



WORLD  
AQUATICS



# FINANCIAL REPORT

31 DECEMBER 2023

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## TREASURER REPORT

It is an honor and pleasure for me to present the 2023 World Aquatics Financial Report containing the Treasurer's Report, the Audit Committee Report, the External Audit Report, and the audited Financial Statements for the year ended 31 December 2023.

I can confirm to you that the Financial Report has been approved by the World Aquatics Bureau, and it is now posted to the World Aquatics website, providing full transparency.

I express my special appreciation to Forvis Mazars SA for its diligence and professionalism in its external audit function, noting the excellent work performed under the leadership of Michael Ackermann and Fiona Giotto, with the reliable assistance of World Aquatics Interim Finance Director, Pierre-Henri Pingeon, and members of the Accounting staff.

Additionally, I am grateful to the Audit Committee – Chairman Debendranath Sarangi and Members, Fernando Terrilli and Gustavo Mastroianni – for its supportive and insightful guidance in executing its responsibilities.

By any metrics, 2023 was a remarkable year for World Aquatics, for our sport, and aquatic athletes worldwide. Our financial performance demonstrates the global strength of our sport and reflects full emergence from the truncated event program necessitated by the pandemic.

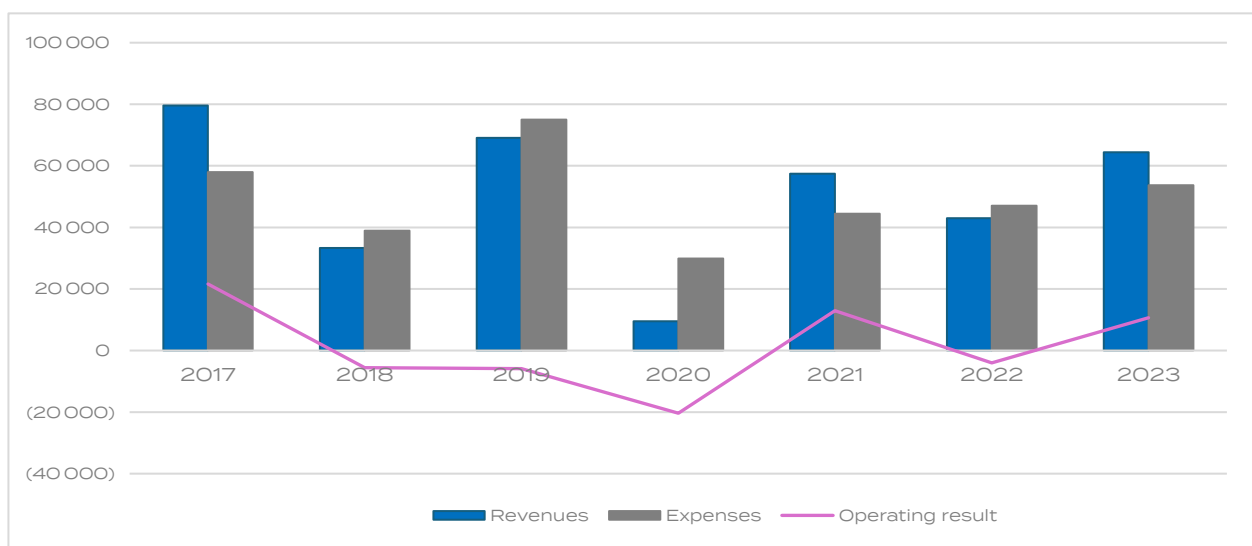
World Aquatics generated an operating surplus of \$10.69 million USD, and combined with investment income of \$11.70 million USD, the net result was a surplus of \$22.40 million USD. Our budget projected a surplus of \$11.93 million USD, and through sound management and prudent expense reduction, the result is far more favorable than our original expectation.

<b>Income statement</b>	<b>2023</b>	
In USD	Actual	Budget
<b>Income</b>		
Olympic movement	993'902	998'000
Hosting & commercial revenue	27'650'798	27'425'750
TV rights and sponsorship income	35'252'109	35'024'576
Penalty fees and other fees	512'794	371'400
<b>Total income</b>	<b>64'409'603</b>	<b>63'819'726</b>
<b>Expenditure</b>		
Event & commercial expenses	31'597'013	33'330'132
Development activities	7'055'870	9'978'638
Anti-doping activities	3'777'365	3'910'004
Communication & marketing	672'998	484'575
Digital asset management	615'836	897'884
Legal costs, litigation & provisions	344'684	897'884
<b>Gross profit</b>	<b>20'345'837</b>	<b>14'343'993</b>
Administration expenses	9'647'224	9'605'182
<b>Operating result</b>	<b>10'689'613</b>	<b>4'738'811</b>
Financial activities	11'701'975	7'200'000
<b>Net result</b>	<b>22'400'588</b>	<b>11'938'811</b>

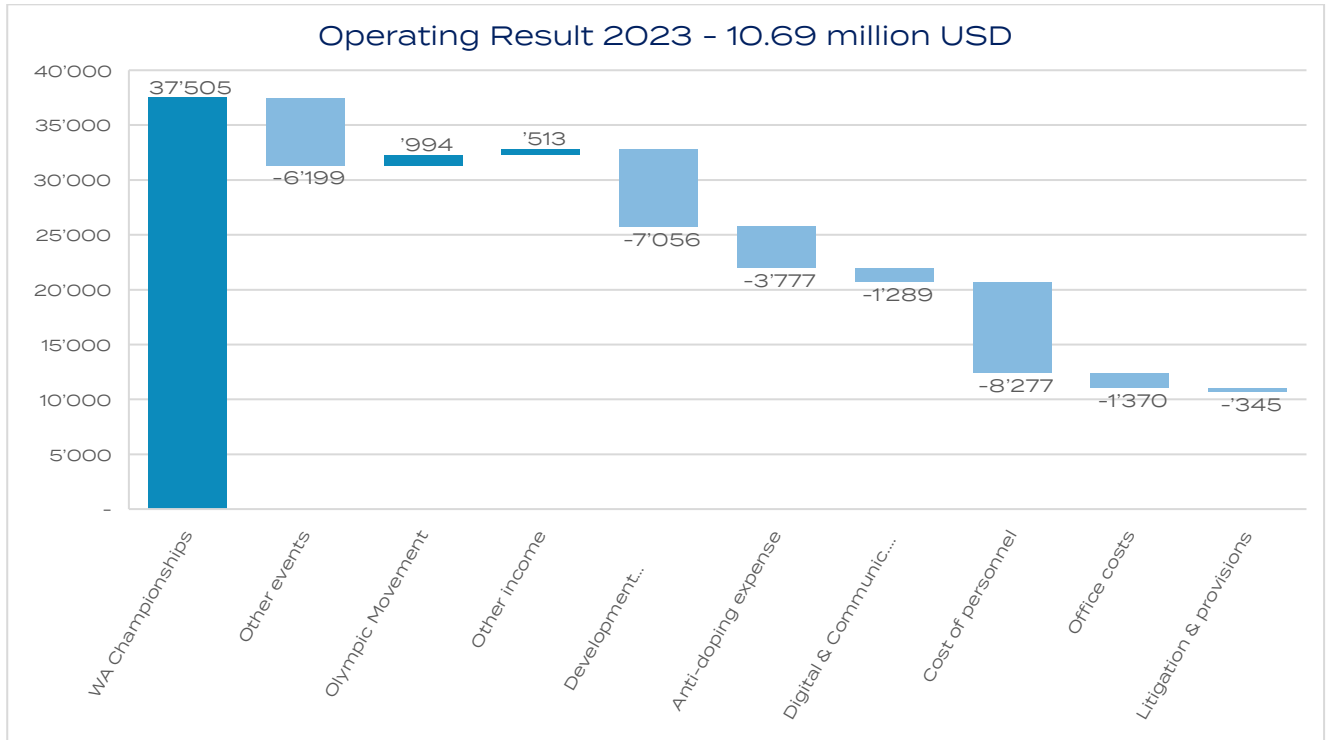
When viewed on a quadrennial basis, World Aquatics projects a very favorable outcome for the period 2021 to 2024 – prospectively, an operating surplus of more than \$40 million USD. This is in sharp contrast to the 2017 to 2020 quadrennium that produced a \$10.21 million USD deficit, owing largely to the absence of an Olympic Games within this period, as well as the postponement of other events because of the pandemic.

<b>Income statement</b>	Actual results			Budget	<b>Total</b>	Actual
In USD thousands	2021	2022	2023	2024	<b>2021-24</b>	2017-20
<b>Income</b>						
Olympic movement	34'617	965	994	391248	<b>78'823</b>	6'325
Hosting & commercial revenue	5'980	20'375	27'651	32'609	<b>86'614</b>	72'208
Penalty fees and other fees	16'456	16'884	35'252	30'677	<b>99'269</b>	108'573
Other income	389	4'723	513	154	<b>5'778</b>	4'463
<b>Total income</b>	<b>57'441</b>	<b>42'946</b>	<b>64'410</b>	<b>102'687</b>	<b>267'485</b>	<b>191'569</b>
<b>Expenditure</b>						
Olympic Games	2'538	-	-	4'336	<b>6'874</b>	684
Event & commercial expenses	16'573	25'986	31'597	43'740	<b>117'895</b>	125'567
Development activities	6'718	6'666	7'056	12'360	<b>32'799</b>	21'816
Anti-doping activities	2'720	3'703	3'777	3'900	<b>14'100</b>	11'404
Communication & marketing	276	550	619	442	<b>1'886</b>	1'471
Digital asset management	806	491	616	1'258	<b>3'171</b>	201
Sports governance costs	107	69	54	122	<b>352</b>	578
Legal costs, litigation & provisions	5'641	1'621	345	963	<b>8'570</b>	6'432
<b>Gross profit</b>	<b>22'062</b>	<b>3'861</b>	<b>20'346</b>	<b>35'568</b>	<b>81'837</b>	<b>23'415</b>
Administration expenses	9'106	7'920	9'647	12'409	<b>39'082</b>	33'629
<b>Operating result</b>	<b>12'956</b>	<b>-4'059</b>	<b>10'699</b>	<b>23'160</b>	<b>42'755</b>	<b>-10'214</b>

An extended view of World Aquatics finances in the 2017 to 2023 period reveals steadily improving financial results.



The World Aquatics Championships in Fukuoka (JPN) was an extraordinary success, generating \$59.49 million USD in host partnership fees, broadcast rights, sponsorship income, and VIK revenues. Based upon expenses of \$21.98 million USD, the net result was a surplus of \$37.50 million USD. I express gratitude to the City of Fukuoka and Japan Swimming Association for an exceptional partnership with World Aquatics that exceeded all expectations.



Total current and non-current financial assets on 31 December 2023 amounted to \$191.51 million USD. Our reserve funds, effectively monitored by a newly-formed Business & Investment Committee, reflect financial stability that enables continuation of important programs and advancement through new initiatives that provide greater service to our stakeholders and constituents.



World Aquatics administered a very expansive and effective Development Programme in 2023, with a distribution of \$7.05 million USD. This substantial investment – among the highest within the Olympic Family – demonstrates our ongoing commitment to the worldwide development of our sport.

Key elements of the Development Programme included:

- \$1.95 million USD for the Scholarship Programme for athletes from developing countries to participate in World Aquatics training centers.
- \$3.78 million USD in National Federation support primarily utilized for athlete-centered programs and opportunities.
- \$458,000 USD in direct assistance to the five Continental Associations to enable expansion of programming and championship events.
- \$392,000 USD for educational courses, certification programs, and clinics for coaches and technical officials/judges/referees.
- \$459,000 USD for other programs carried out at World Championships and other international events, as well as support for the Pools for All Programme and training centers in Europe, Asia, and the Americas.

World Aquatics recognizes the importance of global engagement by its 210 Member National Federations. To this end, \$4.57 million USD was allocated to athlete, coach, and other Federation representatives to attend the World Aquatics Championships and other events within the competitive calendar. This travel subsidy has produced consistently higher levels of participation and involvement.

The level of athlete prize money, across all disciplines, was \$10.15 million USD showing continued commitment to elite athletes in the international sports landscape.

Athlete financial support – through the Scholarship Programme, National Federation program support, event travel subsidies, and prize money – amounted to more than \$20 million USD, a level of support that ranks among the highest within the Olympic Family.

World Aquatics utilizes the comprehensive and independent anti-doping services provided by International Testing Agency (ITA). The expenditure of \$3.77 million USD reflects our unwavering commitment to clean sport and fair play.

In sum, World Aquatics has achieved a substantial net surplus of more than \$22 million USD in 2023 and maintains a varied investment portfolio of almost \$140 million USD, while supporting wide-ranging programs and initiatives to benefit athletes at all levels of ability.

Please allow me to provide some detail about 2024 and onward.

World Aquatics has three marquee events in 2024: the World Championships in Doha (QTR); the Olympic Games in Paris (FRA); and the World Swimming Championships in Budapest (HUN). World Aquatics is enormously grateful to the National Federations and public authorities of these three countries, enabling aquatic athletes to have remarkable opportunities to showcase their skills. Additionally, these three events will produce the highest level of annual revenue ever achieved by FINA/World Aquatics in its 116-year history.

There are many reasons for optimism as we look forward to Olympic Games in Los Angeles in 2028 and Brisbane in 2032. We expect to have enhanced marketing and broadcast arrangements, new championship event partners, and advanced analytical methodology to provide greater efficiency in the delivery of programs and events.

Primarily through the prodigious efforts of President Husain Al Musallam and Executive Director Brent Nowicki, World Aquatics has contractual commitments for its World Championships through 2029. These strong partnerships in place so far in advance reflect the growing international prestige of our sport and the increased media profile of our athletes.

Most importantly, we continue to believe that there is huge untapped potential for our sport and for World Aquatics, and we will strive to unlock this potential by modernizing and repositioning our organization, with “best practices” of good governance.

In Melbourne in December 2022, I presented the 2023 and 2024 budgets to the Congress for its approval, which was granted unanimously. In December 2024, in accordance with the World Aquatics Constitution, I will present the 2025 and 2026 budgets for the consideration and approval of the Congress. I express my continued gratitude to the World Aquatics Congress for my re-election in Fukuoka in 2023, providing me with the privilege to serve as Treasurer.

Regards,



Dale Neuburger  
World Aquatics Treasurer



MÖSTRÖM  
SWE



TYR

Never give up just try it one more time.



## AUDIT COMMITTEE REPORT

### **TO CONGRESS ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

In accordance with the World Aquatics Constitution and by-laws, the World Aquatics Audit Committee is mandated, inter alia, to:

- a. to oversee the implementation by the Treasurer and World Aquatics Office of efficient financial controls and review the World Aquatics Financial Statements, and the External Auditors' report;
- b. to assist the Bureau and Treasurer in monitoring World Aquatics' financial and compliance matters;
- c. to ensure that an efficient control system is in place to monitor expenditures of World Aquatics, including funds granted to third parties for development projects;
- d. to liaise with the external auditors of World Aquatics;
- e. to conduct risk management;
- f. to review the quality of the internal control system; and
- g. to advise the Bureau in relation with the selection, appointment, reappointment or termination of the term of office of the External Auditors; In particular, the Audit Committee is responsible for providing a recommendation to the Bureau for the appointment, approved by Congress, of external auditors.

We confirm that we fulfil the criteria as defined under the World Aquatics By-law 5.3.

The Committee met on the following dates in 2023 and 2024 prior to approval of the Financial Statements - virtual meetings on 5 May, 14 June, 23 October and 20 December 2023, and 27 May 2024 - in person meetings on 23 July 2023 and 14 February 2024. Three meetings took place in the presence of the statutory auditor. The Committee reviewed the annual Financial Statements prepared by the World Aquatics finance department under the supervision of the World Aquatics Treasurer and to be approved by the Bureau.

The Financial statements are prepared in compliance with the Swiss GAAP accounting principles, the Swiss Law (CO) and the World Aquatics constitution.

The financial statements for the year ended December 31, 2023 have been audited by the independent auditor, Mazars which is responsible for expressing an opinion on the financial statements based on their audit. They recommend the approval of the Financial Statements for the year ended 2023.

As per Swiss law, the independent auditor is also responsible to assess an opinion on the existence of the Federation's internal control system for the preparation of the financial information but not to express an opinion on the effectiveness of the entity's internal control system.

The Audit Committee continues to place the highest importance on World Aquatics Internal Control System and monitors all reports related to internal controls. The Committee has followed up on internal controls recommendations and continues to monitor and recommend improvements to the internal control system in all material areas, as recommended by the auditors, to achieve World Aquatics' objectives for the coming years.

The Audit Committee has studied and considered the 2023 Financial Statements (balance sheet, profit and loss statement, cash flow statement and notes to the accounts). In conjunction with the reviews and discussions referred to above, the Audit Committee recommends to the Congress the approval of the audited Financial Statements for the year ended 31 December 2023.

On behalf of the World Aquatics Audit Committee



**Debendranath Sarangi**

Audit Committee Chairman

Chennai, June 28 2024

## EXTERNAL AUDITOR'S REPORT



### **Report of the statutory auditor to the Congress of World Aquatics, Lausanne**

#### **Report on the Audit of the Financial Statements**

##### **Opinion**

We have audited the financial statements of World Aquatics (the Company) which comprise the income statement, balance sheet, cash flow statement, and notes to the accounts, for the year ended 31 December 2023.

In our opinion, the financial statements for the year ended 31 December 2023 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law and the association's articles of incorporation.

##### **Basis for Opinion**

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Federation in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Other Information**

The World Aquatics Bureau is responsible for the other information. The other information comprises the information included in the financial report, but does not include the financial statements, and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

##### **World Aquatics Bureau's Responsibilities for the Financial Statements**

The World Aquatics Bureau is responsible for the approval of the financial statements prepared by the World Aquatics Office under the supervision of the Treasurer, which give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the World Aquatics Bureau determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the World Aquatics Bureau is responsible for assessing the Federation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the World Aquatics Bureau either intends to liquidate the Federation or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

#### **Report on Other Legal and Regulatory Requirements**

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the World Aquatics Bureau.

We recommend that the financial statements submitted to you be approved.

Lausanne, 28 June 2024

#### **Forvis Mazars SA**

##### **Michael Ackermann**


juin 28, 2024

Qualified Electronic Signature by  SwissID

Michael Ackermann  
Licensed audit expert  
(Auditor in charge)

##### **Fiona Giotto**

juin 28, 2024

Qualified Electronic Signature by  SwissID

Fiona Giotto  
Licensed audit expert

#### **Attachments**

- Financial statements (income statement, balance sheet, cash flow statement, and notes to the accounts, for the year ended 31 December 2023)

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### INCOME STATEMENT

US Dollars	Notes	2023	2022
<b>Income</b>			
Olympic movement	3	993 903	964 668
Hosting & commercial revenue	4	62 902 907	37 258 941
Penalty fees and other fees		265 575	318 555
Other income	4	247 219	4 404 131
		<b>64 409 604</b>	<b>42 946 295</b>
<b>Expenditure</b>			
Event & commercial expenses	5,10	31 597 013	25 985 760
Development activities	6	7 055 870	6 665 776
Anti-doping activities	7	3 777 365	3 703 028
Communication & marketing		618 879	549 957
Digital asset management		615 837	491 240
Sports governance costs		54 119	68 634
Administration expenses	8,9,10	9 647 224	7 919 571
Legal costs, litigation & provisions	11	344 684	1 621 168
		<b>53 710 991</b>	<b>47 005 134</b>
<b>Operating result</b>			
		<b>10 698 613</b>	<b>-4 058 839</b>
Financial activities	12	11 701 975	-12 300 608
<b>Net result before allocation to free and tied capital</b>		<b>22 400 588</b>	<b>-16 359 447</b>



**BALANCE SHEET**

US Dollars	Notes	2023	2022
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	13	17 537 110	24 171 088
Accounts receivable, net	14	8 759 138	17 058 761
Other short-term receivables	15	555 781	239 939
Prepayments and accrued income	15	2 677 896	3 905 422
<b>Total Current assets</b>		<b>29 529 925</b>	<b>45 375 210</b>
<b>Non-current assets</b>			
Investments in related undertaking	16	20 120	20 120
Financial assets at fair value	13	139 824 898	131 845 712
Tangible fixed assets	17	17 800 103	18 037 348
Intangible fixed assets	17	38 500	52 250
<b>Total non-current assets</b>		<b>157 683 621</b>	<b>149 955 430</b>
<b>Restricted assets</b>	18, 23	<b>4 300 000</b>	<b>6 690 000</b>
<b>Total assets</b>		<b>191 513 546</b>	<b>202 020 640</b>
<b>Liabilities and capital</b>			
<b>Current liabilities</b>			
Short-term loan			
Accounts payable	19	4 174 337	4 378 659
Other short-term payable	20	799 715	538 655
Accrued liabilities	21	3 902 753	8 243 618
Deferred income - short term	22	34 704 805	40 145 201
<b>Total Current liabilities</b>		<b>43 581 609</b>	<b>53 306 134</b>
<b>Non-current liabilities</b>			
Deferred income - long term	22	21 185 600	40 105 075
Provisions	11	1 643 108	3 516 791
<b>Total non-current liabilities</b>		<b>22 828 708</b>	<b>43 621 866</b>
<b>Fund Capital - restricted funds</b>	23	<b>4 300 000</b>	<b>6 690 000</b>
<b>Organization capital</b>			
Tied capital	24	65 803 228	58 402 640
Free capital	24	55 000 000	40 000 000
<b>Total Organization capital</b>		<b>120 803 228</b>	<b>98 402 640</b>
<b>Total liabilities and capital</b>		<b>191 513 546</b>	<b>202 020 640</b>

## CASH FLOW STATEMENT

US Dollars	Notes	2023	2022
Net result before allocation		22 400 588	-16 359 446
<b>Adjustments to net result</b>			
Depreciation and amortisation	17	617 705	471 197
Movement on provisions		-44 594	-2 042 126
Foreign exchange on non-cash items		-22 798	213 492
Fair value adjustments in investments	12	-11 350 097	13 725 026
		<b>11 600 804</b>	<b>-3 991 857</b>
<b>Changes in working capital</b>			
(Increase) in trade receivables	14	8 245 042	11 042 803
Decrease/(increase) in other current assets	15	911 684	2 394 658
Increase/(decrease) in trade payables	19	-187 369	-975 476
Increase in deferred income	22	-24 359 872	-11 349 637
Increase/(decrease) in other current liabilities		-5 829 333	-6 274 532
		<b>-21 219 848</b>	<b>-5 162 184</b>
<b>Cash flow from operating activities</b>		<b>-9 619 044</b>	<b>-9 154 040</b>
<b>Investing Activities</b>			
Acquisition of fixed assets	17	-366 710	-81 512
Net transfers (to)/from investment portfolios		3 370 911	6 000 000
<b>Cash flow from investment activities</b>		<b>3 004 201</b>	<b>5 918 488</b>
<b>Change in net cash and cash equivalents</b>		<b>-6 614 843</b>	<b>-3 235 552</b>
Cash and cash equivalents	13		
Balance on 1 January		24 171 088	28 457 360
Balance on 31 December		17 537 110	24 171 088
<b>Movement in cash</b>		<b>-6 633 978</b>	<b>-4 286 271</b>
Foreign exchange impact on cash balances		19 135	1 050 719
<b>Change in net cash and cash equivalents</b>		<b>-6 614 843</b>	<b>-3 235 552</b>



## NOTES TO THE ACCOUNTS

### 1. GENERAL INFORMATION

World Aquatics (formerly Fédération Internationale de Natation – FINA), the world governing body for the sport of Aquatics, domiciled in Vaud, Switzerland, is an international non-governmental non-for-profit organization in the form of an association incorporated in accordance with article 60 ff of the Swiss Civil Code.

The objectives of World Aquatics are:

- a) to promote, develop and be the governing body for Aquatics throughout the world;
- b) to provide fair and clean sport and protect the integrity of Aquatics;
- c) to promote safe Aquatics and the protection of Athletes from all forms of harassment and abuse;
- d) to encourage participation in Aquatics at all levels throughout the world, regardless of age, gender or race, and support activities aiming at ensuring that Aquatics and swimming skills in general are promoted in all countries and are accessible to individuals from all ages, gender, different backgrounds and capacities;
- e) to approve competitions and events;
- f) to adopt rules and regulations for the approval by World Aquatics of competitions and events;
- g) to promote and organise World Championships and other competitions and events;
- h) to support the values of the Olympic Movement and continue to play a leading role in the Olympic Movement. In particular to undertake its responsibilities to organise, supervise and officiate the Aquatics' programme at the Olympic Games;
- i) to promote the development of facilities for Aquatics throughout the world;
- j) to develop and encourage activities and programmes promoting the sustainability of Aquatics in all possible forms;
- k) to develop and encourage the education of Athletes, Coaches, Officials and other persons involved in Aquatics; and
- l) to carry out any other activity to promote Aquatics.

World Aquatics' resources are derived principally from World Aquatics Championships and the Olympic Games. World Aquatics reinvests its surplus funds in the development of the sport via a number of programmes.

These financial statements aim to present a clear and complete picture of the financial situation and results of World Aquatics in line with the best practices in force within the major international sports federations. The accounts are presented in accordance with Swiss GAAP RPC (Accounting and Reporting Recommendations).



The financial statements have been presented for the first time in US Dollars (USD) in 2022 following a decision made in January 2022 by the World Aquatics' bureau to change World Aquatics' functional currency to the United States Dollar. The conversion took place on 1 January 2022, converting the World Aquatics balance sheet from Swiss Francs to US Dollars at the closing exchange rate on 31 December 2021. Certain material non-monetary US Dollar items have been carried, on 1 January 2022, at their original US Dollar value with any resulting foreign currency difference being allocated to opening reserves.

## **1.1 GLOBAL EVENTS**

The impacts of the Covid-19 pandemic and the geopolitical events from 2022 continued to have a material impact on the Federation's activities throughout 2023 and into 2024.

The World Aquatics World Championships initially scheduled in Fukuoka (JPN) in 2021 were rescheduled because of the continuing unfavourable conditions related to the Covid-19 pandemic, and have finally taken place in July 2023, with less favourable financial conditions than was originally forecast.

## **2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

The financial statements have been prepared in accordance with the Swiss GAAP RPC.

Although World Aquatics does not fully meet the criteria of a charitable non-profit organisation, as defined by Swiss GAAP RPC 21 (Accounting for Charitable Non-Profit Organisations), World Aquatics has adopted the key presentation and disclosure aspects in order to meet best practice for international sports Federations.

The financial statements have been prepared on an accruals basis under the historic cost convention. The Income statement is presented by function of expense.

Specific accounting policies are as follows :

### **2.1 FOREIGN CURRENCIES**

Transactions in foreign currencies are accounted at exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of those transactions are brought to the Income Statement.

Monetary assets and liabilities denominated in currencies other than US Dollars are converted based on exchange rates ruling at December 31. Exchange differences resulting from these transactions are recorded in the Income Statement under Financial Income (note 12). The Financial Assets under discretionary management are denominated in US Dollars. Although assets are held in multiple currencies, each fund manager is measured by results in US Dollars. For this reason, foreign exchange differences on Financial Assets under management are included in the fair value adjustment to the Financial Assets.

The exchange rates used for transactions conducted during the course of the year and for items in the income statement were the daily rates.

Non-monetary items such as prepaid and deferred income in foreign currencies are reported using the historical exchange rate at the date of transaction.

The main exchange rates used for the closing are as follows:

	US Dollars	
	31.12.2023	31.12.2022
Swiss Franc	1.1746	1.0723
Euro	1.1069	1.0657

The resulting exchange differences are presented under note 12.

Hedge instruments are recorded in accordance with Swiss GAAP RPC – to the extent that the hedged position covers World Aquatics’ future Swiss Franc denominated operating costs, any mark-to-market gain or loss at balance sheet date is disclosed in the Financial Statements but only recorded upon maturity.

## **2.2 REVENUE RECOGNITION**

Revenue is recognized if it is probable that the economic benefit will flow to World Aquatics and the amount can be reliably estimated.

Revenue and costs relating to World Aquatics events and competitions are recorded when the events take place.

Revenue from the International Olympic Committee in respect of the Olympic Games is recorded in the year of the games to the extent the amount can be reliably estimated.

## **2.3 DEVELOPMENT EXPENDITURE**

Development Expenditure is paid to National Federations, Training Centres, Lecturers or other third parties based on annual decisions of the World Aquatics Development Committee which was in place until 31 December 2023.

World Aquatics Support Program (AQUASP) grants are attributed on an annual (calendar) basis and are paid in two instalments, once approved. The second instalment is paid only on submission and certification of a final report and, where appropriate, will be accrued at the end of the year.

Other annual program costs are accrued if it is considered that the program was delivered during the year.

For capital projects (Pools for All, Training Centre build, etc.) grants are paid in milestone-based instalments as set out contractually. Grants will sometimes be paid direct to the contractors building the infrastructure. Once the first milestone is met, the full project cost is accrued to the extent that the project is on-going and World Aquatics reasonably expects the project to be completed.

## **2.4 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents are cash in hand and cash at the bank, including short-term deposits, available for operations. All amounts under discretionary mandates, including cash balances and highly liquid short-term deposits, are recorded under Financial Assets.

Cash and cash equivalents are recorded at market fair value; cash and cash equivalents held in foreign currencies are converted into US Dollars at year end rate.

## **2.5 FINANCIAL ASSETS**

Financial assets represent funds under discretionary management held at various financial institutions. The funds comprise mainly highly liquid investments but are classed as non-current assets to reflect the long-term nature of the investment strategy. The discretionary management mandates were Swiss Franc based until March 2022, when Fund managers were instructed to transition their portfolios to a US Dollar base with effect from 1 April 2022 and are responsible for managing the exchange rate exposure of the funds invested. Financial assets are recorded at fair value at balance sheet date. Movements in the year are recorded in financial gains and losses (Note 12).

## **2.6 ACCOUNTS RECEIVABLE**

Accounts receivable are recognised in the accounts at their fair value, invoiced amount less deduction of payment received if any; accounts receivable denominated in foreign currencies are converted at year end exchange rate.

An impairment review is performed at balance sheet date and a provision is booked in respect of impairment of debtors.

## **2.7 TANGIBLE AND INTANGIBLE FIXED ASSETS**

Property and equipment are stated in the balance sheet at historical cost less amortisation.

**LAND & BUILDINGS:** The value represents the property's purchase, construction and renovation costs. The value of the property is amortised at a rate of 1.5% per annum (67 years) on a straight-line basis.

**COMPUTER EQUIPMENT, FURNITURE & OFFICE EQUIPMENT:** Items with a value of more than 1000 US Dollars are capitalised and amortised at a rate of between 12.5% and 16.6% (6-8 years) on a straight-line basis, depending on the type of material.

**UNIFORMS** purchased for officials with a value of more than 1000 US Dollars are also capitalised and depreciated over a 3 years period.

**MOTOR VEHICLES:** Vehicles are amortised at 20% (5 years) on a straight-line basis.

**INTANGIBLE COMPUTER SOFTWARE:** Costs are capitalised as they are incurred if conditions defined by RPC10 are satisfied. The asset is amortised starting at the end of the hypercare period following the project go-live.

## **2.8 DEFERRED INCOME, PREPAID EXPENSES AND OTHER CURRENT ASSETS**

Any revenues or costs in respect of future events and competitions and derived from Host City Agreements or Media and Marketing Rights Agreements are recognised upon completion of the event they relate to. Amounts invoiced prior to this date are recorded on the balance sheet as deferred income. Any costs incurred are recorded under prepayments and deferred expenses.

Deferred income is recorded applying the exchange rate prevailing on the date of invoicing.

## **2.9 PROVISIONS**

A provision is recognised in the balance sheet when it is considered that a probable obligation exists in respect of a past event and the amount and/or due date of the obligation is uncertain but can be estimated.

## **2.10 RESTRICTED FUND & RESTRICTED ASSETS**

World Aquatics receives event deposits from organising committees hosting World Championships, World Cups and other World Aquatics events. Under the terms of the Host City agreements signed, World Aquatics may use such funds to remedy any deficiencies in delivering the event in question. The deposit is returned to the Organising Committee following the event.

Event deposits are recorded as a liability under restricted funds. The funds received are kept in World Aquatics' usual bank current accounts and presented under Restricted Assets in the balance sheet.

## **2.11 CONSISTENCY OF PRESENTATION**

Where necessary, comparative 2022 figures have been revised to conform with the current year 2023 presentation without any effect on the net result, nor on the Tied and Free capital.



### 3. OLYMPIC MOVEMENT

US Dollars	2023	2022
<b>Olympic Movement</b>		
IOC contribution	754 418	754 074
Olympic Solidarity payments	239 485	210 594
<b>Total Olympic Movement</b>	<b>993 903</b>	<b>964 668</b>

### 4. INCOME

#### 4.1 WORLD AQUATICS EVENT INCOME

US Dollar	World Aquatics Championships	Swimming World Championships	Other Events	Total
<b>Year ended 31 Decembre 2023</b>				
Host Cities partnerships rights and fees	26 498 066	-	1 152 732	27 650 798
TV Rights and sponsorship income	28 975 821		1 128 341	30 104 162
Value in kind revenues	4 018 782		1 129 165	5 147 947
	<b>59 492 669</b>	<b>-</b>	<b>3 410 238</b>	<b>62 902 907</b>
<b>Year ended 31 Decembre 2022</b>				
Bid and registration fees	-			-
Host Cities partnerships rights and fees	16 372 220	3 058 655	944 291	20 375 166
TV Rights and sponsorship income	5 448 274	5 343 434	2 387 013	13 178 721
Value in kind revenues	2 115 871	642 226	946 956	3 705 053
	<b>23 936 365</b>	<b>9 044 315</b>	<b>4 278 260</b>	<b>37 258 940</b>

#### 4.2 OTHER INCOME

In 2022 World Aquatics and a commercial partner mutually terminated a long-term partnership extending through to 2028. As part of the termination agreement World Aquatics received, early in 2023, a settlement amount which has been recorded under Other Income.

**5. WORLD AQUATICS EVENTS EXPENSES**

US Dollar	World Aquatics Championships	Swimming World Championships	Other event	Total
<b>Year ended 31 December 2023</b>				
<b>Stakeholder expenses</b>				
Athlete Support - prize money	5 970 300	-	4 187 500	10 157 800
Athlete support - other	240 711	-	48 250	288 961
National Federation support	3 870 178	-	401 113	4 271 291
Delegates' hotel, travel and per diem	2 601 172	-	1 977 891	4 579 063
Travel, event & liability insurance	29	-	276 007	276 037
Protocol & athlete awards	18 587	-	33 331	51 918
<b>Total World Aquatics stakeholder expenses</b>	<b>12 700 977</b>	<b>-</b>	<b>6 924 092</b>	<b>19 625 069</b>
<b>Third Party Services</b>				
Marketing agent	4 066 481	-	334 898	4 401 379
TV professional services and Host Broadcaster costs	120 000	-	61 693	181 693
Data & timing services	1 778 431	-	1 203 460	2 981 891
Other third party services	3 322 175	-	1 084 806	4 406 981
<b>Total Third Party Services</b>	<b>9 287 087</b>	<b>-</b>	<b>2 684 857</b>	<b>11 971 944</b>
<b>Total expenses</b>	<b>21 988 064</b>	<b>-</b>	<b>9 608 959</b>	<b>31 597 013</b>
<b>Year ended 31 December 2022</b>				
<b>Stakeholder expenses</b>				
Athlete Support - prize money	5 870 925	2 520 500	3 262 600	11 654 025
Athlete support - other	97 700	-	31 201	128 901
National Federation support	1 531 930	1 191 444	805 414	3 528 788
Delegates' hotel, travel and per diem	1 211 159	1 184 378	1 429 859	3 825 396
Travel, event & liability insurance	-	-	291 240	291 240
Protocol & athlete awards	44 763	2 345	41 173	88 281
<b>Total World Aquatics stakeholder expenses</b>	<b>8 756 477</b>	<b>4 898 667</b>	<b>5 861 487</b>	<b>19 516 631</b>
<b>Third Party Services</b>				
Marketing agent	451 908	766 468	212 195	1 430 571
TV professional services and Host Broadcaster costs	80 500	50 000	22 313	152 813
Data & timing services	2 131 668	642 226	1 271 451	4 045 345
Other third party services	44 377	-	796 022	840 399
<b>Total Third Party Services</b>	<b>2 708 453</b>	<b>1 458 694</b>	<b>2 301 981</b>	<b>6 469 128</b>
<b>Total expenses</b>	<b>11 464 930</b>	<b>6 357 361</b>	<b>8 163 468</b>	<b>25 985 759</b>

Included in Other third-party services in 2022 are costs of 137 000 US Dollars relating to the launch of the World Aquatics brand. The total expenditure on the brand in 2022, including market research, design and new content, was 457 000 US Dollars, the remaining expenditure being expensed under Communications Cost in the income statement.

## 6. DEVELOPMENT ACTIVITIES

US Dollars	2023	2022
Clinics, courses and certification programme	392 149	523 375
Athlete scholarships	1 958 428	1 366 284
Continental association contributions	458 726	492 000
World Aquatics Support Program (AQUASP)	3 786 135	4 625 498
Other programmes	448 811	384 808
Pools and training centers	11 621	14 912
Release of provisions	-	-741 101
<b>Total Development activities</b>	<b>7 055 870</b>	<b>6 665 776</b>

*Clinics, courses & certification* expenses cover experts and lecturers' fees, organisational support, accommodation and travel expenses.

*Athlete scholarship programmes* offer financial assistance to athletes to attend World Aquatics recognised training centres or to hire coaches locally.

*Continental association contributions and AQUASP* provide financial support to World Aquatics Continental Associations and National Member Federations respectively to develop Aquatics within their territories.

*Other programmes* include Aquatic days, Swimming for All, Water Polo Development and E-learning platform.

World Aquatics provides grants for the construction of Aquatics facilities in partnership with National Federations, National Olympic Committees and third parties.

Between 2018 and 2020 World Aquatics constituted a certain number of provisions in anticipation of projects which are yet to commence. Past accruals which do not comply with World Aquatics' current accounting policies in respect of such projects have been released at 31/12/2022.

## 7. ANTI-DOPING ACTIVITIES

<b>US Dollars</b>	<b>2023</b>	<b>2022</b>
Out-of-competition tests	3 615 000	3 615 000
Other doping control related expenses	162 365	88 028
<b>Total Anti-doping activities</b>	<b>3 777 365</b>	<b>3 703 028</b>

World Aquatics' out-of-competition testing program is contracted to the International Testing Agency (ITA). In-competition testing is the responsibility of the event organiser following a detailed protocol defined by World Aquatics.

## 8. ADMINISTRATION EXPENSES

<b>US Dollars</b>	<b>2023</b>	<b>2022</b>
Payroll charges	8 277 138	6 903 617
Information technology & telecoms	422 714	205 501
Building and office operations	219 390	249 245
General administration costs	99 277	90 011
Building and other depreciation	628 705	471 197
<b>Total Administration expenses</b>	<b>9 647 224</b>	<b>7 919 571</b>

## 9. FEES PAID TO AUDITORS

<b>US Dollars</b>	<b>2023</b>	<b>2022</b>
External audit fees	48 100	41 020
Other fees to external auditors	15 877	2 574
<b>Total Fees paid to the auditors</b>	<b>63 977</b>	<b>43 594</b>





**10. COST OF GOVERNING ORGANS & WORLD AQUATICS PERSONNEL**

US Dollars	2023	2022
<b>Per Diem (included in event Expenses (Note 5))</b>		
President	-	-
Bureau Members	176 177	226 000
Committee, panels, officials	924 685	1 036 939
	<b>1 100 862</b>	<b>1 262 939</b>
<b>Travel (included in Event Expenses (Note 5))</b>		
President	75 046	-
Bureau Members	299 916	377 358
Committee, panels, officials	729 769	496 486
Executive director	79 090	85 309
Staff	344 489	191 959
	<b>1 528 310</b>	<b>1 151 112</b>

The President has waived Per Diem payments and receives no remuneration from World Aquatics. The President's personal office organises and pays for the majority of his travel costs, as well as, on occasions, accompanying World Aquatics personnel (athletes, officials, staff etc). The value of the contribution of the President to World Aquatics is impossible to accurately estimate but is at least 100k US Dollars and does not exceed 500k US Dollars.

Bureau Members receive no remuneration other than the per diems disclosed above.

US Dollars	2023	2022
<b>Staff costs (included in admin expenses (Note 8))</b>		
Gross salaries & per diem		
Executive/Senior Management	1 676 635	1 710 392
Other staff	4 321 826	4 145 195
	<b>5 998 461</b>	<b>5 855 587</b>
Sickness insurance reimbursed	-151 435	-428 216
Holiday provision released	19 286	-541 763
Retirement benefit contribution	650 277	661 823
Social charges & social insurance	863 301	684 556
Independent contactor	706 207	442 207
Other payroll related costs	191 041	229 422
	<b>8 277 138</b>	<b>6 903 616</b>
Average Full Time Equivalent staff (FTE)	43	41
FTE at 31 December	45	42
Total employees at 31 December	48	45

World Aquatics contributes to two collective pension plans providing defined contribution retirement benefits for its staff in Switzerland. At December 31 2023, the total liability towards the pension funds amounted to 120 993 US Dollars (31.12.2022: 4 332 US Dollars). Due to the coverage ratio, no liabilities were recognised in the Balance sheet at closing date.

## 11. LEGAL COSTS, LITIGATION & PROVISIONS

US Dollars	2023	2022
<b>Leal costs charges in the year</b>		
Legal fees & expert fees in respect of the ISL case	749 893	3 160 469
Other legal fees	574 721	502 728
	<b>1 324 614</b>	<b>3 663 197</b>
Reduction in provision for risk	-979 930	-1 808 593
Other movement	-	-233 436
<b>Total</b>	<b>344 684</b>	<b>1 621 168</b>
<b>Movement on provision for risks</b>		
Provision as of 1 January	3 516 791	5 325 383
Use of the provisions	-1 749 528	-1 808 593
Release of the provision	-124 155	-
<b>Total</b>	<b>1 643 108</b>	<b>3 516 791</b>

World Aquatics is engaged in antitrust proceedings in the United States of America brought by the International Swimming League and a very limited number of athletes. The litigation has been ongoing since 2019. The total legal costs charged to the income statement in 2023 were 0.7 million US Dollars (2022 : 3.2M USD) fully offset by the existing provision. Total costs incurred since the outset of the litigation are 11.0 million US Dollars .

In 2020, World Aquatics booked insurance income of 2 million Swiss Francs, partly offsetting these costs. This insurance amount represented a full and final insurance settlement in respect of this case.

In January 2023, the United States District Court in San Francisco ruled in favor of World Aquatics' motion for summary judgment. The decision has been appealed by the Complainants and a decision is expected in the second quarter of 2024.

At 31 December 2023 World Aquatics carries a provision which the Bureau considers sufficient to cover remaining legal costs and any settlement amount in respect of the case.

In 2021 and 2022 a number of senior employees left the organization and some have made claims against World Aquatics. At the date of signing these accounts the majority of claims had been settled and the World Aquatics Bureau considers that the financial statements at 31 December 2023 carry a sufficient provision in respect of the settlements and outstanding claims, as well as the cost of defending them.

Other movements in 2022 include the release of a provision of 502k US Dollars held with respect to a dispute between a key World Aquatics supplier and a World Aquatics event organiser, the two third parties having reached an amicable agreement.

## 12. FINANCIAL GAINS AND LOSSES

US Dollars	2023	2022	
<b>Investment portfolio</b>			
Managed portfolio market to market	11 350 097	-13 725 026	
Realised portfolio gains net of realised losses	-	54 930	
Management & custody fees	-509 396	-661 714	
	<b>10 840 701</b>	<b>-14 331 810</b>	
Current account bank charges	-120 217	-58 073	
Short term bank interest net of interest charges	781 838	154 298	
Net foreign exchange difference	199 653	1 934 977	
<b>Financial result - net (loss) / gain</b>	<b>11 701 975</b>	<b>-12 300 608</b>	
<b>Foreign exchange difference - gain / (loss)</b>			
	<b>Unrealised</b>	<b>Realised</b>	<b>Total</b>
Current cash balances	-	-	-
Other items	-	-153 578	-153 578
Monetary items balance sheet	280 666	-	280 666
Hedging instruments	-	72 565	72 565
<b>Year ended 31 December 2023</b>	<b>280 666</b>	<b>-81 013</b>	<b>199 653</b>
Year ended 31 December 2022	-123 180	2 058 127	1 934 947

At 31 December 2023 World Aquatics had bought put options and sold call options to sell US Dollars for Swiss Francs for value date 3 April, 2 July and 1 October 2023, and 3 January 2025. The total volume of put and call options is 8.25 million US Dollars, with strike between 0.805 and 0.9015. At 31 December 2023, the options showed a mark to market gain of 50 736 US Dollars. The purpose of these financial instruments is to hedge World Aquatics' Swiss Franc operating expenses for the year ended 31 December 2024.



### 13. CASH, CASH EQUIVALENTS & FINANCIAL ASSETS

US Dollars	2023	2022
<b>Cash and cash equivalent</b>	<b>17 537 110</b>	<b>24 171 088</b>
<b>Financial assets by category</b>		
Liquidities, Money market, convertible notes	15 007 755	34 716 530
Bonds	43 714 951	60 295 226
Equity, convertible shares	39 764 271	22 536 073
Alternative investments	28 595 413	3 948 606
Raw material	1 227 129	1 110 940
Real Estate	11 515 379	9 238 337
	<b>139 824 898</b>	<b>131 845 712</b>
	<b>157 362 008</b>	<b>156 016 800</b>

#### Cash, cash equivalents and financial assets at fair value by currenc

US Dollar	109 680 907	77 590 561
Swiss Francs	26 114 249	70 132 788
Euro	9 630 924	6 114 979
Other currencies	11 935 928	2 178 473
<b>Total</b>	<b>157 362 008</b>	<b>156 016 801</b>

World Aquatics invests its reserves based on a long-term defensive strategy in highly liquid products. Following a reorganisation in 2023, Funds are invested by two Swiss banks, one British banks and a financial group based in Bahrein, whose managed funds are held under custody with one of the Swiss banks.

The fund managers invest World Aquatics funds based on strategic allocations decided upon by the World Aquatics Bureau. World Aquatics management take no decisions and have no influence over the fund managers' day-to-day transactions.

The World Aquatics constitution, approved by Congress in December 2022, and its by-laws, defined the composition of a Business and Investment Committee which will advise the Bureau on future investment strategy. A revised strategy has been implemented in 2023.



#### 14. ACCOUNTS RECEIVABLE

US Dollars	2023	2022
<b>By category</b>		
National Federations & aquatics bodies	5 425 049	2 081 491
Host cities	75 326	5 108 124
Broadcasters	1 989 276	2 911 768
Sponsors	1 502 398	7 306 217
Other debtors	286 486	90 998
<b>Total</b>	<b>9 278 535</b>	<b>17 498 598</b>
Provision for doubtful accounts	-519 397	-439 837
<b>Total</b>	<b>8 759 138</b>	<b>17 058 761</b>
<b>Aged amount</b>		
Not yet due	1 307 094	999 898
0-90 days	4 225 873	11 559 005
90-180 days	627 603	296 026
180-365 days	2 550 248	2 506 854
> 1 year	567 717	2 136 815
	<b>9 278 537</b>	<b>17 498 598</b>

Following a change of ERP system, unrealised exchange differences are recorded against individual customer accounts at 31 December 2022, and therefore included in the different category classifications.

Unrecognised revenue (deferred revenue) included in debtors amounted to 6.3 million US Dollars (2022: 7.6M USD).

#### 15. OTHER RECEIVABLE, PREPAYMENTS & ACCRUED INCOME

US Dollars	2023	2022
<b>i. Other short term receivables</b>		
VAT receivable	-	3 536
Recoverable withholding tax	516 871	236 403
Other receivable	38 910	
<b>Total other short term receivables</b>	<b>555 781</b>	<b>239 939</b>
<b>ii. Prepayments &amp; accrued income</b>		
Deferred expenses	558 974	3 366 733
Prepaid expenses	1 659 870	220 291
Accrued revenue	459 052	318 397
<b>Total prepayments and accrued income</b>	<b>2 677 896</b>	<b>3 905 422</b>

Deferred expenses relate to deferred marketing commission in respect of revenues on future events recorded in deferred income (note 22).

## 16. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

In preparation for World Aquatics' name change, a subsidiary undertaking, World Aquatics Sarl, was incorporated in 2022 at the Swiss Commercial registry. The entity is dormant and will remain dormant for the foreseeable future. It carries CHF 20 000 (20 120 US Dollars) of founding capital, represented fully by cash at bank at 31 December 2023. The entity is not considered material for consolidation purposes.

## 17. TANGIBLE & INTANGIBLE FIXED ASSETS

US Dollars	Land & Buildings	Furniture & Fittings	Computer & office equipments	Motor Vehicle	Total
<b>Cost</b>					
1 January 2022	19 430 250	440 506	595 074	176 445	20 642 275
Addition 2022	-	-	26 512	-	26 512
31 December 2022	19 430 250	440 506	621 586	176 445	20 668 787
Addition 2023	-	357 188	9 522	-	366 710
31 December 2023	19 430 250	797 694	631 108	176 445	21 035 496
<b>Accumulated depreciation</b>					
1 January 2022	1 457 215	251 287	381 626	72 864	2 162 992
Addition 2022	291 443	55 063	99 698	22 243	468 447
31 December 2022	1 748 658	306 350	481 324	95 107	2 631 438
Addition 2023	291 443	172 038	105 184	35 290	603 955
31 December 2023	2 040 101	478 388	586 508	130 397	3 235 393
<b>Net book value 31 December 2023</b>	<b>17 390 149</b>	<b>319 306</b>	<b>44 600</b>	<b>46 048</b>	<b>17 800 103</b>
Net book value 31 Dec 2022	17 681 592	134 156	140 262	81 338	18 037 348

Intangible Assets. World Aquatics capitalised the implementation cost of a new ERP system introduced in 2022. The total capitalised cost was 55 000 US Dollars. The asset will be amortised over 5 years and the charge for 2023 was 14 000 US Dollars (2022: 2 750 USD)

## 18. RESTRICTED ASSETS AND RESTRICTED FUNDS

World Aquatics receives event deposits from organising committees hosting World Championships, World Cups and other World Aquatics events. Under the terms of the Host City agreements signed, World Aquatics may use such funds to remedy any deficiencies in delivering the event in question. The deposit is returned to the Organising Committee following the event.

Event deposits are recorded as a liability under restricted funds. The funds received are kept in World Aquatics' usual bank current accounts and presented under Restricted Assets in the balance sheet.

For World Championships such deposits are material in value, often received immediately after signature of the contract and held for a number of years until after the event. For other events, the deposits are generally held for a period of no more than one year.

A reconciliation of event deposits can be found in note 23.

## 19. ACCOUNTS PAYABLE

<b>US Dollars</b>	<b>2023</b>	<b>2022</b>
Athletes	101 342	270 809
World Aquatics stakeholders	199 398	288 856
Host Cities	241 014	25 000
Marketing & TV	585 616	177 588
National Federations & Aquatics bodies	1 024 611	2 385 151
Trade creditors	2 022 357	1 231 255
<b>Total Accounts payable</b>	<b>4 174 337</b>	<b>4 378 659</b>

Amounts due to athletes, National Federations and aquatics bodies include prize money from World Aquatics events.

Following a change of ERP system, unrealised exchange differences are recorded against individual supplier accounts at 31 December 2022 and therefore included in the respective category classifications.

## 20. OTHER SHORT-TERM PAYABLES

<b>US Dollars</b>	<b>2023</b>	<b>2022</b>
Value added tax	39 033	18 950
Employee related liabilities	760 682	519 705
<b>Total Other short term payable</b>	<b>799 715</b>	<b>538 655</b>

## 21. ACCRUED LIABILITIES

US Dollars	2023	2022
Event related accruals	-	2 510 095
Marketing agency commission	1 628 187	1 701 557
Development expenditure	2 200 747	1 259 768
Other accrued expenses	73 819	2 772 198
<b>Total Accrued liabilities</b>	<b>3 902 753</b>	<b>8 243 618</b>

## 22. DEFERRED INCOME

US Dollars	2023	2022
<b>Change in deferred income balances</b>		
Net value as of 1 January	80 250 276	91 599 913
Invoiced	63 804 050	22 374 701
Recognised in the year	-62 996 492	-19 165 834
Credit note issued	-25 167 412	-13 400 000
Other adjustments	-16	-1 158 503
Net value as of 31 December	<b>55 890 406</b>	<b>80 250 276</b>
<b>Deferred income by type of income</b>		
World Championship Host City Fees	48 845 088	59 905 000
Roadcasters and sponsors	5 134 046	20 342 269
Other revenue	1 911 272	3 007
<b>Total</b>	<b>55 890 406</b>	<b>80 250 276</b>
Event scheduled < 1 year	34 704 805	40 145 201
Event scheduled > 1 year	21 185 601	40 105 075
<b>Total</b>	<b>55 890 406</b>	<b>80 250 276</b>

Deferred income relates to event revenues invoiced in the year or years preceding the event. Revenue is recognised in the year that the event takes place. Due to the continuing impacts of the Covid-19 pandemic, the World Aquatics Championships in Fukuoka, Japan were postponed to 2023, resulting in the rescheduling of the World Aquatics Championships in Doha, Qatar into 2024. The credit notes issued and disclosed above are almost exclusively related to rescheduling of payment terms for the above Championships and have extremely limited impact on future revenues. Revenues received in respect of the postponed 2022 and 2025 events in Kazan, Russia are currently held in anticipation of rescheduling the championships at a future date.

Deferred income in foreign currencies is recognised at the exchange rate prevailing on the date of invoicing.



## 23. EVENT ORGANISER GUARANTEES HELD ON DEPOSIT

US Dollars	2023	2022
<b>Change in guarantee held in Deposit</b>		
At 1 January	6 690 000	6 430 000
Guarantee invoiced	175 000	260 000
Guarantees refunded or released	-2 565 000	-
<b>At 31 December</b>	<b>4 300 000</b>	<b>6 690 000</b>
Guarantee > 1 year	2 200 000	2 465 000
Guarantees < 1 year	2 100 000	4 225 000
	<b>4 300 000</b>	<b>6 690 001</b>

Event organiser guarantees are classed as restricted assets – see Note 18.

Contractual guarantees covered by a formal bank guarantee are recorded off balance sheet.

## 24. ORGANISATION CAPITAL & ALLOCATION OF THE RESULT

Year ended 2023	1 January	Allocations	ternal transfer	31 December
<b>Tied capital</b>				
Tactical Project reserve	25 000 000	-	-	25 000 000
Revenue & Growth Reserve	33 402 640	6 597 360	-	40 000 000
Tactical Growth Reserve	-	803 228	-	803 228
	<b>58 402 640</b>	<b>7 400 588</b>	<b>-</b>	<b>65 803 228</b>
<b>Free capital - Strategic Defensive Reserve</b>	<b>40 000 000</b>	<b>15 000 000</b>	<b>-</b>	<b>55 000 000</b>
<b>Total organisation capital</b>	<b>98 402 640</b>	<b>22 400 588</b>	<b>-</b>	<b>120 803 228</b>

Year ended 2022	1 January	Allocations	ternal transfer	31 December
<b>Tied capital</b>				
Tactical Project reserve	-	-	25 000 000	25 000 000
Revenue & Growth Reserve	-	-6 597 360	40 000 000	33 402 640
FINA Digital projects	7 201 979	-	-7 201 979	-
Development programmes	28 818 913	-	-28 818 913	-
Event cancellation reserve	27 858 830	-	-27 858 830	-
FINA functioning reserve	14 243 453	-	-14 243 453	-
Financial assets fluctuation resv	12 052 153	-	-12 052 153	-
	<b>90 175 328</b>	<b>-6 597 360</b>	<b>-25 175 328</b>	<b>58 402 640</b>
<b>Free capital - Strategic Defensive Reserve</b>	<b>24 586 758</b>	<b>-9 762 086</b>	<b>25 175 328</b>	<b>40 000 000</b>
<b>Total organisation capital</b>	<b>114 762 086</b>	<b>-16 359 446</b>	<b>-</b>	<b>98 402 640</b>

In 2023, the World Aquatics Bureau approved the restructuring of World Aquatics' reserves in order to better reflect the long-term strategic objectives of the Federation. Two Tied Capital reserves were created and rules were set in order to manage the Federations free capital. The structure of the Reserves is now aligned with World Aquatics' revised investment strategy.

The Strategic Defensive Reserve is a Free Capital Reserve and is intended to be used in the case of a loss of a major event or other ordinary budgeted deficits; the proposed amount is intended to cover two such losses. The amount of the reserve should not fall below 40 million US Dollars and the maximum reserve is 55 million US Dollars.

If at the end of the year, the reserve falls below 40 million US Dollars, an amount shall be transferred from the Revenue & Growth Reserve to return to the minimum amount. (Should there be insufficient funds on the Revenue & Growth Reserve, funds are transferred from the Tactical Project Reserve).

If the reserve exceeds 55 million US Dollars, excess funds are transferred to the Tied Capital reserves in the following order:

- i. Tactical Project Reserve up to minimum amount (25M USD)
- ii. Revenue & Growth Reserve up to minimum amount (40M USD)
- iii. Tactical Growth Reserve up to maximum amount (35M USD)
- iv. Revenue & Growth Reserve

The Tactical Project Reserve is a Tied Capital Reserve and will be used to cover major infrastructure or event development investment projects or to cover operating costs of non-recurring sports/event development projects. Projects shall be approved by the World Aquatics Bureau. Any transfer to the Strategic Defensive Reserve in accordance with the above does not require Bureau approval.

The Revenue & Growth Reserve and the Tactical Growth Reserve are Tied Capital Reserves intended to deliver revenues to reinvest back into the sport. Any use of this reserve other than transfers into the two other reserves shall require Bureau approval.

## **25. UPDATE ON TRANSFER OF THE HEADQUARTERS TO BUDAPEST**

On 26 May 2023, World Aquatics and the Government of Hungary announced that they were engaged in discussions about transferring the headquarters, and the seat, of World Aquatics to Budapest, Hungary. Such discussions are still ongoing in 2024 and, should the discussions end in an agreement, based on anticipated timelines, there is no impact on the going concern of World Aquatics for the foreseeable future.

## **26. SIGNIFICANT EVENTS OCCURRING AFTER THE BALANCE SHEET DATE**

There are no significant events after the balance sheet date which could impact the book value of the assets or liabilities, or which should be disclosed here.



# WORLD AQUATICS



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