

World Sailing Finance Report

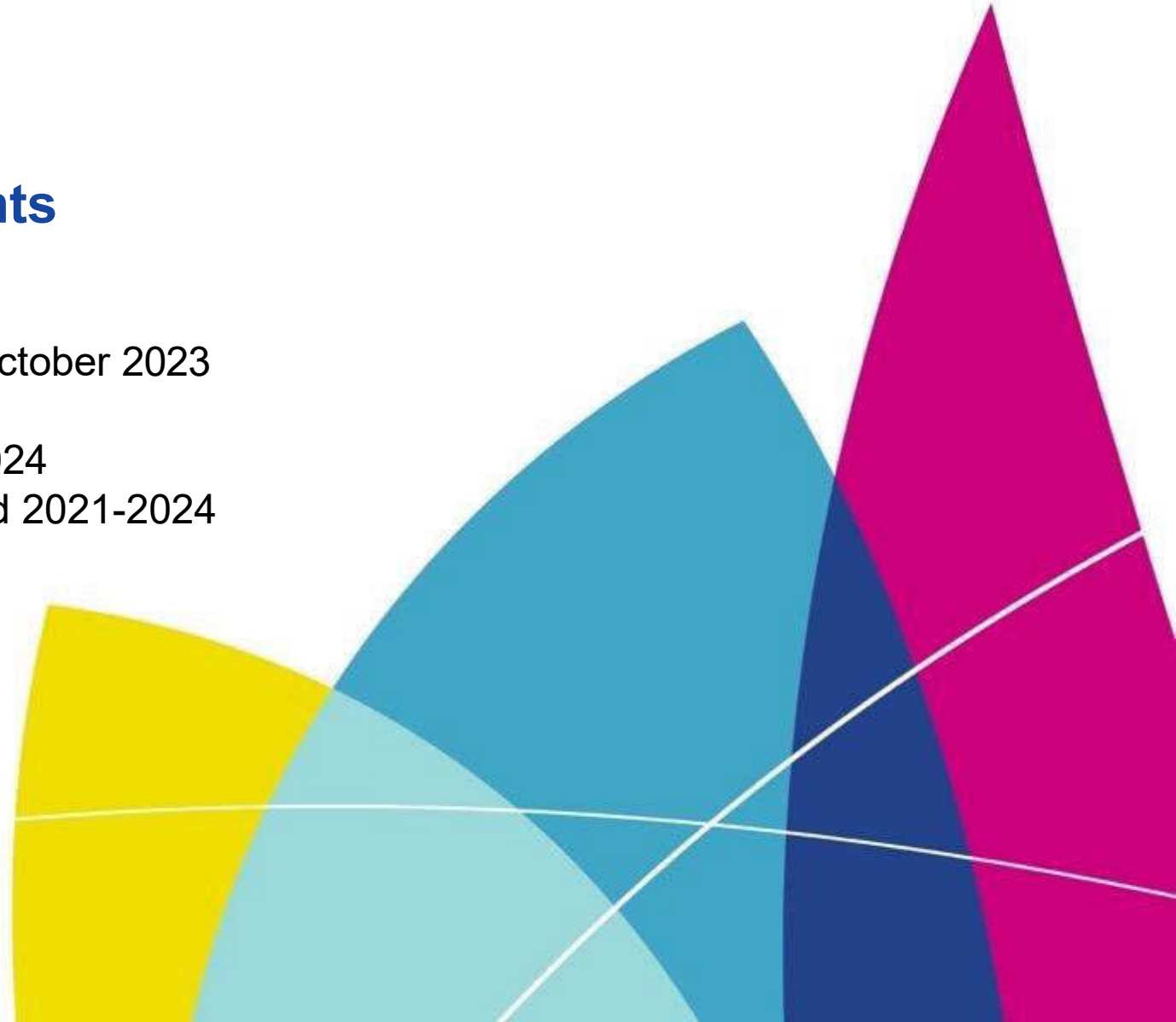
Management Accounts:

- 10 months to 31 October 2023
- Full Year 2023 Reforecast vs. Budget
- Forecast for the quad 2021-2024
- WS Investment Trust fund
- MNA Debtors



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Summary

This report includes the financial results for ten months to 31 October 2023 together with the latest forecast for the rest of the year to 31 December 2023, compared to budget. The budget for this year was approved by the board on 21 February 2023.

The net surplus for the first ten months to 31 October 2023 was £1.4M compared to a budgeted surplus of £858K. The positive variance of £588K is primarily due to direct and overhead cost savings to date, which exceeded the shortfall in income (slide 4).

The forecast net surplus for the year to 31 December 2023 is £332K, which is £372K better than budget (slide 5). The reforecast assumes no new income will be received in 2023.

For the quad to 31 December 2024, the net surplus is expected to be £1.9M compared to the board approved budgeted surplus of £2.5M (slide 6). The forecast presented to Council in October 2022 indicated a net surplus of £3.1M but was adjusted for actual results for the year to 31 December 2022, and a reduction in forecasted new income. A conservative estimate for new income of £400K is included in the forecast for 2024, down from just over £1M previously budgeted.

The cashflow forecast for the remainder of 2023 remains positive, with closing cash expected to be £3.2M at 31 December 2023 (slide 8).

With the cost savings achieved in September and October, the cash balance is now expected to remain positive for the foreseeable future. The lowest projected cash balance between now and the end of December 2024 is expected in August 2024, just before Paris2024, at £297K.

Profit & Loss: Jan-Oct 2023 Actual vs. Budget

World Sailing Limited Consolidated Profit and Loss

	Actual Jan-Oct 2023		
	Actual	Budget	Variance
Turnover			
Income	6,998,654	7,797,687	(799,033)
Total Turnover	6,998,654	7,797,687	(799,033)
Cost of Sales			
Direct Costs	3,198,615	4,252,577	1,053,962
Total Cost of Sales	3,198,615	4,252,577	1,053,962
Gross Profit	3,800,039	3,545,110	254,929
Administrative Costs			
Employment Costs	1,844,637	2,263,681	419,044
Overheads	493,110	423,890	(69,220)
Currency Gains & Losses	16,628	0	(16,628)
Total Administrative Costs	2,354,375	2,687,571	333,196
Net surplus/(deficit)	1,445,664	857,539	588,125

Main variances

Summary:

- Year to date net surplus for the period of £1.4M is higher than budgeted surplus of £857K. The positive variance results from cost savings to date, which fully covered the shortfall in income.

Income:

- The negative variance of actual vs. budgeted income of £799K includes:
 - Negative variances: New income -£791K, Special Events -£93K, ESailing -£53K, Technical services income of -£78K.
 - Positive variance: IOC Development Fund and Solidarity funding +£107K.

Direct costs:

- Direct costs of £3.2M were below budget by £1.1M. The positive variance includes savings of £415K for Participation & Development, £399K from Events, £114K Committees and Commissions, £43K Technical & Offshore activities, Sustainability £75K.

Administration costs:

- Postponed and delayed recruitment of staff and related recruitment fee savings to date of £419K.
- Included under overheads are over-budget costs of £58K for depreciation of Website costs, Employment related Legal fees for £6K and EU Monopolies defense costs £22K. These costs were offset by savings in general overhead costs.

Profit & Loss: Full year 2023 Reforecast vs. Budget

World Sailing Limited Consolidated Profit and Loss

	Reforecast Jan-Dec 2023		
	Forecast	Budget	Variance
Turnover			
Income	7,215,386	8,376,232	(1,160,846)
Total Turnover	7,215,386	8,376,232	(1,160,846)
Cost of Sales			
Direct Costs	3,985,741	5,042,390	1,056,649
Total Cost of Sales	3,985,741	5,042,390	1,056,649
Gross Profit	3,229,645	3,333,842	(104,196)
Administrative Costs			
Employment Costs	2,269,634	2,845,914	576,279
Overheads	614,489	527,867	(86,622)
Currency Gains & Losses	13,160	0	(13,160)
Total Administrative Costs	2,897,283	3,373,781	476,498
Net surplus/(deficit)	332,363	(39,939)	372,302

Main variances

Summary:

- The forecasted surplus for full year 2023 of £332K is £372K better than budget.

Income:

- Forecasted income for the year has been reduced by -£896K for new sponsorship income and -£78K for ESailing.
- In addition, the forecast income from Special Events is lower by -£100K, Annual conference by -£55K and Technical services by -£90K.
- These negative variances are somewhat offset by higher income from IOC grants of £67K.

Direct costs:

- As a result of reducing income there will be savings in direct costs of £45K for Technical services and £32K for Sustainability.
- Participation & Development spend is expected to be below budget by £447K with some projects being delayed until the department is adequately resourced.
- Savings of £491K in Events, mostly related to Travel & Accommodation for attending Events, and Production & Broadcast and Anti-Doping costs being lower than expected. The Paris2024 Test event and SWC2023 events were broadly in line with budget.
- Costs for Committees and Commissions are below budget by £110K.

Administration costs:

- Savings in Employment costs, including contractors, is expected to be £576K.
- Overhead overspends relate to higher cost of Legal fees, Insurance costs and depreciation of Website.

Profit & Loss Forecast for the quad 2021-2024

World Sailing

Consolidated Profit and Loss

For the quad 2021-2024

Actual results to Oct-2023/Current Forecast

Budget/Forecast for quad
(board-approved Feb-2023)

Variance vs. Budget/Forecast

Main Highlights

	Actual 2021 (audited)	Actual 2022 (audited)	Reforecast 2023	Reforecast 2024	2021-2024	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2021- 2024	Variance 2021	Variance 2022	Variance 2023	Variance 2024	(2021 board approved vs 2021-2024
Turnover															
Income	5,843,496	6,473,780	7,215,386	5,444,045	24,976,707	5,843,496	6,181,538	8,376,232	6,255,654	26,656,920	0	292,242	(1,160,846)	(811,609)	(1,680,213)
Total Turnover	5,843,496	6,473,780	7,215,386	5,444,045	24,976,707	5,843,496	6,181,538	8,376,232	6,255,654	26,656,920	0	292,242	(1,160,846)	(811,609)	(1,680,213)
Cost of Sales															
Direct Costs	1,238,516	2,265,960	3,985,741	3,672,230	11,162,447	1,238,516	1,982,953	5,042,390	3,577,299	11,841,158	(0)	(283,007)	1,056,649	(94,931)	678,711
Total Cost of Sales	1,238,516	2,265,960	3,985,741	3,672,230	11,162,447	1,238,516	1,982,953	5,042,390	3,577,299	11,841,158	(0)	(283,007)	1,056,649	(94,931)	678,711
Gross Profit	4,604,980	4,207,820	3,229,645	1,771,815	13,814,261	4,604,980	4,198,585	3,333,842	2,678,355	14,815,762	0	9,235	(104,197)	(906,540)	(1,001,501)
Administrative Costs															
Employment Costs	1,980,217	2,305,485	2,269,634	3,058,786	9,614,123	1,980,217	2,280,340	2,845,914	3,058,786	10,165,257	(0)	(25,145)	576,280	(0)	551,134
Overheads	957,562	460,390	614,489	528,359	2,560,799	957,562	422,845	527,867	528,359	2,436,632	0	(37,546)	(86,622)	0	(124,167)
Currency Gains & Losses	148,732	(999,767)	13,160	0	(837,875)	148,732	(996,580)	0	0	(847,848)	(0)	3,187	(13,160)	0	(9,973)
Exceptional costs - Lease assignment	0	536,438	0	0	536,438	0	536,438	0	0	536,438	0	(0)	0	0	(0)
Total Administrative Costs	3,086,511	2,302,547	2,897,283	3,587,145	11,873,486	3,086,511	2,243,043	3,373,781	3,587,145	12,290,480	(0)	(59,504)	476,498	0	416,994
Net surplus/(deficit)	1,518,469	1,905,273	332,363	(1,815,330)	1,940,775	1,518,469	1,955,542	(39,939)	(908,790)	2,525,282	0	(50,269)	372,301	(906,540)	(584,507)

- Overall, the net surplus for the quad of £1.9M is expected to be £585K below budget due to a net shortfall in sponsorship income.
- The 2024 forecast includes new income of £400K and £250K for the annual conference.
- The forecast for Direct Costs in 2024 has been updated based on latest information.
- At this stage management has no reason to amend the forecasted employment costs, although actual costs may be lower if budgeted recruitment is delayed or not filled. **Current headcount is 25 compared to 36 in budget.**

Income and Cost analysis for the Quad 2021-2024

World Sailing						
Consolidated Profit & Loss - Detailed breakdown						
Income and Cost analysis for the Quad 2021-2024						
	Actual	Actual	Forecast	Forecast	Forecast	
	2021	2022	2023	2024	TOTAL	
Income						
Olympic income	3,773,612	3,773,612	3,773,612	2,923,077	14,243,912	57%
Events, Special Events, E-Sailing	274,838	482,980	1,805,833	770,244	3,333,895	13%
Sponsorships	1,036,061	1,386,547	879,372	1,065,000	4,366,980	17%
Technical Services	224,536	296,874	157,998	209,500	888,907	4%
Members Subscriptions	368,349	366,993	363,189	363,650	1,462,181	6%
Participation & Development	138,988	139,026	204,499	85,000	567,512	2%
Sustainability	27,113	27,749	30,884	27,574	113,320	0%
Total Income	5,843,496	6,473,780	7,215,386	5,444,045	24,976,707	100%
	Actual	Actual	Forecast	Forecast	Forecast	
	2021	2022	2023	2024	TOTAL	
Direct Costs						
Events, Special Events, E-Sailing	607,199	693,925	2,358,937	1,574,094	5,234,156	47%
Digital Comms, Sponsorships	306,067	520,875	657,429	451,670	1,936,042	17%
Technical Services	12,735	35,830	52,268	65,515	166,348	1%
Members services	72,081	592,405	184,116	540,400	1,389,002	12%
Participation & Development	214,977	421,136	593,086	962,750	2,191,949	20%
Sustainability	25,457	1,788	139,904	77,800	244,950	2%
Total Direct costs	1,238,516	2,265,960	3,985,741	3,672,230	11,162,447	100%
<i>Direct costs as a % of income</i>	<i>21%</i>	<i>35%</i>	<i>55%</i>	<i>67%</i>	<i>45%</i>	
	Actual	Actual	Forecast	Forecast	Forecast	
	2021	2022	2023	2024	TOTAL	
Administration costs						
Employment costs	1,980,217	2,238,324	2,269,634	3,058,786	9,546,962	80%
Office costs	584,994	149,680	187,910	190,011	1,112,595	9%
Overheads	372,568	377,871	426,579	338,348	1,515,366	13%
Currency Gains & Losses	148,732	(999,767)	13,160	0	(837,875)	-7%
Exceptional costs - OfficeLease assignment	0	536,438	0	0	536,438	
Total Overheads	3,086,511	2,302,547	2,897,283	3,587,145	11,873,486	100%
<i>Administration costs as a % of income</i>	<i>53%</i>	<i>36%</i>	<i>40%</i>	<i>66%</i>	<i>48%</i>	

Main Highlights

- Direct costs for 2023 and 2024 are expected to be significantly higher than 2021/2022 due to the Sailing World Championships 2023, Paris2024 Test Event and Last Chance Regatta in 2024.
- Participation and Development costs increased by 96% in 2022 and are set to increase by a further 41% and 62% in 2023 and 2024 respectively. Total spend for Participation and Development for the quad is 20% of direct costs.
- Members services include the Annual and Mid-year conferences, and costs of Committees, Commissions and Working parties.

Quarterly Cashflow - Actual Jan-Oct 2023 & Forecast for the year to December 2023

World Sailing

Quarterly Cashflow Forecast

2023 Quarterly Cashflow forecast

	Actual Q1 2023	Actual Q2 2023	Actual Q3 2023	Forecast Q4 2023	2023
Opening cash	8,328,608	8,774,207	7,148,872	4,957,746	8,328,608
Cash receipts	1,904,118	(192,993)	15,978	550,871	2,277,974
Cash payments	(1,408,167)	(1,448,138)	(2,325,521)	(2,036,298)	(7,218,124)
Fixed asset additions	(74,650)	(11,695)	0	(4,162)	(90,507)
VAT refunds	54,179	67,939	60,537	212,042	394,697
Net cash movement	475,481	(1,584,888)	(2,249,006)	(1,277,547)	(4,635,961)
Closing Cash - pre funding	8,804,089	7,189,319	4,899,865	3,680,199	3,692,648
Loans - New	0	0	0	0	0
Loans - Current	(29,882)	(40,448)	57,881	(510,720)	(523,168)
Closing Cash - post funding	8,774,207	7,148,872	4,957,746	3,169,479	3,169,479

Borrowing - Loan from IOC					
B/F loan balance	1,537,114	1,507,232	1,466,784	1,524,665	1,537,114
Revaluation - Currency FX movement	(29,882)	(40,448)	57,881	0	(12,449)
Repayments	0	0	0	(516,667)	(516,667)
C/F Loan balance	1,507,232	1,466,784	1,524,665	1,007,998	1,007,998

Main Highlights

- Net operating cash outflow for the year is £4.6M before loan repayments.
- The cash balance at end of October 2023 was £4.3M. In October 2023, WS moved excess cash reserves of £2.1M into short term deposits and bonds under a treasury management agreement with Edmond de Rothschild and Hottinger who were introduced to WS by VP Marcus Spillane. The cash deposits and bonds are expected to earn better returns than cash with minimal risk.
- The USD IOC loan is fully covered by USD bank reserves, including cover for any negative FX and exchange rates movements.

Monthly Cashflow Forecast to December 2024



World Sailing

Monthly Cashflow forecast

2024

Account	Reforecast Jan-24	Reforecast Feb-24	Reforecast Mar-24	Reforecast Apr-24	Reforecast May-24	Reforecast Jun-24	Reforecast Jul-24	Reforecast Aug-24	Reforecast Sep-24	Reforecast Oct-24	Reforecast Nov-24	Reforecast Dec-24	Reforecast 2024
Opening cash	3,169,479	3,079,958	3,168,909	2,644,495	2,057,699	1,584,452	1,181,632	1,084,108	296,760	4,431,196	3,921,105	3,701,816	3,169,479
Cash receipts	314,615	484,824	102,759	72,496	65,938	265,462	415,583	307,417	4,752,385	15,583	272,250	4,845,914	11,915,225
Cash payments	(438,171)	(395,872)	(627,173)	(679,085)	(539,185)	(668,282)	(532,900)	(1,094,765)	(617,949)	(545,467)	(491,538)	(112,478)	(6,742,865)
Fixed asset additions	(2,000)	0	0	(2,000)	0	0	(2,000)	0	0	(2,000)	0	0	(8,000)
VAT refunds	36,035	0	0	21,793	0	0	21,793	0	0	21,793	0	0	101,413
Net cash movement	(89,521)	88,951	(524,415)	(586,796)	(473,247)	(402,820)	(97,524)	(787,348)	4,134,436	(510,091)	(219,288)	4,733,436	5,265,774
Closing Cash - pre funding	3,079,958	3,168,909	2,644,495	2,057,699	1,584,452	1,181,632	1,084,108	296,760	4,431,196	3,921,105	3,701,816	8,435,253	8,435,253
New funding												0	0
Loan revaluation	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan repayments												(516,667)	(516,667)
Closing Cash - post funding	3,079,958	3,168,909	2,644,495	2,057,699	1,584,452	1,181,632	1,084,108	296,760	4,431,196	3,921,105	3,701,816	7,918,586	7,918,586

Main Highlights

- The current cashflow forecast to the end of December 2024 indicates the company will remain cashflow positive throughout the year. The lowest forecast cash balance is expected to be approximately £297k in August 2024.
- The company has a borrowing facility with Barclays bank of £900K which can be utilized if short term funding is required.

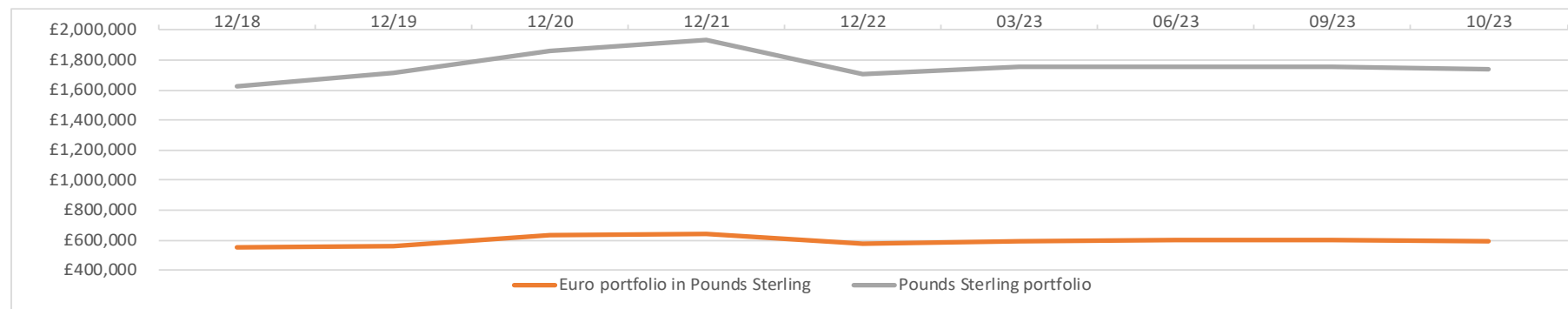
WS Investment Trust



The current valuation of the Trust fund, held under the independent WS Investment Trust, was £2.3M as of 31 October 2023. The chart below shows the movement over the years from 2018. Since 2022 the valuations have moved up and down, in line with market conditions, but the returns to date remain positive overall.

WS Investment Trust - Fund Valuation

	31/12/2018	31/12/2019	31/12/2020	31/12/2021	31/12/2022	31/03/2023	30/06/2023	30/09/2023	31/10/2023		
Euro Portfolio	€ 611,019	€ 663,564	710,445	764,763	657,790	678,201	702,190	692,242	682,923		
Euro portfolio in Pounds Sterling	£ 550,964	£ 562,366	636,010	641,476	581,065	596,762	604,165	600,520	596,631		
Pounds Sterling portfolio	£ 1,624,157	£ 1,711,135	1,862,648	1,936,814	1,708,677	1,759,096	1,757,418	1,757,113	1,735,507	Movement last 12 months	Movement since Dec19
Total Portfolio in Pounds Sterling	£ 2,175,121	£ 2,273,501	£ 2,498,658	£ 2,578,290	£ 2,289,742	£ 2,355,858	£ 2,361,583	£ 2,357,633	£ 2,332,138	£ 101,723	4.2%
FX rate Euros / Pounds Sterling	1.11	1.18	1.12	1.19	1.13	1.14	1.16	1.15	1.14	£ 58,637	2.6%



MNA Annual subscriptions debtor balances – 08/11/2023

Receivables	Total		Due for	
African Sailing Confederation (ASCON)	£661.50	MNA	2021-2023	
Anguilla Sailing Association	£110.25	MNA	2022	
Armenian Sailing Federation	£220.50	MNA	2022-2023	
Bolivian Sailing Federation	£330.75	MNA	2021-2023	
Cambodio Sailing Federation	£220.50	MNA	2022-2023	
Cuban Sailing Federation	£330.75	MNA	2023	
Federación Ecuatoriana de Vela	£330.75	MNA	2023	payment in progress
Federation Algerienne de Voile	£826.88	MNA	2023	
Iran Canoeing, Rowing and Sailing Federation	£2,480.64	MNA	2021-2023	
Kuwait Sea Sport Club	£826.88	MNA	2023	
Madagascar Sailing Association	£70.50	MNA	2023	underpaid
Mauritius Yachting Association	£330.75	MNA	2023	
Mediterranean Sailing Union	£220.50	MNA	2023	
Oman Sail LLC	£1,653.76	MNA	2022-2023	
Sailing Cook Islands	£330.75	MNA	2023	
Sailing Federation of North Macedonia	£330.75	MNA	2023	
Sailing Papua New Guinea Inc.	£992.25	MNA	2021-2023	
Solomon Islands Yachting Association	£110.25	MNA	2023	
Sudan Sailing Federation	£220.50	MNA	2022-2023	
Tanzania Sailing Association	£661.50	MNA	2022-2023	
Turks and Caicos Sailing Association	£110.25	MNA	2023	
UAE Sailing and Rowing Federation	£841.88	MNA	2023	
Yacht Racing Association DPR Korea	£330.75	MNA	2023	payment in progress
Yachting Association of Sri Lanka	£33.00	MNA	2023	underpaid
Botswana Yacht Racing Association	£935.75	MNA SUSP PRE	2015-2023	
Federation Djiboutienne de Voile et des Sports Nautique	£1,091.25	MNA SUSP PRE	2012-2023	
Kosovo Sailing Federation	£735.75	MNA SUSP PRE	2017-2023	
Nigeria Rowing Canoe and Sailing Federation	£1,607.25	MNA SUSP PRE	2020-2023	
Panama Sailing Association	£635.75	MNA SUSP PRE	2018-2023	
Sailing Association of Zimbabwe	£735.75	MNA SUSP PRE	2017-2023	
Total MNA Fees Receivable	£18,318.29			