



World Sailing

World Sailing Finance Report

Management Accounts:

- Q1-2024 Management Accounts
- Full Year 2024 Reforecast vs. Budget
- Forecast for the quad 2021-2024
- WS Investment Trust fund
- MNA Debtors

November 2023





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Summary

This report includes the financial results for three months to 31 March 2024 together with the latest forecast for the rest of the year to 31 December 2024, compared to budget. The budget for this year was approved by the board on 12 November 2023.

Final results for prior year, 2023:

Actual net surplus for the prior year 2023 was £606K, which was better than budget by £645K due to significant cost savings, despite a shortfall in income. The 2023 Consolidated accounts, including WS Investment Trust and the World Sailing Trust, have now been audited and approved by the board on 23 April 2024. The consolidated net deficit for 2023 per the audited accounts was £3.2M which includes a negative revenue recognition adjustment of £3.8M related to the Tokyo2020 IOC distribution. For statutory accounts prepared under UK GAAP, the full IOC distribution is recognised in the year of the Summer Olympic Games. For management accounts purposes, the revenue was recognised over three years 2021-2023.

Copies of the Consolidated audited accounts have been circulated to Council for the mid-year meeting.

Year-to-date results for 2024:

The net surplus for Q1-2024 was £6K compared to a budgeted deficit of £535K. The positive variance of £540K is primarily due to direct and overhead cost savings to date. Income is slightly above budget by £17K (slide 4).

The forecast net deficit for the year to 31 December 2024 is £1.3M, which is £484K better than budget (slide 5).

Summary

Reforecast for the Quad:

For the quad 2021-2024, the net surplus is expected to be £2.7M, which is higher than the board approved budgeted surplus in 2022 of £1.6M (slide 6), mostly because actual results for 2023 were £606K better than budget. The forecast presented to Council in October 2022 indicated a net surplus for the quad of £3.1M but was adjusted for actual results for the year to 31 December 2022 with a positive variance of £256K, but forecasted new income was reduced by £2.8M over the quad. Overall therefore, the current forecasted surplus for the quad of £2.7M is only £400K below the forecast presented to Council in 2022.

Cashflow forecast:

The cashflow forecast for 2024 remains positive throughout the year, although the cash balance in August 2024 is at the lowest point at £324K (slide 8). The budget and forecast however includes new income provision of £400K to be earned before August 2024, of which £80K has been achieved. The balance £320K is at risk of being achieved before August, although a number of new opportunities are on the table at this time. The company will monitor this closely together with the cashflow forecasts, and if required, can draw down on the bank overdraft facility to bridge the gap in August/September 2024.

Profit & Loss: Jan-Mar 2024 Actual vs. Budget

	Actual Jan-Mar 2024		
	Actual	Budget	Variance
Turnover			
Income	992,602	975,315	17,286
Total Turnover	992,602	975,315	17,286
Cost of Sales			
Direct Costs	295,755	635,758	340,003
Total Cost of Sales	295,755	635,758	340,003
Gross Profit	696,847	339,557	357,289
Administrative Costs			
Employment Costs	571,036	757,741	186,706
Overheads	131,842	116,418	(15,425)
Currency Gains & Losses	(11,796)	0	11,796
Total Administrative Costs	691,082	874,159	183,077
Net surplus/(deficit)	5,765	(534,601)	540,366

Main variances

Summary:

- The budget for 2024 was approved by the board in November 2023.
- Net surplus for the period of £6K is better than the budget by £540K. The positive variance due to lower costs to date.

Income:

- Actual income to date of £993K was higher than budget due to above-budget plaque sales..

Direct costs:

- Direct costs of £296K were below budget by £340K, although around £120K of these savings are due to timing differences and expected to be incurred later than expected.
- No unforeseen expenses were incurred in Q1-2024.

Administration costs:

- Delays in recruitment and savings on other employment costs resulted in savings to date of £186K. Employment costs include cost of contractors.
- Included in overheads are over-budget costs of £23K for depreciation of Website costs,

Profit & Loss: Full year 2024 Reforecast vs. Budget

Main variances

	Reforecast Jan-Dec 2024		
	Forecast	Budget	Variance
Turnover			
Income	5,408,741	5,444,045	(35,304)
Total Turnover	5,408,741	5,444,045	(35,304)
Cost of Sales			
Direct Costs	3,451,096	3,672,230	221,134
Total Cost of Sales	3,451,096	3,672,230	221,134
Gross Profit	1,957,644	1,771,815	185,829
Administrative Costs			
Employment Costs	2,727,100	3,107,867	380,767
Overheads	573,778	479,278	(94,500)
Currency Gains & Losses	(11,796)	0	11,796
Total Administrative Costs	3,289,082	3,587,145	298,063
Net surplus/(deficit)	(1,331,437)	(1,815,330)	483,892

Summary:

- The forecasted deficit for full year 2024 of £1.3M is £484K better than budget.

Income:

- Forecasted income for the year has been reduced by £79K for the annual conference 2024.
- The World Cup Series – Allianz Regatta has been removed from the forecast, reducing income by £50K and direct costs of £75K related to the event.
- Unbudgeted interest and dividend income from cash investments is £27K, received between Jan24 and April 24.

Direct costs:

- The reforecast includes additional provision of £50K for the annual conference 2024, up from £307K to £357K. However, the cost of the mid year meeting held online are now expected to be below budget by £30K.
- Most of the positive variance in costs relate to Events, is and based on our latest estimate of costs.
- Participation and Development costs are expected to be in line with budget, although actual costs may be lower if some projects are delayed or postponed to 2025.

Administration costs:

- Savings in Employment costs, including contractors, is expected to be £381K mostly due to delayed recruitment.
- Overhead overspend relates to unbudgeted depreciation of the website of £93K.

Profit & Loss Forecast for the quad 2021-2024



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Consolidated Profit and Loss

Actual results to 2023/Current Quad Forecast

Budget/Forecast for quad
(board-approved each year)

Variance vs. Budget

For the quad 2021-2024

	Actual 2021 (audited)	Actual 2022 (audited)	Actual 2023 (audited)	Reforecast 2024	Forecast 2021-2024	Actual 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2021-2024	Variance 2021	Variance 2022	Variance 2023	Variance 2024	Variance 2021-2024
Turnover															
Income	5,843,496	6,473,780	7,253,702	5,408,741	24,979,719	5,843,496	6,181,538	8,376,232	5,444,045	25,845,311	0	292,242	(1,122,530)	(35,304)	(865,592)
Total Turnover	5,843,496	6,473,780	7,253,702	5,408,741	24,979,719	5,843,496	6,181,538	8,376,232	5,444,045	25,845,311	0	292,242	(1,122,530)	(35,304)	(865,592)
Cost of Sales															
Direct Costs	1,238,516	2,265,960	3,678,082	3,451,096	10,633,654	1,238,516	1,982,953	5,042,390	3,672,230	11,936,089	(0)	(283,007)	1,364,308	221,134	1,302,435
Total Cost of Sales	1,238,516	2,265,960	3,678,082	3,451,096	10,633,654	1,238,516	1,982,953	5,042,390	3,672,230	11,936,089	(0)	(283,007)	1,364,308	221,134	1,302,435
Gross Profit	4,604,980	4,207,820	3,575,621	1,957,644	14,346,065	4,604,980	4,198,585	3,333,842	1,771,815	13,909,222	0	9,235	241,779	185,829	436,843
Administrative Costs															
Employment Costs	1,980,217	2,305,485	2,328,827	2,668,993	9,283,521	1,980,217	2,280,340	2,845,914	3,107,867	10,214,338	(0)	(25,145)	517,087	438,874	930,817
Overheads	957,562	460,390	651,377	631,886	2,701,214	957,562	422,845	527,867	479,278	2,387,551	0	(37,546)	(123,510)	(152,608)	(313,663)
Currency Gains & Losses	148,732	(999,767)	(10,136)	(11,796)	(872,966)	148,732	(996,580)	0	0	(847,848)	(0)	3,187	10,136	11,796	25,119
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	2,970,067	3,289,082	11,648,207	3,086,511	2,243,043	3,373,781	3,587,145	12,290,479	(0)	(59,504)	403,713	298,063	642,272
Net surplus/(deficit)	1,518,469	1,905,273	605,553	(1,331,437)	2,697,858	1,518,469	1,955,542	(39,939)	(1,815,330)	1,618,743	0	(50,269)	645,492	483,892	1,079,115

Main Highlights

Overall, the net surplus for the quad of £2.7M is expected to be £1.1M above budget, mostly due to savings in 2023 of £606K.

Income for 2024 includes new income of £400K, of which £80K is confirmed.

The forecast for direct and administration costs for 2024 have been updated based on latest information.

Income and Cost analysis for the Quad 2021-2024

Main Highlights

- Income from sponsorships has been the main challenge over the quad. The original target (Council -Oct 2022) for the quad was £6.8M, compared to the latest forecast of £4.3M.
- Direct costs for 2024 are expected to be significantly higher as a % of income, compared to prior three years, based on the lower annual Olympic income, which is now split over 4 years 2024 -27. Income from Tokyo 2020 was split over three years 2021-2023. Costs for 2023 were higher due the Sailing World Championships.
- Projected spend in the quad for Participation and Development is 20% of direct costs and 9% of total income. Actual spend in 2023 was below budget by £427K due to postponed projects as a result of lack of resources in the development team. The original forecast for the quad (Council –Oct22) was £2.6M, compared to the latest forecast of £2.1M.
- Members services include the annual and mid-year conferences, and the costs of Committees, Commissions and Working parties.
- Net surplus for the quad of £2.7M is expected to be 10% of total income.

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Consolidated Profit & Loss - Detailed breakdown						
Income and Cost analysis for the Quad 2021-2024						
	Actual	Actual	Actual	Forecast	Forecast	
Income	2021	2022	2023	2024	TOTAL	
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	1,806,383	700,036	3,264,238	13%
Sponsorships	1,036,061	1,386,547	865,621	974,655	4,262,883	17%
Technical Services	224,536	296,874	186,548	239,729	947,688	4%
Members Subscriptions	368,349	366,993	363,226	366,146	1,464,714	6%
Participation & Development	138,988	139,026	212,415	148,532	638,960	3%
Sustainability	27,113	27,749	38,836	29,615	123,313	0%
Total Income	5,843,496	6,473,780	7,246,641	5,381,790	24,945,708	100%
	Actual	Actual	Forecast	Forecast	Forecast	
Direct Costs	2021	2022	2023	2024	TOTAL	
Events, Special Events, E-Sailing	607,199	693,925	2,303,817	1,351,991	4,956,933	47%
Digital Comms, Sponsorships	306,067	520,875	666,747	452,727	1,946,416	18%
Technical Services	12,735	35,830	49,044	63,085	160,694	2%
Members services	72,081	592,405	72,255	558,584	1,295,325	12%
Participation & Development	214,977	421,136	567,583	945,793	2,149,489	20%
Sustainability	25,457	1,788	18,635	78,916	124,796	1%
Total Direct costs	1,238,516	2,265,960	3,678,082	3,451,096	10,633,654	100%
<i>Direct costs as a % of income</i>	<i>21%</i>	<i>35%</i>	<i>51%</i>	<i>64%</i>	<i>43%</i>	
	Actual	Actual	Forecast	Forecast	Forecast	
Administration costs	2021	2022	2023	2024	TOTAL	
Employment costs	1,995,865	2,305,485	2,349,077	2,727,100	9,377,527	81%
Office costs	584,994	149,680	190,565	190,962	1,116,201	10%
Overheads	356,920	310,710	440,562	382,816	1,491,007	13%
Currency Gains & Losses	148,732	(999,767)	(10,136)	(11,796)	(872,966)	-7%
Exceptional costs - OfficeLease assignmer	0	536,438	0	0	536,438	
Total Overheads	3,086,511	2,302,547	2,970,067	3,289,082	11,648,207	100%
<i>Administration costs as a % of income</i>	<i>53%</i>	<i>36%</i>	<i>41%</i>	<i>61%</i>	<i>47%</i>	

Quarterly Cashflow - Actual for 2023 & Forecast for 2024

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Quarterly Cashflows

	2023 Actual cashflows					2024 Cashflow forecast				
	Actual Q1 2023	Actual Q2 2023	Actual Q3 2023	Actual Q4 2023	2023	Forecast Q1 2024	Forecast Q2 2024	Forecast Q3 2024	Forecast Q4 2024	2024
Opening cash	8,328,608	8,774,208	7,148,872	4,957,746	8,328,608	3,471,837	3,250,753	1,333,710	4,472,379	3,471,837
Cash receipts	1,904,118	(192,999)	16,219	612,108	2,339,446	923,116	147,749	5,426,979	5,033,460	11,531,304
Cash payments	(1,408,167)	(1,448,132)	(2,325,762)	(1,757,538)	(6,939,599)	(1,176,578)	(2,122,533)	(2,308,103)	(1,589,976)	(7,197,190)
Fixed asset additions	(74,650)	(11,695)	0	(1,841)	(88,186)	(3,722)	(2,000)	(2,000)	(2,000)	(9,722)
VAT refunds	54,179	67,939	60,537	212,042	394,697	43,774	59,742	21,793	21,793	147,101
Net cash movement	475,481	(1,584,888)	(2,249,006)	(935,229)	(4,293,642)	(213,411)	(1,917,042)	3,138,669	3,463,277	4,471,493
Closing Cash - pre funding	8,804,089	7,189,320	4,899,866	4,022,517	4,034,966	3,258,426	1,333,710	4,472,379	7,935,657	7,943,330
Loans - New	0	0	0	0	0	0	0	0	0	0
Loans - Current	(29,882)	(40,448)	57,881	(550,680)	(563,129)	(7,673)	0	0	(516,667)	(524,340)
Closing Cash - post funding	8,774,208	7,148,872	4,957,746	3,471,837	3,471,837	3,250,753	1,333,710	4,472,379	7,418,990	7,418,990

Borrowing - Loan from IOC										
B/F loan balance	1,537,114	1,507,232	1,466,784	1,524,665	1,537,114	973,985	966,312	966,312	966,312	973,985
Revaluation - Currency FX movement	(29,882)	(40,448)	57,881	(60,185)	(72,634)	(7,673)	0	0	0	(7,673)
Repayments	0	0	0	(490,495)	(490,495)	0	0	0	(516,667)	(516,667)
C/F Loan balance	1,507,232	1,466,784	1,524,665	973,985	973,985	966,312	966,312	966,312	449,645	449,645

Main Highlights

- Closing cash at the end of 2023 was £3.5M and is expected to be £7.4M at the end of 2024.
- Forecasted Paris2024 income is \$15.3M (same as Tokyo2020), converted to GBP at 1.30 to £11.7M. The forecast has not been amended to take account of the recent favourable change in the GBP/USD FX rate.
- The USD IOC loan revalued each month based on the month-end exchange rate. The loan is however fully covered by USD bank reserves.

Monthly Cashflow Forecast for 2024



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Monthly Cashflow forecast

2024

Main Highlights

Account	Actual Jan-24	Actual Feb-24	Actual 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	3,471,837	3,803,720	3,555,661	3,250,754	2,520,076	1,968,102	1,333,711	1,098,399	324,420	4,472,380	3,973,325	3,698,462	3,471,837
Cash receipts	694,931	15,963	212,221	(167,296)	80,833	234,212	328,845	350,750	4,747,385	15,583	186,963	4,830,914	11,531,304
Cash payments	(359,655)	(300,486)	(516,437)	(621,123)	(632,807)	(868,602)	(583,950)	(1,124,729)	(599,424)	(534,431)	(461,826)	(593,718)	(7,197,190)
Fixed asset additions	0	(2,509)	(1,213)	(2,000)	0	0	(2,000)	0	0	(2,000)	0	0	(9,722)
VAT refunds	0	43,774	0	59,742	0	0	21,793	0	0	21,793	0	0	147,101
Net cash movement	335,276	(243,258)	(305,429)	(730,678)	(551,974)	(634,391)	(235,312)	(773,979)	4,147,960	(499,055)	(274,864)	4,237,196	4,471,493
Closing Cash - pre funding	3,807,113	3,560,461	3,250,233	2,520,076	1,968,102	1,333,711	1,098,399	324,420	4,472,380	3,973,325	3,698,462	7,935,658	7,943,330
New funding												0	0
Loan revaluation	(3,393)	(4,800)	521	0	0	0	0	0	0	0	0	0	(7,672)
Loan repayments												(516,667)	(516,667)
Closing Cash - post funding	3,803,720	3,555,661	3,250,754	2,520,076	1,968,102	1,333,711	1,098,399	324,420	4,472,380	3,973,325	3,698,462	7,418,991	7,418,991

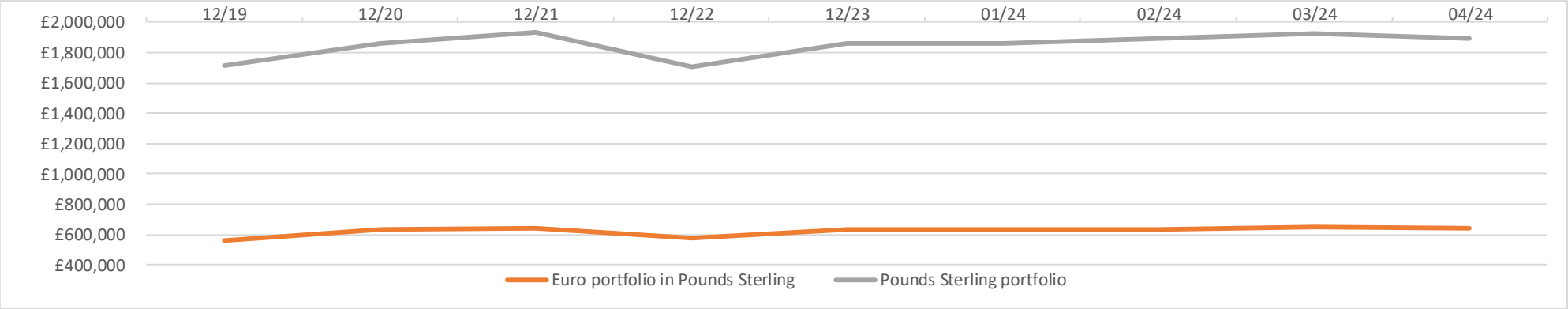
- The current cashflow forecast to the end of the year shows the company will remain cashflow positive throughout the year. The lowest forecast cash balance is expected to be approximately £324K in August 2024.
- Main cashflow risk relates to forecasted new income of £320K in July 24, and other income related to ESailing.
- 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, is £2.5M as of 30 April 2024. The chart below shows the movement over the years from 2019. In 2022 the value of portfolio had a negative 11% fluctuations but 2023 and early 2024 has seen a steady increase to almost reverse the loss in 2022. Investments are managed by Barclays Investments, and are held in low-risk investments. World Sailing has a standing overdraft facility of £900K secured against this fund.

	31/12/2019	31/12/2020	31/12/2021	31/12/2022	31/12/2023	31/01/2024	29/02/2024	31/03/2024	30/04/2024		
Euro Portfolio	€ 663,564	€ 710,445	€ 764,763	€ 657,790	€ 730,956	€ 736,664	€ 746,928	€ 760,795	€ 748,622		
Euro portfolio in Pounds Sterling	£ 562,366	£ 636,010	£ 641,476	£ 581,065	£ 633,462	£ 630,027	£ 637,631	£ 651,316	£ 639,501		
Pounds Sterling portfolio	£ 1,711,135	£ 1,862,648	£ 1,936,814	£ 1,708,677	£ 1,859,806	£ 1,859,968	£ 1,892,731	£ 1,927,641	£ 1,892,819	Movement	Movement
										last 12 months	since Dec19
Total Portfolio in Pounds Sterling	£ 2,273,501	£ 2,498,658	£ 2,578,290	£ 2,289,742	£ 2,493,269	£ 2,489,995	£ 2,530,362	£ 2,578,957	£ 2,532,320	£ 184,981	7.9%
FX rate Euros / Pounds Sterling	1.18	1.12	1.19	1.13	1.15	1.17	1.17	1.17	1.17	£ 258,819	11.4%



MNA Annual subscription debtor balances – 03/05/2024



	Receivables	Total	Due for	
ALG	African Sailing Confederation (ASCON)	£882.00	MNA	2021-2024
ARM	Federation Algerienne de Voile	£1,653.76	MNA	2023 & 2024
BRN	Armenian Sailing Federation	£220.50	MNA	2022-2023
BOL	Bahrain Maritime Sports Association	£826.88	MNA	2024
BRU	Bolivian Sailing Federation	£441.00	MNA	2021-2024
CAM	Brunei Darussalam Yachting Assoc	£110.25	MNA	2024
COL	Cambodio Sailing Federation	£110.25	MNA	2022
COK	Federacion Colombiana de Vela	£826.88	MNA	2024
ECU	Sailing Cook Islands	£661.50	MNA	2023 & 2024
EGY	Federación Ecuatoriana de Vela	£330.75	MNA	2024
GRN	Egyptian Sailing & Water Ski Federation	£826.88	MNA	2024
IRI	Grenada Sailing Association	£11.25	MNA	2024
KOR	Iran Canoeing, Rowing and Sailing Federation	£3,307.52	MNA	2021-2024
KGZ	Yacht Racing Association DPR Korea	£330.75	MNA	2024
LBA	Sailing Federation of Kyrgyzstan	£330.75	MNA	2024
MAC	Federation Libanaise de Yachting	£330.75	MNA	2024
MAD	Associação de Vela de Macau	£110.25	MNA	2024
MAS	Madagascar Sailing Association	£180.75	MNA	2023 & 2024
MOZ	Malaysian Sailing Association	£826.88	MNA	2024
MAR	Mediterranean Sailing Union	£441.00	MNA	2023 & 2024
JOR	Federacas Mocambicana de la Vela e Canoagem	£330.75	MNA	2024
OMA	Federation Royale Marocaine de Yachting a Voile	£826.88	MNA	2024
PLE	The Royal Jordanian Marine Sports Federation	£110.25	MNA	2024
PNG	Oman Sail LLC	£826.88	MNA	2024
PUR	Palestine Sailing & Rowing Federation	£110.25	MNA	2024
SOL	Sailing Papua New Guinea Inc.	£1,323.00	MNA	2021-2024
SUD	Federation de Vela de Puerto Rico	£826.88	MNA	2024
TAN	Solomon Islands Yachting Association	£220.50	MNA	2023 & 2024
TLS	Sudan Sailing Federation	£330.75	MNA	2022-2024
TUN	Tanzania Sailing Association	£992.25	MNA	2022-2024
UAE	Timor Leste Sailing Federation	£110.25	MNA	2024
SRI	Federation Tunisienne de Voile	£826.88	MNA	2024
UKR	UAE Sailing and Rowing Federation	£841.88	MNA	2022 & 2023
BOT	Yachting Association of Sri Lanka	£33.00	MNA	2022 balance
DJI	Sailing Federation of Ukraine	£826.88	MNA	2024
KOS	Botswana Yacht Racing Association	£1,046.00	MNA SUSP PRE	2015-2024
NGR	Federation Djiboutienne de Voile et des Sports Nautique	£1,201.50	MNA SUSP PRE	2012-2024
PAN	Kosovo Sailing Federation	£846.00	MNA SUSP PRE	2017-2024
ZIM	Nigeria Rowing Canoe and Sailing Federation	£1,938.00	MNA SUSP PRE	2020-2024
	Panama Sailing Association	£746.00	MNA SUSP PRE	2018-2024
	Sailing Association of Zimbabwe	£816.00	MNA SUSP PRE	2017-2024
	Total MNA Fees Receivable	£27,891.33		