

**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 2004**

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

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31ST DECEMBER 2004**

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

**DIRECTORS' REPORT**

**YEAR ENDED 31ST DECEMBER 2004**

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The directors present their annual report and audited financial statements for the year ended 31st December 2004.

**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 :

Paul Henderson	(resigned 1 February 2005)
Göran Petersson	
George Andreadis	
Fernando Bolin	(resigned 1 February 2005)
David Kellett	
Nucci Novi Ceppellini	
Kenneth Ryan	(resigned 1 February 2005)
James Schoonmaker	(resigned 1 February 2005)
Fiona Barron	
Ken Ellis	(resigned 1 February 2005)
George Wossala	(resigned 1 February 2005)
Kamen Fillyov	(resigned 1 February 2005)
Tomasz Holc	(resigned 1 February 2005)
Jean-Pierre Champion	(resigned 1 February 2005)
Sergio Gaibisso	(resigned 1 February 2005)
Zvi Ziblat	(resigned 1 February 2005)
Kim Andersen	(resigned 1 February 2005)
Bjorn Unger	(resigned 1 February 2005)
Saeed Hareb	(resigned 1 February 2005)
Yasuo Hozumi	(resigned 1 February 2005)
Teo Ping Low	
Joe Butterfield	(resigned 1 February 2005)
David Tillett	(resigned 1 February 2005)
Maximo Rivero Kelly	(resigned 1 February 2005)
Harry Adler	(resigned 1 February 2005)
Jane Moon	(resigned 1 February 2005)
Eric Tulla	(resigned 1 February 2005)
Charles Cook	(resigned 1 February 2005)
David Irish	
Stephen Tupper	(resigned 1 February 2005)
Ross Robson	(resigned 1 February 2005)
Hans Joachim Fritze	(resigned 1 February 2005)
Karel Beukema Toewater	(resigned 1 February 2005)
Arturo Dielgado de Almeida	(resigned 1 February 2005)
Jeffrey Martin	(resigned 1 February 2005)
Cornelia Sertl	(resigned 1 February 2005)
Hans Zuiderbaan	(resigned 1 February 2005)
Arve Sundheim	
Luisa Anzola	(appointed 1 February 2005)

**DIRECTORS' REPORT (continued)**

**YEAR ENDED 31ST DECEMBER 2004**

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**DIRECTORS' RESPONSIBILITIES STATEMENT**

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the company and 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,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 the group and to enable them to ensure that the financial statements comply with the Acts 1931 to 1993. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITORS**

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

**BY ORDER OF THE BOARD**

**A SUNDHEIM**  
Secretary

4 Upper Church Street  
Douglas  
Isle of Man  
IM1 1EE

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**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 2004 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 historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Act 1931 - 1993. 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 preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Acts 1931 to 1993. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company 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 United Kingdom Auditing Standards 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 of affairs of the company and the group as at 31st December 2004 and of the surplus for the year then ended and have been properly prepared in accordance with the Acts 1931 - 1993.

**haysmacintyre**  
**Chartered Accountants**  
**Registered Auditors**

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

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**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT**

**YEAR ENDED 31ST DECEMBER 2004**

	Note	2004 £	2003 £
<b>OPERATING INCOME</b>			
Subscriptions		190,771	249,327
Olympic receipts		22,982	26,506
Donation from International Yacht Foundation		-	942,413
Donation from International Olympic Committee		3,690,934	-
Income from special events		114,131	180,383
Investment income		97,825	89,196
Other income		578,883	259,142
		<u>4,695,526</u>	<u>1,746,967</u>
<b>DIRECT COSTS</b>			
Governance		234,877	275,477
Olympic costs		297,327	56,166
Special events		47,974	117,630
Other direct costs		442,219	294,014
		<u>1,022,397</u>	<u>743,287</u>
<b>ADMINISTRATIVE COSTS</b>			
Employment costs		653,251	585,914
Other administrative costs		411,987	343,389
		<u>1,065,238</u>	<u>929,303</u>
<b>SURPLUS FOR THE YEAR BEFORE TAXATION</b>	2	2,607,891	74,377
<b>TAXATION CHARGE</b>	3	(9,670)	(11,948)
<b>SURPLUS FOR THE YEAR</b>		2,598,221	62,429
Transfer (to)/from Olympic Revenue Fund		-	738,514
Reserves brought forward		2,329,377	1,528,434
<b>RESERVES CARRIED FORWARD</b>		<u>£4,927,598</u>	<u>£2,329,377</u>
Surplus/(deficit) for the year dealt with in the financial statements of :			
Parent company		2,529,278	(929,136)
Subsidiary company		38,488	46,132
Quasi-subsidiary		30,455	945,433
		<u>£2,598,221</u>	<u>£62,429</u>

Turnover and operating deficit are derived solely from continuing activities.

All recognised gains and losses are included in the profit and loss account.

## **ISAF Annual General Meeting – 20 November 2005**

### **Item 1**

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.

**CONSOLIDATED BALANCE SHEET**

**AT 31ST DECEMBER 2004**

	Note	2004 £	2003 £
<b>FIXED ASSETS</b>			
Tangible assets	5	75,435	85,778
Investments	6	950,996	279,953
<b>CURRENT ASSETS</b>			
Debtors	7	942,551	317,469
Cash on deposit	8	3,323,066	2,227,027
Cash at bank and in hand		206,317	122,359
		<u>4,471,934</u>	<u>2,666,855</u>
<b>CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	9	<u>(448,105)</u>	<u>(385,866)</u>
<b>NET CURRENT ASSETS</b>		<u>4,023,829</u>	<u>2,280,989</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>5,050,260</u>	<u>2,646,720</u>
<b>CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR</b>	10	(120,620)	(314,343)
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	11	(2,042)	(3,000)
<b>NET ASSETS</b>		<u><u>£4,927,598</u></u>	<u><u>£2,329,377</u></u>
<b>MEMBERS' FUNDS</b>			
Accumulated fund	18	<u><u>£4,927,598</u></u>	<u><u>£2,329,377</u></u>

Approved by the Directors on

2005 and signed on its behalf by :-

**GÖRAN PETERSSON**  
President



**PARENT BALANCE SHEET**

**AT 31ST DECEMBER 2004**

	Note	2004 £	2003 £
<b>CURRENT ASSETS</b>			
Debtors	7	955,319	274,455
Cash on deposit	8	3,323,066	1,563,409
Cash at bank and in hand		115,094	68,945
		<u>4,393,479</u>	<u>1,906,809</u>
<b>CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	9	<u>(344,194)</u>	<u>(234,118)</u>
<b>NET CURRENT ASSETS</b>		<u>4,049,285</u>	<u>1,672,691</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,049,285</u>	<u>1,672,691</u>
<b>CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR</b>	10	<u>(111,664)</u>	<u>(314,343)</u>
<b>NET ASSETS</b>		<u><u>£3,937,621</u></u>	<u><u>£1,358,348</u></u>
<b>MEMBERS' FUNDS</b>			
Accumulated fund		<u><u>£3,937,621</u></u>	<u><u>£1,358,348</u></u>

Approved by the Directors on 2005 and signed on its behalf by :-

**GÖRAN PETERSSON**  
President

**CASH FLOW STATEMENT**

**YEAR ENDED 31ST DECEMBER 2004**

	Note	2004 £	2003 £
<b>Net cash inflow/(outflow) from operating activities</b>	15	1,810,290	(238,280)
<b>Returns on investments and servicing of finance</b>			
Interest received		60,393	83,998
Dividends received		25,771	2,219
<b>Net cash inflow from returns on investments and servicing of finance</b>		86,164	86,217
<b>Taxation</b>			
UK corporation tax paid		(14,403)	(13,218)
<b>Capital expenditure and financial investment</b>			
Payments to acquire investments		(1,044,780)	(279,954)
Payments to acquire fixed assets		(24,304)	(28,715)
Proceeds from disposal of fixed assets		-	1,550
Proceeds from disposal of investments		367,030	-
<b>Net cash outflow from capital expenditure and financial investment</b>		(702,054)	(307,119)
<b>INCREASE/(DECREASE) IN CASH</b>	17	<u>£1,179,997</u>	<u>£(472,400)</u>

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31ST DECEMBER 2004**

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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.

**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 profit and loss 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.

**2. SURPLUS FOR THE YEAR BEFORE TAXATION**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
This is stated after charging :		
Auditors' remuneration	11,650	11,100
Depreciation	34,647	52,368
Operating lease rentals	72,818	67,522
	<u>          </u>	<u>          </u>

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

**YEAR ENDED 31ST DECEMBER 2004**

<b>3. TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	<b>2004 £</b>	<b>2003 £</b>
<b>a) UK Corporation tax on profits for the year</b>		
Corporation tax at 19% (2003: 19.25%)	10,628	14,403
Overprovision in prior year	-	175
	<hr/>	<hr/>
Total current tax (note 4(b))	10,628	14,578
Deferred tax	(958)	(2,630)
	<hr/>	<hr/>
	£9,670	£11,948
	<hr/>	<hr/>
<b>b) Tax charge reconciliation</b>		
Profit/(loss) on ordinary activities before tax		
- Parent	2,529,278	(829,134)
- Subsidiary	48,158	58,080
- Quasi subsidiary	30,455	943,483
	<hr/>	<hr/>
	£2,607,891	£172,429
	<hr/>	<hr/>
Profits on ordinary activities multiplied by the standard U.K. rate of corporation tax 19% (2003: 19.25%) – subsidiary	9,150	11,035
Effects of:		
Depreciation in excess of capital allowances	959	3,149
Expenses not deductible for tax purposes	519	219
Over provision in the previous year	-	175
	<hr/>	<hr/>
	£10,628	£14,578
	<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>2004 £</b>	<b>2003 £</b>
Wages and salaries	579,104	478,055
Social security costs	44,082	45,027
Pension costs	31,927	32,572
	<hr/>	<hr/>
	£655,113	£555,654
	<hr/>	<hr/>
	<b>No.</b>	<b>No.</b>
The average monthly number of employees during the year was	18	18
	<hr/>	<hr/>

**4b. DIRECTORS' EMOLUMENTS**

No director received any emoluments during the year.

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

**YEAR ENDED 31ST DECEMBER 2004**

<b>5. TANGIBLE ASSETS – GROUP</b>	<b>Furniture, fittings and equipment £</b>
At 1st January 2004	360,509
Additions	24,304
	<hr/>
At 31st December 2004	384,813
	<hr/>
<b>DEPRECIATION</b>	
At 1st January 2004	274,731
Charge for year	34,647
	<hr/>
At 31st December 2004	309,378
	<hr/>
<b>NET BOOK VALUE</b>	
At 31st December 2004	£75,435
	<hr/> <hr/>
At 31st December 2003	£85,778
	<hr/> <hr/>

<b>6. FIXED ASSET INVESTMENTS – GROUP</b>	<b>Listed investments £</b>
Cost at 1st January 2004	279,953
Additions	1,044,780
Disposals	(373,737)
	<hr/>
Cost at 31st December 2004	£950,996
	<hr/> <hr/>
Market value at 31st December 2004 was £963,962.	

<b>7. DEBTORS</b>	<b>Group</b>		<b>Company</b>	
	<b>2004 £</b>	<b>2003 £</b>	<b>2004 £</b>	<b>2003 £</b>
Subscriptions and international class fees receivable	38,856	16,015	29,009	14,100
Other debtors	812,122	79,192	788,700	65,920
Prepayments and accrued income	91,573	222,262	40,017	194,435
Amounts due from subsidiary undertaking	-	-	97,593	-
	<hr/>	<hr/>	<hr/>	<hr/>
	£942,551	£317,469	£955,319	£274,455
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Within other debtors is an amount of £166,421 owed by A. Sundheim, a director of the wholly owned subsidiary ISAF (UK) Limited. No interest is being charged on the loan. The loan is repayable in 48 equal monthly instalments, repayments commenced in December 2004.

<b>8. CASH ON DEPOSIT</b>	<b>Group</b>		<b>Company</b>	
	<b>2004 £</b>	<b>2003 £</b>	<b>2004 £</b>	<b>2003 £</b>
Sterling balances	1,778,004	2,226,886	1,778,004	1,563,268
Euro balances	1,545,062	-	1,545,062	-
US Dollar balances	-	141	-	141
	<hr/>	<hr/>	<hr/>	<hr/>
	£3,323,066	£2,227,027	£3,323,066	£1,563,409
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The exchange rate used at 31 December 2004 is €1.41563:£1.

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

**YEAR ENDED 31ST DECEMBER 2004**

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	Group		Company	
	2004 £	2003 £	2004 £	2003 £
Trade creditors	90,337	45,997	30,963	-
Other creditors	13,229	45,276	12,806	44,978
Other taxes and social security	11,181	12,970	-	-
Amount owed to subsidiary undertaking	-	-	-	32,941
UK Corporation tax	10,628	14,403	-	-
Accruals and deferred income	322,730	267,220	300,425	156,199
	<u>£448,105</u>	<u>£385,866</u>	<u>£344,194</u>	<u>£234,118</u>
10. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR				
Other creditors	-	90,000	-	90,000
Accruals and deferred income	120,620	224,343	111,664	224,343
	<u>£120,620</u>	<u>£314,343</u>	<u>£111,664</u>	<u>£314,343</u>
11. PROVISION FOR LIABILITIES AND CHARGES				
<b>Deferred taxation</b>				
Accelerated capital allowances				
At 1st January 2004	3,000	5,630	-	-
Credit for year	(958)	(2,630)	-	-
	<u>£2,042</u>	<u>£3,000</u>	<u>£ -</u>	<u>£ -</u>
At 31st December 2004				
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 2004 was 115 (2003: 106).				
13. OPERATING LEASES – GROUP	Land and buildings		Other	
	2004 £	2003 £	2004 £	2003 £
Annual commitment under operating leases:				
Expiring within one year	-	-	-	-
Expiring after one year but within five years	-	-	1,680	-
Expiring after five years	77,071	76,524	-	-
	<u></u>	<u></u>	<u></u>	<u></u>
14. SUBSIDIARY COMPANY				

At 31st December 2004 the company owned the whole of the issued share capital of ISAF (UK) Limited which is incorporated in Great Britain.





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

**YEAR ENDED 31ST DECEMBER 2004**

<b>15. RECONCILIATION OF SURPLUS FOR THE YEAR TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Operating surplus	2,607,891	74,379
Depreciation	34,647	52,368
Loss on sale of investment	3,330	-
Increase in debtors	(613,421)	(178,083)
Decrease in creditors	(124,332)	(97,746)
Interest received	(60,393)	(83,998)
Dividends	(37,432)	(5,200)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>£1,810,290</b>	<b>£(238,280)</b>
<b>16. ANALYSIS OF CHANGES IN CASH</b>	<b>At 1st January 2004</b>	<b>At 31st December 2004</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	122,359	206,317
Cash on deposit	2,227,027	3,323,066
	<b>£2,349,386</b>	<b>£3,529,383</b>
<b>17. RECONCILIATION OF NET CASH OUTFLOW TO TO MOVEMENT IN NET FUNDS</b>		<b>£</b>
Increase in cash for year		1,179,997
<b>Movement for the year</b>		<b>1,179,997</b>
<b>Net funds at 1st January 2004</b>		<b>2,349,386</b>
<b>Net funds at 31st December 2004</b>		<b>£3,529,383</b>
<b>18. MEMBERS' FUNDS</b>		<b>Accumulated Fund</b>
		<b>£</b>
At 1st January 2004		2,329,377
Surplus for the year		2,598,221
		<b>£4,927,598</b>

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

**YEAR ENDED 31ST DECEMBER 2004**

**19. 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>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
<b>Income</b>		
Donation	-	942,413
Investment income	47,174	5,200
	<u>47,174</u>	<u>947,613</u>
<b>Expenditure</b>		
Fees	(9,308)	(2,180)
Accountancy fees	(705)	-
Sundry expenses	(3,376)	-
Loss on sale of investments	(3,330)	-
	<u>£30,455</u>	<u>£945,433</u>
<b>Balance sheet as at 31st December</b>	<b>£</b>	<b>£</b>
Fixed asset investments – at cost	950,996	279,953
Debtors	15,781	2,978
Cash	14,205	663,618
Creditors	(5,094)	(1,116)
	<u>£975,888</u>	<u>£945,433</u>
Net assets		