

WBSC – World Baseball Softball Confederation

Pully

Report of the statutory auditors on the limited statutory examination of the financial statements 2023

(period from 01.01 to 31.12.2023)

29 May 2024
5/LR/SNE

Report of the statutory auditors on the limited statutory examination

WBSC – World Baseball Softball Confederation, Pully

As statutory auditor, we have examined the financial statements (balance sheet, statement of income and expenditure and notes) of WBSC – World Baseball Softball Confederation for the financial year ended 31 December 2023.

These financial statements are the responsibility of the Executive Board. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements and the proposed appropriation of available earnings do not comply with Swiss law and the Confederation's articles of incorporation.

Lausanne, 29 May 2024
5/LR/SNE

Fibexa SA société fiduciaire



Laurent Rigoli
Licensed audit expert
Auditor in charge



Stéphanie Neumann
Licensed audit expert

Enclosure: Financial statements and proposed appropriation of available earnings

World Baseball Softball Confederation, Pully

**Balance sheet at December 31
(in CHF)**

	Notes	2023	2022
Assets			
Current assets			
Cash & cash equivalents		7'400'796	878'668
Trade receivables		30'966	4'886'448
<i>due from third parties</i>		99'325	5'017'635
<i>due from subsidiaries (postponed CHF 93'533)</i>		104'901	196'849
<i>accrual on doubtful debtors (third)</i>	-	87'745	131'187
<i>accrual on doubtful debtors (subsidiaries)</i>	-	85'515	196'849
Other receivables from partners		100'430	225'577
<i>due from third parties</i>		98'626	223'774
<i>due from subsidiaries</i>		1'804	1'804
Prepaid expenses and accrued income		1'277	16'877
Total current assets		<u>7'533'469</u>	<u>6'007'570</u>
Non-current assets			
Tangible fixed assets	4	15'121'883	15'752'470
Financial assets			
Guarantees		31'695	91'642
Loans		8'009	285'866
<i>due from subsidiaries (postponed CHF 656'467)</i>		664'475	1'007'543
<i>accrual on loan due from a subsidiary</i>	-	656'467	721'678
Other financial assets		6'842'282	1'895'408
Investments	3	91'125	92'747
./. Provision on a subsidiary	-	74'203	74'775
Total non-current assets		<u>22'020'790</u>	<u>18'043'359</u>
Total assets		<u>29'554'258</u>	<u>24'050'929</u>

World Baseball Softball Confederation, Pully

**Balance sheet at December 31
(in CHF)**

	Notes	2023	2022
Liabilities and funds			
Short term liabilities			
Trade payables		152'522	310'903
<i>due to third parties</i>		152'522	299'079
<i>due to subsidiaries</i>		0	11'824
Short term payables bearing interests		6'723'400	6'700'000
<i>due to third parties (bank fixed advances)</i>		5'940'000	6'000'000
<i>due to Swiss Government (Covid-19 loan)</i>		783'400	700'000
Other short term liabilities		1'489'631	184'674
<i>due to third parties</i>		1'489'631	184'674
Accrued expenses and deferred income		5'222'935	82'220
Total short term liabilities		<u>13'588'488</u>	<u>7'277'797</u>
Long term liabilities			
Swiss Government (Covid-19 loan)		732'083	1'593'996
Total long term liabilities		<u>732'083</u>	<u>1'593'996</u>
Total liabilities		<u>14'320'571</u>	<u>8'871'793</u>
Funds			
Profit carried forward	6	<u>15'233'688</u>	<u>15'179'135</u>
Total liabilities and funds		<u>29'554'258</u>	<u>24'050'929</u>

World Baseball Softball Confederation, Pully

**Statement of income and expenditure for the year ended
December 31
(in CHF)**

	Notes	2023	2022
Income			
WBSC membership fees		60'295	63'417
Partners	7	164'072	102'000
World tournaments		492'764	377'692
Premier 12 tournament income	8	9'242'825	6'135'350
TV rights		222'053	198'570
Licensing		152'849	118'009
IOC contributions		49'699	394'634
Sponsoring		48'281	483'595
Other incomes		724'356	98'156
-(Loss) / Profit on debtors	-	251'412	33'740
		<u>10'905'781</u>	<u>7'937'683</u>
Expenditure			
Payroll	-	2'081'352	2'015'098
Administration	9	2'422'616	2'238'450
Development programm	-	407'073	373'884
Competitions cost	-	1'321'543	641'690
Olympic reinstatement campaign	-	141'992	142'288
Commissions	-	32'752	27'706
Executive Committees	10	342'792	281'192
Congress and other conferences	-	0	318'581
Other expenditure	11	1'798'580	839'552
New Office - expenses, taxes and financial interests	-	186'311	99'327
	-	<u>8'735'012</u>	<u>6'977'769</u>
		<u>2'170'768</u>	<u>959'914</u>
EBITDA			
Depreciations	-	630'588	649'882
Net Financial result	-	51'320	163'310
Net foreign exchange differences	-	1'513'942	36'247
		<u>25'081</u>	<u>110'476</u>
Excess of income / (expenditure) for the year, before extraordinary income / (expenses)			
Provision on investment Base International SA - variation		111'334	2'997
Provision on a loan due from a subsidiary - variation		0	49'265
Extraordinary Revenue		2'514	33'227
Previous Year Expenses	-	34'214	0
Extraordinary income / (expenses)		<u>79'634</u>	<u>79'496</u>
		<u>54'552</u>	<u>189'972</u>
Excess of income / (expenditure) for the year			

**Notes to the financial statements 2023
(in CHF)**

1. Activity

The World Baseball Softball Confederation (WBSC) is the world-wide Baseball & Softball sports organization, the headquarters of which are located in Pully, Switzerland.

The main objectives of WBSC are to promote and encourage the development of Baseball & Softball in all possible manifestations throughout the world, to promote and encourage the development of international relations, to organise World Championships and WBSC events and to adopt rules for the various competitions.

2. Summary of significant accounting policies

2.1 Basis of accounting

WBSC is a not for profit association governed by the provisions of the Swiss Civil Code.

These financial statements have been prepared in accordance with the provisions of commercial accounting as set out in the Swiss Code of Obligations (Art. 957 to 962 CO).

Various amounts of prior year have been reclassified in order to have comparative figures.

Income received for events to be held in the future are considered as income according to the contractual agreements and related invoices issued.

2.2 Accounting for foreign currencies

Exchange rates ruling at the year-end. Transactions denominated in currencies other than Swiss franc are recorded at monthly rates. All exchange losses and realised exchange gains are recognised in the statement of income and expenditure.

Closing rate	2023	2022
USD / CHF	0.84162	0.92523
EUR / CHF	0.92970	0.98745

2.3 Revenue recognition

Revenues for services provided are generally recorded when earned and collection is reasonably assured. Marketing & Media Rights revenues are recorded related to the contractual agreements and invoices issued.

2.4 Receivables

Trade receivables and other short-term receivables are carried at their nominal value. Impairment charges are calculated for these assets on an individual basis.

2.5 Investments

Investments are carried at their nominal value or purchase cost. Impairment charges are calculated for these assets on an individual basis.

World Baseball Softball Confederation, Pully

Notes to the financial statements 2023
(in CHF)

	December 31, 2023	December 31, 2022
3. Investments	Votings rights	Votings rights
Teammate Sport International s.r.l. - San Marino Share capital : EUR 26'000	70%	70%
BASE INTERNATIONAL SA - Pully Share capital : CHF 65'000	65%	65%
Game Time Societa Sportiva Dilettantistica Srl - Livorno (It) Share capital : EUR 10'000	99%	99%
4. Tangible fixed assets		
WBSC Headquarter	7'831'346	8'073'553
Headquarter renovation expenditure capitalized	6'798'582	7'081'856
Other tangible fixed assets	491'955	597'062
	<u>15'121'883</u>	<u>15'752'470</u>
5. Guarantees, other indemnities and assets pledged in favour of third parties		
Mortgage Titles	4'000'000	4'000'000
WBSC Headquarter (Pully)	14'629'928	15'155'408
6. Funds		
At beginning of year	15'179'135	14'989'164
Result of the year	54'552	189'972
At end of year	<u>15'233'688</u>	<u>15'179'135</u>
7. Partners		
NPB - Nippon Professional Baseball	72'000	72'000
KSOC - Korean Sport & Olympic Committee	92'072	30'000
	<u>164'072</u>	<u>102'000</u>

Notes to the financial statements 2023
(in CHF)

December 31,
2023

December 31,
2022

8. Premier 12

The Premier12 competition contract for the next editions -- as the major part of the WBSC growth strategy -- will significantly help the WBSC over the next years, especially in the short- and mid-term, resulting in sustained financial security, which will allow the WBSC to improve its overall operations and potential for increasing revenue generation and asset performance.

As Marketing & Media Rights contracts often foreseen advance payments, revenues in connection with future Premier 12 tournaments (2023 and 2027 editions) are recognized as per contractual agreements and invoices issued, based on amounts invoiced.

The following table shows the revenue recognized for future Premier12 events.

Revenue

Premier 12 - 2023 and 2027	9'242'825	6'135'350
	<u>9'242'825</u>	<u>6'135'350</u>

Cumulated payments for 2023 and 2027 editions

Premier 12 - 2023 and 2027	41'209'200	23'223'200
- Payments received in 2018	7'634'400	7'634'400
- Payments received in 2019	4'046'000	4'046'000
- Payments received in 2020	3'946'400	3'946'400
- Payments received in 2021	3'732'800	3'732'800
- Payments received in 2022	3'863'600	3'863'600
- Payments received in 2023	17'986'000	0
	<u>41'209'200</u>	<u>23'223'200</u>

9. Administration expenditure

Consultants and staff mandate	- 762'906	- 830'823
Communications	- 444'396	- 412'846
Rent and maintenance	- 246'663	- 233'472
Office supplies and other	- 247'609	- 282'495
Outsides services	- 401'705	- 223'914
Personnel travel expenses	- 319'338	- 254'900
	<u>- 2'422'616</u>	<u>- 2'238'450</u>

10. Executive Committee

Executive Members	- 243'541	- 220'571
Executive Director	- 74'147	- 49'503
Division Chairman	- 25'104	- 11'118
	<u>- 342'792</u>	<u>- 281'192</u>

World Baseball Softball Confederation, Pully

Notes to the financial statements 2023
(in CHF)

	December 31, 2023	December 31, 2022
11. Other expenditure		
New Project - Baseball 5	- 28'809	- 21'351
WBSC commercial projects	- 1'769'771	- 818'201
	<u>- 1'798'580</u>	<u>- 839'552</u>

12. Workforce

The number of full-time equivalents was between 10 and 50 on an annual average basis.

13. Pension liabilities

AXA Fondation LPP	83	27'815
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14. Additional information

The COVID-19 outbreak had developed rapidly in 2020, with a significant number of infections. Measures taken to contain the virus had affected economic activity and the WBSC business in various ways:

- Postponing of Events
- Postponing of Marketing & Media Rights revenues as events are postponed
- Implementation of New Projects are delayed

The entity applied for a government-supported loan of CHF 3.600.000, which was granted on 31.07.2020 at an interest rate of 0% for the first 500.000 CHF and 0,5% for the remaining amount. Rate conditions may be adapted to market developments on 31 March each year, the first time on 31 March 2022, according to the relevant requirements of the Swiss Federal Department of Finance. WBSC plans to repay the COVID-19 credit upon its financial capacity. During the duration of the use of COVID-19 credit, restrictions apply to the granting and repayment of loans to affiliated companies. In accordance with the provisions relating to loss of capital and/or over-indebtedness according to art. 725 CO, the COVID-19 credit guaranteed up to 500,000 francs is not considered as of the capital of third parties until 31 March 2022 (Art. 24 of the Ordinance on joint and several guarantees related to COVID-19).

15. Subsequent events

No significant event occurred between the end of the reporting period and the date of approval by the Executive Committee, which would result in an adjustment of these financial statements or require their disclosures at this point.

There is no other information to be disclosed as per article CO 959c (Swiss code of obligations).