

**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 2013**

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

**INTERNATIONAL SAILING FEDERATION LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31ST DECEMBER 2013**

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# **INTERNATIONAL SAILING FEDERATION LIMITED**

## **DIRECTORS' REPORT**

**YEAR ENDED 31ST DECEMBER 2013**

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The directors present their annual report and audited financial statements for the year ended 31st December 2013.

### **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:

George Andreadis  
Chris Atkins  
Carlo Emilio Croce  
Adrienne Greenwood  
Nazli Imre  
Gary Jobson  
Quanhai Li  
Winthrop Scott Perry

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.

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.

**INTERNATIONAL SAILING FEDERATION LIMITED**

**DIRECTORS' REPORT (continued)**

**YEAR ENDED 31ST DECEMBER 2013**

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**AUDITORS**

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

BY ORDER OF THE BOARD

J. PELS  
Secretary

9 May 2014

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 2013 which comprise the Consolidated Income and Expenditure Account, the Consolidated and Parent Balance Sheet, the Consolidated 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 2013 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**

**26 Red Lion Square  
London  
WC1R 4AG**

**INTERNATIONAL SAILING FEDERATION LIMITED**  
**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT**  
**YEAR ENDED 31ST DECEMBER 2013**

	Note	2013 £	2012 £
<b>OPERATING INCOME</b>			
Subscriptions		239,298	241,716
Olympic receipts		877,817	8,807,438
Income from special events		549,454	584,905
Investment income		130,761	116,318
Other income		646,070	880,272
		<u>2,443,400</u>	<u>10,630,649</u>
<b>DIRECT COSTS</b>			
Governance		400,728	316,378
Olympic costs		223,216	465,575
Special events		448,523	363,345
Other direct costs		632,351	672,967
		<u>1,704,818</u>	<u>1,818,265</u>
<b>ADMINISTRATIVE COSTS</b>			
Employment costs		933,007	876,052
Other administrative costs		498,691	648,079
		<u>1,431,698</u>	<u>1,524,131</u>
<b>(DEFICIT)/SURPLUS FOR THE YEAR BEFORE TAXATION</b>	2	(693,116)	7,288,253
<b>TAXATION CHARGE</b>	3	(23,588)	(8,837)
<b>(DEFICIT)/SURPLUS FOR THE YEAR</b>		<u>(716,704)</u>	<u>7,279,416</u>
Reserves brought forward		11,437,737	4,158,321
<b>RESERVES CARRIED FORWARD</b>		<u>£10,721,033</u>	<u>£11,437,737</u>
Surplus for the year dealt with in the financial statements of :			
Parent company		(715,658)	7,133,183
Subsidiary companies		(48,114)	(38,007)
Quasi-subsiary		47,067	184,240
		<u>£(716,704)</u>	<u>£7,279,416</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 2013

	Note	2013	2012
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	5	51,747	27,039
Investments	6	1,931,900	1,856,879
<b>CURRENT ASSETS</b>			
Debtors	7	254,830	215,889
Cash on deposit	8a	5,000,000	7,245,359
Cash at bank and in hand	8b	4,425,372	2,885,022
		<u>9,680,202</u>	<u>10,346,270</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	9	<u>(909,669)</u>	<u>(712,237)</u>
<b>NET CURRENT ASSETS</b>		<u>8,770,533</u>	<u>9,634,033</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>10,754,180</u>	<u>11,517,951</u>
<b>CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR</b>	10	(25,000)	(80,214)
<b>DEFERRED TAX</b>	11	(8,147)	-
<b>NET ASSETS</b>		<u>£10,721,033</u>	<u>£11,437,737</u>
<b>MEMBERS' FUNDS</b>	17		
Accumulated fund		<u>£10,721,033</u>	<u>£11,437,737</u>

The financial statements were approved and authorised for issue by the Board of Directors on 9 May 2014 and were signed below on its behalf by:

**CARLO EMILIO CROCE**  
President

## PARENT BALANCE SHEET

AT 31ST DECEMBER 2013

	Note	2013		2012	
		£	£	£	£
<b>CURRENT ASSETS</b>					
Debtors	7	463,169		144,388	
Cash on deposit	8a	5,000,000		7,000,000	
Cash at bank and in hand	8b	3,256,513		2,186,548	
				<u>          </u>	<u>          </u>
		8,719,682		9,330,936	
<b>CREDITORS : amounts falling due within one year</b>	9	<u>(296,850)</u>		<u>(192,447)</u>	
<b>NET CURRENT ASSETS</b>			8,422,832		9,138,489
<b>CREDITORS: amounts falling due after one year</b>	10		-		-
<b>NET ASSETS</b>			<u>£8,422,832</u>		<u>£9,138,489</u>
<b>MEMBERS' FUNDS</b>					
Accumulated fund			<u>£8,422,832</u>		<u>£9,138,489</u>

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

**CARLO EMILIO CROCE**  
President



**INTERNATIONAL SAILING FEDERATION LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT**

**YEAR ENDED 31ST DECEMBER 2013**

	Note	2013		2012	
		£	£	£	£
<b>Net cash (outflow)/inflow from operating activities</b>	15		(706,117)		6,919,049
<b>Returns on investments and servicing of finance</b>					
Interest received		62,041		7,591	
Dividends received		68,720		108,727	
<b>Net cash inflow from returns on investments and servicing of finance</b>			130,761		116,318
<b>Taxation</b>					
UK corporation tax paid			(8,837)		(13,853)
<b>Capital expenditure and financial investment</b>					
Payments to acquire investments		(248,587)		(436,859)	
Payments to acquire fixed assets		(41,942)		(18,248)	
Proceeds from disposal of investments		169,713		1,785,239	
<b>Net cash (outflow)/inflow from capital and financial investment</b>			(120,816)		1,330,132
<b>(DECREASE)/INCREASE IN CASH</b>			<b>£(705,009)</b>		<b>£8,351,646</b>
<b>RECONCILIATION OF NET CASH INFLOW TO TO MOVEMENT IN NET FUNDS</b>					
					£
Decrease in cash for year					(705,009)
Movement for the year					(705,009)
Net funds at 1st January 2013					10,130,381
<b>Net funds at 31st December 2013</b>					<b>£9,425,372</b>

# INTERNATIONAL SAILING FEDERATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2013

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### 1. ACCOUNTING POLICIES

#### ACCOUNTING BASIS

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

#### GROUP ACCOUNTS

These financial statements consolidate the results of the company and its wholly owned subsidiaries, ISAF (UK) Limited (Company number 3255744) and ISAF Event Management Limited (IOM Company number 104610C), on a line by line basis. They also consolidate the results of its quasi subsidiary, The ISAF Trust, on the basis on control.

#### 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.

### 2. DEFICIT FOR THE YEAR BEFORE TAXATION

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
This is stated after charging/(crediting) :		
Auditors' remuneration	21,799	21,179
Depreciation	17,234	16,024
Operating lease rentals - land and buildings	83,750	83,750
- other	4,797	4,797
Realised and unrealised foreign exchange loss	49,463	108,633
	<u>          </u>	<u>          </u>

**INTERNATIONAL SAILING FEDERATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31ST DECEMBER 2013**

<b>3. TAX ON DEFICIT ON ORDINARY ACTIVITIES</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>a) UK Corporation tax on deficit for the year</b>		
Corporation tax at 20%	15,441	8,837
Total current tax (note 3(b))	<u>15,441</u>	<u>8,837</u>
Deferred tax	8,147	-
	<u>£23,588</u>	<u>£8,837</u>
<b>b) Tax charge reconciliation</b>		
(Deficit)/surplus on ordinary activities before tax	(693,116)	7,288,253
Foreign entity deficits/(surpluses) not subject to UK tax	797,345	(7,239,505)
	<u>£104,229</u>	<u>£48,748</u>
Surpluses on ordinary activities multiplied by the standard U.K. rate of corporation tax 20% (2012: 20%) – subsidiary	20,846	9,750
Effects of:		
Capital allowances in excess of depreciation	(5,425)	(1,055)
Expenses not deductible for tax purposes	20	142
	<u>£15,441</u>	<u>£8,837</u>

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

<b>4a. STAFF COSTS</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Wages and salaries	873,639	828,569
Social security costs	96,243	89,395
Pension costs	51,010	37,181
	<u>£1,020,892</u>	<u>£955,145</u>

	<b>No.</b>	<b>No.</b>
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The average monthly number of employees during the year was	<u>23</u>	<u>23</u>
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**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 2013**

<b>5. TANGIBLE ASSETS – GROUP</b>	<b>Furniture, fittings and equipment £</b>			
At 1st January 2013		254,380		
Additions		41,942		
Disposals		(14,492)		
		<u>281,830</u>		
At 31st December 2013		<u>281,830</u>		
<b>DEPRECIATION</b>				
At 1st January 2013		227,341		
Charge for year		17,234		
Eliminated on disposal		(14,492)		
		<u>230,083</u>		
At 31st December 2013		<u>230,083</u>		
<b>NET BOOK VALUE</b>				
At 31st December 2013		<u>£51,747</u>		
At 31st December 2012		<u>£27,039</u>		
		<u>£27,039</u>		
<b>6. FIXED ASSET INVESTMENTS</b>	<b>Group £</b>	<b>Company £</b>		
Cost at 1st January 2013	1,856,879	-		
Additions	248,587	-		
Disposals	(173,566)	-		
	<u>1,931,900</u>	<u>-</u>		
Cost at 31st December 2013	<u>£1,931,900</u>	<u>-</u>		
Market value at 31st December 2013	<u>£2,118,322</u>	<u>-</u>		
	<u>£2,118,322</u>	<u>-</u>		
<b>7. DEBTORS</b>	<b>Group</b>	<b>Company</b>		
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Subscriptions and international class fees receivable	10,630	16,817	10,630	16,368
Other debtors	95,893	41,359	39,107	18,639
Prepayments and accrued income	148,307	157,713	63,695	59,849
Amounts due from subsidiary undertaking	-	-	349,737	49,532
	<u>£254,830</u>	<u>£215,889</u>	<u>£463,169</u>	<u>£144,388</u>
	<u>£254,830</u>	<u>£215,889</u>	<u>£463,169</u>	<u>£144,388</u>

INTERNATIONAL SAILING FEDERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31ST DECEMBER 2013

8a. CASH ON DEPOSIT	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Sterling balances	5,000,000	7,000,000	5,000,000	7,000,000
Euro balances	-	245,359	-	-
	<u>£5,000,000</u>	<u>£7,245,359</u>	<u>£5,000,000</u>	<u>£7,000,000</u>

The exchange rate used at 31 December 2013 was €1.198: £1.

8b. CASH IN HAND AND AT BANK

Sterling balances	1,822,889	1,475,492	1,713,029	1,331,055
Euros balances	1,432,894	924,757	374,674	436,231
US Dollar balances	1,169,548	419,670	1,168,810	419,262
Australian Dollar balances	41	65,103	-	-
	<u>£4,425,372</u>	<u>£2,885,022</u>	<u>£3,256,513</u>	<u>£2,186,548</u>

The exchange rates used at 31 December 2013 were €1.198: £1, US \$1.650: £1 and Aus \$1.859:£1.

9. CREDITORS: amounts falling due within one year	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Trade creditors	72,908	31,788	14,510	10,151
Other creditors	26,744	22,165	1,222	22,085
Other taxes and social security	-	21,875	-	-
UK Corporation tax	15,441	8,837	-	-
Accruals and deferred income	794,577	627,572	185,762	133,539
Amounts due to subsidiary undertaking	-	-	95,356	26,672
	<u>£909,669</u>	<u>£712,237</u>	<u>£296,850</u>	<u>£192,447</u>

10. CREDITORS: amounts falling due after one year

Accruals and deferred income	<u>£25,000</u>	<u>£80,214</u>	<u>£ -</u>	<u>£ -</u>
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11. DEFERRED TAX

	2013 £
At beginning of year	-
Charge for year	8,147
At end of year	<u>£8,147</u>

The provision at the year end relates to accelerated capital allowances.

**INTERNATIONAL SAILING FEDERATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31ST DECEMBER 2013**

**12. 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 2013 was 138 (2012: 138).

**13. OPERATING LEASES – GROUP**

	Land and buildings		Other	
	2013	2012	2013	2012
	£	£	£	£
Annual commitment under operating leases:				
Expiring within one year	-	-	-	-
Expiring after one year but within five years	-	-	4,797	2,316
Expiring after five years	83,750	83,750	-	2,481
	<u>83,750</u>	<u>83,750</u>	<u>-</u>	<u>2,481</u>

**14. SUBSIDIARY COMPANIES**

At 31st December 2013 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.

**15. RECONCILIATION OF (DEFICIT)/SURPLUS FOR THE YEAR TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2013	2012
	£	£
Operating (deficit)/surplus	(693,116)	7,288,253
Depreciation	17,234	16,024
Loss on sale of investment	3,852	15,588
Loss on sale of fixed assets	-	654
(Increase)/decrease in debtors	(38,941)	114,454
Increase/(decrease) in creditors	135,615	(399,606)
Interest received	(62,041)	(7,591)
Dividends	(68,720)	(108,727)
<b>Net cash (outflow)/inflow from operating activities</b>	<u>£(706,117)</u>	<u>£6,919,049</u>

**16. ANALYSIS OF CHANGES IN CASH**

	At 1st January	Cash flow	At
	2013		31st December
	£	£	£
Cash at bank and in hand	2,885,022	1,540,350	4,425,372
Cash on deposit	7,245,359	(2,245,359)	5,000,000
	<u>£10,130,381</u>	<u>£(705,009)</u>	<u>£9,425,377</u>

**17. MEMBERS' FUNDS**

	£
At 1st January 2013	11,437,737
Deficit for the year	(716,704)
	<u>£10,721,033</u>

**INTERNATIONAL SAILING FEDERATION LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31ST DECEMBER 2013****18. 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>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Income</b>		
Donation from International Sailing Federation Limited	-	110,000
Investment income	68,720	66,516
	<u>68,720</u>	<u>176,516</u>
<b>Expenditure</b>		
Fees	(14,795)	(13,446)
Accountancy fees	(2,400)	(2,400)
Bank charges	-	(101)
Profit on sale of investments	(3,852)	24,818
Foreign exchange loss	(606)	(1,147)
	<u>£47,067</u>	<u>£184,240</u>
<b>Balance sheet as at 31st December</b>	<b>£</b>	<b>£</b>
Investments – at cost	1,931,900	1,856,879
Debtors	30,161	29,483
Cash	29,582	54,045
Creditors	(12,235)	(8,066)
Net assets	<u>£1,979,408</u>	<u>£1,932,341</u>