Finance Report for Council

Accounts for January-April 2022 &
Full year budget vs. Reforecast

World Sailing

Content – Management Accounts

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Summary

Net Surplus for the first four months to April 2022 of £4.1M is higher than budget by £195K. However, this is mostly due to budgeted phasing of income and expenditure verses actual results.

The reforecast net surplus for the rest of the year to December 2022 of £1.25M is broadly in line with original budget.

Profit & Loss: Jan-Apr 2022 Actual vs. Budget

World Sailing Ltd & World Sailing (UK) Ltd			
Consolidated Profit and Loss - Four months to 30 April 2022 vs. Budget			
Year Ended 31 Dec 2022			
	Jan-Apr 2022 Actual	Jan-Apr 2022 Budget	Jan-Apr 2022 Variance
Income			
Income	5,314,835	5,955,388	(640,554)
Total Income	**5,314,835**	**5,955,388**	**(640,554)**
Direct Costs			
Direct Costs	229,068	934,656	705,588
Total Direct costs	**229,068**	**934,656**	**705,588**
Gross Margin	**5,085,767**	**5,020,732**	**65,034**
Gross Margin %	*96%*	*84%*	
Administrative Costs			
Employment Costs	667,753	978,978	311,225
Overheads	200,701	183,184	(17,517)
Currency Gains	(372,857)	0	372,857
Exceptional costs - OfficeLease assignment	536,438	0	(536,438)
Total Administrative Costs	**1,032,035**	**1,162,162**	**130,127**
% of Income	*19%*	*20%*	
Operating Surplus	**4,053,731**	**3,858,570**	**195,161**
% of Income	*76%*	*65%*	

Main variances

Income:

- For management accounts, revenue from the Summer Olympics, Tokyo2020, has been spread equally over the three years 2021-2023.
- Budgeted new income streams of £128K has been reallocated to the second half of the year in the reforecast.
- Value in kind from SAP for World Cup Series Palma and Musto clothing has not yet recognised - £113K
- IOC Development fund income reduced - prior year adjustment £53K.
- Rest is timing difference

Direct costs:

- Savings from cancellation of WCS in Jan22 and savings from WCS Palma £136K.
- Participation & Development budgeted spend, £248K compared to actual £16K in timing. Deferred budget £281K to rest of the year.
- Mid-year meeting and Annual conference costs deferred to May22 and Oct22 - £143K.
- Value in kind costs for SAP and Musto not yet accounted for £113K.

Administration costs:

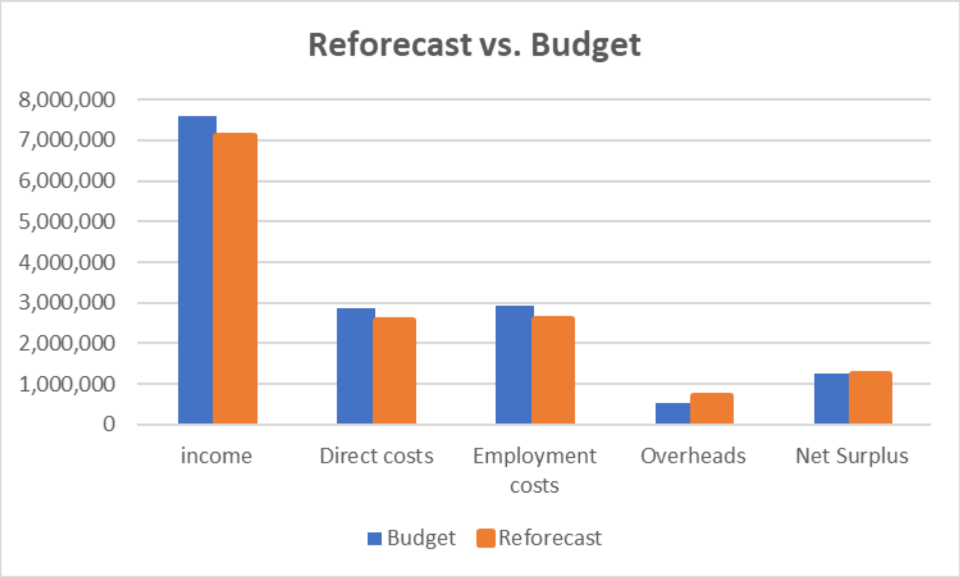
- Delayed recruitment of staff and related recruitment fee savings in period £311K.
- Lease assignment previously expected to complete in 2021. Negative overhead budget variance £536K
- Currency gains £372K mostly related to net revaluation of USD balances, bank and IOC Loan. Realised gains to April 2022 £165K.

Profit & Loss: Full year 2022 Reforecast vs. Budget

World Sailing Ltd & World Sailing (UK) Ltd Consolidated Profit and Loss reforecast Year Ended 31 Dec 2022	4 months to April 2022	Reforecast 2022	Budget 2022	Variance 2022
Income				
Income	5,314,835	7,090,293	7,606,697	(516,404)
Total Income	**5,314,835**	**7,090,293**	**7,606,697**	**(516,404)**
Direct Costs				
Direct Costs	229,068	2,561,972	2,876,967	314,995
Total Direct costs	**229,068**	**2,561,972**	**2,876,967**	**314,995**
Gross Margin	**5,085,767**	**4,528,321**	**4,729,731**	**(201,409)**
Gross Margin %	*96%*	*64%*	*62%*	
Administrative Costs				
Employment Costs	667,753	2,581,384	2,923,869	342,485
Overheads	200,701	533,725	548,365	14,640
Currency Gains	(372,857)	(372,857)	0	372,857
OfficeLease assignment	536,438	536,438	0	(536,438)
Total Administrative Costs	**1,032,035**	**3,278,691**	**3,472,235**	**193,544**
% of Income	*19%*	*46%*	*46%*	
Operating Surplus	**4,053,731**	**1,249,631**	**1,257,496**	**(7,866)**
% of Income	*76%*	*18%*	*17%*	

Latest Forecast:

- Reforecast prepared in May2022 is based on latest information available.
- Net surplus reforecast to closely track original budget.



Quarterly cashflow forecast - 2022

World Sailing Limited

Consolidated Cashflow in GBP — Quarterly Cashflow forecast 2022

	Actual Q1 2022	Forecast Q2 2022	Forecast Q3 2022	Forecast Q4 2022	2022
Opening cash	**8,786,835**	**9,956,749**	**10,091,810**	**9,387,122**	**8,786,835**
Cash receipts	2,412,197	925,175	690,014	614,105	**4,641,491**
Cash payments	(1,281,588)	(890,869)	(1,426,860)	(1,811,559)	**(5,410,876)**
Fixed asset additions	(30,357)	(75,424)	(27,000)	(27,000)	**(159,781)**
VAT refunds	69,663	176,179	59,158	21,793	**326,792**
Net cash movement	**1,169,915**	**135,060**	**(704,688)**	**(1,202,662)**	**(602,375)**
Closing Cash - pre funding	**9,956,749**	**10,091,810**	**9,387,122**	**8,184,460**	**8,184,460**
Loans	0	0	0	(451,310)	**(451,310)**
WS Investment Trust	0	0	0	0	**0**
Closing Cash - post funding	**9,956,749**	**10,091,810**	**9,387,122**	**7,733,150**	**7,733,150**

Borowing					
B/F loan balance	1,833,384	1,887,582	1,887,582	1,887,582	1,833,384
Revaluation	54,198				54,198
Repayments	0	0	0	(451,310)	(451,310)
C/F Loan balance	1,887,582	1,887,582	1,887,582	1,436,272	1,436,272

Main Highlights

- Net cash outgoing of £1.05M in 2022, including repayment of IOC loan of £451K. Balance loan repayable in three instalments per annum until Dec 2025.
- Capital expenditure of £159K on website and automation of processes based on estimates.
- Revaluation of USD bank balance factored into cash balances. 30th April 2022 USD balance $5.9M.
- Opening cash balance as of 1st January 2022 higher by £895K compared to budget due to delayed lease assignment and cost savings in Q4 2021.