World Sailing Finance Report

Management Accounts:

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

November 2024

Contents – Management Accounts

Summary

This report includes the financial results for seven months to 31 August 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.

Year-to-date results for 2024:

The net surplus for the eight months to 31 August 2024 was £1.5M compared to a budgeted deficit of -£50K. The positive variance of £1.6M is primarily due to direct and overhead cost savings to date. (slide 4).

Income for August includes 25% of the total expected IOC distribution for Paris 2024 Games, which is almost \$16.4M (£12.3M). The latest estimate is based on the first installment of \$7.2M received in September 2024, and the guidance from reputable sources suggest that it represents 44% of the total distribution. The budgeted income was however lower at \$15.2M (£11.7M), which was based on Tokyo2020 distribution. Income from Paris2024 will be recognised equally over 2024-2027 for management accounting purposes. The positive Paris2024 income variance in 2024 because of the higher-than-expected distribution is £141K. Total income to date of £5M is £20K above budget (slide 4).

Direct costs for the year to Aug 2024 were £1.5M, which were £1.2M below budget. The positive budget variance to date includes timing differences of £115K for annual conference 2024 costs, which are now included in the forecast for the rest of the year. Expected cost savings for Paris2024 are £160K.

The forecast net deficit for the year to 31 December 2024 is -£500K, compared to the budgeted deficit of -£1.8M, due to lower direct and overhead costs. (slide 5).

Summary

Reforecast for the Quad:

For the quad 2021-2024, the net surplus is expected to be £3.5M, which is higher than the board approved budgeted surplus of £1.6M (slide 6), mostly because actual results for 2023 were £645K favourable and the results for 2024 are also forecast to be better than budget by £1.3M. The forecast presented to Council in October 2022 indicated a net surplus for the quad of £3.1M, which we are now expected to surpass by £400K based on our latest forecast of £3.5M.

Cashflow forecast:

The cashflow forecast for 2024 (slide 8) remains positive, with the receipt of the first instalment for Paris2024 in September and the second and third instalments due in December 2024 (est. $7.4M) and April 2025 (est. $1.8M) respectively. Management are working with Edmond De Rothschild to invest the surplus funds for better returns, whilst taking minimum risks.

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

World Sailing Limited
Consolidated Profit and Loss

	Actual Jan-Aug 2024		
	Actual	**Budget**	**Variance**
Turnover			
Income	4,994,465	4,975,288	19,177
Total Turnover	**4,994,465**	**4,975,288**	**19,177**
Cost of Sales			
Direct Costs	1,542,958	2,706,601	1,163,643
Total Cost of Sales	**1,542,958**	**2,706,601**	**1,163,643**
Gross Profit	**3,451,507**	**2,268,687**	**1,182,819**
Administrative Costs			
Employment Costs	1,535,382	2,023,349	487,967
Overheads	358,458	294,949	(63,509)
Currency Gains & Losses	18,062	0	(18,062)
Total Administrative Costs	**1,911,902**	**2,318,298**	**406,396**
Net surplus/(deficit)	**1,539,605**	**(49,611)**	**1,589,215**

Main variances

World Sailing

Summary:

- The budget for 2024 was approved by the board in November 2023.
- Net surplus for the period of £1.5M is better than the budget by £1.6M. The positive variance is mostly due to lower net costs to date.

Income:

- Actual income to date of £5.0M was above budget by £20K, which includes timing difference of £171K received in advance for the annual conference in November. However, this positive variance partly offsets a shortfall in new income of £321K.
- Paris2024 income is higher than expected by £141K.

Direct costs:

- Direct costs of £1.5M were below budget by £1.2K, although around £115K of these savings are due to timing differences and expected to be incurred later than expected.
- Events: Princess Sofia Regatta was delivered in line with budget, whilst the Last chance Regatta, Youth Worlds and Paris 2024 generated savings of £146K, £62K and £160K respectively, against budget. Further savings of £75K from the cancellation of Allianz Regatta.
- Participation and Development costs to date of £643K are below budget by £373K, with the Senior and Junior ENP programs completed with savings of £150K. Other savings were due to fewer courses run during the first 8 months.

Administration costs:

- Delays in recruitment and savings in other employment costs resulted in savings to date of £489K. Employment costs include cost of contractors.
- Included in overheads are over-budget costs of £62K for depreciation of Website costs,

Profit & Loss: Full year 2024 Reforecast vs. Budget

World Sailing Limited
Consolidated Profit and Loss

	Reforecast Jan-Dec 2024		
	Forecast	**Budget**	**Variance**
Turnover			
Income	5,248,248	5,444,045	(195,797)
Total Turnover	**5,248,248**	**5,444,045**	**(195,797)**
Cost of Sales			
Direct Costs	2,696,026	3,672,230	976,203
Total Cost of Sales	**2,696,026**	**3,672,230**	**976,203**
Gross Profit	**2,552,221**	**1,771,815**	**780,406**
Administrative Costs			
Employment Costs	2,489,464	3,107,867	618,403
Overheads	547,716	479,278	(68,438)
Currency Gains & Losses	18,062	0	(18,062)
Total Administrative Costs	**3,055,242**	**3,587,145**	**531,903**
Net surplus/(deficit)	**(503,021)**	**(1,815,330)**	**1,312,309**

Main variances

Summary:

- The forecasted deficit for full year 2024 of £503K is £1.3M lower than budget.

Income:

- Income is expected to be below budget for the year by £196K, most of which is due to a shortfall in new income by £321K and ESailing share of revenues by £94K. However, above budget Income from Paris2024 £141K and IOC Solidarity funding £96K has reduced the deficit.
- Unbudgeted interest and dividend income from cash investments is £46K, received over the eight months to Aug24.

Direct costs:

- The reforecast includes additional provision of £75K for the annual conference 2024, up from £307K to £382K. However, the cost of the mid year meeting held online are now expected to be below budget by £30K.
- Events are expected to generate savings of £443K for the year.
- Participation and Development costs are expected to be £608K, which is £350K below budget, partly due to savings to date of £150K and the rest relates to delayed or cancelled projects.
- Committees, Commissions and Working Party costs are forecast to generate savings of £49K.

Administration costs:

- Savings in Employment costs, including contractors, is expected to be £618Kdue to delayed recruitment. Three new staff members joined the company in September 2024 in the Events, Technical and Development teams..
- Overheads include unbudgeted depreciation of the website of £93K.

Profit & Loss Forecast for the quad 2021-2024

World Sailing

Consolidated Profit and Loss

For the quad 2021-2024

	Current Quad Forecast (Actual 2021-2023 + Forecast 2024)					Budget/Forecast for quad (board-approved each year)					Variance vs. Budget				
Turnover	**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**
Income	5,843,496	6,473,780	7,253,702	5,248,248	**24,819,226**	5,843,496	6,181,538	8,376,232	5,444,045	25,845,311	0	292,242	(1,122,530)	(195,797)	(1,026,085)
Total Turnover	**5,843,496**	**6,473,780**	**7,253,702**	**5,248,248**	**24,819,226**	**5,843,496**	**6,181,538**	**8,376,232**	**5,444,045**	**25,845,311**	**0**	**292,242**	**(1,122,530)**	**(195,797)**	**(1,026,085)**
Cost of Sales															
Direct Costs	1,238,516	2,265,960	3,678,082	2,696,026	**9,878,584**	1,238,516	1,982,953	5,042,390	3,672,230	11,936,089	(0)	(283,007)	1,364,308	976,203	2,057,505
Total Cost of Sales	**1,238,516**	**2,265,960**	**3,678,082**	**2,696,026**	**9,878,584**	**1,238,516**	**1,982,953**	**5,042,390**	**3,672,230**	**11,936,089**	**(0)**	**(283,007)**	**1,364,308**	**976,203**	**2,057,505**
Gross Profit	**4,604,980**	**4,207,820**	**3,575,621**	**2,552,221**	**14,940,642**	**4,604,980**	**4,198,585**	**3,333,842**	**1,771,815**	**13,909,222**	**0**	**9,235**	**241,779**	**780,406**	**1,031,420**
Administrative Costs															
Employment Costs	1,980,217	2,305,485	2,328,827	2,433,996	**9,048,525**	1,980,217	2,280,340	2,845,914	3,107,867	10,214,338	(0)	(25,145)	517,087	673,871	1,165,813
Overheads	957,562	460,390	651,377	603,184	**2,672,512**	957,562	422,845	527,867	479,278	2,387,551	0	(37,546)	(123,510)	(123,906)	(284,962)
Currency Gains & Losses	148,732	(999,767)	(10,136)	18,062	**(843,108)**	148,732	(996,580)	0	0	(847,848)	(0)	3,187	10,136	(18,062)	(4,740)
Exceptional costs - Lease assignment	0	536,438		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**	**3,055,242**	**11,414,367**	**3,086,511**	**2,243,043**	**3,373,781**	**3,587,145**	**12,290,479**	**(0)**	**(59,504)**	**403,713**	**531,903**	**876,112**
Net surplus/(deficit)	**1,518,469**	**1,905,273**	**605,553**	**(503,021)**	**3,526,275**	**1,518,469**	**1,955,542**	**(39,939)**	**(1,815,330)**	**1,618,743**	**0**	**(50,269)**	**645,492**	**1,312,309**	**1,907,532**

Main Highlights

Overall, the net surplus for the quad of £3.5M is expected to be £1.9M above budget, due to savings in 2023 of £645K and forecast savings for 2024 of £1.3M.

The shortfall in income has been compensated by lower direct costs, generating a higher-than-expected gross margin.

Income from Paris 2024 is based on current information, which is around £141K higher than budget for this quad.

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**	**Actual**	**Forecast**	**Forecast**	
Income	**2021**	**2022**	**2023**	**2024**	**TOTAL**	
Olympic income	3,773,612	3,773,612	3,773,612	3,064,282	14,385,117	58%
Events, Special Events, E-Sailing	274,838	482,980	1,806,383	696,404	3,260,605	13%
Sponsorships	1,036,061	1,386,547	865,621	659,450	3,947,678	16%
Technical Services	224,536	296,874	186,548	180,361	888,319	4%
Members Subscriptions	368,349	366,993	370,287	412,790	1,518,419	6%
Participation & Development	138,988	139,026	212,415	186,976	677,404	3%
Sustainability	27,113	27,749	38,836	47,985	141,683	1%
Total Income	**5,843,496**	**6,473,780**	**7,253,702**	**5,248,248**	**24,819,226**	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	973,290	4,578,232	46%
Digital Comms, Sponsorships	306,067	520,875	666,747	416,614	1,910,303	19%
Technical Services	12,735	35,830	49,044	45,436	143,045	1%
Members services	72,081	592,405	72,255	504,659	1,241,400	13%
Participation & Development	214,977	421,136	567,583	612,607	1,816,303	18%
Sustainability	25,457	1,788	18,635	143,421	189,302	2%
Total Direct costs	**1,238,516**	**2,265,960**	**3,678,082**	**2,696,026**	**9,878,584**	100%
Direct costs as a % of income	*21%*	*35%*	*51%*	*51%*	*40%*	
	Actual	**Actual**	**Forecast**	**Forecast**	**Forecast**	
Administration costs	**2021**	**2022**	**2023**	**2024**	**TOTAL**	
Employment costs	1,995,865	2,305,485	2,349,077	2,489,464	9,139,891	80%
Office costs	584,994	149,680	190,565	191,998	1,117,237	10%
Overheads	356,920	310,710	440,562	355,718	1,463,909	13%
Currency Gains & Losses	148,732	(999,767)	(10,136)	18,062	(843,108)	-7%
Exceptional costs - OfficeLease assignmen	0	536,438	0	0	536,438	
Total Overheads	**3,086,511**	**2,302,547**	**2,970,067**	**3,055,242**	**11,414,367**	100%
Administration costs as a % of income	*53%*	*36%*	*41%*	*58%*	*46%*	

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 £3.9M.
- 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 of £1.8M is 18% of direct costs and 7% of total income. The original forecast for the quad (Council –Oct22) was £2.6M, which included new projects that have not yet been started.
- Members services include the annual and mid-year conferences, and the costs of Committees, Commissions and Working parties.
- Net surplus for the quad of £3.5M is expected to be 14% of total income.

Quarterly Cashflow - Actual for 2023 & Forecast for 2024

World Sailing

Quarterly Cashflows

	2023 Actual cashflows					2024 Cashflow forecast				
	Actual Q1 2023	Actual Q2 2023	Actual Q3 2023	Actual Q4 2023	2023	Actual Q1 2024	Actual 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**	**3,269,101**	**2,339,041**	**5,859,138**	**3,471,837**
Cash receipts	1,904,118	(192,999)	16,219	612,108	**2,339,446**	922,571	334,541	5,282,809	4,888,476	**11,428,397**
Cash payments	(1,408,167)	(1,448,132)	(2,325,762)	(1,757,538)	**(6,939,599)**	(1,173,031)	(1,322,302)	(1,746,605)	(1,824,947)	**(6,066,885)**
Fixed asset additions	(74,650)	(11,695)	0	(1,841)	**(88,186)**	(3,722)	(4,864)	(6,180)	(42,000)	**(56,767)**
VAT refunds	54,179	67,939	60,537	212,042	**394,697**	43,774	63,931	25,977	52,372	**186,053**
Net cash movement	**475,481**	**(1,584,888)**	**(2,249,006)**	**(935,229)**	**(4,293,642)**	**(210,408)**	**(928,694)**	**3,556,001**	**3,073,901**	**5,490,799**
Closing Cash - pre funding	**8,804,089**	**7,189,320**	**4,899,866**	**4,022,517**	**4,034,966**	**3,261,429**	**2,340,407**	**5,895,042**	**8,933,039**	**8,962,636**
Loans - New	0	0	0	0	**0**	0	0	0	0	**0**
Loans - Current	(29,882)	(40,448)	57,881	(550,680)	**(563,129)**	7,672	(1,366)	(35,904)	(476,923)	**(506,520)**
Closing Cash - post funding	**8,774,208**	**7,148,872**	**4,957,746**	**3,471,837**	**3,471,837**	**3,269,101**	**2,339,041**	**5,859,138**	**8,456,116**	**8,456,116**

Borowing - Loan from IOC										
B/F loan balance	**1,537,114**	**1,507,232**	**1,466,784**	**1,524,665**	**1,537,114**	**973,985**	**981,657**	**980,291**	**944,388**	**973,985**
Revaluation - Currency FX movement	(29,882)	(40,448)	57,881	(60,185)	**(72,634)**	7,672	(1,366)	(35,904)	0	**(29,597)**
Repayments	0	0	0	(490,495)	**(490,495)**	0	0	0	(476,923)	**(476,923)**
C/F Loan balance	**1,507,232**	**1,466,784**	**1,524,665**	**973,985**	**973,985**	**981,657**	**980,291**	**944,388**	**467,465**	**467,465**

Main Highlights

- Closing cash at the end of 2023 was £3.5M and is expected to be £8.5M at the end of 2024.
- Forecasted Paris2024 income is $16.4M (£12.3M) against budgeted income of $15.2M (£11.7M). Whist income is expected to increase by $1.2M. The GBP value is expected to be lower by £490K to recent strengthening of GBP against USD.
- The USD IOC loan of $1.24M is 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

World Sailing
Monthly Cashflow forecast
2024

Account	Actual Jan-24	Actual Feb-24	Actual Mar-24	Actual Apr-24	Actual May-24	Actual Jun-24	Actual Jul-24	Actual Aug-24	Reforecast Sep-24	Reforecast Oct-24	Reforecast Nov-24	Reforecast Dec-24	Reforecast 2024
Opening cash	**3,471,837**	**3,806,721**	**3,558,663**	**3,253,757**	**3,247,232**	**2,647,688**	**2,326,428**	**1,907,163**	**1,648,193**	**5,918,333**	**5,432,182**	**4,787,120**	**3,471,837**
Cash receipts	694,377	15,973	212,221	21,252	244,905	68,384	116,761	473,153	4,692,895	99,092	(52,877)	4,842,261	**11,428,397**
Cash payments	(356,100)	(300,497)	(516,435)	(80,960)	(862,580)	(378,762)	(575,896)	(749,707)	(421,002)	(595,614)	(592,185)	(637,147)	**(6,066,885)**
Fixed asset additions	0	(2,509)	(1,213)	0	(709)	(4,155)	(2,003)	(2,424)	(1,753)	(42,000)	0	0	**(56,767)**
VAT refunds	0	43,774	0	63,931	0	0	25,977	0	0	52,372	0	0	**186,053**
Net cash movement	**338,277**	**(243,259)**	**(305,427)**	**4,223**	**(618,384)**	**(314,533)**	**(435,162)**	**(278,978)**	**4,270,140**	**(486,150)**	**(645,062)**	**4,205,114**	**5,490,799**
Closing Cash - pre funding	**3,810,114**	**3,563,462**	**3,253,236**	**3,257,980**	**2,628,848**	**2,333,155**	**1,891,267**	**1,628,185**	**5,918,333**	**5,432,182**	**4,787,120**	**8,992,234**	**8,962,636**
New funding												0	0
Loan revaluation	(3,393)	(4,800)	521	(10,748)	18,840	(6,727)	15,896	20,007	0	0	0	0	29,597
Loan repayments												(476,923)	(476,923)
Closing Cash - post funding	**3,806,721**	**3,558,663**	**3,253,757**	**3,247,232**	**2,647,688**	**2,326,428**	**1,907,163**	**1,648,193**	**5,918,333**	**5,432,182**	**4,787,120**	**8,515,310**	**8,515,310**

Main Highlights

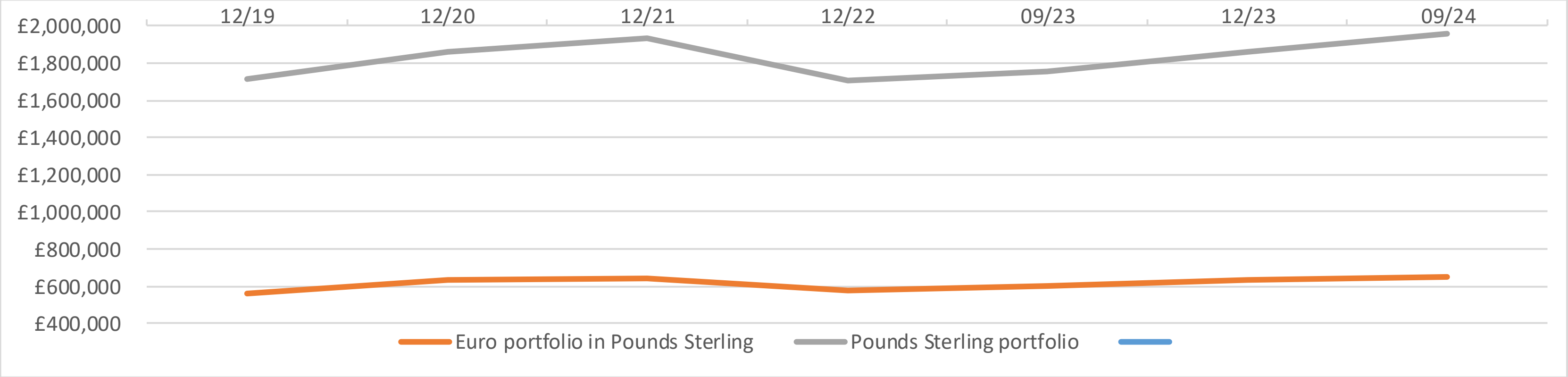
The current cashflow forecast to the end of the year shows the company will remain cashflow positive throughout the year. Cash balance at the end of August 2024 was £1.6M.

WS Investment Trust

The current valuation of the Trust fund, held under the independent WS Investment Trust, was £2.6M as of 31 Aug 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 2024 has seen a steady increase to reverse the loss in 2022. Investmerts 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.

WS Investment Trust - Fund Valuation

	31/12/2019	31/12/2020	31/12/2021	31/12/2022	30/09/2023	31/12/2023	30/09/2024				
Euro Portfolio	€ 663,564	€ 710,445	€ 764,763	€ 657,790	€ 692,242	€ 730,956	€ 778,107				
Euro portfolio in Pounds Sterling	£ 562,366	£ 636,010	£ 641,476	£ 581,065	£ 600,520	£ 633,462	£ 649,100				
Pounds Sterling portfolio	£ 1,711,135	£ 1,862,648	£ 1,936,814	£ 1,708,677	£ 1,757,113	£ 1,859,806	£ 1,955,652	Movement last 12 months		Movement since Dec19	
Total Portfolio in Pounds Sterling	**£ 2,273,501**	**£ 2,498,658**	**£ 2,578,290**	**£ 2,289,742**	**£ 2,357,633**	**£ 2,493,269**	**£ 2,604,751**	**£ 247,118**	**10.5%**	**£ 313,863**	**13.8%**
FX rate Euros / Pounds Sterling	1.180	1.117	1.192	1.132	1.153	1.154	1.199				



MNA Annual subscription debtor balances at 1st October 2024

World Sailing Limited - MNA Subscriptions debtor balances
01/10/2024

	Receivables	Total		Due for
	African Sailing Confederation (ASCON)	£882.00	MNA	2021-2024
ALG	Federation Algerienne de Voile	£1,653.76	MNA	2023 & 2024
ARM	Armenian Sailing Federation	£220.50	MNA	2022-2023
BOL	Bolivian Sailing Federation	£336.75	MNA	2021-2023
BRU	Brunei Darussalam Yachting Assoc	£110.25	MNA	2024
COK	Sailing Cook Islands	£661.50	MNA	2023 & 2024
ECU	Federación Ecuatoriana de Vela	£112.68	MNA	2024 balance
IRI	Iran Canoeing, Rowing and Sailing Federation	£3,307.52	MNA	2021-2024
KOR	Yacht Racing Association DPR Korea	£330.75	MNA	2024
LBA	Federation Libanaise de Yachting	£330.75	MNA	2024
MAD	Madagascar Sailing Association	£180.75	MNA	2023 & 2024
	Mediterranean Sailing Union	£441.00	MNA	2023 & 2024
MOZ	Federacas Mocambicana de la Vela e Canoagem	£330.75	MNA	2024
	Oman Sail LLC	£826.88	MNA	2024
PLE	Palestine Sailing & Rowing Federation	£110.25	MNA	2024
PNG	Sailing Papua New Guinea Inc.	£1,323.00	MNA	2021-2024
PUR	Federation de Vela de Puerto Rico	£826.88	MNA	2024
SOL	Solomon Islands Yachting Association	£220.50	MNA	2023 & 2024
SUD	Sudan Sailing Federation	£220.50	MNA	2023-2024
TAN	Tanzania Sailing Association	£992.25	MNA	2022-2024
SRI	Yachting Association of Sri Lanka	£33.00	MNA	2022 balance
UKR	Sailing Federation of Ukraine	£826.88	MNA	2024
BOT	Botswana Yacht Racing Association	£1,046.00	MNA SUSP PRE	2015-2024
DJI	Federation Djiboutienne de Voile et des Sports Nautique	£1,201.50	MNA SUSP PRE	2012-2024
KOS	Kosovo Sailing Federation	£846.00	MNA SUSP PRE	2017-2024
NGR	Nigeria Rowing Canoe and Sailing Federation	£1,938.00	MNA SUSP PRE	2020-2024
PAN	Panama Sailing Association	£746.00	MNA SUSP PRE	2018-2024
ZIM	Sailing Association of Zimbabwe	£816.00	MNA SUSP PRE	2017-2024
	Total MNA Fees Receivable	**£20,872.60**		