

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

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2019

Company Number (IOM): 79772C

WORLD SAILING LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2019

CONTENTS	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Consolidated income statement	5
Consolidated statement of financial position	6
Parent company statement of financial position	7
Consolidated cash flow statement	8
Notes to financial statements	9 - 18

WORLD SAILING LIMITED

DIRECTORS' REPORT

YEAR ENDED 31ST DECEMBER 2019

The directors present their annual report and audited financial statements for the year ended 31st December 2019.

REVIEW OF THE BUSINESS

The company is the governing body 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 5.

DIRECTORS

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

Kim Andersen
Jan Dawson
Torben Grael
Gary Jobson
Quanhai Li
Winthrop Scott Perry
Yann Rocherieux
Ana Sanchez del Campo Ferrer
Nadine Stegenwalner

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

POST BALANCE SHEET EVENT

The directors have reviewed the impact of Covid-19 pandemic on the Group and as described in note 1 - Going Concern and note 18 - Post Balance Sheet events, are treating it as a non-adjusting post balance sheet event.

WORLD SAILING LIMITED

DIRECTORS' REPORT (continued)

YEAR ENDED 31ST DECEMBER 2019

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

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.

AUDITORS

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

SMALL COMPANY EXEMPTIONS

In preparing this report the directors have taken advantage of small company exemptions.

BY ORDER OF THE BOARD



K. Andersen
President

..... 30 June 2020

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WORLD SAILING LIMITED

We have audited the financial statements of World Sailing Limited for the year ended 31st December 2019 which comprise the Consolidated Income Statement, the Consolidated and Parent Statement of Financial Position, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2019 and of the group's and parent company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 1931 - 2004.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group's and the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
WORLD SAILING LIMITED (Continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 1931 - 2004

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 1931 -2004 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Companies 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.

Haysmacintyre LLP
Chartered Accountants
Registered Auditors

10 Queen Street Place
London
EC4R 1AG



30/06/2020

WORLD SAILING LIMITED**CONSOLIDATED INCOME STATEMENT****YEAR ENDED 31ST DECEMBER 2019**

	Note	2019 £	2018 £
OPERATING INCOME			
Subscriptions		332,145	337,386
Donations		171,899	100,000
Income from events		1,014,482	1,106,602
Investment income		57,050	76,490
Sponsorship income		1,471,775	1,275,434
Other commercial income		663,971	402,530
Exchange gains		-	140,458
		<u>3,711,322</u>	<u>3,438,900</u>
OPERATING COSTS			
Governance and meetings		766,915	965,299
Olympic costs		63,266	217,796
Special events		922,348	1,865,629
Other direct costs		1,262,332	1,752,533
		<u>3,014,861</u>	<u>4,801,257</u>
Employment costs		2,103,400	2,040,809
Other administrative costs		1,122,394	1,114,977
Exchange losses		37,212	-
		<u>3,263,006</u>	<u>3,155,786</u>
FAIR VALUE ADJUSTMENTS		93,591	(74,850)
DEFICIT FOR THE YEAR BEFORE TAXATION	2	<u>(2,472,954)</u>	<u>(4,592,993)</u>
TAXATION CHARGE	3	<u>(30,875)</u>	<u>(33,706)</u>
DEFICIT FOR THE YEAR		<u>(2,503,829)</u>	<u>(4,626,699)</u>
Reserves brought forward		4,343,808	8,970,507
RESERVES CARRIED FORWARD		<u>£1,839,979</u>	<u>£4,343,808</u>
Deficit for the year dealt with in the financial statements of :			
Parent company		(2,687,199)	(4,732,438)
Subsidiary companies		80,725	156,085
Quasi-subsidiary		102,645	(50,346)
		<u>£(2,503,829)</u>	<u>£(4,626,699)</u>

Turnover and operating deficit are derived solely from continuing activities.

All recognised gains and losses are included in the income statement. There are no other recognised gains or losses or movements in the members' funds other than as stated in the income statement above. Accordingly, no separate statement of comprehensive income or statement of changes in equity is required.

WORLD SAILING LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31ST DECEMBER 2019

	Note	£	2019 £	£	2018 £
FIXED ASSETS					
Tangible assets	6		440,847		516,654
Intangible assets	5		55,189		-
Investments	7		2,163,882		2,025,227
CURRENT ASSETS					
Debtors	8	1,458,218		518,857	
Cash		564,170		2,534,661	
			2,022,388		3,053,518
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	(2,794,423)		(1,205,269)	
NET CURRENT ASSETS			(772,035)		1,848,249
TOTAL ASSETS LESS CURRENT LIABILITIES			1,887,883		4,390,130
DEFERRED TAX PROVISIONS	10 11		(36,150) (11,754)		(34,568) (11,754)
NET ASSETS			£1,839,979		£4,343,808
MEMBERS' FUNDS					
Accumulated fund			£1,839,979		£4,343,808

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the Board of Directors on30 June 2020 and were signed below on its behalf by:



K. Andersen
President

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

AT 31ST DECEMBER 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	6	9,300	34,356
CURRENT ASSETS			
Debtors	8	1,270,686	291,002
Cash		400,954	2,338,347
		<u>1,671,640</u>	<u>2,629,349</u>
CREDITORS : amounts falling due within one year	9	<u>(2,577,107)</u>	<u>(872,675)</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(905,467)</u>	<u>1,756,674</u>
NET (LIABILITIES)/ASSETS		<u>£(896,167)</u>	<u>£1,791,030</u>
MEMBERS' FUNDS			
Accumulated (deficit)/fund		<u>£(896,167)</u>	<u>£1,791,030</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the Board of Directors on30 June 2020 and were signed below on its behalf by:



KIM ANDERSEN
President

WORLD SAILING LIMITED

CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 31ST DECEMBER 2019

	2019	2018
	£	£
Reconciliation of deficit to cash flow from operating activities		
Deficit before taxation	(2,472,954)	(4,592,993)
Fair value adjustment	(93,591)	74,850
Returns on investment	(57,050)	(76,490)
Depreciation	95,276	92,651
Corporation tax paid	(30,875)	(33,706)
Surplus on disposal of tangible fixed assets	-	(2,645)
(Increase)/Decrease in debtors	(939,361)	801,768
Increase/(Decrease) in creditors	1,490,645	(1,082,642)
Net cash flow from operating activities	(2,007,910)	(4,819,207)
Cash flows from investing activities		
Returns on investment	57,050	76,490
Payments to acquire tangible fixed assets	(19,469)	(50,285)
Payments to acquire intangible fixed assets	(55,189)	-
Proceeds from sale of tangible fixed assets	-	7,985
Payments to acquire investments	(2,267,092)	(289,000)
Receipts from sales of investments	2,222,028	142,680
Change in cash and cash equivalents in the year	(62,672)	(112,130)
Cash flows from financing activities		
New short-term borrowing	100,091	-
	100,091	-
Change in cash and cash equivalents in the year	(1,970,491)	(4,931,337)
Cash and cash equivalents at the beginning of the year	2,534,661	7,465,998
Cash and cash equivalents at the end of the year	<u>£564,170</u>	<u>£2,534,661</u>
Analysis of cash and cash equivalent balances		
Cash at bank	564,170	2,534,661
Cash and cash equivalents at the end of the year	<u>£564,170</u>	<u>£2,534,661</u>

WORLD SAILING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2019

1. ACCOUNTING POLICIES

ACCOUNTING BASIS

The financial statements are prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

GENERAL INFORMATION

The Company is registered in the Isle of Man (Registration Number 79772C). Its registered office is 69 Athol Street, Douglas, Isle of Man, IM1 1JE.

GROUP ACCOUNTS

These financial statements consolidate the results of the company and its wholly owned subsidiaries, World Sailing (UK) Limited (Company number 3255744), World Sailing Event Management Limited (IOM Company number 104610C) and World Sailing Trust (Company number 11110685), on a line by line basis. They also consolidate the results of its quasi subsidiary, WS Investment Trust (formerly ISAF Trust), on the basis of control. The company has taken the exemption not to disclose the parent's individual income statement.

GOING CONCERN

The Directors have reviewed the effect of the Covid-19 pandemic on the ability of the Group to continue to operate. The major impact on the Group relates to the postponement of the Tokyo 2020 Olympic Games until July 2021 and the implementation of border restrictions by individual countries. As a result of these factors, the receipt of the post Games payment from the International Olympic Committee to the Group has been delayed for a year to September 2021 and all regattas and sponsor activities since February 2020 have been cancelled.

It is uncertain when the border restrictions will be lifted and there remains a risk that the global border restrictions may continue into 2021. In this case it is possible that Tokyo 2021 may be cancelled, and international regattas and sponsor activities will not be able to recommence in 2021.

The Directors have undertaken an assessment of the future prospects of the Group, taking into account the current position, liquidity and principal risks, and considered its ability to continue in operation and to meet its liabilities as they fall due over the 12-month period following approval of these financial statements.

The Directors have taken action to mitigate the financial effect of the postponement of Tokyo 2020 and global sailing activity as a result of Covid-19.

- The Group has been granted a loan from the International Olympic Committee, which can be drawn over the period from June 2020 to April 2021. The loan is interest free and repayable in five equal annual instalments commencing on 31st December 2021.
- ⊖ In addition, the Group has an overdraft facility for £900,000, secured on the assets of the WS Investment Trust, which has been available to the Group since December 2019 for an indefinite period.
- The Group has received grants under the UK Government Coronavirus Job Retention Scheme in 2020 and has placed the majority of its staff on furlough for the period of the Scheme in order to manage employment costs during the lockdown period.

As a result of the funding put in place and the actions taken by the Directors, the forecast cash flows indicate that the Group is able to continue in operation and meet its obligations for the foreseeable future.

WORLD SAILING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31ST DECEMBER 2019

1. ACCOUNTING POLICIES CONTINUED

The principal assumptions and judgements used in forecasting the cash flows through to December 2021 are detailed below:-

- No events occur in 2020 but the full programme recommences in 2021.
- Current contracted sponsorship is received in accordance with the contract terms for 2020 and 2021.
- Sanction fees are received at agreed amounts for 2020 and 2021.
- Direct costs are budgeted in accordance with the expected levels of related activities over 2020 and 2021.
- Employment costs are reduced by the grants received under the Coronavirus Job Retention Scheme.
- Rent is deferred in agreement with the landlord and alternative arrangements for office accommodation are being considered.
- Capital expenditure on the digital project is deferred until January 2021

As detailed under Note 18 under Post Balance Sheet events, the Group is treating the impact of Covid-19 as a non-adjusting post balance sheet event as the impact of the virus was only experienced in the year ending 31 December 2020.

REVENUE RECOGNITION

Sales comprise the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Group's activities. Sales are stated net of discounts, rebates and value added tax. Revenue is recognised when the amount of income and related cost can be reliably measured, it is probable that the collectability of the related receivable is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

Special Events Sanction fee

The sanctioning of an event as a Special Event constitutes a grant to event organisers to use existing intellectual property and the Company has no ongoing obligations or managerial involvement in the planning or delivery of that event. Revenue is recognised at the point in time when the Company recognises and sanctions the event as a Special Event and notifies the organisers accordingly. However, if the agreement is a multi-year contract with annual payment terms or if the agreement covers more than one event straddling over a number of years, revenue is recognised when the Company has obtained the right to consideration for each reporting period as determined by the terms mutually agreed by both parties.

Venue Hosting fee – Events

The Company may grant hosting and commercial rights to event organisers for qualifier championship events in return for a Hosting fee. Income is recognised at the point in time when the Company awards the host the rights to stage, organise and commercially exploit the championship and it has obtained the right to consideration as determined by the payment terms mutually agreed by both parties.

Rendering of services – Events

The Company may enter into agreements with event organisers to jointly manage the delivery of certain aspects of events. Income from the event organisers would usually cover direct costs to be incurred in delivering the service. Revenue is based on the percentage of the contract completed, calculated by reference to the costs incurred at the end of each reporting period as a proportion of the total anticipated costs. Where it is probable that total costs will exceed total contract income, the expected loss is recognised as an expense immediately.

Sponsorship Income

Income arising from sponsorship is generally recognised over the term of the sponsorship unless it relates to a specific event or condition, in which case it is recognised when the event takes place or when the condition is met.

Technical – Goods and services

Income from Technical services and sale of goods is recognised on delivery. Royalties from class builders are recognised in the period in which they were earned.

WORLD SAILING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31ST DECEMBER 2019

1. ACCOUNTING POLICIES CONTINUED

Grants receivable

Income from Grants is recognised to match related expenditure. Grant receipts may be accrued or deferred accordingly.

Value in kind

Where Sponsors and Commercial partners provide value in kind i.e. goods or services are provided for free as part of the underlying contractual agreement, the fair value of the non-cash consideration received is included under revenue. The value in kind is usually specified in the agreements with Sponsors and Commercial partners and there is no significant judgement involved in estimating such variable consideration.

FOREIGN EXCHANGE

The company's functional currency is sterling.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income Statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Income Statement within 'other operating income'.

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
Company Website	20% per annum

Website depreciation takes effect from the date when the Website goes Live.

FINANCIAL INSTRUMENTS

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and investments in stocks and shares. The measurement basis used for these financial instruments is detailed below.

INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments held in stock markets are included at market value at each Statement of Financial Position date. Gains and losses on remeasurement are recognised in the surplus or deficit for the period as fair value adjustments.

WORLD SAILING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31ST DECEMBER 2019

1. ACCOUNTING POLICIES CONTINUED

DEBTORS

Short term debtors are measured at transaction price, less any impairment.

CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

CREDITORS

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

SIGNIFICANT JUDGEMENTS AND SOURCES ESTIMATION UNCERTAINTY

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The only significant area where key judgement had to be applied by management is the timing of recognition of sanction and host fee income.

HOLIDAY PAY ACCRUAL

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

INTEREST INCOME

Interest income is recognised in the Income Statement using the effective interest method.

OPERATING LEASES: THE COMPANY AS LESSEE

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

PENSIONS

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

WORLD SAILING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31ST DECEMBER 2019

1. ACCOUNTING POLICIES CONTINUED

CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. DEFICIT FOR THE YEAR BEFORE TAXATION

	2019 £	2018 £
This is stated after charging/(crediting) :		
Auditors' remuneration	18,000	22,000
Depreciation	95,276	92,651
Operating lease rentals - land and buildings	314,866	314,866
- other	9,170	9,169
Realised and unrealised foreign exchange loss/(gain)	37,212	(140,458)

WORLD SAILING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31ST DECEMBER 2019

3. TAX ON DEFICIT ON ORDINARY ACTIVITIES	2019	2018
	£	£
a) UK Corporation tax on deficit for the year		
Corporation tax at 19%	32,052	30,544
Adjustment in respect of previous periods	(2,759)	-
	<u>29,293</u>	<u>30,544</u>
Total current tax (note 3(b))	29,293	30,544
Deferred tax	1,582	3,162
	<u>£30,875</u>	<u>£33,706</u>
b) Tax charge reconciliation		
(Deficit) on ordinary activities before tax	(2,472,954)	(4,592,993)
Foreign entity deficits not subject to UK tax	2,618,336	4,745,722
	<u>145,382</u>	<u>152,729</u>
Surpluses on ordinary activities multiplied by the standard U.K. rate of corporation tax 19% (2018: 19%) – subsidiary	27,623	29,018
Effects of:		
Capital allowances in excess of depreciation	-	2,931
Expenses not deductible for tax purposes	4,429	(1,405)
Adjustment in respect of previous periods	(2,759)	-
	<u>29,293</u>	<u>30,544</u>

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

4a. STAFF COSTS	2019	2018
	£	£
Wages and salaries	1,614,839	1,650,997
Social security costs	183,870	199,705
Pension costs	92,676	90,374
	<u>£1,891,385</u>	<u>£1,941,076</u>
	No.	No.
The average monthly number of employees during the year was	<u>29</u>	<u>30</u>

4b. DIRECTORS' EMOLUMENTS

Directors' Emoluments – Subsidiary company	<u>£251,193</u>	<u>£209,707</u>
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The emoluments relate to the chief executive officer and no other directors receive any emoluments.

WORLD SAILING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31ST DECEMBER 2019

5. INTANGIBLE ASSETS

Website Development costs

	Company £	Group £
COST		
At 1st January 2019	-	-
Additions – Work in progress	-	55,189
	<hr/>	<hr/>
At 31st December 2019	-	55,189
	<hr/>	<hr/>
DEPRECIATION		
At 1st January 2019	-	-
Charge for year	-	-
	<hr/>	<hr/>
At 31st December 2019	-	-
	<hr/>	<hr/>
NET BOOK VALUE		
At 31st December 2019	£ -	£55,189
	<hr/>	<hr/>
At 31st December 2018	£ -	£ -
	<hr/>	<hr/>

6. TANGIBLE ASSETS

Furniture, fittings and equipment

	Company £	Group £
COST		
At 1st January 2019	125,280	802,324
Additions	-	19,469
	<hr/>	<hr/>
At 31st December 2019	125,280	821,793
	<hr/>	<hr/>
DEPRECIATION		
At 1st January 2019	90,924	285,670
Charge for year	25,056	95,276
	<hr/>	<hr/>
At 31st December 2019	115,980	380,946
	<hr/>	<hr/>
NET BOOK VALUE		
At 31st December 2019	£9,300	£440,847
	<hr/>	<hr/>
At 31st December 2018	£34,356	£516,654
	<hr/>	<hr/>

7. INVESTMENTS

	Company £	Group £
Market value at 1st January 2019	-	2,025,227
Additions	-	2,267,092
Disposals	-	(2,222,028)
Changes in market value	-	93,591
	<hr/>	<hr/>
Market Value at 31st December 2019	-	£2,163,882
	<hr/>	<hr/>

WORLD SAILING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31ST DECEMBER 2019

8. DEBTORS	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Trade debtors	835,670	68,825	835,416	68,585
Other debtors	57,839	64,943	11,944	17,583
Prepayments and accrued income	564,709	385,089	409,526	200,180
Amounts due from subsidiary undertaking	-	-	13,800	4,654
	<u>£1,458,218</u>	<u>£518,857</u>	<u>£1,270,686</u>	<u>£291,002</u>
9. CREDITORS: amounts falling due within one year	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Trade creditors	555,638	359,591	210,195	159,790
Other creditors	-	9,556	-	-
Other taxes and social security	127,599	54,064	-	-
UK Corporation tax	59,837	30,544	-	-
Accruals	541,338	680,339	66,058	177,021
Bank overdraft	100,091	-	-	-
Deferred income	1,409,920	71,175	1,409,920	71,175
Amounts due to subsidiary undertaking	-	-	890,934	464,689
	<u>£2,794,423</u>	<u>£1,205,269</u>	<u>£2,577,107</u>	<u>£872,675</u>

Short term borrowing relates to a bank overdraft facility for £900,000 at Base plus 1% interest. The facility has been granted to WS Investment Trust, the Company's quasi subsidiary, and is secured against its Investment Portfolio. The facility is ongoing with no fixed repayment date.

10. DEFERRED TAX	2019 £	2018 £
At beginning of year	34,568	31,406
Charge for year	1,582	3,152
At end of year	<u>£36,150</u>	<u>£34,568</u>

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

11. PROVISIONS	2019 £
Dilapidations payable under the property lease:	
At beginning of year	11,754
Charge for year	-
At end of year	<u>£11,754</u>

WORLD SAILING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31ST DECEMBER 2019

12. LIABILITY OF MEMBERS

World Sailing Limited is incorporated as a company limited by guarantee. Every full member of World Sailing Limited undertakes to contribute such amount as may be required not exceeding £1 to the assets of World Sailing Limited 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 World Sailing Limited'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 2019 was 145 (2018: 145).

13. OPERATING LEASES – GROUP

At 31 December 2019, the group had future minimum lease payments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2019	2018	2019	2018
	£	£	£	£
Total commitment under operating leases:				
Due within one year	369,812	369,812	9,169	9,169
Later than 1 year and not later than 5 years	1,479,250	1,479,250	20,374	30,161
Later than 5 years	825,141	1,194,954	-	-
	<u>£2,674,203</u>	<u>£3,044,016</u>	<u>£29,543</u>	<u>£39,330</u>

14. CAPITAL COMMITMENTS

At 31 December 2019 the Group had capital commitments as follows:

	2019	2018
	£	£
Contracted but not provided in these financial statements	187,000	-
	<u>£187,500</u>	<u>£ -</u>

15. SUBSIDIARY COMPANIES

At 31st December 2019 the company owned the whole of the share capital of World Sailing (UK) Limited (incorporated in Great Britain), World Sailing Event Management Limited (incorporated in the Isle of Man) and World Sailing Trust (incorporated in Great Britain). World Sailing Event Management Limited was dormant during the year was dissolved and on 8 June 2020.

16. QUASI SUBSIDIARY

The WS Investment Trust (formerly ISAF Trust) is a quasi-subsiidiary of the World Sailing Limited.

17. PENSIONS COMMITMENTS

World Sailing (UK) Limited operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £92,676 (2018 - £90,374). Contributions totalling £12,858 (2018 - £Nil) were payable to the fund at the balance sheet date.

WORLD SAILING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31ST DECEMBER 2019

18. POST BALANCE SHEET EVENT

The Group is treating Coronavirus Pandemic as a non-adjusting post balance sheet event as the effect of the global actions relating to the Pandemic was only experienced in the year ending 31 December 2020. Due to the uncertainty of the situation it is difficult to quantify the likely impact on the financial statements for the year ending 31 December 2020. Although stock markets have fallen since the year end the Group's investments have now fully recovered and at 31 May 2020 had increased by just under 2% when compared to the value at 31 December 2019.