Finance Director's Report – Q3 2025

Overview

Q3 reflects continued strong performance and financial resilience for the Federation. Trading income exceeded budget expectations by over 40% for the quarter, driven primarily by strong international and coaching activity. While operating costs also rose, these increases directly correlate to higher event participation and travel expenses rather than underlying inefficiency.

Overall, the Federation remains in surplus year-to-date, reporting a net profit of £10.2k, strong liquidity, and net assets of £243.9k. No material financial risks are identified for the remainder of FY25.

Financial Summary (YTD September 2025 vs Budget)

Metric	Actual (YTD)	Budget (YTD)	Variance	Variance %
Turnover	£505,408	£487,692	+£17,716	+3.6%
Operating Expenses	£495,183	£488,700	+£6,483	+1.3%
Net Profit	**£10,225**	**(£1,008)**	**+£11,233**	**+1,114%**
Cash at Bank (30 Sept)	**£329,468**	—	—	—
Net Assets	£243,944	—	—	—

Income Commentary

- Membership income (£172.3k YTD) is below budget by 8%, but this variance is entirely offset by the reduction in divisional rebates, reflecting the structural change introduced by Sport80's direct split model. On a gross basis, membership volumes remain fully in line with budget expectations and consistent with prior-year trends.
- International income (£158.9k YTD) is ahead of budget (+16%), reflecting increased participation and recovery of associated travel and hotel costs for large teams competing in South Africa, Costa Rica, and Malta. However, these revenues have not

fully offset the higher underlying cost base associated with larger delegations and extended stays, resulting in a modest overspend at the net level.

- Coaching courses continue to perform strongly (+47%), reflecting sustained demand and good visibility of the education programme.
- Competition entry fees are stable and in line with budget phasing.
- Sponsorship income (+16%) remains robust

Cost Base and Key Expenditure

Operating expenses were modestly above budget (+1.3%) overall, though international expenditure represents the main area of overspend. The principal variances are as follows:

- Internationals: £260.1k vs £231.4k budget (+£28.8k). The overspend reflects larger national team delegations, particularly for bench press competitions, and the additional costs of extended stays for coaching teams and referees. While international income partially offsets this, overall the Federation is above budget in this area. The increase is viewed as acceptable and aligned with the Federation's commitment to full team representation and adequate support infrastructure at major events.
- Rebates: £16.9k vs £38.0k budget (-£21.1k). This reduction offsets the membership income shortfall, consistent with the new Sport80 direct-split model which has simplified cash handling and improved predictability.
- Drug testing: Actual FY24 expenditure has now been confirmed by the IPF and is lower than previously provisioned. The necessary accounting adjustment will be reflected in Q4 2025. In addition, projected FY25 testing volumes and costs for Q4 are now clearly defined, and the YTD provision will be adjusted accordingly next quarter to reflect the updated data.
- EO and legal expenses: both below budget, reflecting reduced reliance on external services in Q3.
- Referee and marketing costs: slightly above budget, consistent with higher event activity and extended international commitments.
- A one-off hotel cost write-off of approximately €5,000 will be recognised in Q4, following duplicate bookings by a small number of athletes who did not follow the prescribed booking process for the European Bench Press Championships. The booking protocol itself remains sound but requires stricter adherence going forward.

Administrative and depreciation costs remain within expected ranges.

Balance Sheet Position

The Federation's balance sheet remains healthy and well-capitalised:

- Cash reserves of £329k, expect to reduce further in Q4 as we settle FY24 divisional rebates.
- Net assets of £243.9k (Q2: £259.9k), reflecting seasonal cash flow profile.
- Accruals have reduced from £134k to £103k following settlement of outstanding UK event and streaming provision made in H1 2025 along with settlement of some legal invoices.
- Divisional rebates remain accrued at £64k, representing the final legacy period before the Sport80 process became fully embedded.

Risks & Observations

- No material financial or operational risks identified.
- Variances remain timing or structurally driven, not indicative of underlying performance concerns.
- Confirmation from the IPF on final FY24 testing costs materially de-risks the outstanding accrual, with final adjustments to be completed in Q4.
- A procedural issue arose around duplicate hotel bookings for the European Bench Press Championships, where some lifters booked both directly and via the Federation. This resulted in unavoidable duplicate charges to the Federation (approx. €5k), which will be written off in Q4. While isolated, this highlights the importance of strict compliance with central booking procedures to prevent recurrence. Future participation communications will reinforce that any lifter bypassing the approved booking process may be liable for duplicate costs.
- Ongoing use of Sport80's direct split model continues to improve transparency, predictability, and cash control.

Conclusion and Outlook

British Powerlifting continues to demonstrate sound financial management, healthy reserves, and positive net earnings.
With improved visibility on drug testing provisions and stable international operations, Q4 is expected to close ahead of budget. The Federation's move toward automated systems and refined reporting continues to strengthen financial governance and support long-term sustainability.