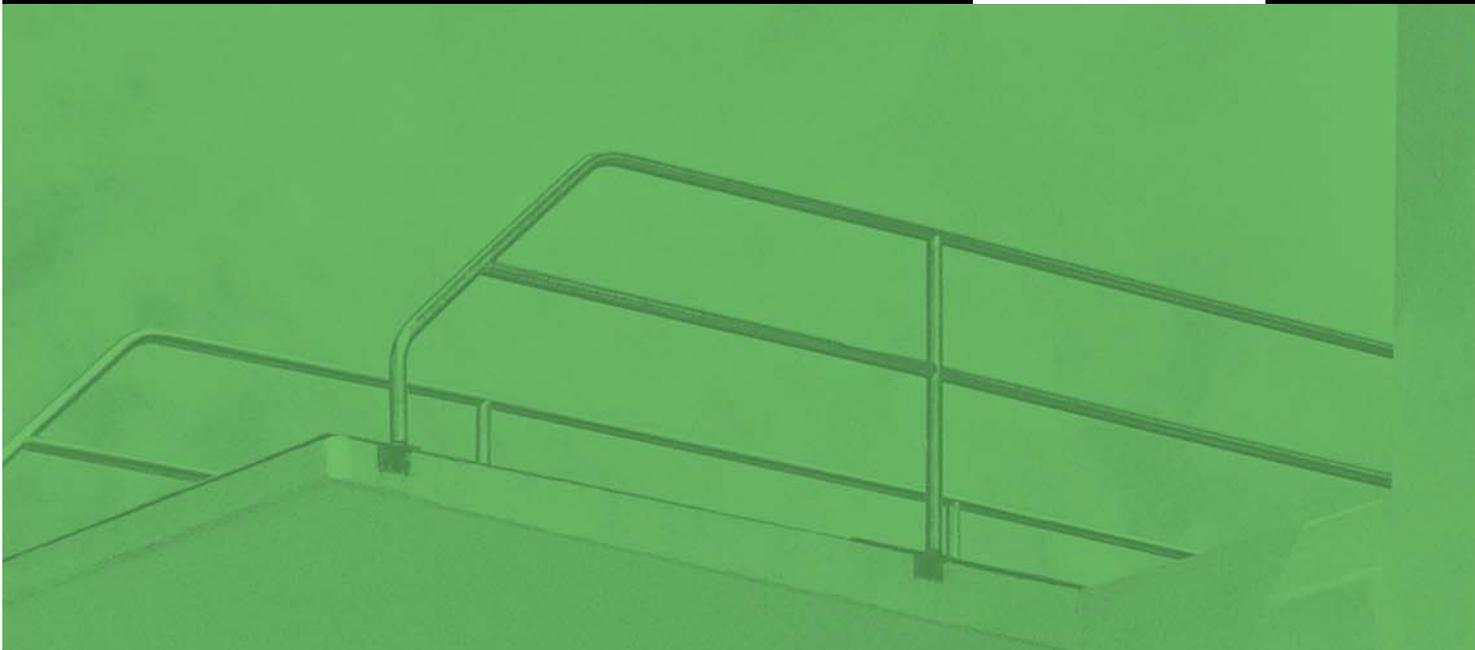




2004 ANNUAL REPORT



**WORLD
ANTI-DOPING
AGENCY**





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WADA BOARD

The WADA Foundation Board at the meeting of 21 November 2004 in Montreal.

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Richard W. Pound



MESSAGE FROM THE CHAIRMAN



When the sports movement and world governments came together in 1999 to create the World Anti-Doping Agency, they set one important, immediate priority for this unique organization: to harmonize the rules that govern anti-doping across sports and across countries. Virtually every action that WADA undertook for the first few years of its existence was developed to meet that objective.

We set about creating the first ever World Anti-Doping Code and, as described in last year's annual report, we worked closely with our stakeholders throughout 2003 to complete this task. It was gratifying to see the Code accepted by so many stakeholders with differing viewpoints. I consider the World Conference on Doping in Sport in 2003, where the Code was unanimously approved, to be a crowning achievement for those who have fought the scourge of doping for so long. Indeed, we celebrated 2003 as "The Year of the Code."

However, the Code is only a document, a collection of words, with no power until it is embraced and implemented by those it means to serve.

I am pleased to report that 2004 can be described as the year the Code was fully accepted by the Olympic Movement and by sports organizations, fulfilling the pledges made at the World Conference the previous year. By the opening of the Olympic Games in Athens in August, all 35 international federations (IFs), all 202 national Olympic committees, the International Paralympic Committee (IPC) and many other sports organizations had formally accepted the Code. WADA worked all year with the IFs and the IPC to help them bring their anti-doping rules in compliance with the Code prior to the start of the Games.

The International Olympic Committee (IOC), in amending its Charter the year before, had made clear that there would be no place at the Games for those who did not embrace the Code. This leadership shown by the IOC was matched by the sports movement. The first day of the Games dawned with new promise for the fight against doping.

Much of WADA's 2004 activities centered on preparing for implementation of the Code at the Games. We worked closely with the IOC throughout the first half of the year to target our out-of-competition tests at athletes who would most likely participate in the Olympics. We invested more in research projects than ever before to ensure that we had new tests on hand before Athens. I commend the scientific teams that work with WADA for perfecting three

new tests—for human growth hormone, hemoglobin-based oxygen carriers and homologous blood transfusions—that could be implemented at the Olympics. It was a remarkable achievement to introduce so many new tests at one time. Once again, we demonstrated to those who would cheat that no doping substance or method is ultimately undetectable.

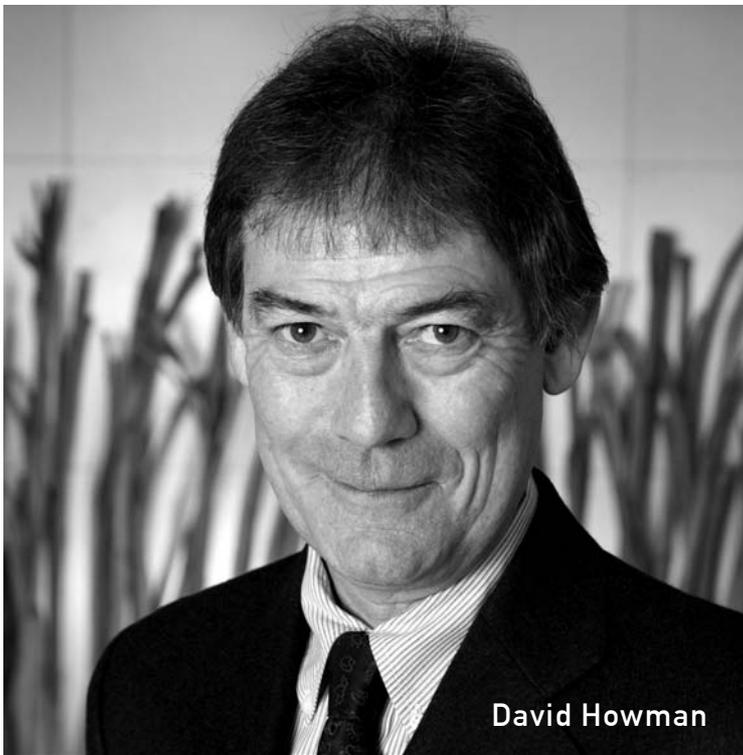
We assembled two excellent teams of experts to act as independent observers in Athens at the Olympic and Paralympic Games. Their insights and recommendations, like those of their predecessors, help us all do our jobs better.

We also worked hard to ensure that the athletes who were coming to compete in Athens had access to more information than ever before about doping, the Code, and their rights and responsibilities. I have often said that we need to pay as much attention to educating young athletes about the dangers of doping as we do to testing and sanctioning them for drug use.

WADA invested heavily, both in terms of financial and human resources, to educate athletes before, during and after the Games. We sent out teams of experts through our Outreach Program to multinational sporting events, including the Olympic and Paralympic Games, to teach up-and-coming athletes that doping is wrong, is harmful to health and destroys the essence of true competition. We produced more written material than ever before and trained more people at the grassroots level to reach out to athletes and answer their questions. And we brought together experts from around the world to discuss the problem of nutritional supplements and the part they play in so many positive doping tests each year.

Of course, the fight against doping extends far beyond what WADA does and 2004 was a banner year for revealing the scope of the problem in today's society. I was pleased to hear the President of the United States mention steroid use in his State of the Union address, shining a much needed spotlight on this issue. The scandal involving Balco and the designer steroid THG, while representing a shameful chapter in sports history, has helped draw more attention to our cause. This can only serve us in our long-term battle to rid sport of doping. Overall, doping garnered more attention in 2004 than ever before. Let us capitalize on this and assume even greater responsibility to do our job right and do it well.

I thank all of those who helped us in our work this last year and look forward to doing even more in 2005 to make cheaters in sport an extinct species. ■



David Howman

MESSAGE FROM THE DIRECTOR GENERAL



The fight against doping in sport advanced markedly in 2004 and I am proud of WADA's contributions to this progress. The Agency and its stakeholders alike accomplished a great deal in implementing the World Anti-Doping Code, in solidifying the work of years past and in establishing best practices that will carry us forward for the years to come.

In 2004 we focused our attention on the priorities defined for us by our Executive Committee. This included working closely with our stakeholders on Code implementation, particularly with those who were to accomplish it by the opening of the Olympic Games in Athens. It is truly a credit to the Olympic Movement that every international federation, national Olympic Committee, and almost all national Paralympic Committees were able to accept the Code on time. You will read more about this in the following pages, and I will take this opportunity to congratulate our sports partners in this accomplishment.

Our government partners were busy as well, and we are on track for the adoption of the International Convention against Doping in Sport to occur in October 2005. This important convention, drafted under the auspices of UNESCO, will allow governments to recognize the Code and implement its tenets prior to the Winter Olympic Games in Torino, February 2006. At that point, all of WADA's stakeholders will be united under the banner of the Code in the fight against doping. I thank UNESCO, and particularly its director general, Mr. Koichiro Matsuura, for their efforts in making this convention a reality.

Our partners stepped up to the plate in another important way. Those who have followed WADA's progress since our inception are well aware of the funding challenges we faced in our first few years. It is impossible for the fight against doping to move forward without adequate resources, and in 2004, our stakeholders demonstrated their serious commitment to this fight by fulfilling their financial obligations to the Agency. I am proud that we received nearly 95 percent of our dues for the year. I am confident that financial worries will not hamper WADA's work ever again.

In terms of activities, we concentrated significant resources to education, as mandated by our Executive Committee. In May, we held a nutritional supplements symposium to look at how these products, so often used by athletes, sometimes inadvertently lead to positive doping tests. Expert recommendations were issued as a result of discussions at the symposium, and we will carry the issue forward in a follow-up international symposium in 2005.

We also published more documents in 2004 for use in our educational efforts. In addition to revamping our Athlete Guide and producing a new Prohibited List booklet, we also published a series of questions and answers on important topics, to make it easier for athletes and their entourages to get the information they need. We continued with our

successful Outreach Program, where our own experts, as well as volunteers from our partner organizations, reached out to athletes directly at major events to address their questions and concerns regarding doping. And we continued to work with our stakeholders in better training and education of anti-doping experts.

A new pilot program was introduced in 2004 that complements our Out of Competition Testing (OOCT) activities. While many developed countries have strong Code-compliant anti-doping programs, we find that even more countries, many of developing country status, need help in this area. A pilot scheme was held in Oceania with a view to establish Regional Anti-Doping Organizations and accordingly collect samples in areas where none are presently collected, and to develop anti-doping programs accordingly. This not only enables more global coverage of OOCT, but aides the international federations in expanding their programs appropriately. More will occur in 2005.

We made huge strides in 2004 in the other major priority area: research. You will read about our work in that arena in the following pages. I would just take this opportunity to thank and congratulate our partners in science laboratories around the world for the excellent work they have done in developing new tests and remaining on the cutting edge of research. They have demonstrated yet again that we have no intention of forever remaining one step behind the cheaters, and that advances have considerably shortened that step.

Our regional offices continued their excellent work interfacing with our partners around the world. We formally inaugurated the Tokyo office in April and began looking at establishing a regional office in Latin America to better serve our stakeholders in that part of the world.

Summarizing a year's worth of activities in a few words is impossible, so I will allow the rest of this report to speak for itself in outlining WADA's 2004 accomplishments. I would prefer to conclude by conveying my thanks to WADA's outstanding staff and to our many supporting experts who so willingly gave of their time and knowledge. Obviously, nothing that we accomplish would be possible without their dedication and hard work. We lost some valuable staff members this year, including our director of communications, Farnaz Khadem. But we also welcomed new team members and I am sure they will continue the excellence established by all of WADA's staff since our inception. I also thank our Chairman for his continued leadership and guidance, and welcome Minister Brian Mikkelsen to his new post as our vice-chairman. I look forward to working with both of them in the coming months.

We have progressed considerably in the fight against doping, but of course there is much more to address and achieve. In 2005, I look forward to building on the successes of 2004 and working closely with our stakeholders and all those dedicated to the principles of clean sport. ■

The International Olympic Committee (IOC), in accepting the World Anti-Doping Code in 2003 and amending the Olympic Charter, had set a date by which the Code would finally be put into practice. All sports organizations knew that if their athletes wanted a place at the Olympic Games in Athens in 2004, they would have to accept and implement the Code by the first day of those Games.

WADA worked closely with all sports organizations in this area. Since the Code had been unanimously approved at the World Conference on Doping in Sport in March 2003, the next step was formal acceptance, followed by implementation. For international federations (IFs), this meant changing existing anti-doping rules to be in compliance with the Code. A few international federations got a head start, changing their rules before 2003 was out. But for most, the real work started in January. WADA representatives met regularly with

members of IFs, national Olympic committees and national anti-doping agencies to give guidance on how to put anti-doping rules in line with the Code and the International Standards, which also went into effect January 1.

To help with implementation, WADA drafted several models of best practice and guidelines. For example, under the Code, whereabouts information on an athlete shall be made available to WADA. The granting or denial of a therapeutic use exemption (TUE) shall also now be reported to WADA. One solution for management of much of this information flow will come in 2005, with the implementation of the Anti-Doping Administration and Management System (ADAMS).

By the time of the Games in Athens, all 35 IFs of Olympic sports, all 202 national Olympic committees, most of the international recognized federations and

IMPLEMENTATION OF THE WORLD ANTI-DOPING CODE



national Paralympic committees, the International Paralympic Committee (IPC) and many other sports organizations had accepted the Code. This brought never-before-seen changes to the Games in the form of more harmonized testing, the standard use of TUEs and the possibility that WADA may appeal a decision made by the IOC with regard to any sanctions meted out.

WADA had been mandated to report to its stakeholders the status of Code acceptance. It did so through a report to its Foundation Board and the IOC in July 2004, detailing which sports organizations had accepted the Code to date.

Of course, full implementation of the Code on a global level will not be possible until world governments recognize the principle of the Code as the basis for the fight against doping in sport. Governments have lent their support to WADA and the Code through signing

the Copenhagen Declaration, a document drafted during the World Conference in 2003. They will formally recognize the principles of the Code, and where appropriate amend their national legislation, after ratifying an International Convention against Doping in Sport, under the auspices of UNESCO, the United Nations body responsible for science, education and culture.

Lack of a formal instrument through which they can accept the tenants of the Code did not hold governments back from showing their support for the document's implementation. By the end of the year, 160 governments had signed the Copenhagen Declaration.

WADA will continue to work with its stakeholders throughout 2005 to monitor complete implementation and compliance with the Code. ■



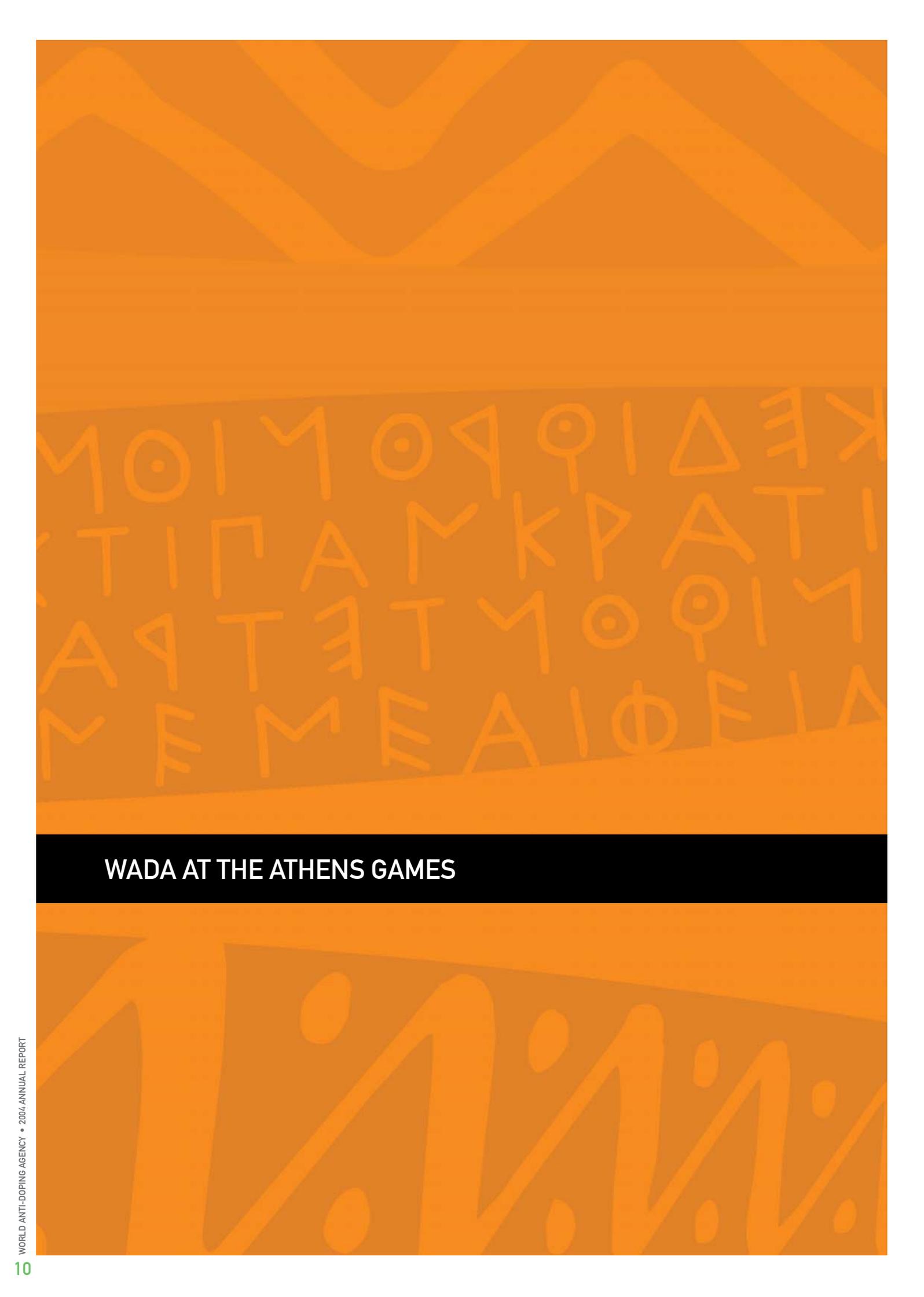
INTERNATIONAL CONVENTION AGAINST DOPING IN SPORT

WADA continued in 2004 to participate actively in the preparation of the International Convention Against Doping in Sport, drafted under the auspices of UNESCO, the United Nations body responsible for education, science and culture.

Many governments cannot be legally bound by a non-governmental document such as the World Anti-Doping Code. Therefore, the UNESCO Convention, which was proposed by member states, will allow governments to support the Code as the basis for the fight against doping in sport and support the work of WADA. While the Copenhagen Declaration, which was signed by 160 governments by the end of 2004, is a political document that allows states to signal their intention to formally recognize and implement the Code, the Convention will be a legally-binding instrument. It will be the first Convention to address universally the issue of doping in sport.

Following UNESCO procedures for the creation of an international convention, the organization's director general, Koichiro Matsuura, convened an intergovernmental meeting (Category II) of all member states to prepare the document. Three sessions were held at UNESCO headquarters in Paris, in January and May of 2004 and January 2005. WADA played an active role in these sessions. Agency representatives met with a number of delegates to explain WADA's work and mission, as well as the principles and objectives of the Code.

Draft versions of the Convention were discussed at various UNESCO gatherings, including a MINEPS IV meeting of ministers and officials responsible for physical education and sport. The final draft text was sent in March 2005 to all member states by the UNESCO director general. It will then be presented at the next UNESCO general conference, to be held in Paris from October 3 to October 21, 2005. This will allow governments time to ratify the Convention and recognize the Code by the opening of the Winter Olympic Games in Turin in February 2006. ■

The background of the page is a solid orange color. It features a pattern of various Greek letters and symbols, including alpha, beta, gamma, delta, epsilon, zeta, eta, theta, iota, kappa, lambda, mu, nu, xi, omicron, pi, rho, sigma, tau, upsilon, phi, chi, psi, omega, and the infinity symbol. The letters are arranged in a somewhat random, overlapping manner, creating a textured effect. A black horizontal bar is positioned across the middle of the page, containing the text 'WADA AT THE ATHENS GAMES' in white, bold, uppercase letters.

WADA AT THE ATHENS GAMES

WADA worked closely with the International Olympic Committee (IOC) and International Paralympic Committee (IPC) during the Olympic and Paralympic Games in Athens on two important fronts: observation of doping controls and education of athletes.

For the third consecutive time, the Agency sent a team of independent observers (IOs) to the Olympic Games. IOs are experts chosen by WADA for their knowledge in fields including sample collection, laboratory work and medical matters. Their presence at major events such as the Olympics is to ensure that procedures followed in doping controls are fair and unbiased.

The Olympic observer team was led by Professor Ulrich Haas, a professor of law at the University of Mainz, Germany, who is also an arbitrator with the Court of Arbitration for Sport. His team of 10 observed a significant number of doping control procedures throughout the Games and issued a report with their observations and recommendations in November.

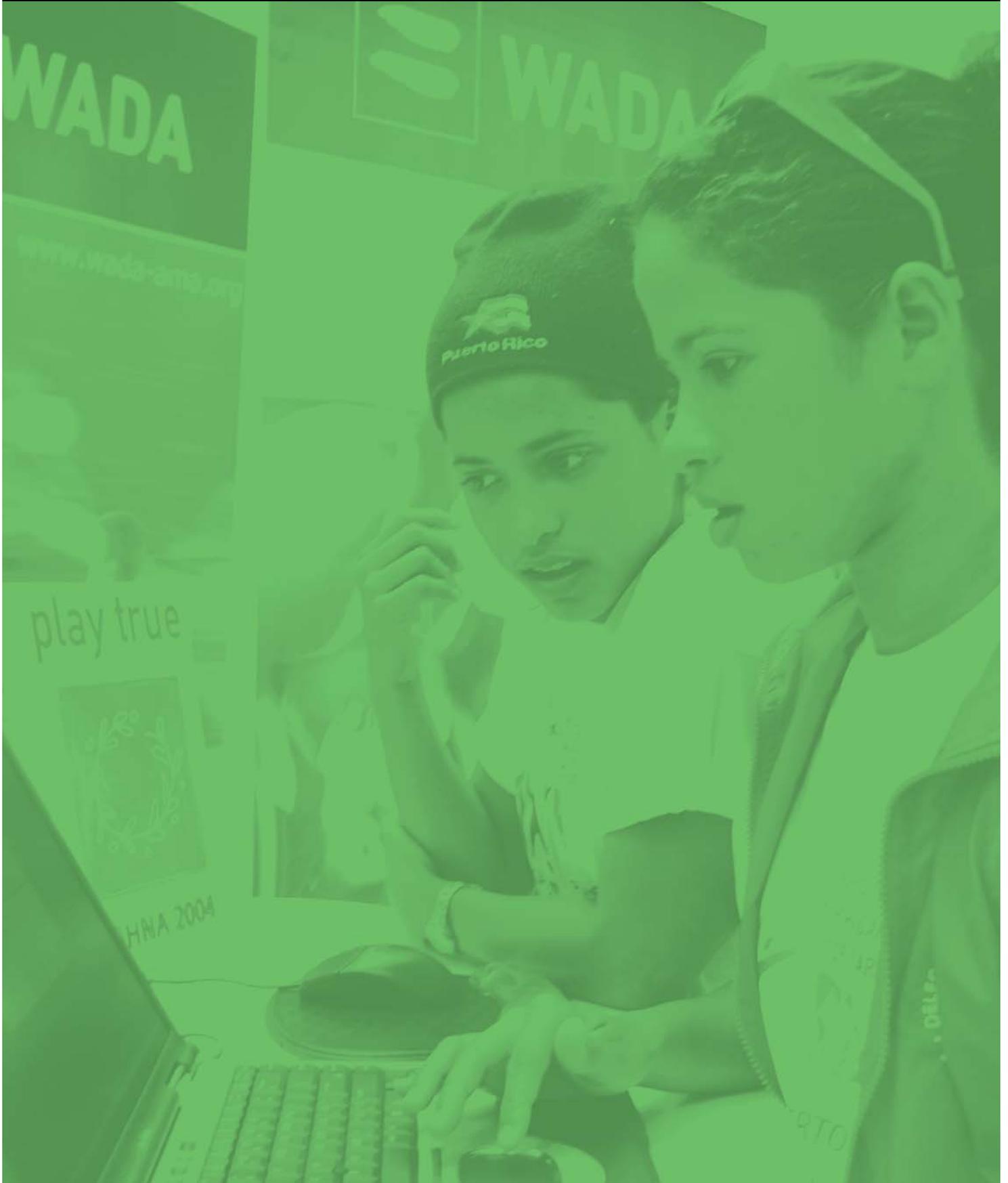
Similarly, a six-person team was sent for the first time to a summer Paralympic Games, held in Athens in September. This team, headed by George Walker, head of the sports department of the Council of Europe, also observed doping control procedures at the Games and issued its own report in late 2004.

Experts were also on hand in Athens to help with educational efforts as part of WADA's Outreach teams. Through the Outreach Program, WADA staff and volunteers interact directly with athletes and their entourage and answer their questions regarding doping. The team during the Olympic Games was headed by Jyri Tamm, a former Olympic bronze medalist in the hammer throw. His team was on hand throughout the Games at a booth in the Athlete Village. Athletes who stopped by had the opportunity to talk with team members, receive written materials on a number of issues related to doping or play a computerized interactive doping quiz that tests their knowledge of doping issues.

An Outreach team also was available at the Paralympic Games in September to provide similar services to athletes. ■

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EDUCATION AND COMMUNICATIONS



WADA reached out more than ever to athletes through educational and communication efforts in 2004. The two departments worked closely together to meet the needs of athletes and stakeholders worldwide in providing up-to-date information in print form as well as through symposia and direct contact.

In late 2003, the Agency sent a survey to a number of stakeholders, including governments, international federations, national Olympic and Paralympic committees and national anti-doping agencies to assess the type of educational information available on doping in sport and the needs of stakeholders. WADA received nearly 160 responses, which were used to determine what type of material still needed to be produced and distributed globally.

Throughout 2004 WADA produced important documents in multiple languages to clarify many issues of concern in the fight against doping. The Agency published a new version of the Athlete Guide, which explains the World Anti-Doping Code and an athlete's rights and responsibilities in the doping control process, as well as the Prohibited List. Several "Question and Answer" documents were also produced, providing information on the Code, therapeutic use exemptions, nutritional supplements and

medications. Each of these documents is available in a number of languages and can be found both in print format and for download on WADA's website (www.wada-ama.org).

The Agency continued to issue "Athlete's Passport," a bi-monthly newsletter sent to athletes. In addition, three issues of WADA's flagship publication, "Play True," were published. For the first time, Play True was also available in Spanish.

Another major initiative undertaken by WADA for education and information purposes was a symposium on nutritional supplements, held in Montreal in May. Participants included representatives from the world of sports, anti-doping organizations, scientific and medical communities, governments, industry and athletes and their trainers. Following the event, the group issued a series of suggestions on how to deal with supplement use among athletes. In addition, a Q & A was prepared and published to help educate athletes about the dangers of contaminated supplements and the principle of strict liability under the World Anti-Doping Code. ■



WADA's three regional offices played a key role in 2004 in diffusing the anti-doping message throughout the world and in maintaining relationships with the Agency's stakeholders in their regions.

In collaboration with WADA's headquarters in Montreal, the offices in Lausanne, Switzerland (Europe); Cape Town, South Africa (Africa); and Tokyo, Japan (Asia and Oceania) played a major role in assisting with implementation of the World Anti-Doping Code and the International Standards. They also contributed greatly in ensuring that WADA dues were paid on time by governments; in obtaining signatures for the Copenhagen Declaration; and in helping with the preparation of the International Convention against Doping in Sport by governments. The three offices performed a number of other important tasks, such as distributing information to stakeholders and the general public, and coordinating projects related to education and communications activities.

In Lausanne, much of the work in 2004 was related to implementation of the Code. The office's director, Tom

Dielen, is also the primary contact between WADA and the international federations (IFs) and the sports community. Dielen was instrumental in assisting WADA's partners in implementing the Code and the Standards and in ensuring that their rules were changed to reflect the Code's tenets. WADA's medical director, Dr. Alain Garnier, who is responsible for the Agency's review of therapeutic use exemptions (TUEs), worked throughout 2004 to assist in the implementation of TUEs by stakeholders as well as reviewing all TUEs received by WADA (see page 17).

Other activities undertaken by the European office in 2004 included the organization of a symposium in Lausanne for IF anti-doping officials. Lausanne staff also gave a number of presentations on WADA's activities to public and sports authorities throughout Europe.

In Cape Town, WADA's office moved in 2004 from the offices of the South African ministry of sport to space set aside for the Agency at the Western Cape Department of Cultural Affairs and Sport. Beginning in November 2004, WADA assumed full financial respon-

REGIONAL OFFICES



sibility for the office, following a year of funding by the South African government.

Throughout the year, Rodney Swigelaar, the director of WADA's South African office, visited with a number of partners and representatives of the sports movement in Africa, including at the Pan Arab Games in September and at the meeting of the secretary generals of the Association of National Olympic Committees of Africa in December. He also established numerous contacts with members of government and the sports movement, which will facilitate the launch in 2005 of a number of new anti-doping initiatives across the continent.

For its part, the Asia/Oceania regional office was officially inaugurated April 22, 2004, in Tokyo. On this occasion, WADA organized, in collaboration with the Japanese government, the first intergovernmental meeting on the fight against doping in the Asian region, which brought together representatives of 17 countries. The office, which actually began operating in November 2003 like its South African counterpart, worked with sports and

political leaders in Iran to assist in the organization of the first Asian anti-doping symposium and doping control officer course, held in Tehran in October.

Kazuhiro Hayashi, WADA's office director in Tokyo, made a number of presentations and contacts with the Agency's partners in the Asia/Oceania region throughout the year.

In 2004, WADA also explored the possibility of opening a regional office in Latin America, following expressions of interests from a number of representatives from the region. WADA's Executive Committee approved in September a proposal to study the feasibility and location of such an office. In the following weeks, three cities formally expressed interest in hosting a WADA Latin America office: Bogota, Colombia; Montevideo, Uruguay; and Santiago, Chile. A WADA delegation visited each of these cities in early 2005 to present its findings to the Executive Committee in May 2005. ■

Scientific pursuits were among WADA's top priorities in 2004, as mandated by the Agency's Foundation Board at its November 2003 meeting. WADA was also responsible for ensuring the implementation of the international standards of the World Anti-Doping Code, which came into effect January 1, 2004.

Research

The Agency continued to fund projects in the areas defined as priorities by WADA's Board. In 2004, the four priority research themes were:

- Compounds and/or methods enhancing oxygen delivery
- Compounds and/or methods enhancing growth
- Gene and cellular technologies applied to doping
- Miscellaneous projects relating to the List of Prohibited Substances

WADA received a record 60 proposals from scientists from 23 countries for research projects in these areas, compared to 34 proposals from 21 countries in 2003. All proposals were subject to a scientific review process by an independent group of experts, as well as an ethical review.

In September, at the recommendation of WADA's Health, Medical and Research Committee, the Agency's Executive Committee approved 19 of the projects and pledged financial support of US \$4.4 million. Work also continued on projects that had been approved by WADA in previous years. In total, the Agency has committed more than \$14 million to research projects since 2001.

Research funded by WADA contributed to several breakthroughs in 2004, including the development of tests for the detection of hemoglobin based oxygen carriers (HBOCs), human growth hormone and

SCIENCE AND RESEARCH



homologous blood transfusions (when an athlete receives a transfusion from a compatible donor). WADA's science department played an active role in the validation of these tests, as well as in transferring these methods to the Agency's accredited laboratories.

WADA also worked diligently in 2004 to assist in the discovery of new designer steroids that were created solely for the purpose of enhancing athletic performance. Following an anonymous tip in June, WADA worked with Canadian Customs officials and the anti-doping laboratory in Montreal to identify the structure of a new substance, seized at the U.S.-Canadian border. The discovery of this new designer steroid—desoxy-methyl-testosterone (DMT)—was announced by WADA at the beginning of 2005.

In addition, the Agency created a panel of experts in gene doping, chaired by Dr. Theodore Friedmann. The panel met for the first time at the beginning of 2005. Its mandate is to discuss the latest advances in the field of gene therapy, as well as the development of detection methods for gene doping, and to advise the Agency on research projects in this area.

Prohibited List

In 2003, WADA became responsible for the publication of the List of Prohibited Substances and Methods, which must be adopted by all signatories to the World Anti-Doping Code. In 2004, the Agency's List and Health, Medical and Research Committees drafted the 2005 Prohibited List, which was approved by the Executive Committee at its meeting of September 21, 2004. The new List contained no major changes from the previous year, but some important modifications. As required, the new List was published three months before it went into effect January 1, 2005.

A substance or method can be placed on the Prohibited List if it meets two of the three following criteria: it has the potential to be performance enhancing; it represents an actual or potential risk to the athlete's health; and it violates the spirit of sport.

Therapeutic Use Exemptions

Therapeutic use exemptions (TUEs) play an important role in the harmonization of rules promised by the World Anti-Doping Code. A TUE will allow an athlete who must, for medical reasons, take a substance on the Prohibited List to do so with proper authorization. The International Standard for Therapeutic Use Exemptions, which came into effect January 1, 2004, requires that all international federations (IFs) and national anti-doping organizations (NADOs) have a process in place for athletes who seek a TUE.

WADA's role in the process is two-pronged. The Agency reserves the right to monitor and review any TUE granted by an IF or a NADO. In addition, athletes who requested a TUE and were denied can request an independent

review of the decision by WADA. If WADA determines that the denial of a TUE does not comply with the international standard, the Agency can reverse the decision.

In 2004, the Agency created a database in Lausanne, Switzerland, which allows for the proper monitoring and classification of TUEs (6,486 TUE forms were received by year's end). These files will be transferred to ADAMS when the system is in place (see page 21). WADA also verified the administrative procedures and medical justifications for all 350 standard TUEs that were received, as well as identified those that needed closer examination from the Agency's TUE Committee. In addition, during the Olympic Games in Athens, WADA's medical director, Dr. Alain Garnier, was on hand full time to honor the International Olympic Committee's and WADA's commitment to reviewing any TUE within 48 hours.

Some modifications to the International Standard for TUEs were made following initial comments from stakeholders, as well as the Agency's own experience following implementation of the standard. For example, it is now mandatory for the organization that grants the TUE to respond to the athlete within 30 days (no time limit previously existed). In addition, only abbreviated TUEs granted to international athletes must also be sent to WADA. These amendments were approved by WADA's Executive Committee at its meeting in November 2004. The modifications came into effect January 1, 2005, and should facilitate the TUE process.

Laboratories

In accordance with the Code, WADA took full responsibility in 2004 for the accreditation and re-accreditation of anti-doping laboratories worldwide. The responsibility had been shared with the IOC during the previous year. In 2004, two new laboratories were accredited by WADA's Executive Committee, on the recommendation of the Health, Medical and Research Committee: one in Newmarket, Great Britain, which was accredited in June; and one in Warsaw, Poland, in November. By the end of 2004, 33 laboratories had been accredited by WADA for sample analysis.

These laboratories are subject several times a year to performance reviews by WADA. The Agency also entered into a collaboration with the International Laboratory Accreditation Cooperation (ILAC), which provided an important opportunity to conduct the International Standard for Laboratories assessment concurrently with the ISO/IEC 17025 assessment for the accredited laboratories.

In 2004, WADA published for the first time an overview of the results reported by its accredited laboratories in 2003.

The Agency also published a number of technical laboratory documents approved by its Executive Committee. These documents are intended to assist in the harmonization of test analysis and reporting of results. ■

2004 - Total OOC T Doping Controls: Olympic/Paralympic Summer IFs (urine samples)



2004 - Total OOC T Doping Controls: Olympic Winter IFs (urine samples)



2004 - Total OOC T Doping Controls: Recognised Federations (urine samples)



2004 - OOC T Blood/EPO Doping Controls



TESTING

SUMMER FEDERATIONS

- AIBA International Association of Boxing
- FEI International Equestrian Federation
- FIBA International Basketball Federation
- FIE International Fencing Federation
- FIFA International Federation of Football Association
- FIG International Gymnastics Federation
- FIH International Hockey Federation
- FILA International Wrestling Federation
- FINA International Swimming Federation
- FISA International Rowing Federation
- FITA International Archery Federation
- FIVB International Volleyball Federation
- IAAF International Association of Athletics Federations
- IBAF International Baseball Federation

- IBF International Badminton Federation
- ICF International Canoe Federation
- IHF International Handball Federation
- IJF International Judo Federation
- ISAF International Sailing Federation
- ISF International Softball Federation
- ISSF International Shooting Sport Federation
- ITF International Tennis Federation
- ITTF International Table Tennis Federation
- ITU International Triathlon Union
- IWF International Weightlifting Federation
- UCI International Cycling Union
- UIPM International Modern Pentathlon Union
- WTF World Taekwondo Federation

WINTER FEDERATIONS

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

RECOGNIZED FEDERATIONS

- IKF International Korfball Federation
- IOF International Orienteering Federation
- FIP Federation of International Polo
- IRB International Rugby Board
- ISA International Surfing Association
- WKF World Karate Federation

In 2004, WADA continued to offer the world of sport an independent out-of-competition testing program.

The program was brought in-house for 2004, and was managed directly by WADA staff members. This ensured more effective use of limited resources and led to improved communication with international federations. Test distribution planning was carried out by WADA, with the prime focus of the program continuing to be those areas of the world with minimal or non-existent testing programs, although no athletes were excluded from test distribution planning.

WADA was successful in meeting its aim of ensuring that all athletes have an equal opportunity to be tested, regardless of geographical location, by means of direct partnership agreements with 19 anti-doping organizations worldwide. WADA also directly contracted the majority of WADA-accredited laboratories for sample analysis.

Testing was carried out in accordance with the rules of participating international federations and the World Anti-Doping Program. One notable addition to the list of IFs for 2004 was the International Paralympic Committee, with whom WADA co-ordinated a pre-Games testing program for the Paralympic Games.

2004 Highlights

> WADA conducted 2327 out-of-competition doping controls across 118 nationalities in 62 countries. These controls were distributed among 26 international Olympic summer sports federations; the International Paralympic Committee in its capacity as an IF for 13 sports; seven international Olympic winter sport federations; and three recognized federations.

The total of 2327 tests comprised:

- 1848 urine out-of-competition tests
- 378 additional urine EPO analyses
- 59 tests for human growth hormone (hGH)
- 42 blood screens (for haematological parameters)

> WADA expanded its blood testing program in 2004 to include testing for human growth hormone. This included the development of guidelines for the collection and handling of serum as the medium for hGH analysis.

> Blood screens for haematological parameters were carried out early in 2004, but the overall number of screens was lower than in 2003 due to new scientific research. An increased number of urine samples were analyzed directly for EPO.

> A majority of the testing for summer sports was conducted prior to the Olympic and Paralympic Games.

> Other than a small number of documented exceptions, the vast majority of tests were conducted on a no-advance-notice basis to athletes.

> WADA did not carry out fee-for-service testing on behalf of IFs in 2004.

> Adequate and accurate whereabouts information is a key ingredient for an effective, no-advance-notice testing program. Improved whereabouts information from IFs enabled WADA to test athletes away from competitions and training camps. In 2004 WADA finalised guidelines for athlete whereabouts information and out-of-competition testing. WADA also continued to assist international sports federations with the development of systems for the gathering of athlete whereabouts information.

> With input from numerous stakeholders, WADA continued to improve the standard doping control forms and related documentation to assist athletes and doping control officials. These forms were adopted by numerous organisations in 2004.

> The 2004 program resulted in 19 adverse analytical findings and four refusals.

Co-operation with the IOC

An additional 169 samples were collected by WADA as part of the WADA/IOC/ATHOC task force, which co-ordinated sample collection prior to and during the 2004 Athens Olympic Games. This co-ordination ensured that athletes who had not checked into the Olympic Village could still be tested, whether they were residing in Greece, or elsewhere in the world. Athletes could also be tested after their individual competition.

WADA/IOC/ATHOC testing at-a-glance:

- The 169 tests comprised 87 urine samples and 82 blood samples.
- All urine samples were analysed for the full (in-competition) range of substances. Nineteen of the urine samples were also analyzed for EPO.
- All blood samples were analysed for hGH.
- WADA testing was conducted in a total of 18 sports, on athletes from 27 nations. Testing took place in 16 countries around the world.
- In addition to the 87 athletes tested, three unsuccessful missions resulted in further action. ■

In mid-2004, WADA launched its anti-doping development program. The intent of the program is to assist countries and organizations to develop anti-doping programs in parts of the world where currently there is little or no sample collection or established quality doping control programs through the establishment of Regional Anti-Doping Organizations (RADOs).

Such an approach is intended to increase worldwide testing and promote long-term sustainability of testing and anti-doping education. The overall goal is to ensure that all athletes in all countries and in all sports are subject to the same anti-doping protocols and processes; and to collect samples from athletes in all countries throughout the world.

In 2004, WADA, along with the Australian Sports Drug Agency, New Zealand Sports Drug Agency, Oceania National Olympic Committees and the International Rugby Board partnered together to develop and implement a pilot program to assist countries and organizations in the Oceania region where currently there is an absence of an anti-doping program and therefore little or no sample collection.

WADA will use the experiences learned from the project in Oceania in 2005 to promote further anti-doping development programs in other regions of the world. ■

ANTI-DOPING DEVELOPMENT



In 2004, WADA continued development of its Anti-Doping Administration & Management System (ADAMS). ADAMS is an internet-based database management solution to assist stakeholders and WADA in their anti-doping operations. It is a tool for data entry and storage, as well as for data sharing and reporting, allowing athletes and anti-doping organisations to meet their responsibilities under the World Anti-Doping Code. ADAMS will support the key anti-doping areas of test result information and result management, administration of TUEs and athlete whereabouts information, and test distribution planning.

All data in ADAMS is stored in a secure environment. Access is carefully controlled to ensure that data is available to relevant parties only.

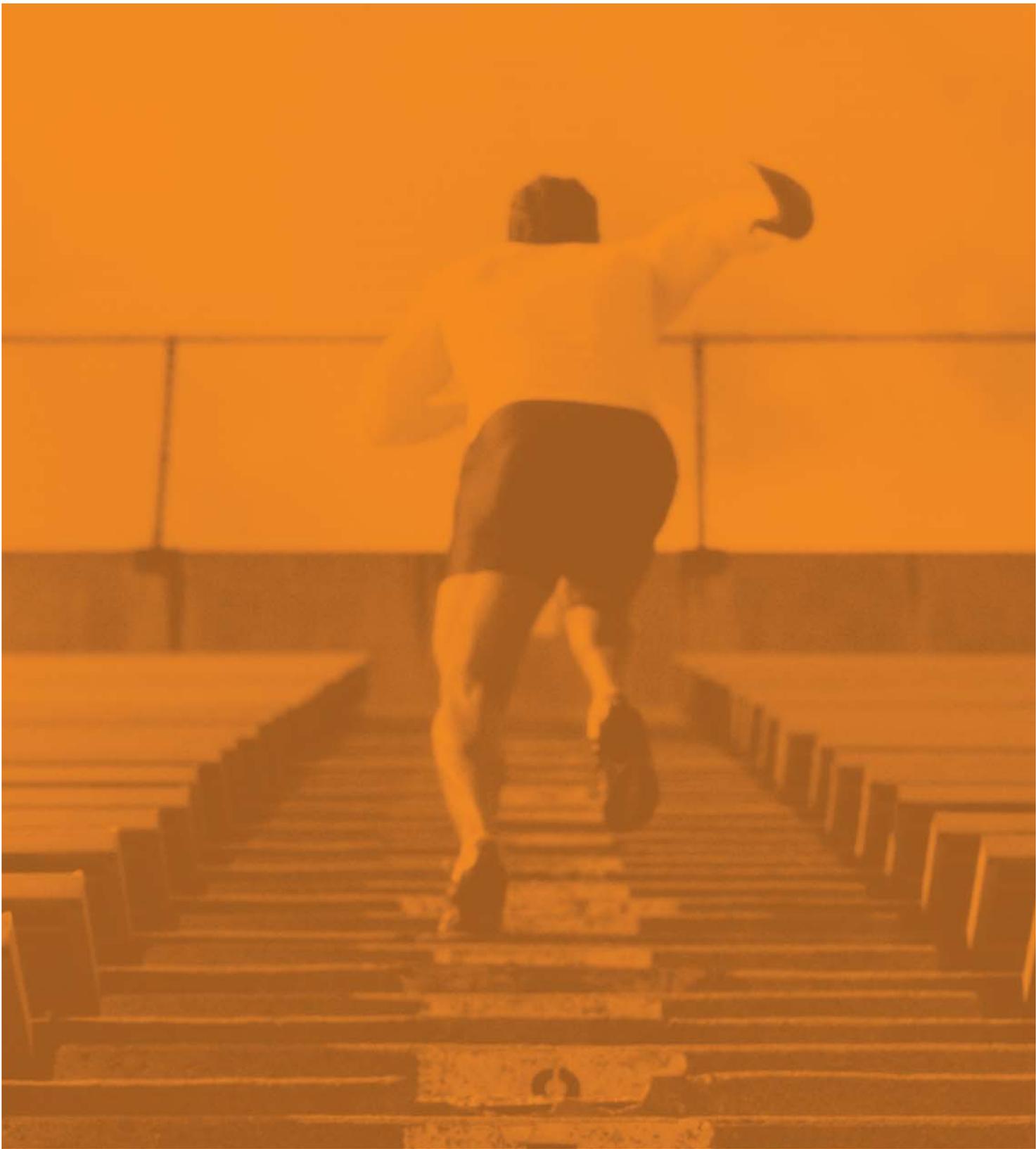
ADAMS' functionality was developed with the needs of stakeholders as a key driving factor. Its web-based functionality can be separated into four distinct core areas:

- **Athlete whereabouts**, to assist all stakeholders in collecting and sharing athletes' whereabouts information;
- **Therapeutic use exemption management**, which allows for online submission and management of TUE requests;
- **A clearing house**, to serve as a central repository for all anti-doping information, including tests and approved TUEs;
- **A doping control platform**, providing functionality to manage and operate a doping control program both in- and out-of-competition.

The ADAMS system will be hosted in two highly protected data centers using the same type of security provisions as banking applications. ■

ANTI-DOPING ADMINISTRATION & MANAGEMENT SYSTEM

ADAMS



MANAGEMENT REPORT & FINANCIALS

In the 2003 management report we detailed the decision process and implications for WADA to report financially, according to the International Financial Reporting Standards (IFRS).

WADA's 2004 audited accounts are therefore the first accounts to be produced by WADA in full compliance with IFRS.

In order to produce IFRS-compliant accounts for 2004 WADA started the transition in 2003 by changing the accounting procedures for certain projects, specifically Research, as well as the presentation of the accounts. These changes produced the 2003 transitional accounts. For 2004, further changes have had to be implemented to provide direct comparisons year-on-year, ensuring compliance to IFRS.

These changes include an adjustment to the "excess of income over expenses" balance brought forward figure and therefore a re-statement of our "excess of income over expenses" for the year 2003. The adjustments reflect changes to our accounting treatment of Research in 2003: the Research Fund of 4.7 million USD created in 2002/2003 and existing under Swiss Law, would not have been created nor would Research Grants have been expensed immediately and completely upon payment, had WADA accounted according to IFRS in 2002 and 2003. The effect is that WADA's re-stated "excess of income over expenses" figure for the year 2003 is now positive. Published in 2003: (3,068,865) USD / (4,253,140) CHF. Re-stated in 2004: 2,464,843 USD / 3,191,567 CHF.*

This new presentation of our accounts requires that several items within the financial statements warrant a management explanation to complement the new IFRS accounts. All information provided here can be found in the accounts as presented:

- 2004 saw the commencement of the ADAMS project (Anti-Doping Administration & Management System). Almost 1 million USD was paid to E-lynx, the developers of the system. This sum however will not be found as an expense in the accounts, as it has been capitalised as an intangible asset in accordance with our internal accounting procedures and IFRS.
- The Out-of-Competition Testing figure appears low for the year. To be added to the 984,774 USD are the following: 120,000 USD for a reversed accrual of 2003 (i.e. monies that were not invoiced for by the

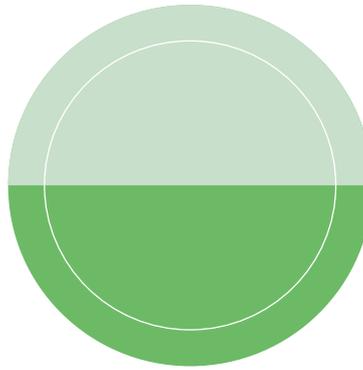
laboratories that actually carried out tests in 2003 for WADA), and a 83,750 USD reimbursement by the International Rugby Board for tests WADA commissioned on its behalf. Thus, giving a figure for testing of 1,188,524 USD. Overall spending on testing was not as high as initially predicted due to several factors which include: 2004 was the first year of in-house testing management which resulted in cost savings; and in some cases insufficient "whereabouts" information was provided to WADA, therefore restricting the Agency's ability to conduct certain targeted tests.

- WADA's total expense budget for 2004, after revision, was 19,584,383 USD. WADA spent an amount of 15,285,862 USD. As previously mentioned, 1 million USD has to be added to this figure for Capital expenditure and 1,562,135 USD for the Research reactive budget. This sum gives rise to a balance of 1,736,386 USD from the 2004 Budget, due mainly to the fact that WADA did not have any Litigation in 2004 for which it had budgeted 219,000 USD, and that the ADAMS project was brought in at approximately 950,000 under budget. The balance of approximately 500,000 USD consists of savings made across all departments including a 322,575 USD saving on operational costs brought about by tight fiscal control and the renegotiation of several service contracts. It should also be noted that the spending freeze in 2003 still affected budgets and spending on various projects for 2004.
- The accounts show 8,280,523 USD for "excess of income over expenses" for the year 2004. This figure clearly demonstrates the effect of the 3,978,913 USD WADA received in 2004 for previous year budgets. It is important to note that in previous years, various projects were not fulfilled because a lack of income in those years led to spending freezes. This income should have been received and spent in those previous years. WADA will not continue to receive such back payments as the Governments of the World continue to improve the levels and timing of the payment of their contributions. Almost 90 percent of WADA's 2004 budgeted income was actually received in 2004.

As of 31 December 2004, WADA has a cash balance well above the 4.3 million USD of the Agency's incorporation capital and the 7.5 million USD committed to Research. This cash balance allows WADA, for the first time, to enter a new year without the threat of spending freezes and therefore allows the Agency to implement all projects to the fullest extent. ■

* A detailed table showing the adjustments and their impact can be found in **Note 2A** of the Financial Statements.

2004 Budget:
20,235,000 (USD)

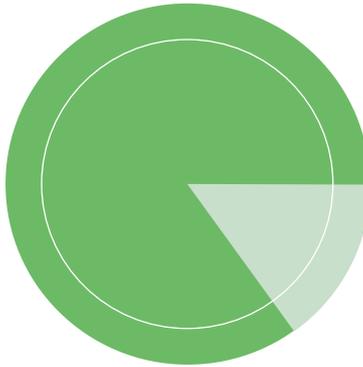


IOC contribution:
10,117,500 (USD)

Public Sector contribution:
10,117,500 (USD)

IOC contribution remitted
as of 31/12/2004*

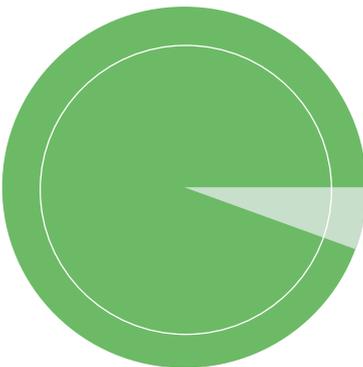
* The IOC matches public sector contributions dollar for dollar. The outstanding balance for 2004 was remitted by the IOC in 2005.



Remitted:
8,158,059 (USD)

Balance owed:
1,959,441 (USD)

Public Sector contribution remitted
as of 31/12/2004



Remitted:
9,499,262 (USD)

Balance owed:
618,238 (USD)

FUNDING REVIEW

Public Sector Contributions by Region: Invoiced and Remitted as of 31 December 2004 for Budget Year 2004.





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

Pricewaterhouse Coopers SA

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Case postale 1172

1001 Lausanne

Tel: +41 (21) 711 81 11

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As auditors of the Foundation as per article 41 of the Foundation act, we have audited the financial statements (balance sheet, income statement, statement of cash flows, statement of changes in equity and notes) of the World Anti-Doping Agency for the year ended 31 December 2004.

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

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

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

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

PricewaterhouseCoopers SA

A handwritten signature in blue ink, appearing to be 'FR'.

F. Roth

A handwritten signature in blue ink, appearing to be 'M. Imhof'.

M. Imhof

Lausanne, 11 April 2005

Balance sheet at 31 December 2004 and 2003

(in Swiss Francs with 2003 audited US Dollar figures as complementary information - Note 2a)

	Notes	2004 USD	2003 USD	2004 CHF	2003 CHF
Assets					
Current assets					
Cash and cash equivalent	4	19,156,680	10,652,788	21,825,225	13,294,356
Receivables	5	510,529	921,098	581,646	1,149,503
Other current assets	6	1,807,138	1,715,330	2,058,875	2,140,680
Non-current assets					
Fixed assets	7	330,412	581,279	376,439	725,419
Intangible assets	7A	909,879	-	1,036,626	-
Total assets		<u>22,714,638</u>	<u>13,870,495</u>	<u>25,878,811</u>	<u>17,309,958</u>
Liabilities and equity					
Current liabilities					
Accounts payable		904,562	385,824	1,030,569	481,497
Accrued expenses	8	721,030	1,508,867	821,470	1,883,020
Advance Contributions		1,323,924	491,205	1,508,348	613,009
Total liabilities		<u>2,949,516</u>	<u>2,385,896</u>	<u>3,360,387</u>	<u>2,977,526</u>
Equity					
Foundation capital	9	4,388,656	3,607,764	5,000,000	5,000,000
Exchange adjustment on USD foundation capital		(382,156)	398,736	-	-
Currency Translation Reserve		-	-	(2,777,902)	(603,659)
<i>Excess of income over expenses brought forward</i>					
Opening Excess of income over expenses brought forward	2A	7,478,099	2,464,843	9,936,090	3,191,568
Excess of income over expenses of the year	2A	8,280,523	5,013,256	10,360,236	6,744,522
<i>Excess of income over expenses brought forward</i>		<u>15,758,622</u>	<u>7,478,099</u>	<u>20,296,326</u>	<u>9,936,090</u>
Total Equity		<u>19,765,122</u>	<u>11,484,599</u>	<u>22,518,424</u>	<u>14,332,431</u>
Total liabilities and equity		<u>22,714,638</u>	<u>13,870,495</u>	<u>25,878,811</u>	<u>17,309,958</u>

Notes 1 to 17 are integral part of the financial statements

Statement of activities for the years ended 31 December 2004 and 2003

(in Swiss Francs with 2003/2004 audited US Dollar figures as supplementary information - Note 2A)

	Notes	2004 USD	2003 USD	2004 CHF	2003 CHF
Income					
Annual contributions	10	21,636,234	18,040,167	27,070,328	24,270,122
Grants	11	1,130,272	1,032,852	1,414,148	1,389,535
Project Grants		-	96,957	-	130,440
Other	12	130,405	164,242	163,157	220,960
Total income		<u>22,896,911</u>	<u>19,334,218</u>	<u>28,647,633</u>	<u>26,011,057</u>
Operating expenses					
Salaries and other personal costs	13	4,564,958	4,259,649	5,711,479	5,730,668
Travel and accommodation		1,757,086	1,331,740	2,198,391	1,791,640
Information and Communications		388,778	385,688	486,422	518,881
Contributions to other institutions (IADA)		69,614	4,990	87,098	6,713
Testing fees		984,774	3,060,416	1,232,107	4,117,294
Accreditation Fees		110,432	333,446	138,168	448,598
Research Grants	2A + 14	2,997,741	2,007,493	3,750,645	2,700,756
IT Development Expenses		72,307	62,529	90,468	84,123
Project Consulting fees		463,730	717,796	580,199	965,678
Administration		2,894,656	2,731,353	3,621,671	3,674,592
Bad Debt expenses		652,015	37,483	815,773	50,428
Depreciation		329,771	393,786	412,595	529,775
Total operating expenses		<u>15,285,862</u>	<u>15,326,370</u>	<u>19,125,015</u>	<u>20,619,147</u>
Excess of operating income (expenses) before financial income and expenses		7,611,049	4,007,848	9,522,618	5,391,910
Financial income (expenses)					
Interest		208,089	97,026	260,352	130,533
Bank Fees		(12,845)	(10,306)	(16,071)	(13,865)
Net (Gains)/Losses on Exchange Rates		474,230	918,687	593,337	1,235,944
Total financial income (expenses), net		669,474	1,005,407	837,618	1,352,612
Excess of income over expenses (expenses over income) for the year	2A	<u>8,280,523</u>	<u>5,013,256</u>	<u>10,360,236</u>	<u>6,744,522</u>

Notes 1 to 17 are integral part of the financial statements

Statement of cash flow for the years ended 31 December 2004 and 2003

(in Swiss Francs with 2003/2004 audited US Dollar figures as supplementary information - Note 2A)

	Notes	2004 USD	2003 USD	2004 CHF	2003 CHF
Operating activities					
Excess of income over expenses					
(expenses over income) for the year	2A	8,280,523	5,013,256	10,360,236	6,744,522
Allocation to provision for bad debt		638,353	37,483	798,680	50,428
Research Grants	2A	-	-	-	-
Depreciation on fixed/intangible assets		329,771	393,786	412,595	529,775
Interest received		9,455	-	11,827	-
Changes in:					
Receivables		(233,147)	(568,696)	(291,703)	(765,088)
Other current assets		(91,809)	(560,808)	(114,867)	(754,476)
Accounts payable		416,987	382,659	521,716	514,806
Accrued expenses		(787,837)	(345,188)	(985,708)	(416,566)
Advance contribution		832,718	491,205	1,041,861	613,009
Net source (use) of cash in operating activities		<u>9,395,014</u>	<u>4,843,697</u>	<u>10,712,776</u>	<u>6,516,410</u>
Investing activities					
Purchase of fixed assets		(893,763)	(78,675)	(1,118,237)	(105,844)
Sale of fixed assets		2,641	-	3,009	-
Net cash used in investing activities		<u>(891,122)</u>	<u>(78,675)</u>	<u>(1,115,228)</u>	<u>(105,844)</u>
Increase/(Decrease) in cash and cash equivalents		<u>8,503,892</u>	<u>4,765,022</u>	<u>9,597,548</u>	<u>6,410,566</u>
Currency translation impact		-	398,737	(1,066,679)	(723,455)
Cash and bank at the beginning of the year		<u>10,652,788</u>	<u>5,489,029</u>	<u>13,294,356</u>	<u>7,607,245</u>
Cash and bank at the end of the year		<u>19,156,680</u>	<u>10,652,788</u>	<u>21,825,225</u>	<u>13,294,356</u>

Notes 1 to 17 are integral part of the financial statements

Statement of changes in fund balances for the years ended 31 December 2004 and 2003

(in Swiss Francs with 2003/2004 audited US Dollar figures as supplementary information - Note 2a)

	USD	USD	USD	USD
	Foundation capital	Excess of expenses over income brought forward	Currency Translation	Total
Balance at 1 January 2003	3,607,764	2,464,843	-	6,072,607
Excess of income over expenses for the year	-	5,013,256	-	5,013,256
Exchange movement	-	-	398,736	398,736
Balance at 31 December 2003 and 1 January 2004	<u>3,607,764</u>	<u>7,478,099</u>	<u>398,736</u>	<u>11,484,599</u>
Excess of income over expenses for the year	-	8,280,523	-	8,280,523
Exchange movement	780,892	-	(780,892)	-
Balance at 31 December 2004	<u>4,388,656</u>	<u>15,758,622</u>	<u>(382,156)</u>	<u>19,765,122</u>
	CHF	CHF	CHF	CHF
	Foundation capital	Retained earnings	Currency Translation	Total
Balance at 1 January 2003	5,000,000	3,191,568	-	8,191,568
Excess of income over expenses for the year	-	6,744,522	-	6,744,522
Exchange movement	-	-	(603,659)	(603,659)
Balance at 31 December 2003 and 1 January 2004	<u>5,000,000</u>	<u>9,936,090</u>	<u>(603,659)</u>	<u>14,332,431</u>
Excess of income over expenses for the year	-	10,360,236	-	10,360,236
Exchange movement	-	-	(2,174,243)	(2,174,243)
Balance at 31 December 2004	<u>5,000,000</u>	<u>20,296,326</u>	<u>(2,777,902)</u>	<u>22,518,424</u>

Notes 1 to 17 are integral part of the financial statements

1. Activity

The World Anti-Doping Agency (WADA), domiciled in Lausanne, Switzerland, is a not-for-profit foundation which was constituted in Lausanne on 10 November 1999 under the Swiss Civil Code. On 2 June 2002, the Head Office of the WADA was officially moved to Montréal, 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 the WADA is to promote and coordinate, at international level, the fight against doping in sport in all its forms. The Agency cooperates with intergovernmental organizations and governments (hereafter "Public Authorities") and other public and private organizations devoted to fighting against doping in sport, including the International Olympic Committee (IOC), the International sports Federations (IFs), the National Olympic Committees (NOCs) and athletes.

As from 1 January 2002, the financing of the WADA, is provided equally by the Olympic Movement and the Public Authorities implicated in the mission of the 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 will be approved by the Foundation Board of the WADA on 16 May 2005 and cannot be amended after issuance. The Financial Statements of the World Anti-Doping Agency for the year ended December 31 2004 have, for the first time, been prepared in accordance with the International Financial Reporting Standards (IFRS).

The change of accounting standards to IFRS was approved by the WADA Executive Committee at their meeting in Montreal on 24th November 2002. Their decision stated that WADA would account according to IFRS as from 1st January 2004, the period ending the 31 December 2003 were therefore the last Statements produced only in compliance with Swiss legal requirements.

WADA accounts are still produced according to the Swiss legal requirements.

In order to show directly comparable figures under IFRS for 2004, WADA has had to make adjustments to the opening balances of excess of income over expenses brought forward. These adjustments take into account the fact that the Research Fund (USD 4,7 mio) existing under Swiss law would not have been created nor would Research grants have been immediately and completely expensed upon payment had WADA accounted under IFRS in 2002 and 2003. This leads to the recognition of research grants for 2002 under the same accounting principle applied since 2003. These restatements have no impact on the closing excess of income over expenses brought forward at the end of 2003 as shown in the reconciliation below. The impacts shown below have been included accordingly in the cash flow by adjusting the respective balances (Excess of expenses over income and research Grants expenses and prepaid movement) in the same respect.

Reconciliation of excess of income over expenses brought forward and excess of income over expenses published under Swiss law and IFRS for 2003

	USD	CHF
Opening Excess of income over expenses brought forward		
Opening Excess of income over expenses brought forward published for 2003	(3,068,865)	(4,253,140)
Adjustments to opening excess of income over expenses brought forward for 2003:		
Research Expenses	833,333	1,121,114
Research Fund reversal	<u>4,700,375</u>	<u>6,323,593</u>
Restated opening excess of income over expenses brought forward for 2003	2,464,843	3,191,567

Excess of income over expenses	USD	CHF
Excess of income over expenses published for 2003	10,546,964	14,189,230
Adjustment to excess of income over expenses for 2003:		
Research Expenses	(833,333)	(1,121,114)
Research Fund reversal	<u>(4,700,375)</u>	<u>(6,323,593)</u>
Restated excess of income over expenses for 2003	5,013,256	6,744,523
Total restated Excess of income over expenses brought forward 2003	<u>7,478,099</u>	<u>9,936,090</u>
Published in 2003:		
Opening excess of income over expenses brought forward	(3,068,865)	(4,253,140)
Excess of income over expenses	<u>10,546,964</u>	<u>14,189,230</u>
Excess of income over expenses brought forward	<u>7,478,099</u>	<u>9,936,090</u>

The functional currency has been changed to US Dollar in 2003 to reflect the fact that the major part of the activity (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 Franc is kept at historical exchange rates. The foundation capital is presented at current rates in USD, the resulting exchange differences are recorded in the line Exchange adjustment on foundation capital in shareholders equity. The statement of activities is translated at the average rate of the year. Any resulting exchange difference is recorded in the Currency Translation Reserve. The cash flow is converted at average rate of the year. Any resulting exchange difference is shown separately on the cash flow statement.

US Dollar figures are included as supplementary information. US Dollar amounts are disclosed as per audited accounting records for the first time in 2003.

B. Foreign currencies

Foreign currency income and expenditure are accounted 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

For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand and unrestricted deposits held with banks with a maturity of up to twelve months.

D. Fixed and Intangible assets

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

Fixed Assets:

Computer hardware and software	2.5 years
Office equipment	4 years

Intangible Assets:

ADAMS (Anti-Doping Administration & Management System) software	4 years
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All costs related to the development and implementation incurred for ADAMS are capitalised if they meet the recognition criteria.

E. Leases

Lease of computer hardware and software where the Foundation has, substantially, all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to the statement of activities over the lease period. Leases where a significant portion of the risks and rewards of ownership are 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 period of the lease. WADA does not currently hold any Financial Leases.

F. Revenue recognition

Annual contributions: The annual contributions due from the public authorities involved in the fight against doping in sport and the Olympic Movement are recognised in income in the period for which they are due. Payments received in advance relating to the following year budget are deferred to the following year.

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

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

Financial income: Interest income is recognized on an effective yield basis.

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

G. Income taxes

WADA is exempt from paying income taxes.

H. Research Grants

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

3. Financial risk management

3.1. Financial risk factors

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

Foreign exchange risk: WADA is exposed to foreign exchange risks mainly because most of its revenues are generated in US dollars and Euro, whereas its operating expenses are essentially US Dollar and Canadian dollar based. As at 31 December 2004, WADA did not make use of any derivative financial instruments to cover its risks. However, it used Canadian dollar and Euro bank deposits to partly cover its currency exposure.

Interest rate risk: WADA is exposed to interest rate risks through the impact of rate changes on interest bearing assets. As at 31 December 2004, the WADA's only interest bearing assets were cash. To avoid Capital loss only Term Deposit investments were made.

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

Credit risk: Substantially all of WADA's revenues are generated from contributions which are recognised in the statement of activities at their payment date. Revenues generated from Grants are considered to be fully collectable by WADA. WADA has policies which limit the amount of credit and investment exposures. Cash is placed with major banks.

3.2. Fair value estimation

As at 31 December 2004, the fair value of cash and cash equivalents, receivables and of accounts payable and accrued expenses were not significantly different from their book value due to their maturity being close to the balance sheet date.

4. Cash and cash equivalents

	2004 USD	2003 USD	2004 CHF	2003 CHF
Cash and cash equivalents	5,943,826	3,522,852	6,771,807	4,396,412
Bank deposits				
- in US Dollars	9,418,000	4,861,000	10,729,937	6,066,381
- in Euros	3,460,225	1,957,650	3,942,238	2,443,088
- in Canadian Dollars	<u>334,629</u>	<u>311,286</u>	<u>381,243</u>	<u>388,475</u>
Total cash and cash equivalents	<u>19,156,680</u>	<u>10,652,788</u>	<u>21,825,225</u>	<u>13,294,356</u>

Bank deposits are in major Swiss, Canadian and Japanese Banks subject to current interest rates on term deposit from 1 to 12 months and on current accounts.

5. Receivables

QST receivable	272,623	398,316	310,600	497,086
GST receivable	662,725	348,883	755,044	435,396
Recoverable withholding taxes	40,832	70,094	46,520	87,475
Other receivables	89,740	96,302	102,240	120,182
Receivable in litigation	-	23,195	-	28,947
Rental deposit & guarantees	107,252	21,791	122,192	27,195
Provision for bad debts	<u>(662,643)</u>	<u>(37,483)</u>	<u>(754,950)</u>	<u>(46,778)</u>
Total receivables	<u>510,529</u>	<u>921,098</u>	<u>581,646</u>	<u>1,149,503</u>

Rental deposit & Guarantees includes a cash balance of CHF 113,930 (USD 100,000) that is restricted in use as it is set for guarantee for corporate credit cards expenses.

5A. Movement of Bad Debt Provision

Opening balance	37,483	-	42,705	-
Allocation	662,643	37,483	754,950	46,778
Used	(18,556)	-	(21,141)	-
Released	<u>(18,927)</u>	<u>-</u>	<u>(21,564)</u>	<u>-</u>
Closing balance	<u>662,643</u>	<u>37,483</u>	<u>754,950</u>	<u>46,778</u>

The provision covers at the end of 2004 the possible non-recovery of taxes on goods and services from the Canadian Government (GST). Actions have been undertaken to clarify the status of the WADA regarding the GST. At the date these financial statements were issued, no indication showed that recovery would be possible.

6. Other current assets	2004	2003	2004	2003
	USD	USD	CHF	CHF
Prepaid expenses	430,095	546,112	490,007	681,531
Accrued interest	74,912	-	85,348	-
Prepaid Research Grants 2001	597,879	398,733	681,164	497,607
Prepaid Research Grants 2002	160,083	519,083	182,383	647,800
Prepaid Research Grants 2003	129,017	251,402	146,989	313,742
Prepaid Research Grants 2004	415,152	-	472,984	-
Total other current assets	1,807,138	1,715,330	2,058,875	2,140,680

7. Fixed Assets - Computer hardware and software, office equipment.

	Computer Hardware and Software		Office Equipment		Totals	
	USD	CHF	USD	CHF	USD	CHF
Year ended 31 December 2003						
Opening net book amount	170,838	236,763	725,552	1,005,543	896,390	1,242,306
Additions	18,219	22,737	60,456	75,447	78,675	98,183
Depreciation charge	(127,019)	(170,884)	(266,767)	(358,891)	(393,786)	(529,775)
Exchange effect	-	(11,195)	-	(74,101)	-	(85,296)
Closing net book amount	62,038	77,421	519,241	647,998	581,279	725,419
At 31 December 2003						
Cost	331,680	457,162	1,033,208	1,423,584	1,364,888	1,880,746
Accumulated depreciation	(269,642)	(368,546)	(513,967)	(701,485)	(783,609)	(1,070,031)
Exchange effect	-	(11,195)	-	(74,101)	-	(85,296)
Net book amount	62,038	77,421	519,241	647,998	581,279	725,419
Year ended 30 December 2004						
Opening net book amount	62,038	77,421	519,241	647,998	581,279	725,419
Additions	76,722	87,409	8,913	10,155	85,635	97,564
Dispositions	(1,866)	(2,125)	(4,865)	(5,544)	(6,731)	(7,669)
Depreciation charge	(79,019)	(98,865)	(250,752)	(313,730)	(329,771)	(412,595)
Exchange effect	-	2,098	-	(28,378)	-	(26,280)
Closing net book amount	57,875	65,938	272,537	310,501	330,412	376,439
At 31 December 2004						
Cost	389,501	523,038	1,031,966	1,422,169	1,421,467	1,945,207
Accumulated depreciation	(331,626)	(448,003)	(759,429)	(1,009,189)	(1,091,055)	(1,457,192)
Exchange effect	-	(9,097)	-	(102,479)	-	(111,576)
Net book amount	57,875	65,938	272,537	310,501	330,412	376,439

7A. Intangible Assets

	Adams Software	
	USD	CHF
Year ended 31 December 2004		
Opening net book amount	-	-
Additions	909,879	1,036,626
Dispositions	-	-
Depreciation charge	-	-
Exchange effect	-	-
Closing net book amount	<u>909,879</u>	<u>1,036,626</u>
At 31 December 2004		
Cost	909,879	1,036,626
Accumulated depreciation	-	-
Exchange effect	-	-
Net book amount	<u>909,879</u>	<u>1,036,626</u>

The total amount of intangible assets is linked to the ADAMS project. The amount represents the core software necessary to fulfil the requirement of the Anti-Doping Code regarding tracking and management of testing activity. Once the implementation is completed in the coming year, this intangible asset will enable a more efficient tracking and management of the testing results. It will then be depreciated over 4 years.

8. Accrued expenses

	2004	2003	2004	2003
	USD	USD	CHF	CHF
Accruals	212,037	983,617	241,572	1,227,524
Accrued Laboratory expenses	224,770	283,250	256,081	353,487
Accrued Research Grants 2001	72,033	242,000	82,068	302,009
Accrued Research Grants 2002	143,035	-	162,960	-
Accrued Research Grants 2003	69,155	-	78,789	-
Total Accrued Expenses	<u>721,030</u>	<u>1,508,867</u>	<u>821,470</u>	<u>1,883,020</u>

9. Foundation capital

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

10. Annual contributions

	2004	2003	2004	2003
	USD	USD	CHF	CHF
2002 Public Authorities and Governments	789,167	1,375,302	987,372	1,850,245
2002 International Olympic Committee (IOC)	615,044	1,854,699	769,517	2,495,197
2003 Public Authorities and Governments	866,872	7,978,873	1,084,593	10,734,282
2003 International Olympic Committee (IOC)	1,707,830	6,831,293	2,136,764	9,190,398
2004 Public Authorities and Governments	9,499,262	-	11,885,069	-
2004 International Olympic Committee (IOC)	8,158,059	-	10,207,013	-
Total Annual Contributions	<u>21,636,234</u>	<u>18,040,167</u>	<u>27,070,328</u>	<u>24,270,122</u>

11. Grants

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

In 2002, the total grant CHF 2,533,440 (USD 1,828,011) represented the initial installment, whereas the remaining installments, in Canadian dollars, are indexed and equally split over 8 years.

	2004 USD	2003 USD	2004 CHF	2003 CHF
Cash amount granted by Montreal International	<u>1,130,272</u>	<u>1,032,852</u>	<u>1,414,148</u>	<u>1,389,535</u>

12. Other Income

2004: Laboratory Accreditation and Re-accreditation fees of CHF 163,157 (USD 130,405).

2003: CHF 186,275 (USD 138,460) was paid to WADA by the Norwegian television company TV2 at the request of NIF (The Norwegian Olympic Committee and Confederation of Sports) from the settlement reached for TV2's airing of a programme that wrongly stated that plasma transfusions took place at the Lillehammer Winter Games. The monies were paid to WADA to help assist it with its worldwide fight against doping in sport as an offset to any damage that may have been caused to the international anti-doping fight by the programme. CHF 34,685 (USD 25,782) was received from the United States Olympic Committee (USOC) for WADA's participation in their Track and Field Investigation in 2002. The monies were actually paid in the form of the USOC organising and paying for WADA's Symposium on Out-of-Competition Testing.

13. Staff costs

	2004 USD	2003 USD	2004 CHF	2003 CHF
Salaries	2,642,169	2,194,040	3,305,768	2,951,725
Social Charges and other benefits	1,820,327	1,884,995	2,277,515	2,535,956
Defined benefit plan pension contributions	44,540	71,041	55,726	95,574
Temporary staff	49,432	55,251	61,848	74,331
Recruitment expenses	8,490	54,322	10,622	73,082
Total staff costs	<u>4,564,958</u>	<u>4,259,649</u>	<u>5,711,479</u>	<u>5,730,668</u>

The number of persons employed was 45 at 31 December 2004 (2003: 42 persons employed).

Retirement benefit obligation

Most of WADA's employees are located at its Montreal headquarters. WADA grants all of its employees a predefined proportion of each employee's salary as a contribution to their pension plan. Considering that WADA has no further obligation once payments are made, these costs are considered as fringe benefits and are included in salaries and other personal 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 along with the employees into the State Pension Scheme. For WADA's employees in Switzerland, the retirement obligations qualify as a defined benefit plan. It is funded by contributions from WADA and the respective employees to a financially independent trust. Due to the limited number of employees under this plan no actuarial calculations have been performed for reason of materiality.

14. Research Grants

The research expenses included in 2003 a reversal of a research fund that would not have been recorded under IFRS as this fund was related to future obligations. Research expenses did not include the full amount of research grants that would have been recognised under IFRS as described under note 2H for grants paid in 2002 as they were fully expensed upon payment. These were the only restatements made on published figures in 2003 for compliance to IFRS.

			2003 USD	2003 CHF
Research Grants expensed as published in 2003			(3,526,215)	(4,743,951)
Adjustments brought to the research expenses:				
Research Expenses			833,333	1,121,104
Research Fund reversal			<u>4,700,375</u>	<u>6,323,593</u>
Restated Research Grants expensed			<u>2,007,493</u>	<u>2,700,746</u>
	2004	2003	2004	2003
	USD	USD	CHF	CHF
Actual Research Grants Paid Out				
Research Grants expensed	2,997,741	2,007,493	3,750,645	2,700,756
Prepaid (movement)	132,913	335,885	166,295	451,879
Accruals (movement)	<u>(42,224)</u>	<u>(242,000)</u>	<u>(52,829)</u>	<u>(325,572)</u>
Total Paid Out	<u>3,088,430</u>	<u>2,101,378</u>	<u>3,864,111</u>	<u>2,827,063</u>

15. 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 Board of WADA are not remunerated by the Foundation. 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 costs in the statement of activities.

16. Commitments

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

Operating lease commitments	2004	2003	2004	2003
	USD	USD	CHF	CHF
Less than one year	1,341,070	1,032,434	1,527,882	1,288,446
More than one year and less than five years	4,398,686	1,686,588	5,011,427	2,104,811
More than five years	<u>970,467</u>	<u>1,623,503</u>	<u>1,105,654</u>	<u>2,026,082</u>
	<u>6,710,223</u>	<u>4,342,525</u>	<u>7,644,963</u>	<u>5,419,339</u>

The above commitments are for the following:

- Montreal Office lease to Feb 2012
- Lausanne Office Lease 6 months notice
- Tokyo Office Lease to Feb 2005
- HP Technology Lease to March 2005
- CGI Technology Lease to March 2009

Intangible assets commitments (Adams)

An amount of CHF 1,384,401 (USD 1,215,132) has been committed for the Adams project. The remaining commitments at the end of 2004 amount to CHF 347,775 (USD 305,253).

Research commitments

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

	2004 USD	2003 USD	2004 CHF	2003 CHF
Less than one year	2,699,773	1,833,539	3,075,854	2,288,201
More than one year and less than five years	1,103,140	1,187,523	1,256,809	1,481,993
More than five years	-	-	-	-
	<u>3,802,913</u>	<u>3,021,062</u>	<u>4,332,663</u>	<u>3,770,194</u>

17. Contingent commitments

At the end of 2004, WADA has CHF 2,263,791 (USD 1,987,000) of contingent commitments. This amount is all for 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 signature of the Research Contract by the laboratory. 80% of the amount would be due upon these approvals.