

**INTERNATIONAL SAILING FEDERATION LIMITED**  
**(Incorporated as a company limited by guarantee**  
**and not having a share capital)**

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31ST DECEMBER 2012**

**Company Number (IOM): 79772C**

**INTERNATIONAL SAILING FEDERATION LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST DECEMBER 2012**

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<b>CONTENTS</b>	<b>Page</b>
Directors' report	1 - 2
Independent auditors' report	3
Consolidated income and expenditure account	4
Consolidated balance sheet	5
Parent company balance sheet	6
Consolidated cash flow statement	7
Notes to financial statements	8 - 13

**INTERNATIONAL SAILING FEDERATION LIMITED****DIRECTORS' REPORT****YEAR ENDED 31ST DECEMBER 2012**

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The directors present their annual report and audited financial statements for the year ended 31st December 2012.

**REVIEW OF THE BUSINESS**

The company is the controlling authority of the sport of sailing in all its forms throughout the world. It is also involved in protecting and promoting the use of International Sailing Classes.

**RESULTS FOR THE YEAR**

The results for the year are set out on page 4.

**DIRECTORS**

The current directors of the company who also served during the year are shown below:

Nazli Imre	
Carlo Emilio Croce	(appointed 10 November 2012)
Winthrop Scott Perry	(appointed 10 November 2012)
George Andreadis	(appointed 10 November 2012)
Chris Atkins	(appointed 10 November 2012)
Adrienne Greenwood	(appointed 10 November 2012)
Gary Jobson	(appointed 10 November 2012)
Quanhai Li	(appointed 10 November 2012)
Göran Petersson	(resigned 10 November 2012)
Tomasz Holc	(resigned 10 November 2012)
Teo-Ping Low	(resigned 10 November 2012)
Eric Tulla	(resigned 10 November 2012)
David Irish	(resigned 10 November 2012)
Luisa Teresa Lara Anzola	(resigned 10 November 2012)
Alberto Predieri	(resigned 10 November 2012)

The company held third party indemnity insurance for the directors during the year.

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to;

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Acts 1931-2004. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INTERNATIONAL SAILING FEDERATION LIMITED**

**DIRECTORS' REPORT (continued)**

**YEAR ENDED 31ST DECEMBER 2012**

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So far as each of the directors is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**AUDITORS**

A resolution re-appointing haysmacintyre will be proposed at the AGM.

BY ORDER OF THE BOARD

J. PELS  
Secretary

12 May 2013

Registered Office:  
69 Athol Street  
Douglas  
Isle of Man  
IM1 1JE

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
INTERNATIONAL SAILING FEDERATION LIMITED**

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We have audited the financial statements of International Sailing Federation Limited for the year ended 31st December 2012 which comprise the Consolidated Income and Expenditure Account, the Consolidated and Parent Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Act 1931 - 2004. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Act 1931-2004 and whether the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2012 and of its surplus for the year then ended;
- the financial statements have been properly prepared in accordance with the Act 1931-2004; and
- the information given in the Directors' Report is consistent with the financial statements.

**haysmacintyre  
Chartered Accountants  
Registered Auditors**

**Fairfax House  
15 Fulwood Place  
London  
WC1V 6AY**

**INTERNATIONAL SAILING FEDERATION LIMITED**  
**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT**  
**YEAR ENDED 31ST DECEMBER 2012**

	Note	2012 £	2011 £
<b>OPERATING INCOME</b>			
Subscriptions		241,716	228,917
Olympic receipts		8,807,438	-
Income from special events		584,905	660,254
Investment income		116,318	175,026
Other income		880,272	805,844
		<u>10,630,649</u>	<u>1,870,041</u>
<b>DIRECT COSTS</b>			
Governance		316,378	315,927
Olympic costs		465,575	181,607
Special events		363,345	290,393
Other direct costs		672,967	848,549
		<u>1,818,265</u>	<u>1,636,476</u>
<b>ADMINISTRATIVE COSTS</b>			
Employment costs		876,052	801,809
Other administrative costs		648,079	480,299
		<u>1,524,131</u>	<u>1,282,108</u>
<b>SURPLUS/(DEFICIT) FOR THE YEAR BEFORE TAXATION</b>	2	7,288,253	(1,048,543)
<b>TAXATION CHARGE</b>	3	(8,837)	(13,853)
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<u>7,279,416</u>	<u>(1,062,396)</u>
Reserves brought forward		4,158,321	5,220,717
<b>RESERVES CARRIED FORWARD</b>		<u>£11,437,737</u>	<u>£4,158,321</u>
Surplus/(deficit) for the year dealt with in the financial statements of :			
Parent company		7,133,183	(1,333,019)
Subsidiary companies		(38,007)	186,684
Quasi-subsiary		184,240	83,939
		<u>£7,279,416</u>	<u>£(1,062,396)</u>

Turnover and operating deficit are derived solely from continuing activities.

All recognised gains and losses are included in the income and expenditure account.

A separate movement of shareholders' funds statement has not been provided since there are no movements other than the retained deficit for the current period.

**INTERNATIONAL SAILING FEDERATION LIMITED****CONSOLIDATED BALANCE SHEET****AT 31ST DECEMBER 2012**

	Note	2012	2011
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	5	27,039	25,469
Investments	6	1,856,879	3,220,847
<b>CURRENT ASSETS</b>			
Debtors	7	215,889	330,343
Cash on deposit	8a	7,245,359	586,314
Cash at bank and in hand	8b	2,885,022	1,192,421
		<u>10,346,270</u>	<u>2,109,078</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	9	<u>(712,237)</u>	<u>(1,197,073)</u>
<b>NET CURRENT ASSETS</b>		<u>9,634,033</u>	<u>912,005</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		11,517,951	4,158,321
<b>CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR</b>	10	<u>(80,214)</u>	<u>-</u>
<b>NET ASSETS</b>		<u>£11,437,737</u>	<u>£4,158,321</u>
<b>MEMBERS' FUNDS</b>	16		
Accumulated fund		<u>£11,437,737</u>	<u>£4,158,321</u>

The financial statements were approved and authorised for issue by the Board of Directors on 12 May 2013 and were signed below on its behalf by:

**CARLO EMILIO CROCE**  
President

**INTERNATIONAL SAILING FEDERATION LIMITED****COMPANY NUMBER (IOM): 79772C****PARENT BALANCE SHEET****AT 31ST DECEMBER 2012**

	Note	2012		2011	
		£	£	£	£
<b>FIXED ASSETS</b>					
Investments	6		-		1,515,658
<b>CURRENT ASSETS</b>					
Debtors	7	144,388		216,117	
Cash on deposit	8a	7,000,000		-	
Cash at bank and in hand	8b	2,186,548		564,929	
		9,330,936		781,046	
<b>CREDITORS : amounts falling due within one year</b>	9	(192,447)		(291,398)	
<b>NET CURRENT ASSETS</b>			9,138,489		489,648
<b>CREDITORS: amounts falling due after one year</b>	10		-		-
<b>NET ASSETS</b>			<u>£9,138,489</u>		<u>£2,005,306</u>
<b>MEMBERS' FUNDS</b>					
Accumulated fund			<u>£9,138,489</u>		<u>£2,005,306</u>

The financial statements were approved and authorised for issue by the Board of Directors on 12 May 2013 and were signed below on its behalf by:

**CARLO EMILIO CROCE**  
President



**INTERNATIONAL SAILING FEDERATION LIMITED****CONSOLIDATED CASH FLOW STATEMENT****YEAR ENDED 31ST DECEMBER 2012**

	Note	2012		2011	
		£	£	£	£
<b>Net cash inflow/(outflow) from operating activities</b>	14		6,919,049		(660,783)
<b>Returns on investments and servicing of finance</b>					
Interest received		7,591		4,588	
Dividends received		108,727		170,438	
<b>Net cash inflow from returns on investments and servicing of finance</b>			116,318		175,026
<b>Taxation</b>					
UK corporation tax paid			(13,853)		(11,861)
<b>Capital expenditure and financial investment</b>					
Payments to acquire investments		(436,859)		(646,388)	
Payments to acquire fixed assets		(18,248)		(12,680)	
Proceeds from disposal of investments		1,785,239		999,958	
<b>Net cash inflow from capital expenditure and financial investment</b>			1,330,132		340,890
<b>INCREASE/(DECREASE) IN CASH</b>			<u>£8,351,646</u>		<u>£(156,728)</u>
<b>RECONCILIATION OF NET CASH INFLOW TO TO MOVEMENT IN NET FUNDS</b>					
					£
Increase in cash for year					<u>8,351,646</u>
Movement for the year					8,351,646
Net funds at 1st January 2012					<u>1,778,735</u>
<b>Net funds at 31st December 2012</b>					<u><u>£10,130,381</u></u>

**INTERNATIONAL SAILING FEDERATION LIMITED****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST DECEMBER 2012****1. ACCOUNTING POLICIES****ACCOUNTING BASIS**

The financial statements are prepared on the historical cost basis and in accordance with applicable accounting standards.

**FOREIGN EXCHANGE**

Assets and liabilities denominated in foreign currencies are translated at the rates ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Differences arising on exchange are written off to the income and expenditure account.

**DEPRECIATION**

Depreciation is calculated to write down the cost of the assets over their expected useful lives at the following rates.

Furniture, fixtures and equipment                      20% per annum or 33 1/3% per annum on cost

**DEFERRED TAXATION**

Deferred tax is provided using the full provision method. Deferred tax is recognised in respect of all timing differences which have originated but not reversed at the balance sheet date. It is the company's policy not to discount deferred tax to reflect the time value of money.

**OPERATING LEASES**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to income and expenditure account as incurred.

<b>2. DEFICIT FOR THE YEAR BEFORE TAXATION</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
This is stated after charging/(crediting) :		
Auditors' remuneration	21,179	21,630
Depreciation	16,024	13,617
Operating lease rentals - land and buildings	83,750	83,750
- other	4,797	4,797
Realised and unrealised foreign exchange loss	108,633	35,270
	<u>          </u>	<u>          </u>

**INTERNATIONAL SAILING FEDERATION LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31ST DECEMBER 2012**

<b>3. TAX ON DEFICIT ON ORDINARY ACTIVITIES</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>a) UK Corporation tax on deficit for the year</b>		
Corporation tax at 20%	8,837	13,853
Total current tax (note 4(b))	<u>8,837</u>	<u>13,853</u>
Deferred tax	-	-
	<u>£8,837</u>	<u>£13,853</u>
<b>b) Tax charge reconciliation</b>		
Surplus/(deficit) on ordinary activities before tax		
- Parent	7,133,183	(1,333,019)
- Subsidiary	(29,170)	200,537
- Quasi subsidiary	184,240	83,939
	<u>£7,288,253</u>	<u>£(1,048,543)</u>
Surpluses on ordinary activities multiplied by the standard U.K. rate of corporation tax 20% (2011: 21%) – subsidiary	9,750	15,022
Effects of:		
Depreciation in excess of capital allowances	-	-
Capital allowances in excess of depreciation	(1,055)	(668)
Expenses not deductible for tax purposes	142	15
Effect of changes in tax rates (21% to 20%)	-	(516)
	<u>£8,837</u>	<u>£13,853</u>

The parent company and the quasi subsidiary are not subject to corporation tax on profits or surpluses.

<b>4a. STAFF COSTS</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Wages and salaries	828,569	746,638
Social security costs	89,395	79,663
Pension costs	37,181	34,514
	<u>£955,145</u>	<u>£860,815</u>
	<b>No.</b>	<b>No.</b>
The average monthly number of employees during the year was	<u>23</u>	<u>23</u>

**4b. DIRECTORS' EMOLUMENTS**

No director received any emoluments during the year.

**INTERNATIONAL SAILING FEDERATION LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31ST DECEMBER 2012**

<b>5. TANGIBLE ASSETS – GROUP</b>	<b>Furniture, fittings and equipment £</b>			
At 1st January 2012		247,063		
Additions		18,248		
Disposals		(10,931)		
At 31st December 2012		<u>254,380</u>		
<b>DEPRECIATION</b>				
At 1st January 2012		221,594		
Charge for year		16,024		
Eliminated on disposal		(10,277)		
At 31st December 2012		<u>227,341</u>		
<b>NET BOOK VALUE</b>				
At 31st December 2012		<u>£27,039</u>		
At 31st December 2011		<u>£25,469</u>		
<b>6. FIXED ASSET INVESTMENTS</b>	<b>Group £</b>	<b>Company £</b>		
Cost at 1st January 2012	3,220,847	1,515,658		
Additions	436,858	-		
Disposals	(1,800,826)	(1,515,658)		
Cost at 31st December 2012	<u>1,856,879</u>	<u>-</u>		
Market value at 31st December 2012	<u>1,933,621</u>	<u>-</u>		
<b>7. DEBTORS</b>	<b>Group</b>	<b>Company</b>		
	<b>2012 £</b>	<b>2011 £</b>	<b>2012 £</b>	<b>2011 £</b>
Subscriptions and international class fees receivable	16,817	26,686	16,368	26,498
Other debtors	41,359	95,195	18,639	26,060
Prepayments and accrued income	157,713	208,462	59,849	108,845
Amounts due from subsidiary undertaking	-	-	49,532	54,714
	<u>£215,889</u>	<u>£330,343</u>	<u>£144,388</u>	<u>£216,117</u>

**INTERNATIONAL SAILING FEDERATION LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31ST DECEMBER 2012**

8a. CASH ON DEPOSIT	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Sterling balances	7,000,000	-	7,000,000	-
Euro balances	245,359	586,314	-	-
	<u>£7,245,359</u>	<u>£586,314</u>	<u>£7,000,000</u>	<u>£ -</u>

The exchange rate used at 31 December 2012 was €1.223: £1.

**8b. CASH IN HAND AND AT BANK**

Sterling balances	1,475,492	432,350	1,331,055	264,191
Euros balances	924,757	627,077	436,231	167,744
US Dollar balances	419,670	132,994	419,262	132,994
Australian Dollar balances	65,103	-	-	-
	<u>£2,885,022</u>	<u>£1,192,421</u>	<u>£2,186,548</u>	<u>£564,929</u>

The exchange rates used at 31 December 2012 were €1.223: £1, US \$1.616: £1 and Aus \$1.559:£1.

9. CREDITORS: amounts falling due within one year	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Trade creditors	31,788	27,697	10,151	8,267
Other creditors	22,165	36,143	22,085	29,658
Other taxes and social security	21,875	21,147	-	-
UK Corporation tax	8,837	13,853	-	-
Accruals and deferred income	627,572	1,098,233	133,539	101,927
Amounts due to subsidiary undertaking	-	-	26,672	151,546
	<u>£712,237</u>	<u>£1,197,073</u>	<u>£192,447</u>	<u>£291,398</u>

10. CREDITORS: amounts falling due after one year	2012 £	2011 £	2012 £	2011 £
Accruals and deferred income	<u>£80,214</u>	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>

**11. LIABILITY OF MEMBERS**

Every full member of the Federation undertakes to contribute such amount as may be required not exceeding £1 to the assets of the Federation if it should be wound up while they are a Full Member or within one year after they cease to be a Full Member, for payment of the Federation's debts and liabilities contracted before they cease to be a Full Member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves.

The number of full members on 31st December 2012 was 138 (2011: 137).

**INTERNATIONAL SAILING FEDERATION LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31ST DECEMBER 2012**

12. OPERATING LEASES – GROUP	Land and buildings		Other	
	2012	2011	2012	2011
	£	£	£	£
Annual commitment under operating leases:				
Expiring within one year	-	-	-	-
Expiring after one year but within five years	-	-	-	2,316
Expiring after five years	83,750	83,750	2,481	2,481
	<u>83,750</u>	<u>83,750</u>	<u>2,481</u>	<u>2,481</u>

**13. SUBSIDIARY COMPANIES**

At 31st December 2012 the company owned the whole of the issued share capital of ISAF (UK) Limited which is incorporated in Great Britain and ISAF Event Management Limited which is incorporated in the Isle of Man.

14. RECONCILIATION OF SURPLUS/(DEFICIT) FOR THE YEAR TO NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES	2012	2011
	£	£
Operating surplus/(deficit)	7,288,253	(1,048,543)
Depreciation	16,024	13,617
Loss on sale of investment	15,588	30,042
Impairment of investments	-	13,389
Loss/(profit) on sale of fixed assets	654	-
Decrease/(increase) in debtors	114,454	(86,116)
(Decrease)/increase in creditors	(399,606)	591,854
Interest received	(7,591)	(4,588)
Dividends	(108,727)	(170,438)
<b>Net cash inflow/(outflow) from operating activities</b>	<u>£6,919,049</u>	<u>£(660,783)</u>

15. ANALYSIS OF CHANGES IN CASH	At 1st January 2012	Cashflow	At 31st December 2012
	£	£	£
Cash at bank and in hand	1,192,421	1,692,601	2,885,022
Cash on deposit	586,314	6,659,045	7,245,359
	<u>£1,778,735</u>	<u>£8,351,646</u>	<u>£10,130,381</u>

16. MEMBERS' FUNDS	Fund
	£
At 1st January 2012	4,158,321
Surplus for the year	7,279,416
	<u>£11,437,737</u>

**INTERNATIONAL SAILING FEDERATION LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31ST DECEMBER 2012****17. QUASI SUBSIDIARY**

The ISAF Trust is a quasi-subsiary of the International Sailing Federation Limited.

<b>Profit and loss for the year ending 31st December</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>Income</b>		
Donation from ISF	110,000	-
Investment income	66,516	70,922
Foreign exchange gain	-	-
	<u>176,516</u>	<u>70,922</u>
<b>Expenditure</b>		
Fees	(13,446)	(13,102)
Accountancy fees	(2,400)	(1,700)
Bank charges	(101)	-
Profit on sale of investments	24,818	28,716
Foreign exchange loss	(1,147)	(897)
	<u>£184,240</u>	<u>£83,939</u>
<b>Balance sheet as at 31st December</b>	<b>£</b>	<b>£</b>
Fixed asset investments – at cost	1,856,879	1,705,189
Debtors	29,483	28,307
Cash	54,045	23,981
Creditors	(8,066)	(9,376)
	<u>£1,932,341</u>	<u>£1,748,101</u>