

**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 2009**

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

**INTERNATIONAL SAILING FEDERATION LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST DECEMBER 2009**

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**INTERNATIONAL SAILING FEDERATION LIMITED**

**DIRECTORS' REPORT**

**YEAR ENDED 31ST DECEMBER 2009**

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The directors present their annual report and audited financial statements for the year ended 31st December 2009.

**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 directors of the company during the year are shown below :

Göran Petersson  
George Andreadis  
Kamen Fillyov  
Tomasz Holc  
Jean-Pierre Champion  
Teo-Ping Low  
David Tillett  
Maximo Rivero Kelly  
Jane Moon  
Eric Tulla  
Charles Cook  
David Irish  
Ross Robson  
Jeffery Martin  
Cornelia Sertl  
Luisa Teresa Lara Anzola  
Christopher Atkins  
Ajay Balram  
John Crebbin  
Nazli Imre  
Fiona Kidd  
Alexander Kotenkov  
Takao Otani  
Gerardo Pombo  
Quanhai Li  
David Sprague  
Sergio Gaibisso  
Patrick Bergmans  
Alberto Predieri  
Harry Adler  
Khalifa Mohd. Al-Sewaidi  
Ralph Roberts  
Tatjana Antoncic  
Stig Hvide Smith  
Tomasz Chamera  
Kurt Lonnqvist  
Rolf Bähr  
Andrés Santana  
Jacques Lehn

(Appointed 30 March 2009)

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

**INTERNATIONAL SAILING FEDERATION LIMITED**

**DIRECTORS' REPORT (continued)**

**YEAR ENDED 31ST DECEMBER 2009**

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**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 which give a true and fair view of the state of affairs of the company and the group and of the surplus or deficit of the group for that period. In preparing those 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

**AUDITORS**

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

BY ORDER OF THE BOARD

J. PELS  
Secretary

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 2009 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 2009 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 2009**

	<b>Note</b>	<b>2009 £</b>	<b>2008 £</b>
<b>OPERATING INCOME</b>			
Subscriptions		215,106	214,667
Olympic receipts		-	5,313,182
Income from special events		304,286	200,294
Investment income		102,046	95,469
Other income		497,322	662,236
		<u>1,118,760</u>	<u>6,485,848</u>
<b>DIRECT COSTS</b>			
Governance		204,146	295,597
Olympic costs		110,667	299,387
Special events		185,108	148,270
Other direct costs		337,945	314,991
		<u>837,866</u>	<u>1,058,245</u>
<b>ADMINISTRATIVE COSTS</b>			
Employment costs		690,349	866,461
Other administrative costs		449,954	384,543
		<u>1,140,303</u>	<u>1,251,004</u>
<b>(DEFICIT)/SURPLUS FOR THE YEAR BEFORE TAXATION</b>	<b>2</b>	<u>(859,409)</u>	<u>4,176,599</u>
<b>TAXATION CHARGE</b>	<b>3</b>	<u>(9,772)</u>	<u>(19,438)</u>
<b>(DEFICIT)/SURPLUS FOR THE YEAR</b>		<u>(869,181)</u>	<u>4,157,161</u>
Reserves brought forward		7,083,500	2,926,339
<b>RESERVES CARRIED FORWARD</b>		<u><u>£6,214,319</u></u>	<u><u>£7,083,500</u></u>
(Deficit)/surplus for the year dealt with in the financial statements of :			
Parent company		(982,727)	3,995,304
Subsidiary companies		68,555	81,447
Quasi-subsidiary		44,991	80,410
		<u><u>£(869,181)</u></u>	<u><u>£4,157,161</u></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 2009**

	Note	2009 £	2008 £
<b>FIXED ASSETS</b>			
Tangible assets	5	18,064	5,976
Investments	6	1,463,512	1,346,402
<b>CURRENT ASSETS</b>			
Debtors	7	206,301	268,687
Cash on deposit	8a	260,567	2,573,057
Cash at bank and in hand	8b	4,943,493	3,333,306
		5,410,361	6,175,050
<b>CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	9	(318,116)	(378,959)
<b>NET CURRENT ASSETS</b>		5,092,245	5,796,091
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		6,573,821	7,148,469
<b>CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR</b>	10	(359,502)	(64,969)
<b>NET ASSETS</b>		£6,214,319	£7,083,500
<b>MEMBERS' FUNDS</b>	16		
Accumulated fund		£6,214,319	£7,083,500

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

and were signed

**GÖRAN PETERSSON**  
President

**INTERNATIONAL SAILING FEDERATION LIMITED****COMPANY NUMBER (IOM): 79772C****PARENT BALANCE SHEET****AT 31ST DECEMBER 2009**

		<b>2009</b>		<b>2008</b>	
	<b>Note</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>CURRENT ASSETS</b>					
Debtors	7	327,332		82,422	
Cash on deposit	8a	260,567		2,573,057	
Cash at bank and in hand	8b	4,344,338		3,124,799	
		<u>4,932,237</u>		<u>5,780,278</u>	
<b>CREDITORS : amounts falling due within one year</b>	9	<u>(233,581)</u>		<u>(316,074)</u>	
<b>NET CURRENT ASSETS</b>			4,698,656		5,464,204
<b>CREDITORS: amounts falling due after one year</b>	10		<u>(217,176)</u>		<u>-</u>
<b>NET ASSETS</b>			<u><u>£4,481,480</u></u>		<u><u>£5,464,204</u></u>
<b>MEMBERS' FUNDS</b>					
Accumulated fund			<u><u>£4,481,480</u></u>		<u><u>£5,464,204</u></u>

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

and were signed

**GÖRAN PETERSSON**  
President



**INTERNATIONAL SAILING FEDERATION LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**YEAR ENDED 31ST DECEMBER 2009**

	Note	£	2009	£	£	2008	£
<b>Net cash (outflow)/inflow from operating activities</b>	14			(649,677)		4,091,744	
<b>Returns on investments and servicing of finance</b>							
Interest received			33,402			31,507	
Dividends received			62,388			63,692	
<b>Net cash inflow from returns on investments and servicing of finance</b>				95,790		95,199	
<b>Taxation</b>							
UK corporation tax paid				(16,451)		(12,551)	
<b>Capital expenditure and financial investment</b>							
Payments to acquire investments			(441,516)			(76,918)	
Payments to acquire fixed assets			(21,111)			(3,689)	
Proceeds from disposal of investments			330,662			63,591	
Proceeds from disposal of fixed assets			-			1,006	
<b>Net cash outflow from capital expenditure and financial investment</b>				(131,965)		(16,010)	
<b>(DECREASE)/INCREASE IN CASH</b>				£(702,303)		£4,158,382	
<b>RECONCILIATION OF NET CASH INFLOW TO TO MOVEMENT IN NET FUNDS</b>						£	
Decrease in cash for year						(702,303)	
Movement for the year						(702,303)	
Net funds at 1st January 2009						5,906,363	
<b>Net funds at 31st December 2009</b>						£5,204,060	

**INTERNATIONAL SAILING FEDERATION LIMITED****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST DECEMBER 2009****1. ACCOUNTING POLICIES****ACCOUNTING BASIS**

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

**FOREIGN EXCHANGE**

Income and expenditure in currencies other than sterling are translated at the rate of exchange ruling on the date of receipt of payment.

Assets and liabilities denominated in foreign currencies are translated at the rates ruling at the balance sheet date. 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
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**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. SURPLUS FOR THE YEAR BEFORE TAXATION**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
This is stated after charging/(crediting) :		
Auditors' remuneration	21,424	20,380
Depreciation	9,023	15,884
Operating lease rentals - land and buildings	83,750	83,750
- other	2,099	2,099
Realised and unrealised foreign exchange loss/(gain)	53,087	(171,606)
	<u><u>          </u></u>	<u><u>          </u></u>

**INTERNATIONAL SAILING FEDERATION LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31ST DECEMBER 2009**

<b>3. TAX ON SURPLUS ON ORDINARY ACTIVITIES</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
<b>a) UK Corporation tax on surpluses for the year</b>		
Corporation tax at 20%	-	4,658
Corporation tax at 21%	12,759	14,780
	<hr/>	<hr/>
Total current tax (note 4(b))	12,759	19,438
	(2,987)	-
Deferred tax	-	-
	<hr/>	<hr/>
	£9,772	£19,438
	<hr/>	<hr/>
<b>b) Tax charge reconciliation</b>		
(Deficit)/surplus on ordinary activities before tax		
- Parent	(982,727)	3,995,304
- Subsidiary	78,327	100,885
- Quasi subsidiary	44,991	80,410
	<hr/>	<hr/>
	£(859,409)	£4,176,599
	<hr/>	<hr/>
Surpluses on ordinary activities multiplied by the standard U.K. rate of corporation tax 28% (2008: 28/30%) – subsidiary	20,033	25,117
Effects of:		
Depreciation in excess of capital allowances	-	1,548
Capital allowances in excess of depreciation	(3,021)	-
Expenses not deductible for tax purposes	-	32
Marginal relief	(4,253)	(7,259)
	<hr/>	<hr/>
	£12,759	£19,438
	<hr/>	<hr/>

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

<b>4a. STAFF COSTS</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Wages and salaries (including directors)	590,338	806,624
Social security costs	65,279	62,478
Pension costs	31,499	43,018
	<hr/>	<hr/>
	£687,116	£912,120
	<hr/>	<hr/>
	<b>No.</b>	<b>No.</b>
The average monthly number of employees during the year was	20	21
	<hr/>	<hr/>

**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 2009**

<b>5. TANGIBLE ASSETS – GROUP</b>				<b>Furniture, fittings and equipment £</b>
At 1st January 2009				220,837
Additions				21,111
Disposals				(365)
At 31st December 2009				241,583
<b>DEPRECIATION</b>				
At 1st January 2009				214,861
Charge for year				9,023
Eliminated on disposal				(365)
At 31st December 2009				223,519
<b>NET BOOK VALUE</b>				
At 31st December 2009				£18,064
At 31st December 2008				£5,976
<b>6. FIXED ASSET INVESTMENTS – GROUP</b>				<b>Listed investments £</b>
Cost at 1st January 2009				1,346,402
Additions				441,516
Disposals				(324,406)
Cost at 31st December 2009				£1,463,512
Market value at 31st December 2009 was £1,647,500 (2008: £1,545,151).				
<b>7. DEBTORS</b>	<b>Group</b>		<b>Company</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Subscriptions and international class fees receivable	27,435	11,946	20,720	10,085
Other debtors	32,003	160,402	8,101	11,275
Prepayments and accrued income	146,863	96,339	63,396	61,062
Amounts due from subsidiary undertaking	-	-	235,115	-
	<u>£206,301</u>	<u>£268,687</u>	<u>£327,332</u>	<u>£82,422</u>

**INTERNATIONAL SAILING FEDERATION LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31ST DECEMBER 2009**

8a. CASH ON DEPOSIT	Group		Company	
	2009 £	2008 £	2009 £	2008 £
Sterling balances	-	2,195,837	-	2,195,837
Euro balances	260,567	377,220	260,567	377,220
	<u>£260,567</u>	<u>£2,573,057</u>	<u>£260,567</u>	<u>£2,573,057</u>

The exchange rate used at 31 December 2009 was €1.59: £1.

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

Sterling balances	4,527,569	3,187,646	4,191,142	2,979,139
Euros balances	351,313	32,252	88,585	32,252
US Dollar balances	64,611	113,408	64,611	113,408
	<u>£4,943,493</u>	<u>£3,333,306</u>	<u>£4,344,338</u>	<u>£3,124,799</u>

The exchange rates used at 31 December 2009 were €1.11: £1 and \$1.59 : £1.

9. CREDITORS: amounts falling due within one year	Group		Company	
	2009 £	2008 £	2009 £	2008 £
Trade creditors	63,817	40,146	36,013	29,983
Other creditors	4,797	4,514	1,518	4,514
Other taxes and social security	20,763	15,732	-	-
UK Corporation tax	12,759	19,438	-	-
Accruals and deferred income	215,980	299,129	104,311	184,680
Amounts due to subsidiary undertaking	-	-	91,739	96,897
	<u>£318,116</u>	<u>£378,959</u>	<u>£233,581</u>	<u>£316,074</u>

**10. CREDITORS: amounts falling due after one year**

Accruals and deferred income	<u>£359,502</u>	<u>£64,969</u>	<u>£217,176</u>	<u>£ -</u>
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**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 2009 was 127 (2008: 121).

**INTERNATIONAL SAILING FEDERATION LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31ST DECEMBER 2009**

<b>12. OPERATING LEASES – GROUP</b>	<b>Land and buildings</b>		<b>Other</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Annual commitment under operating leases:				
Expiring within one year	-	-	-	-
Expiring after one year but within five years	-	-	2,099	-
Expiring after five years	83,750	83,750	-	2,099
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>13. SUBSIDIARY COMPANIES</b>				
At 31st December 2009 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.				
<b>14. RECONCILIATION OF (DEFICIT) FOR THE YEAR TO NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES</b>			<b>2009</b>	<b>2008</b>
			<b>£</b>	<b>£</b>
Operating surplus/(deficit)			(859,409)	4,176,599
Depreciation			9,023	15,884
(Profit)/loss on sale of investment			(6,256)	(4,747)
Loss on sale of fixed assets			-	51
Decrease in debtors			62,386	5,318
(Decrease)/increase in creditors			240,369	(6,162)
Interest received			(33,402)	(31,507)
Dividends			(62,388)	(63,692)
			<u>          </u>	<u>          </u>
<b>Net cash inflow/(outflow) from operating activities</b>			<b>£(649,677)</b>	<b>£4,091,744</b>
			<u>          </u>	<u>          </u>
<b>15. ANALYSIS OF CHANGES IN CASH</b>	<b>At 1st January</b>			<b>At</b>
	<b>2009</b>	<b>Cashflow</b>		<b>31st December</b>
	<b>£</b>	<b>£</b>		<b>2009</b>
				<b>£</b>
Cash at bank and in hand	2,573,057	(2,312,490)		260,567
Cash on deposit	3,333,306	1,610,187		4,943,493
	<u>          </u>	<u>          </u>		<u>          </u>
	<b>£5,906,363</b>	<b>£(702,303)</b>		<b>£5,204,060</b>
	<u>          </u>	<u>          </u>		<u>          </u>
<b>16. MEMBERS' FUNDS</b>				<b>Fund</b>
				<b>£</b>
At 1st January 2009				7,083,500
Surplus for the year				(869,181)
				<u>          </u>
				<b>£6,214,319</b>
				<u>          </u>

**INTERNATIONAL SAILING FEDERATION LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31ST DECEMBER 2009****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>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
<b>Income</b>		
Investment income	63,433	66,031
Foreign exchange gain	-	22,146
	<u>63,433</u>	<u>88,177</u>
<b>Expenditure</b>		
Fees	(15,182)	(10,814)
Accountancy fees	(1,700)	(1,700)
Bank charges	-	-
Profit/(loss) on sale of investments	6,256	4,747
Foreign exchange loss	(7,816)	-
	<u>£44,991</u>	<u>£80,410</u>
<b>Balance sheet as at 31st December</b>	<b>£</b>	<b>£</b>
Fixed asset investments – at cost	1,463,512	1,346,402
Debtors	32,521	27,776
Cash	49,320	124,946
Creditors	(11,115)	(9,877)
	<u>£1,534,238</u>	<u>£1,489,247</u>
Net assets		