

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

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31ST DECEMBER 2020**

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

**WORLD SAILING LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31ST DECEMBER 2020**

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# **WORLD SAILING LIMITED**

## **DIRECTORS' REPORT**

### **YEAR ENDED 31ST DECEMBER 2020**

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The directors present their annual report and audited financial statements for the year ended 31st December 2020.

#### **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 6.

#### **DIRECTORS**

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

Quanhai Li – Current President  
Yann Rocherieux  
Kim Andersen – Ex-President - to 1 Nov 2020  
Jan Dawson to – to 1 Nov 2020  
Torben Grael - to 1 Nov 2020  
Gary Jobson - to 1 Nov 2020  
Winthrop Scott Perry - to 1 Nov 2020  
Ana Sanchez del Campo Ferrer - to 1 Nov 2020  
Nadine Stegenwalner - to 1 Nov 2020  
Duriye Özlem Akdurak - appointed 1 Nov 2020  
Jo Aleh - appointed 1 Nov 2020  
Philip Baum - appointed 1 Nov 2020  
Tomasz Chamera - appointed 1 Nov 2020  
Sarah Kenny - appointed 1 Nov 2020  
Cory Sertl - appointed 1 Nov 2020  
Marcus Spillane - appointed 1 Nov 2020

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

## **WORLD SAILING LIMITED**

### **DIRECTORS' REPORT (continued)**

#### **YEAR ENDED 31ST DECEMBER 2020**

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#### **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

**Quanhai Li**  
President



20th September 2021

Registered Office:  
PO Box 95, 2a Lord Street,  
Douglas, Isle of Man  
IM99 1HP

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**

## **WORLD SAILING LIMITED**

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### **Opinion**

We have audited the financial statements of World Sailing Limited for the year ended 31st December 2020 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 2020 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.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **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.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**

### **WORLD SAILING LIMITED (Continued)**

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#### **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.

#### **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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to compliance with employment law, VAT and other tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the reporting requirements under FRS 102 and the Companies Act 2006.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the timing of the recognition of income. Audit procedures performed by the engagement team included:

- Inspecting minutes of directors' meetings;
- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of noncompliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates. These related to depreciation and the timing of recognition of sanction and host fee income.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**

### **WORLD SAILING LIMITED (Continued)**

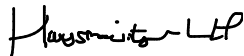
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#### **Auditor's responsibilities for the audit of the financial statements (cont.)**

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's 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**

**23 September 2021**

**WORLD SAILING LIMITED****CONSOLIDATED INCOME STATEMENT****YEAR ENDED 31ST DECEMBER 2020**

	<b>Note</b>	<b>2020 £</b>	<b>2019 £</b>
<b>OPERATING INCOME</b>			
Subscriptions		346,170	332,145
Donations		10,034	171,899
Income from events		226,272	1,014,482
Investment income		22,394	57,050
Sponsorship income		950,749	1,471,775
Other commercial income		410,092	663,971
Job Retention Scheme Grants		209,887	-
		<u>2,175,598</u>	<u>3,711,322</u>
<b>OPERATING COSTS</b>			
Governance and meetings		106,571	766,915
Olympic costs		9,062	63,266
Special events		339,826	922,348
Other direct costs		259,956	1,262,332
		<u>715,415</u>	<u>3,014,861</u>
Employment costs		1,709,503	2,103,400
Other administrative costs		914,854	1,122,394
Exchange (gains)/losses		(80,488)	37,212
		<u>2,543,869</u>	<u>3,263,006</u>
<b>FAIR VALUE ADJUSTMENTS</b>	7	244,448	93,591
<b>DEFICIT FOR THE YEAR BEFORE TAXATION</b>	2	(839,238)	(2,472,954)
<b>TAXATION CHARGE</b>	3	(24,763)	(30,875)
<b>DEFICIT FOR THE YEAR</b>		<u>(864,001)</u>	<u>(2,503,829)</u>
Reserves brought forward		1,839,979	4,343,808
<b>RESERVES CARRIED FORWARD</b>		<u>£975,978</u>	<u>£1,839,979</u>
Deficit for the year dealt with in the financial statements of:			
Parent company		(1,191,842)	(2,687,199)
Subsidiary companies		97,164	80,725
Quasi-subsidiary		230,677	102,645
		<u>£(864,001)</u>	<u>£(2,503,829)</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 2020**

	Note	£	2020	£	£	2019	£
<b>FIXED ASSETS</b>							
Tangible assets	5		364,887			440,847	
Intangible assets	6		65,886			55,189	
Investments	7		2,186,498			2,163,882	
<b>CURRENT ASSETS</b>							
Debtors	8	1,229,184			1,458,218		
Cash		1,455,776			564,170		
			2,684,960		2,022,388		
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	9	(2,918,605)			(2,794,423)		
<b>NET CURRENT ASSETS / (LIABILITIES)</b>				(233,645)			(772,035)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				2,383,626			1,887,883
<b>LONG-TERM LIABILITIES</b>							
Borrowing	10	1,361,329			-		
Deferred tax	11	34,565			36,150		
Provisions	12	11,754			11,754		
<b>TOTAL LONG-TERM LIABILITIES</b>				(1,407,648)			(47,904)
<b>NET ASSETS</b>				£975,978			£1,839,979
<b>MEMBERS' FUNDS</b>							
Accumulated fund				£975,978			£1,839,979

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 deficit for the parent company was £1,191,842 (2019: deficit £2,687,199).

The financial statements were approved and authorised for issue by the Board of Directors on 20th September 2021 and were signed below on its behalf by:

  
**Quanhai Li**  
 President

## PARENT COMPANY STATEMENT OF FINANCIAL POSITION

AT 31ST DECEMBER 2020

	Note	£	2020	£	£	2019	£
<b>FIXED ASSETS</b>							
Tangible assets	5			-			9,300
<b>CURRENT ASSETS</b>							
Debtors	8	1,030,646			1,270,686		
Cash		1,013,670			400,954		
		2,044,316			1,671,640		
<b>CREDITORS: AMOUNTS FALLING DUE IN ONE YEAR</b>							
	9	(2,770,998)			(2,577,107)		
<b>NET CURRENT (LIABILITIES)</b>							
				(726,682)			(905,467)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>							
				(726,682)			(896,167)
<b>LONG-TERM LIABILITIES</b>							
Long-term loans	10			(1,361,329)			-
<b>NET (LIABILITIES)/ASSETS</b>							
				£(2,088,011)			£(896,167)
<b>MEMBERS' FUNDS</b>							
Accumulated (deficit)				£(2,088,011)			£(896,167)

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 on 20th September 2021 and were signed below on its behalf by:



**Quanhai Li**  
President

**WORLD SAILING LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT**

**YEAR ENDED 31ST DECEMBER 2020**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Reconciliation of deficit to cash flow from operating activities</b>		
Deficit after taxation	(864,001)	(2,503,829)
Fair value adjustment	(244,448)	(93,591)
Returns on investment	(22,394)	(57,050)
Depreciation	79,587	95,276
Tax provisions	24,763	30,875
Corporation tax paid	(60,082)	-
Decrease/(Increase) in debtors	229,034	(939,361)
(Decrease)/Increase in creditors	(195,769)	1,459,770
<b>Net cash flow from operating activities</b>	<b>(1,053,310)</b>	<b>(2,007,910)</b>
<b>Cash flows from investing activities</b>		
Returns on investment	22,394	57,050
Payments to acquire tangible fixed assets	(3,627)	(19,469)
Payments to acquire intangible fixed assets	(10,697)	(55,189)
Payments to acquire investments	(235,196)	(2,267,092)
Receipts from sales of investments	457,028	2,222,028
Change in cash and cash equivalents in the year	229,902	(62,672)
<b>Cash flows from financing activities</b>		
Net change in borrowings	1,715,014	100,091
	1,715,014	100,091
Net change in cash and cash equivalents in the year	891,606	(1,970,491)
Cash and cash equivalents at the beginning of the year	564,170	2,534,661
Cash and cash equivalents at the end of the year	£1,455,776	£564,170
<b>Reconciliation of net cash flow to movement in net debt</b>		
Net change in cash and cash equivalents in the year	891,606	(1,970,491)
Net change in debt financing	(1,715,014)	(100,091)
Change in net debt resulting from cash flows	(823,408)	(2,070,582)
<b>Movement in net debt in the year</b>	<b>(823,408)</b>	<b>(2,070,582)</b>
Net debt at the start of the year	464,079	2,534,661
<b>Net debt at the end of the year</b>	<b>(359,329)</b>	<b>464,079</b>
<b>Analysis of net debt</b>		
Cash at bank and in hand	1,455,776	564,170
Overdrafts	-	(100,091)
Borrowing	(1,815,105)	-
<b>Net debt at the end of the year</b>	<b>(359,329)</b>	<b>464,079</b>

# **WORLD SAILING LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **YEAR ENDED 31ST DECEMBER 2020**

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#### **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 PO Box 95, 2a Lord Street, Douglas, Isle of Man, IM99 1HP

##### **GROUP ACCOUNTS**

These financial statements consolidate the results of the company and its wholly owned subsidiaries, World Sailing (UK) Limited (Company number 3255744), 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), based on 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. After assessing the principal risks and having considered the impact of a severe but probable downside scenario for Covid-19, the directors have adopted the Going Concern basis in preparing these accounts. The successful delivery of Tokyo2020 games in August 2021 has alleviated the critical financial risks associated with the cancellation of the games. In addition, having made reasonable inquiries, the directors are of the opinion that the projected Olympic distribution from Tokyo2020 will not be lower than the distribution from Rio 2016.

It is uncertain when the border restrictions will be lifted and there remains a risk that the global border restrictions may continue into 2022 for some countries. In this case it is possible that some planned International Regattas for the rest of 2021 and 2022 may be cancelled, rescheduled, or be held in other locations. The risk to the group in the case of cancelled events is its ability to fully meet its obligations with some sponsors, although the group would benefit from lower direct costs which may reduce or negate the financial impact of any loss in income. The directors consider the associated financial risks to be low.

The principal assumptions and judgements used in forecasting the base cash flows through to December 2022 are detailed below:-

- Tokyo2020 revenue distribution from IOC is prudently projected at the same level as Rio2016.
- Current contracted sponsorship and sanction fees are received in accordance with the contract terms for 2021 and 2022.
- Minimum level of new income streams.
- Direct and overhead costs are forecast on a prudent basis in accordance with the expected levels of related activities.
- The group has an existing overdraft facility, secured by investment funds held by WS Investment Trust, to the end of December 2021 and it is assumed that if required, it could be extended accordingly.
- The group has been granted an interest-free loan of \$3.1 million, which is repayable over 5 years to the end of 31 December 2025. The loan was paid in instalments of which \$2.48 million was received by 31 December 2020 and the final instalment of \$620K was paid after the year end in April 2021.

# WORLD SAILING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31ST DECEMBER 2020

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### 1. ACCOUNTING POLICIES CONTINUED

#### 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:

##### **Olympic income**

Income from the quadrennial summer Olympic games is recognised in the year of the event.

##### **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 several 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 2020**

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### **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'.

### **INTANGIBLE ASSETS**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The cost of website development is amortised over its estimated useful economic life. This is considered to be 5 years. The website is currently being developed and is not expected to go live until 2021 so no amortisation has been charged in 2020.

### **TANGIBLE FIXED ASSETS**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. Depreciation is provided on the following basis:

Fixtures and fittings - 10% per annum on cost  
Office equipment - 20% per annum on cost  
Computer equipment - 20% per annum on cost

## **WORLD SAILING LIMITED**

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

#### **YEAR ENDED 31ST DECEMBER 2020**

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#### **1. ACCOUNTING POLICIES CONTINUED**

##### **TANGIBLE FIXED ASSETS**

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

##### **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.

##### **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 as described under accounting policies above.

## **WORLD SAILING LIMITED**

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

#### **YEAR ENDED 31ST DECEMBER 2020**

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#### **1. ACCOUNTING POLICIES CONTINUED**

##### **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.

##### **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.



**WORLD SAILING LIMITED**

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

**YEAR ENDED 31ST DECEMBER 2020**

<b>2.</b>	<b>DEFICIT FOR THE YEAR BEFORE TAXATION</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	This is stated after charging/(crediting):		
	Auditors' remuneration	19,900	18,000
	Depreciation	79,587	95,276
	Operating lease rentals - land and buildings	314,866	314,866
	- other	9,170	9,170
	Realised and unrealised foreign exchange (gains)/losses	(80,488)	37,212
		<u><u>          </u></u>	<u><u>          </u></u>
<b>3.</b>	<b>TAX ON DEFICIT ON ORDINARY ACTIVITIES</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
<b>a)</b>	<b>UK Corporation tax on deficit for the year</b>		
	Corporation tax at 19%	26,104	32,052
	Adjustment in respect of previous periods	244	(2,759)
		<u>          </u>	<u>          </u>
	Total current tax (note 3(b))	26,348	29,293
	Deferred tax	(1,585)	1,582
		<u>          </u>	<u>          </u>
	Taxation on ordinary activities	<u><u>£24,763</u></u>	<u><u>£30,875</u></u>
<b>b)</b>	<b>Tax charge reconciliation</b>		
	(Deficit) on ordinary activities before tax	(839,238)	(2,472,954)
	Foreign entity deficits not subject to UK tax	949,824	2,618,336
		<u>          </u>	<u>          </u>
		<u><u>110,586</u></u>	<u><u>145,382</u></u>
	Surplus on ordinary activities multiplied by the standard UK rate of corporation tax 19% (2019: 19%) – subsidiary	21,011	27,623
	Effects of:		
	Expenses not deductible for tax purposes	5,093	4,429
	Adjustment in respect of previous periods	244	(2,759)
		<u>          </u>	<u>          </u>
		<u><u>26,348</u></u>	<u><u>29,293</u></u>

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

**WORLD SAILING LIMITED**

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

**YEAR ENDED 31<sup>ST</sup> DECEMBER 2020**

<b>4a. STAFF COSTS</b>	<b>2020 £</b>	<b>2019 £</b>
Wages and salaries	1,321,950	1,614,839
Social security costs	138,268	183,870
Pension costs	63,135	92,676
	<u>£1,523,353</u>	<u>£1,891,385</u>

	<b>No.</b>	<b>No.</b>
The average monthly number of employees during the year was	<u>26</u>	<u>29</u>

**4b. DIRECTORS' EMOLUMENTS**

Directors' Emoluments – Subsidiary company	<u>£118,397</u>	<u>£251,193</u>
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The emoluments relate to the chief executive officer and no other directors receive any emoluments.

**5. TANGIBLE ASSETS**

**Furniture, fittings, and equipment**

	<b>Company £</b>	<b>Group £</b>
<b>COST</b>		
At 1st January 2020	125,280	821,793
Additions	-	3,627
	<u>125,280</u>	<u>825,420</u>
At 31st December 2020	125,280	825,420
<b>DEPRECIATION</b>		
At 1st January 2020	115,980	380,946
Charge for year	9,300	79,587
	<u>125,280</u>	<u>460,533</u>
At 31st December 2020	125,280	460,533
<b>NET BOOK VALUE</b>		
At 31st December 2020	<u>£ -</u>	<u>£364,887</u>
At 31st December 2019	<u>£9,300</u>	<u>£440,847</u>

**WORLD SAILING LIMITED**

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

**YEAR ENDED 31ST DECEMBER 2020**

**6. INTANGIBLE ASSETS**

**Website Development costs**

	<b>Company £</b>	<b>Group £</b>
<b>COST</b>		
At 1st January 2020	-	55,189
Additions – Work in progress	-	10,697
At 31st December 2020	-	65,886
<b>DEPRECIATION</b>		
At 1st January 2020	-	-
Charge for year	-	-
At 31st December 2020	-	-
<b>NET BOOK VALUE</b>		
At 31st December 2020	£ -	£65,886
At 31st December 2019	£ -	£55,189

**7. INVESTMENTS**

	<b>Company £</b>	<b>Group £</b>
Market value at 1st January 2020	-	2,163,882
Additions	-	235,196
Disposals	-	(457,028)
Changes in market value	-	244,448
Market Value at 31st December 2020	-	£2,186,498

**8. DEBTORS**

	<b>Group</b>		<b>Company</b>	
	<b>2020 £</b>	<b>2019 £</b>	<b>2020 £</b>	<b>2019 £</b>
Trade debtors	810,122	835,670	810,122	835,416
Other debtors	24,192	57,839	2,207	11,944
Prepayments and accrued income	394,870	564,709	218,317	409,526
Amounts due from subsidiary undertaking	-	-	-	13,800
	£1,229,184	£1,458,218	£1,030,646	£1,270,686

**WORLD SAILING LIMITED**

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

**YEAR ENDED 31ST DECEMBER 2020**

9. CREDITORS: amounts falling due within one year	Group		Company	
	2020 £	2019 £	2020 £	2019 £
Non-bank loan (note 10)	453,776	-	453,776	-
Bank overdraft	-	100,091	-	100,091
Trade creditors	622,283	555,638	157,404	210,195
Other creditors	-	-	-	-
Other taxes and social security	75,428	127,599	-	-
UK Corporation tax	26,104	59,837	-	-
Accruals	427,773	541,338	34,645	66,058
Deferred income	1,313,241	1,409,920	1,313,241	1,409,920
Amounts due to subsidiary undertaking	-	-	811,932	890,934
	<u>£2,918,605</u>	<u>£2,794,423</u>	<u>£2,770,998</u>	<u>£2,577,107</u>

The Company received a loan of \$2.48M during the year from the International Olympic Committee with a commitment for a further \$620K to be received in April 2021. The loan was granted following the postponement of Tokyo2020. The loan is interest free and repayable over five years in equal instalments from December 2021.

The Company also has an overdraft facility of up to £900,000 at Base plus 1% interest. The facility is 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. At the end of 31 December 2021, the overdraft balance was NIL.

10. CREDITORS: amounts falling due after more than one year	Group		Company	
	2020 £	2019 £	2020 £	2019 £
<b>BORROWINGG</b>				
Non-bank loan	1,361,329	-	1,361,329	-
At end of year	<u>£1,361,329</u>	<u>£ -</u>	<u>£1,361,329</u>	<u>£ -</u>

The loan is repayable as follows:

Within one year (note 9)	453,776	-	453,776	-
Between one and two years	453,776	-	453,776	-
Between two and five years	907,553	-	907,553	-
Total borrowing at end of year	<u>£1,815,105</u>	<u>£ -</u>	<u>£1,815,105</u>	<u>£ -</u>

# WORLD SAILING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### YEAR ENDED 31ST DECEMBER 2020

11. DEFERRED TAX	2020 £	2019 £
At beginning of year	36,150	34,568
(Utilised)/Charged in year	(1,585)	1,582
At end of year	<u>£34,565</u>	<u>£36,150</u>

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

12. PROVISIONS	2020 £
<b>Dilapidations payable under the property lease:</b>	
At beginning of year	11,754
Charge for year	-
At end of year	<u>£11,754</u>

### 13. 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 2020 was 145 (2019: 145).

### 14. OPERATING LEASES – GROUP

At 31 December 2020, the group had future minimum lease payments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2020 £	2019 £	2020 £	2019 £
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	1,109,438	1,479,250	11,206	20,374
Later than 5 years	825,141	825,141	-	-
	<u>£2,304,391</u>	<u>£2,674,203</u>	<u>£20,375</u>	<u>£29,543</u>

**WORLD SAILING LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31ST DECEMBER 2020**

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**15. CAPITAL COMMITMENTS****2020**  
**£****2019**  
**£**

At 31 December 2020 the Group had capital commitments as follows:

Contracted but not provided in these financial statements

197,500

187,000

£197,500£187,000

The capital commitments relates to the development of the new website

**16. SUBSIDIARY COMPANIES**

At 31<sup>st</sup> December 2020 the company owned 100% share capital of World Sailing (UK) Limited (incorporated in Great Britain), and World Sailing Trust (incorporated in Great Britain, Limited by Guarantee). World Sailing Event Management Limited was dormant during the year was dissolved on 8 June 2020.

**17. QUASI SUBSIDIARY**

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

**18. 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 £63,135 (2019 - £92,676). Contributions totalling £NIL (2019 - £NIL) were payable to the fund at the balance sheet date.