

**World Anti-Doping Agency
Lausanne**

**Report of the Auditors
to the Foundation Board on the
Financial Statements 2005**

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 2005.

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 the Swiss auditing standards and with the International Standards on Auditing (ISA), 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.

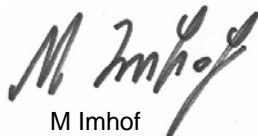
In our opinion, the financial statements give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the International Financial Reporting Standards (IFRS) and comply with Swiss law.

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

PricewaterhouseCoopers SA



F Roth



M Imhof

Lausanne, 25 April 2006

Enclosure:

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

World Anti-Doping Agency

Balance Sheet as at 31 December 2005 and 2004

(in Swiss Francs with audited U.S. Dollar figures as complementary information - Note 2A)

	Notes	2005 USD	2004 USD	2005 CHF	2004 CHF
Assets					
Current assets					
Cash and cash equivalents	4	21,289,252	8,428,455	27,980,272	9,602,547
Held-to-maturity investments	5	2,367,382	10,728,225	3,111,429	12,222,678
Receivables	6	638,799	510,529	839,568	581,646
Other current assets	7	2,267,455	1,807,138	2,980,097	2,058,875
		<u>26,562,888</u>	<u>21,474,347</u>	<u>34,911,366</u>	<u>24,465,746</u>
Non-current assets					
Fixed assets	8	98,256	330,412	129,137	376,439
Intangible assets	9	1,169,316	909,879	1,536,821	1,036,626
		<u>1,267,572</u>	<u>1,240,291</u>	<u>1,665,958</u>	<u>1,413,065</u>
Total Assets		<u>27,830,460</u>	<u>22,714,638</u>	<u>36,577,324</u>	<u>25,878,811</u>
Liabilities and Equity					
Current liabilities					
Accounts payable		768,946	904,562	1,010,618	1,030,569
Accrued expenses	10	1,043,688	721,030	1,371,710	821,470
Advance contributions		2,638,546	1,323,924	3,467,816	1,508,348
		<u>4,451,180</u>	<u>2,949,516</u>	<u>5,850,144</u>	<u>3,360,387</u>
Equity					
Foundation capital	11	3,804,336	4,388,656	5,000,000	5,000,000
Exchange adjustment on USD foundation capital		202,164	(382,156)	-	-
Currency translation reserve		-	-	975,967	(2,777,902)
Excess of income over expenses brought forward					
Opening excess of income over expenses brought forward		15,758,622	7,478,099	20,296,326	9,936,090
Excess of income over expenses for the year		3,614,158	8,280,523	4,454,887	10,360,236
		<u>23,379,280</u>	<u>19,765,122</u>	<u>30,727,180</u>	<u>22,518,424</u>
Total equity		<u>23,379,280</u>	<u>19,765,122</u>	<u>30,727,180</u>	<u>22,518,424</u>
Total liabilities and equity		<u>27,830,460</u>	<u>22,714,638</u>	<u>36,577,324</u>	<u>25,878,811</u>

"Notes 1 to 19 are integral part of the financial statements."

World Anti-Doping Agency

Statement of Activities for the years ended 31 December 2005 and 2004

(in Swiss Francs with audited U.S. Dollar figures as complementary information - Note 2A)

	Notes	2005 USD	2004 USD	2005 CHF	2004 CHF
Income					
Annual contributions	12	20,703,500	21,636,234	25,519,567	27,070,328
Grants	13	1,264,175	1,130,272	1,558,249	1,414,148
Other	14	294,322	130,405	362,787	163,157
Total income		<u>22,261,997</u>	<u>22,896,911</u>	<u>27,440,603</u>	<u>28,647,633</u>
Operating expenses					
Salaries and other personnel costs	15	5,236,801	4,564,958	6,454,990	5,711,479
Travel and accommodation		2,230,259	1,757,086	2,749,064	2,198,391
Information and communications		217,211	388,778	267,739	486,422
Contributions to other institutions		8,495	69,614	10,471	87,098
Testing fees		2,055,895	984,774	2,534,139	1,232,107
Accreditation fees		171,119	110,432	210,925	138,168
Research grants	16	3,745,748	2,997,741	4,617,087	3,750,645
IT development expenses - Education		2,132	72,307	2,628	90,468
Project consulting fees		838,841	463,730	1,033,973	580,199
Administration		2,252,394	2,097,078	2,776,348	2,623,776
IT Costs		1,298,916	797,578	1,601,071	997,895
Bad debt expenses	6a	22,499	652,015	27,733	815,773
Depreciation		448,332	329,771	552,623	412,595
		<u>18,528,642</u>	<u>15,285,862</u>	<u>22,838,791</u>	<u>19,125,015</u>
Excess of operating income before financial income and expenses		3,733,355	7,611,049	4,601,812	9,522,618
Financial income (expenses)					
Interest		537,861	208,089	662,979	260,352
Bank fees		(13,889)	(12,845)	(17,120)	(16,071)
Net gains (losses) on exchange rates		(643,169)	474,230	(792,784)	593,337
		<u>(119,197)</u>	<u>669,474</u>	<u>(146,925)</u>	<u>837,618</u>
Excess of income over expenses for the year		<u><u>3,614,158</u></u>	<u><u>8,280,523</u></u>	<u><u>4,454,887</u></u>	<u><u>10,360,236</u></u>

"Notes 1 to 19 are integral part of the financial statements."

World Anti-Doping Agency

Statement of Cash Flows for the years ended 31 December 2005 and 2004

(in Swiss Francs with audited U.S. Dollar figures as complementary information - Note 2A)

	2005 USD	2004 USD	2005 CHF	2004 CHF
Operating activities				
Excess of income over expenses for the year	3,614,158	8,280,523	4,454,887	10,360,236
Allocation to provision for bad debt	22,499	638,353	27,733	798,680
Depreciation on fixed and intangible assets	448,332	329,771	552,623	412,595
Interest	(537,861)	(208,089)	(662,979)	(260,352)
Foreign exchange differences	536,200	(332,765)	660,932	(416,341)
Other non - cash items	-	9,455	-	11,827
Changes in:				
Receivables	(150,769)	(233,147)	(185,841)	(291,703)
Other current assets	(468,629)	(16,897)	(577,642)	(21,141)
Accounts payable	(40,584)	416,987	(50,025)	521,716
Accrued expenses	322,658	(787,837)	397,715	(985,708)
Advance contribution	1,314,622	832,718	1,620,429	1,041,861
Net source of cash in operating activities	<u>5,060,626</u>	<u>8,929,072</u>	<u>6,237,832</u>	<u>11,171,670</u>
Investing activities				
Purchase of fixed assets	(62,427)	(91,635)	(76,949)	(97,564)
Purchase of intangible assets	(508,218)	(802,128)	(626,440)	(1,020,673)
Sale of fixed assets	-	2,641	-	3,009
Interest received	546,173	133,177	673,224	166,625
Purchase of held-to-maturity investments	(9,013,668)	(10,395,460)	(11,110,436)	(13,006,353)
Proceeds of held-to-maturity investments	16,933,307	-	20,872,348	-
Net cash provided by (used in) investing activities	<u>7,895,167</u>	<u>(11,153,405)</u>	<u>9,731,748</u>	<u>(13,954,956)</u>
Increase (decrease) in cash and cash equivalents	12,955,793	(2,224,333)	15,969,580	(2,783,286)
Currency translation impact	(94,996)	-	2,408,145	(908,523)
Cash and cash equivalents at beginning of the year	<u>8,428,455</u>	<u>10,652,788</u>	<u>9,602,547</u>	<u>13,294,356</u>
Cash and cash equivalents at end of year	<u><u>21,289,252</u></u>	<u><u>8,428,455</u></u>	<u><u>27,980,272</u></u>	<u><u>9,602,547</u></u>

"Notes 1 to 19 are integral part of the financial statements."

World Anti-Doping Agency

Statement of Changes in Fund Balances for the years ended 31 December 2005 and 2004

(in Swiss Francs with audited U.S. Dollar figures as complementary information - Note 2A)

	Foundation capital USD	Excess of income over expenses brought forward USD	Exchange adjustment on USD foundation capital USD	Total USD
Balance as at 1 January 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	<u>780,892</u>	<u>-</u>	<u>(780,892)</u>	<u>-</u>
Total income (expenses) for the period	<u>780,892</u>	<u>8,280,523</u>	<u>(780,892)</u>	<u>8,280,523</u>
Balance as at 31 December 2004 and 1 January 2005	<u>4,388,656</u>	<u>15,758,622</u>	<u>(382,156)</u>	<u>19,765,122</u>
Excess of income over expenses for the year	-	3,614,158	-	3,614,158
Exchange movement	<u>(584,320)</u>	<u>-</u>	<u>584,320</u>	<u>-</u>
Total income (expenses) for the period	<u>(584,320)</u>	<u>3,614,158</u>	<u>584,320</u>	<u>3,614,158</u>
Balance as at 31 December 2005	<u>3,804,336</u>	<u>19,372,780</u>	<u>202,164</u>	<u>23,379,280</u>

	Foundation capital CHF	Excess of income over expenses brought forward CHF	Currency translation reserve CHF	Total CHF
Balance as at 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	<u>-</u>	<u>-</u>	<u>(2,174,243)</u>	<u>(2,174,243)</u>
Total income (expenses) for the period	-	10,360,236	(2,174,243)	8,185,993
Balance as at 31 December 2004 and 1 January 2005	<u>5,000,000</u>	<u>20,296,326</u>	<u>(2,777,902)</u>	<u>22,518,424</u>
Excess of income over expenses for the year	-	4,454,887	-	4,454,887
Exchange movement	<u>-</u>	<u>-</u>	<u>3,753,869</u>	<u>3,753,869</u>
Total income (expenses) for the period	-	4,454,887	3,753,869	8,208,756
Balance as at 31 December 2005	<u>5,000,000</u>	<u>24,751,213</u>	<u>975,967</u>	<u>30,727,180</u>

"Notes 1 to 19 are integral part of the financial statements."

World Anti-Doping Agency

Notes to Financial Statements

31 December 2005 and 2004

1. Activity

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

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

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

2. Basis of presentation and summary of significant accounting policies

A. Basis of presentation and changes to accounting policies

These financial statements will be approved by the Foundation Board of WADA on 14 May 2006 and cannot be amended after issuance. The financial statements of WADA for the year ended 31 December 2005 have been prepared in accordance with the International Financial Reporting Standards (IFRS).

The WADA's accounts are produced according to Swiss legal requirements.

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

IFRS changes, which became effective in 2005, did not have an impact on the balance sheet or the statement of activities. The main changes relate to the amendments of IAS 32/39 (Financial Instruments) which resulted in the redesignation of financial assets previously classified in Cash and cash equivalents to Held-to-maturity investments and to the revision of IAS 24 (Related Party Disclosures) which led to additional related party disclosures. Further, as per the revisions to IAS 1 (Presentation of Financial Statements), significant judgements and assumptions have to be disclosed, and to IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors), the impact of new or amended standards or interpretations has to be shown.

The disclosures adopted by WADA based on the definition of presentation and functional currency are not affected by the amendments made to IAS 21 (The Effects of Changes in Foreign Exchange Rates).

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

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

Notes to Financial Statements 31 December 2005 and 2004

B. Foreign currencies

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

C. Cash and cash equivalents

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

D. Financial assets

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

(a) Held-to-maturity investments

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

(b) Loans and receivables

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

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

E. Fixed assets

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

Computer hardware	2,5 years
Office equipment	4 years

F. Intangible assets

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

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

Notes to Financial Statements

31 December 2005 and 2004

G. Leases

Lease of computer hardware and software where the Agency has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are 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 is retained by the lessor are classified as operating leases in which case, payments are charged to the statement of activities on a straight-line basis over the term of the lease. WADA does not currently hold any financial leases.

H. Revenue recognition

Annual contributions

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

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

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

Project grants

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

Financial income

Interest income is recognized on an effective yield basis.

Grants

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

Other

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

Notes to Financial Statements 31 December 2005 and 2004

I. Income taxes

WADA is exempt from paying income taxes.

J. Research grants

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

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

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory to WADA's accounting periods beginning on or after 1 January 2006 or later periods. WADA currently believes that only the following, not yet adopted standard by WADA, will have an impact on its financial statements:

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

In addition, the WADA has elected to adopt the IFRIC Interpretation 4 - Determining whether an Arrangement contains a Lease - in advance of its effective date of 1 January 2006. The impact of this Interpretation has been to expand the disclosures provided in these financial statements in relation to the WADA's operating lease. WADA had to present separately commitments related to management service contracts including a lease in note 18.

L. Comparative information

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

Notes to Financial Statements

31 December 2005 and 2004

3. Financial risk management

1. Financial risk factors

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

a. Foreign exchange risk

WADA is exposed to foreign exchange risks mainly because most of its revenues are generated in U.S. Dollars and Euros, whereas its operating expenses are essentially U.S. Dollar and Canadian dollar based. As at 31 December 2005, WADA did not make use of any derivative financial instruments to cover its risks. However, it used U.S.dollar, Swiss Franc and Euro bank deposits to partly cover its currency exposure.

b. Interest rate risk

WADA is exposed to interest rate risks through the impact of rate changes on interest-bearing assets. As at 31 December 2005, WADA's only interest-bearing assets were cash and held-to-maturity investments. To avoid capital loss, only term deposit investments were made.

c. Liquidity risk

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

d. Credit risk

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

2. Fair value estimation

As at 31 December 2005, the fair value of cash and cash equivalents, held-to-maturity investments, receivables and other current assets and accounts payable and accrued expenses were not significantly different from their book value due to their maturity being close to the balance sheet date.

World Anti-Doping Agency

Notes to Financial Statements

31 December 2005 and 2004

4. Cash and cash equivalents	2005	2004	2005	2004
	USD	USD	CHF	CHF
Cash and cash equivalents	7,840,739	5,943,826	10,305,013	6,771,807
Bank deposits of up to three months				
- in U.S. Dollars	12,207,000	2,150,000	16,043,550	2,449,497
- in Canadian Dollars	861,079	334,629	1,131,708	381,243
- in Swiss Francs	380,434	-	500,001	-
	<u>21,289,252</u>	<u>8,428,455</u>	<u>27,980,272</u>	<u>9,602,547</u>

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

5. Held -to-maturity investments	2005	2004	2005	2004
	USD	USD	CHF	CHF
Bank deposits of more than three months				
- in U.S. Dollars	-	7,268,000	-	8,280,440
- in Euros	2,367,382	3,460,225	3,111,429	3,942,238
	<u>2,367,382</u>	<u>10,728,225</u>	<u>3,111,429</u>	<u>12,222,678</u>

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

6. Receivables	2005	2004	2005	2004
	USD	USD	CHF	CHF
QST receivable	273,366	272,623	359,283	310,600
GST receivable	681,109	662,725	895,175	755,044
Recoverable withholding taxes	162,043	40,832	212,972	46,520
Other receivables	74,882	89,740	98,417	102,240
Rental deposit and guarantees	132,541	107,252	174,197	122,192
Provision for bad debts	(685,142)	(662,643)	(900,476)	(754,950)
	<u>638,799</u>	<u>510,529</u>	<u>839,568</u>	<u>581,646</u>

Rental deposit and guarantees includes a cash balance of CHF 113,033 (USD 86,003) that is restricted in use as it is set as guarantee for corporate credit card expenses. Rent deposit for the Lausanne office amount to CHF 27,195 (USD 20,692) and rent deposit for the Uruguay regional office and Director's apartment amount to CHF 33,969 (USD 25,846).

World Anti-Doping Agency

Notes to Financial Statements

31 December 2005 and 2004

6a Movement of provision for bad debt	2005 USD	2004 USD	2005 CHF	2004 CHF
Opening balance	662,643	37,483	870,906	42,705
Allocation	22,499	662,643	29,570	754,950
Used	-	(18,556)	-	(21,141)
Released	-	(18,927)	-	(21,564)
Closing balance	<u>685,142</u>	<u>662,643</u>	<u>900,476</u>	<u>754,950</u>

The provision covers the possible non-recovery of taxes on value added from the Canadian government (GST) paid up to 2004. Actions have been undertaken to clarify the status of WADA regarding the GST. At the date these financial statements were issued, no indication showed that recovery would be possible. The 2005 taxes on value added have been added to the appropriate expense incurred in 2005. Allocation in 2005 includes a provision for expenses of a former staff member.

7. Other current assets	2005 USD	2004 USD	2005 CHF	2004 CHF
Prepaid expenses	390,117	430,095	512,729	490,007
Prepaid expenses - Olympics games	363,995	-	478,395	-
Prepaid expenses - Commonwealth Games	51,711	-	67,963	-
Accrued interest	66,600	74,912	87,532	85,348
Prepaid scientific research grants 2001	279,356	597,879	367,155	681,164
Prepaid scientific research grants 2002	129,000	160,083	169,544	182,383
Prepaid scientific research grants 2003	22,295	129,017	29,302	146,989
Prepaid scientific research grants 2004	381,087	415,152	500,859	472,984
Prepaid scientific research grants 2005	550,476	-	723,486	-
Prepaid social science research grants 2005	32,818	-	43,132	-
	<u>2,267,455</u>	<u>1,807,138</u>	<u>2,980,097</u>	<u>2,058,875</u>

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8. Fixed assets - Computer and office equipment

	Computer Equipment		Office equipment		Total	
	USD	CHF	USD	CHF	USD	CHF
Year ended 31 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
Disposals	(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
As 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
Year ended 31 December 2005						
Opening net book amount	57,875	65,938	272,537	310,501	330,412	376,439
Additions	41,013	53,903	21,414	28,144	62,427	82,047
Depreciation charge	(45,106)	(55,599)	(249,477)	(307,510)	(294,583)	(363,109)
Exchange effect	-	6,445	-	27,315	-	33,760
Closing net book amount	53,782	70,687	44,474	58,450	98,256	129,137
As at 31 December 2005						
Cost	430,514	576,941	1,053,380	1,450,313	1,483,894	2,027,254
Accumulated depreciation	(376,732)	(503,602)	(1,008,906)	(1,316,699)	(1,385,638)	(1,820,301)
Exchange effect	-	(2,652)	-	(75,164)	-	(77,816)
Net book amount	53,782	70,687	44,474	58,450	98,256	129,137

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9. Intangible Assets

	USD	Software CHF
Year ended 31 December 2004		
Opening net book amount	-	-
Additions	909,879	1,036,626
Closing net book amount	<u>909,879</u>	<u>1,036,626</u>
As 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>
Year ended 31 December 2005		
Opening net book amount	909,879	1,036,626
Additions	413,186	543,047
Depreciation charge	(153,749)	(189,514)
Exchange effect	-	146,662
Closing net book amount	<u>1,169,316</u>	<u>1,536,821</u>
As at 31 December 2005		
Cost	1,323,065	1,579,673
Accumulated depreciation	(153,749)	(189,514)
Exchange effect	-	146,662
Net book amount	<u>1,169,316</u>	<u>1,536,821</u>

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

Amounts for intangible assets not fully implemented were CHF 79,537 (USD 61,000) as at 31 December 2005, and CHF1,036,626 (USD 909,879) as at 31 December 2004.

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10. Accrued expenses	2005	2004	2005	2004
	USD	USD	CHF	CHF
Accruals	557,528	212,036	732,754	241,573
Accrued laboratory expenses	-	224,770	-	256,081
Accrued scientific research grants 2001	216,718	72,033	284,831	82,068
Accrued scientific research grants 2002	108,714	143,035	142,882	162,960
Accrued scientific research grants 2003	30,501	69,155	40,087	78,789
Accrued scientific research grants 2004	130,227	-	171,156	-
	<u>1,043,688</u>	<u>721,030</u>	<u>1,371,710</u>	<u>821,470</u>

11. Foundation capital

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

12. Annual contributions	2005	2004	2005	2004
	USD	USD	CHF	CHF
2002 Public authorities and governments	-	789,167	-	987,372
2002 International Olympic Committee (IOC)	1,853	615,044	2,284	769,517
2003 Public authorities and governments	82,336	866,872	101,489	1,084,593
2003 International Olympic Committee (IOC)	84,188	1,707,830	103,772	2,136,764
2004 Public authorities and governments	112,666	9,499,262	138,875	11,885,069
2004 International Olympic Committee (IOC)	1,456,298	8,158,059	1,795,063	10,207,013
2005 Public authorities and governments	10,098,079	-	12,447,103	-
2005 International Olympic Committee (IOC)	8,868,080	-	10,930,981	-
	<u>20,703,500</u>	<u>21,636,234</u>	<u>25,519,567</u>	<u>27,070,328</u>

13. Grants

WADA benefits from two major government supports. On the one hand, the Canadian government provides WADA with a cash contribution of a total of CAD 10 million, indexed, over the ten-year period and exempts WADA from any income tax and value-added tax. On the other hand, the Government of Quebec also provides CAD 5 million, indexed, over a ten-year period to WADA. The grants are actually paid as one from a corporation, Montreal International, formed by the aforementioned Governments. The grants are subject to the following conditions: WADA must maintain its permanent operational headquarters in Montreal, maintain a minimum staff of 17 to 25 employees, and supply quarterly unaudited and annual audited accounts, budgets and activity reports, as well as 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 of CHF 2,533,440 (USD 1,828,011) represented the initial installment, whereas the remaining installments, in Canadian dollars, are indexed and equally split over seven years.

	2005	2004	2005	2004
	USD	USD	CHF	CHF
Cash amount granted by Montreal International	<u>1,264,175</u>	<u>1,130,272</u>	<u>1,558,249</u>	<u>1,414,148</u>

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14. Other Income

Laboratory accreditation and re-accreditation fees amounted to CHF 363,523 (USD 292,322) for 2005 and CHF163,157 (USD130,405) for 2004.

15. Salaries and other personnel costs	2005 USD	2004 USD	2005 CHF	2004 CHF
Salaries	3,119,243	2,642,169	3,844,843	3,305,768
Social charges and other benefits	2,007,758	1,820,327	2,474,805	2,277,515
Defined benefit pension plan contributions	77,031	44,540	94,950	55,726
Temporary staff	16,860	49,432	20,782	61,848
Recruitment expenses	15,909	8,490	19,610	10,622
	<u>5,236,801</u>	<u>4,564,958</u>	<u>6,454,990</u>	<u>5,711,479</u>

The number of people employed was 54 as at 31 December 2005 (2004: 45) .

Retirement benefit obligation

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

16. Research grants	2005 USD	2004 USD	2005 CHF	2004 CHF
Scientific research grants expensed	3,743,327	2,997,741	4,614,103	3,750,645
Social science research grants expensed	2,421	-	2,984	-
Total research grants expensed	<u>3,745,748</u>	<u>2,997,741</u>	<u>4,617,087</u>	<u>3,750,645</u>
Research grants paid out				
Research grants expensed	3,745,748	2,997,741	4,617,087	3,750,645
Prepaid (movement)	92,901	132,913	114,512	166,295
Accruals (movement)	(201,936)	(42,224)	(248,911)	(52,829)
Total research grants paid out	<u>3,636,713</u>	<u>3,088,430</u>	<u>4,482,688</u>	<u>3,864,111</u>

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17. Related party transactions

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

Compensation of Key Management:	2005 USD	2004 USD	2005 CHF	2004 CHF
Salaries	1,462,994	1,356,449	1,803,317	1,697,131
Benefits and social charges	656,967	640,467	809,791	801,325
Defined benefit pension plan contributions	55,658	48,008	68,605	60,066
	<u>2,175,619</u>	<u>2,044,924</u>	<u>2,681,713</u>	<u>2,558,522</u>

Key Management of WADA is defined as all the Directors of the Agency. There are eleven directors as at December 31, 2005 (2004: 10 directors).

18. Commitments

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

Operating lease commitments without non-lease elements	2005 USD	2004 USD	2005 CHF	2004 CHF
Less than one year	472,629	475,309	621,172	541,520
More than one year and less than five years	1,769,806	1,735,646	2,326,040	1,977,426
More than five years	517,241	970,467	679,805	1,105,654
	<u>2,759,676</u>	<u>3,181,422</u>	<u>3,627,017</u>	<u>3,624,600</u>

The above commitments are for the following:

Montreal office lease to February 2012

Lausanne office lease 6 month notice

Tokyo office lease to February 2006

Operating lease commitments including payments for non-lease elements	2005 USD	2004 USD	2005 CHF	2004 CHF
Less than one year	846,000	865,761	1,111,890	986,362
More than one year and less than five years	1,745,040	2,663,040	2,293,490	3,034,001
More than five years		-	-	-
	<u>2,591,040</u>	<u>3,528,801</u>	<u>3,405,380</u>	<u>4,020,363</u>

The above commitments are related to a CGI Technology managed services contract to March 2009, and to the HP Technology managed services contract up to March 2005.

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Scientific and social science research commitments

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

	2005 USD	2004 USD	2005 CHF	2004 CHF
Less than one year	2,827,119	2,699,773	3,484,766	3,075,854
More than one year and less than five years	1,050,330	1,103,140	1,380,439	1,256,809
More than five years	-	-	-	-
	<u>3,877,449</u>	<u>3,802,913</u>	<u>4,865,205</u>	<u>4,332,663</u>

19. Contingent liabilities

At the end of 2005, WADA has CHF 5,041,050 (USD 3,835,566) and CHF 2,263,791 (USD 1,987,000) in 2004 of contingent commitments. This amount is for all research grants that have been granted by WADA but are contingent upon one or more of the following approvals: Ethical approval from the government of the country of the laboratory which is to conduct the research or signing of the research contract by the laboratory. 80% of the amount would be due upon these approvals, and would probably occur in 2006.