

**World Anti-Doping Agency  
Lausanne**

**Report of the Auditors  
to the Foundation Board on the  
Financial Statements 2004**

11 April 2005,/0.0110633.001//ROF/IMI

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

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



F Roth



M Imhof

Lausanne, 11 April 2005

Enclosure:

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

## World Anti-Doping Agency

### Balance sheet at 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
<b>Assets</b>					
<b>Current assets</b>					
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
<b>Non-current assets</b>					
Fixed assets	7	330'412	581'279	376'439	725'419
Intangible assets	7A	909'879	-	1'036'626	-
		<b>22'714'638</b>	<b>13'870'495</b>	<b>25'878'811</b>	<b>17'309'958</b>
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
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
<b>Total liabilities</b>		<b>2'949'516</b>	<b>2'385'896</b>	<b>3'360'387</b>	<b>2'977'526</b>
<b>Equity</b>					
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)
<b>Excess of income over expenses brought forward</b>					
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
<b>Excess of income over expenses brought forward</b>		<b>15'758'622</b>	<b>7'478'099</b>	<b>20'296'326</b>	<b>9'936'090</b>
<b>Total Equity</b>		<b>19'765'122</b>	<b>11'484'599</b>	<b>22'518'424</b>	<b>14'332'431</b>
<b>Total liabilities and equity</b>		<b>22'714'638</b>	<b>13'870'495</b>	<b>25'878'811</b>	<b>17'309'958</b>

"Notes 1 to 17 are integral part of the financial statements"

## World Anti-Doping Agency

### 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
<b>Income</b>					
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
<b>Total Income</b>		<b>22'896'911</b>	<b>19'334'218</b>	<b>28'647'633</b>	<b>26'011'057</b>
<b>Operating expenses</b>					
Salaries and other personnel costs	13	4'564'958	4'259'649	5'711'479	5'730'668
Travel and accomodation		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		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
<b>Total operating expenses</b>		<b>15'285'862</b>	<b>15'326'370</b>	<b>19'125'015</b>	<b>20'619'147</b>
<b>Excess of operating income (expenses) before financial income and expenses</b>		7'611'049	4'007'848	9'522'618	5'391'910
<b>Financial income (expenses)</b>					
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
<b>Total financial income (expenses), net</b>		669'474	1'005'407	837'618	1'352'612
<b>Excess of income over expenses (expenses over income) for the year</b>	2A	<b>8'280'523</b>	<b>5'013'256</b>	<b>10'360'236</b>	<b>6'744'522</b>

"Notes 1 to 17 are integral part of the financial statements"

## World Anti-Doping Agency

### 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
<b>Operating activities</b>					
Excess of income over expenses (expenses over income) for the year	2A	8'280'523	5'013'256	10'360'236	6'744'522
Movement in 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
Other non cash items		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
<b>Net source (use) of cash in operating activities</b>		<b>9'395'014</b>	<b>4'843'697</b>	<b>10'712'776</b>	<b>6'516'410</b>
<b>Investing activities</b>					
Purchase of fixed assets		(893'763)	(78'675)	(1'118'237)	(105'844)
Sale of fixed assets		2'641	-	3'009	-
<b>Net cash used in investing activities</b>		<b>(891'122)</b>	<b>(78'675)</b>	<b>(1'115'228)</b>	<b>(105'844)</b>
<b>Increase/(Decrease) in cash and cash equivalents</b>		<b>8'503'892</b>	<b>4'765'022</b>	<b>9'597'548</b>	<b>6'410'566</b>
<b>Currency translation impact</b>		<b>-</b>	<b>398'737</b>	<b>(1'066'679)</b>	<b>(723'455)</b>
<b>Cash in bank at the beginning of the</b>		<b>10'652'788</b>	<b>5'489'029</b>	<b>13'294'356</b>	<b>7'607'245</b>
<b>Cash in bank at the end of the year</b>		<b>19'156'680</b>	<b>10'652'788</b>	<b>21'825'225</b>	<b>13'294'356</b>

"Notes 1 to 15 are integral part of the financial statements"

## World Anti-Doping Agency

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

"Notes 1 to 15 are integral part of the financial statements"

# World Anti-Doping Agency

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## Notes to the financial statements 2004 and 2003

### 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.

## World Anti-Doping Agency

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### Notes to the financial statements 2004 and 2003

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

<i>Opening Excess of income over expenses brought forward</i>	USD	CHF
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	4'700'375	6'323'593
<b><i>Restated opening excess of income over expenses brought forward for 2003</i></b>	<b>2'464'843</b>	<b>3'191'567</b>
<b><i>Excess of income over expenses</i></b>		
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	(4'700'375)	(6'323'593)
<b><i>Restated excess of income over expenses for 2003</i></b>	<b>5'013'256</b>	<b>6'744'523</b>
<b><i>Total restated Excess of income over expenses brought forward 2003</i></b>	<b>7'478'099</b>	<b>9'936'090</b>
<b><i>Published in 2003:</i></b>		
Opening excess of income over expenses brought forward	(3'068'865)	(4'253'140)
Excess of income over expenses	10'546'964	14'189'230
<b><i>Excess of income over expenses brought forward:</i></b>	<b>7'478'099</b>	<b>9'936'090</b>

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.



# World Anti-Doping Agency

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## Notes to the financial statements 2004 and 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 and intangible assets are stated at cost less accumulated depreciation. Depreciation is calculated on a straight line basis over the estimated useful life of the assets as follows:

#### Fixed Assets:

Computer hardware	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 criterias.

### **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.

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## Notes to the financial statements 2004 and 2003

### **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**

The 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.

## Notes to the financial statements 2004 and 2003

### 3. Financial risk management

#### 1. Financial risk factors

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

##### *a. Foreign exchange risk*

WADA is exposed to foreign exchange risks mainly because most of its revenues are generated in 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.

##### *b. Interest rate risk*

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

##### *c. 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.

##### *d. 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.

#### 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.

## World Anti-Doping Agency

### Notes to the financial statements 2004 and 2003

	2004	2003	2004	2003
<b>4. Cash and cash equivalents</b>	USD	USD	CHF	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	334'629	311'286	381'243	388'475
<b>Total cash and cash equivalents</b>	<b>19'156'680</b>	<b>10'652'788</b>	<b>21'825'225</b>	<b>13'294'356</b>

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.

	2004	2003	2004	2003
<b>5. Receivables</b>	USD	USD	CHF	CHF
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	(662'643)	(37'483)	(754'950)	(46'778)
<b>Total receivables</b>	<b>510'529</b>	<b>921'098</b>	<b>581'646</b>	<b>1'149'503</b>

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.

	2004	2003	2004	2003
<b>5a Movement of Bad Debt Provision</b>	USD	USD	CHF	CHF
<b>Opening balance</b>	37'483	-	42'705	-
Allocation	662'643	37'483	754'950	46'778
Used	(18'556)	-	(21'141)	-
Released	(18'927)	-	(21'564)	-
<b>Closing balance</b>	<b>662'643</b>	<b>37'483</b>	<b>754'950</b>	<b>46'778</b>

## World Anti-Doping Agency

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### Notes to the financial statements 2004 and 2003

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.

<b>6. Other current assets</b>	2004 USD	2003 USD	2004 CHF	2003 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	-
<b>Total other current assets</b>	<b>1'807'138</b>	<b>1'715'330</b>	<b>2'058'875</b>	<b>2'140'680</b>

## World Anti-Doping Agency

### Notes to the financial statements 2004 and 2003

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

	Computer hardware and software		Office equipment		Total	
	USD	CHF	USD	CHF	USD	CHF
<b>Year ended 31 December 2003</b>						
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
<b>At 31 December 2003</b>						
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)
<b>Net book amount</b>	62'038	77'421	519'241	647'998	581'279	725'419
<b>Year ended 30 December 2004</b>						
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
<b>At 31 December 2004</b>						
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)
<b>Net book amount</b>	57'875	65'938	272'537	310'501	330'412	376'439

# World Anti-Doping Agency

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## Notes to the financial statements 2004 and 2003

### 7A. Intangible Assets

	Adams Software	
	USD	CHF
<b>Year ended 31 December 2004</b>		
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>
<b>At 31 December 2004</b>		
Cost	909'879	1'036'626
Accumulated depreciation	-	-
Exchange effect	-	-
<b>Net book amount</b>	<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 Antidoping 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	-
<b>Total Accrued expenses</b>	<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.

## World Anti-Doping Agency

### Notes to the financial statements 2004 and 2003

#### 10. Annual contributions

	2004 USD	2003 USD	2004 CHF	2003 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	21'636'234	18'040'167	27'070'328	24'270'122

#### 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 Head Quarters 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	1'130'272	1'032'852	1'414'148	1'389'535

#### 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 world wide fight against doping in sport as an off set 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 mis-testing



## World Anti-Doping Agency

### Notes to the financial statements 2004 and 2003

#### 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 head quarters. 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
<b>Research Grants expensed as published in 2003</b>	(3'526'215)	(4'743'951)
Adjustments brought to the research expenses:		
Research Expenses	833'333	1'121'104
Research Fund reversal	4'700'375	6'323'593
<b>Restated Research Grants expensed</b>	<u>2'007'493</u>	<u>2'700'746</u>

## World Anti-Doping Agency

### Notes to the financial statements 2004 and 2003

<b>Actual Research Grants Paid Out</b>	2004	2003	2004	2003
	USD	USD	CHF	CHF
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)	(42'224)	(242'000)	(52'829)	(325'572)
<b>Total Paid Out</b>	<b>3'088'430</b>	<b>2'101'378</b>	<b>3'864'111</b>	<b>2'827'063</b>

#### 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:

<b>Operating lease commitments</b>	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	970'467	1'623'503	1'105'654	2'026'082
	<b>6'710'223</b>	<b>4'342'525</b>	<b>7'644'963</b>	<b>5'419'339</b>

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).

## World Anti-Doping Agency

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### Notes to the financial statements 2004 and 2003

#### 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.