

Report of the Audit Committee (“the Committee”) to Council, Thursday 16th May 2024

The Consolidated Financial Statements and subsidiary companies of World Sailing for the year ended 31 December 2023

Liaison with the auditors

The Committee met on 1st February 2024 to discuss and approve the external audit strategy for the year ended 31st December 2023. In addition to the Committee, the meeting was attended by our external auditors, Haysmacintyre with the audit partner and audit manager present. Raksha Patel also attended on behalf of World Sailing. The audit strategy, fee and timetable were duly approved.

The Committee held the audit close-out meeting with Haysmacintyre on 9th April 2024. Raksha Patel and Lava Rajeevan also attended on behalf of World Sailing. The primary matter dealt with at this meeting was the review of the Consolidated Financial Statements of World Sailing Limited and World Sailing (UK) Limited for the year ended 31st December 2023 and to consider the Independent Auditor’s draft findings report.

There were no material adjustments arising from the Auditor’s work and there were no reportable internal control weaknesses.

The Committee also held private discussions with the external Audit partner and manager without management present. No reportable matters arose from these discussions.

The Auditors confirmed that they would be issuing an unqualified opinion on the Financial Statements.

The Committee duly recommended to the Board of World Sailing Limited:

- That the Board approve and sign the Annual Financial Statements and the Board’s Letters of Representation for the year ended 31st December 2023.
- The reappointment of Haysmacintyre as the Independent Auditor for all World Sailing group companies for the year ending 31st December 2024.

These recommendations were duly enacted by the Board on 15th May 2024

The Committee met on Wednesday 10th April 2024 to consider other matters of ongoing business.

The key matters discussed were as follows:

- In common with many global organisations, the risk of a cyber-attack remains a threat. We note and welcome the imminent appointment of an IT Infrastructure & Digital manager with the remit to strengthen the IT infrastructure and to introduce formal policies and procedures regarding data access and storage. We also note that the organisation has enhanced its overall IT security with additional software programmes and licences.

- The ongoing project developing World Sailing's risk management framework is progressing, with increased emphasis on implementing the framework in the upcoming quarter, supported by enhanced capacity within the finance team.
- The Committee received an update on the treasury management service from Hottinger, and banking services from Edmond De Rothschild since their appointment in 2023. It was noted that management will start planning the longer term treasury management strategies for the Olympic distribution to be received from Paris2024 at the end of this year.
- various standing agenda items were also discussed including:
 - A review of the key contracts and terms thereof for all new contracts entered by World Sailing since November 2023.
 - An update from the Head of Legal on the ongoing legal cases involving World Sailing
 - A review of the Management Accounts for January and February 2024, forecasts and cashflow projections to 31st December 2024
 - A review of the World Sailing Investment Trust portfolio performance to 31st March 2024
 - A review of the Edmond De Rothschild (Hottinger) portfolio statement as at 31st March 2024
- And finally, at the conclusion of the current quadrennial, in accordance with the Audit Committee's terms of reference, I shall be stepping down as Chair of this Committee having served two terms. Enquiries are underway to identify my successor with the intention of making a recommendation to the Board at the November 2024 Annual Meeting.

There were no other matters of significance arising from the Committee's meeting on 10th April 2024 to bring to the attention of Council.

Phil Cotton, Independent Audit Committee Chair, 16th May 2024