

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

CONSOLIDATED REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

Company Number (IOM): 79772C

WORLD SAILING LIMITED

CONSOLIDATED REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

CONTENTS	Page
Directors' report	1 - 2
Independent auditors' report	3 - 5
Consolidated income statement	6
Consolidated statement of financial position	7
Parent company statement of financial position	8
Consolidated cash flow statement	9
Notes to financial statements	10 - 20

WORLD SAILING LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2023

The directors present their annual report and audited consolidated financial statements for the year ended 31 December 2023.

REVIEW OF THE BUSINESS

The company is the governing body, as recognised by the International Olympic Committee, of the sport of sailing in all its forms throughout the world. It is responsible for:

- promoting and developing the sport internationally,
- developing the Racing Rules of Sailing and regulations for all sailing competitions,
- training and development of judges, umpires and other administrators,
- managing sailing at the Olympic Games, and
- representing the sailors in all matters concerning the sport.

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 –President
Duriye Özlem Akdurak
Jo Aleh
Philip Baum
Tomasz Chamera
Sarah Kenny
Yann Rocherieux
Cory Sertl
Marcus Spillane

The company held Management Liability indemnity insurance for the directors during the year.

WORLD SAILING LIMITED

DIRECTORS' REPORT (continued)

YEAR ENDED 31 DECEMBER 2023

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 next 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

23 April 2024

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

WORLD SAILING LIMITED

Opinion

We have audited the financial statements of World Sailing Limited for the year ended 31 December 2023 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 2023 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 Group'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)

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)**

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

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.

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

**Haysmacintyre LLP
Chartered Accountants
Registered Auditors**

**10 Queen Street Place
London
EC4R 1AG**

03/05/
..... 2024

WORLD SAILING LIMITED

CONSOLIDATED INCOME STATEMENT

YEAR ENDED 31 DECEMBER 2023

	Note	2023 £	2022 £
OPERATING INCOME			
Subscriptions		361,405	364,007
Donations		80,000	98,400
Income from events		1,717,801	397,674
Investment income		52,280	13,736
Sponsorship income		767,516	1,356,936
Other commercial income		536,307	581,550
		<u>3,515,309</u>	<u>2,812,303</u>
OPERATING COSTS			
Governance and meetings		70,467	123,886
Events		2,311,973	1,335,798
Other direct costs		1,206,552	809,847
		<u>3,588,992</u>	<u>2,269,531</u>
Employment costs		2,417,152	2,370,663
Other administrative costs		651,079	477,739
Exchange (gains)/losses		(8,960)	(999,143)
Net cost of lease assignment	4	-	539,890
		<u>3,059,271</u>	<u>2,389,149</u>
FAIR VALUE ADJUSTMENTS	8	8,130	(304,950)
(DEFICIT)/SURPLUS FOR THE YEAR BEFORE TAXATION	2	(3,124,824)	(2,151,327)
TAXATION CHARGE	3	(27,280)	(25,930)
(DEFICIT)/SURPLUS FOR THE YEAR		<u>(3,152,104)</u>	<u>(2,177,257)</u>
Reserves brought forward		8,082,123	10,259,380
RESERVES CARRIED FORWARD		<u>£4,930,019</u>	<u>£8,082,123</u>
(Deficit)/ for the year dealt with in the financial statements of:			
Parent company		(3,274,059)	(1,986,640)
Subsidiary companies		105,641	137,343
Quasi-subsiidiary		16,314	(327,960)
		<u>£(3,152,104)</u>	<u>£(2,177,257)</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 31 DECEMBER 2023

	Note	£	2023 £	£	2022 £	£
FIXED ASSETS						
Tangible assets	6		77,657		25,210	
Intangible assets	7		368,527		426,509	
Investments	8		2,285,762		2,238,688	
CURRENT ASSETS						
Debtors	9	652,941		889,768		
Cash		3,626,434		8,494,582		
			4,279,375		9,384,350	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	(1,594,309)		(2,967,891)		
NET CURRENT ASSETS			2,685,066		6,416,459	
TOTAL ASSETS LESS CURRENT LIABILITIES			5,417,012		9,106,866	
LONG-TERM LIABILITIES						
Borrowing	11	486,993		1,024,743		
Deferred tax	12	-		-		
TOTAL LONG-TERM LIABILITIES			(486,993)		(1,024,743)	
NET ASSETS			£4,930,019		£8,082,123	
MEMBERS' FUNDS						
Accumulated fund			£4,930,019		£8,082,123	

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 (£3,274,059) (2022: £1,986,640).

The financial statements were approved and authorised for issue by the Board of Directors on 23 April 2024 and were signed below on its behalf by:



Quanhai Li
President

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2023

	Note	£	2023	£	£	2022	£
FIXED ASSETS							
Tangible assets	6			-			-
Investments	8			-			
CURRENT ASSETS							
Debtors	9	536,712			723,314		
Cash		3,343,978			8,318,708		
		<u>3,880,690</u>			<u>9,042,022</u>		
CREDITORS: AMOUNTS FALLING DUE IN ONE YEAR	10	<u>(1,773,626)</u>			<u>(3,123,149)</u>		
NET CURRENT ASSETS				<u>2,107,064</u>			<u>5,918,873</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				2,107,064			5,918,873
LONG-TERM LIABILITIES							
Long-term loans	11			<u>(486,993)</u>			<u>(1,024,743)</u>
NET ASSETS				<u>£1,620,071</u>			<u>£4,894,130</u>
MEMBERS' FUNDS							
Accumulated Surplus				<u>£1,620,071</u>			<u>£4,894,130</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 on 23 April 2024 and were signed below on its behalf by:



Quanhai Li
President

WORLD SAILING LIMITED

CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2023

	2023	2022
	£	£
Reconciliation of deficit to cash flow from operating activities		
(Deficit) after taxation	(3,152,105)	(2,177,257)
Fair value adjustment	(8,130)	304,950
Investment income	(52,280)	(13,736)
Depreciation and Amortisation	93,722	19,795
Assignment of lease	-	269,754
Tax provisions	27,280	25,930
Corporation tax paid	(74,116)	(35,446)
Decrease/(Increase) in debtors	225,574	1,697,935
(Decrease)/ Increase/ in creditors	(1,290,115)	(136,828)
Net cash flow from operating activities	(4,230,170)	(44,903)
Cash flows from investing activities		
Investment income	52,280	13,736
Payments to acquire tangible fixed assets	(73,241)	(10,344)
Payments to acquire intangible fixed assets	(14,945)	(123,080)
Payments to acquire investments	(849,679)	(954,605)
Receipts from sales of investments	810,736	796,351
Change in cash and cash equivalents in the year	(74,849)	(277,942)
Cash flows from financing activities		
Repayments	(490,495)	(508,781)
Foreign currency effect on borrowing	(72,634)	212,511
	(563,129)	(296,270)
Net change in cash and cash equivalents in the year	(4,868,148)	(619,115)
Cash and cash equivalents at the beginning of the year	8,494,582	9,113,697
Cash and cash equivalents at the end of the year	3,626,434	8,494,582

Reconciliation of liabilities arising from financing activities

	At 1 Jan		Other non cash changes		At 31 Dec
	2023	Cashflows	Current /	Fair value	2023
	£	£	Non-current	changes	£
			£	£	
Cash and cash equivalents	8,494,582	(4,868,148)			3,626,434
Borrowing					
Debt due within one year	(512,371)	490,495	(486,993)	21,876	(486,993)
Debt due after one year	(1,024,743)		486,993	50,757	(486,993)
Total Debt	(1,537,114)	490,495	-	72,633	(973,986)
Net Debt	6,957,468	(4,377,653)	-	72,633	2,652,448

WORLD SAILING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

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, based on control. The company has taken the exemption not to disclose the parent's individual income statement.

GOING CONCERN

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

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.

WORLD SAILING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2023

1. ACCOUNTING POLICIES CONTINUED

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.

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 of 5 years.

WORLD SAILING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2023

1. ACCOUNTING POLICIES CONTINUED

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

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.

WORLD SAILING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2023

1. ACCOUNTING POLICIES CONTINUED

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.

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 31 DECEMBER 2023

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 based on 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 31 DECEMBER 2023

2.	(DEFICIT) FOR THE YEAR BEFORE TAXATION	2023	2022
		£	£
	This is stated after charging/(crediting):		
	Auditors' remuneration:		
	-Parent	16,500	15,000
	-Subsidiaries	9,900	9,000
	-Non-audit services	2,850	2,600
	Depreciation	93,722	19,795
	Operating lease rentals - land and buildings	-	46,227
	- other	6,223	8,894
	Realised and unrealised foreign exchange (gains)/losses	(8,960)	(999,143)
		<u> </u>	<u> </u>
3.	TAX ON (DEFICIT) FROM ORDINARY ACTIVITIES	2023	2022
		£	£
a)	UK Corporation tax on surplus/(deficit) for the year		
	Corporation tax at 19%	13,738	76,815
	Adjustment in respect of previous periods	(2,699)	(1,391)
		<u> </u>	<u> </u>
	Total current tax (note 3(b))	11,039	75,424
	Movement in Deferred tax	16,241	(49,494)
		<u> </u>	<u> </u>
	Taxation on ordinary activities	£27,280	£25,930
		<u> </u>	<u> </u>
b)	Tax charge reconciliation		
	(Deficit) from ordinary activities before tax	(3,124,825)	(2,151,327)
	Less: Foreign entity Surplus/(Deficit) not subject to UK tax	3,258,106	2,295,558
		<u> </u>	<u> </u>
		133,281	144,231
		<u> </u>	<u> </u>
	Surplus on ordinary activities multiplied by the standard UK rate of corporation tax 25% (2022: 19%) – subsidiary	30,634	27,404
	Effects of:		
	Expenses (deductible)/not deductible for tax purposes	(16,896)	49,411
	Adjustment in respect of previous periods	(2,699)	(1,391)
		<u> </u>	<u> </u>
		11,039	75,424
		<u> </u>	<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 DECEMBER 2023

4. EXCEPTIONAL ITEMS	2023	2022
	£	£
Net cost of lease assignment	-	539,890

By an assignment dated 16th February 2022 the Company's office lease of the property at 20 Eastbourne Terrace, London W2 was assigned to a 3rd party with no ongoing obligations. The term of the original lease was 9th May 2017 to 8th May 2027. In consideration of the assignment the Company paid reverse premium of £518,943 and a contribution towards dilapidations of £73,262. In addition, the Company transferred all Leasehold Improvements and Furniture and Fittings with a net book value of £269,418.

The net cost of the assignment was £539,890, including selling costs, and after considering credit balances in the accounts of £290,706 in respect of the original lease rent-free deferred benefit and dilapidation provision of £73,262.

5a. STAFF COSTS	2023	2022
	£	£
Wages and salaries	1,746,840	1,452,777
Social security costs	196,380	173,901
Pension costs	77,930	64,451
	<u>£2,021,150</u>	<u>£1,691,129</u>

	No.	No.
The average monthly number of employees during the year was	<u>25</u>	<u>22</u>

5b. DIRECTORS' EMOLUMENTS	2023	2022
	£	£
Directors' emoluments – Subsidiary company	259,560	247,200
Directors' pension costs – Subsidiary company	10,815	10,300
	<u>£270,375</u>	<u>£257,500</u>

Remuneration above is paid to one director who therefore is the highest paid.

WORLD SAILING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2023

6. TANGIBLE ASSETS

	Furniture, Fittings & Equipment Group £	Company £
COST		
At 1 January 2023	313,732	125,280
Additions	73,241	-
Disposals	-	-
At 31 December 2023	386,973	125,280
DEPRECIATION		
At 1 January 2023	288,522	125,280
Charge for year	20,794	-
Disposals	-	-
At 31 December 2023	309,316	125,280
NET BOOK VALUE		
At 31 December 2023	£77,657	£ -
At 31 December 2022	£25,210	£ -

7. INTANGIBLE ASSETS

	Website Development costs	
	Group £	Company £
COST		
At 1 January 2023	426,509	-
Additions	14,945	-
At 31 December 2023	441,454	-
DEPRECIATION		
At 1 January 2023	-	-
Charge for year	72,927	-
At 31 December 2023	72,927	-
NET BOOK VALUE		
At 31 December 2023	£368,527	£ -
At 31 December 2022	£426,509	£ -

8. INVESTMENTS

	Group £	Company £
Market value at 1 January 2023	2,238,688	-
Additions	849,679	-
Disposals	(810,736)	-
Changes in market value	8,131	-
Market Value at 31 December 2023	£2,285,762	£ -

WORLD SAILING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2023

9. DEBTORS	Group		Company	
	2023 £	2022 £	2023 £	2022 £
Trade debtors	341,127	521,387	341,127	507,562
Other debtors	58,074	75,322	27,727	35,099
Deferred Tax (note 12)	-	11,253	-	-
Prepayments and accrued income	253,740	281,806	167,858	180,653
	<u>£652,941</u>	<u>£889,768</u>	<u>£536,712</u>	<u>£723,314</u>
10. CREDITORS: amounts falling due within one year	Group		Company	
	2023 £	2022 £	2023 £	2022 £
Non-bank loan	486,993	512,371	486,993	512,371
Trade creditors	273,755	321,987	228,345	234,962
Other creditors	5,354	12,119	-	-
Other taxes and social security	60,007	51,324	-	-
UK Corporation tax	13,738	76,815	-	-
Accruals	306,602	261,084	196,202	121,304
Deferred income	447,860	1,732,191	447,860	1,732,191
Amounts due to subsidiary undertaking	-	-	414,226	522,321
	<u>£1,594,309</u>	<u>£2,967,891</u>	<u>£1,773,626</u>	<u>£3,123,149</u>

The Non-bank loan relates to borrowing from the International Olympic Committee, granted following the postponement of Tokyo2020, and is interest free and repayable over five years to 31 December 2025. The balance outstanding at the yearend was USD 1.24M, of which USD 620K is due within one year.

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 2023, the overdraft balance was NIL.

11. CREDITORS: amounts falling due after more than one year	Group		Company	
	2023 £	2022 £	2023 £	2022 £
BORROWING				
Non-bank loan	486,993	1,024,743	486,993	1,024,743
At end of year	<u>£486,993</u>	<u>£1,024,743</u>	<u>£486,993</u>	<u>£1,024,743</u>
The loan is repayable as follows:				
Within one year (note 10)	486,993	512,371	486,993	512,371
Between one and two years	486,993	1,024,743	486,993	1,024,743
Total borrowing at end of year	<u>£973,986</u>	<u>£1,537,114</u>	<u>£973,986</u>	<u>£1,537,114</u>

WORLD SAILING LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 DECEMBER 2023**

12. DEFERRED TAX LIABILITY/(ASSET)	2023 £	2022 £
At beginning of year	(11,253)	38,241
Charged/(Utilised) in year	16,241	(49,494)
At end of year	<u>£4,988</u>	<u>£(11,253)</u>

The deferred tax asset at the yearend relates to capital allowances.

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 31 December 2023 was 148 (2022: 145).

14. OPERATING LEASES – GROUP

At 31 December 2023, the group had future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	Other 2022 £
Total commitment under operating leases:		
Due within one year	1,304	2,938
Later than 1 year and not later than 5 years	326	-
	<u>£1,630</u>	<u>£2,938</u>

WORLD SAILING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2023

16. CAPITAL COMMITMENTS

There were no capital commitments as at 31 December 2023 or 31 December 2022.

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 £77,930 (2022-£64,515). Contributions totalling £10,063 (2022-£11,752) were payable to the fund at the balance sheet date.

18. SUBSIDIARY COMPANIES

At 31 December 2023 the company owned 100% share capital of World Sailing (UK) Limited (incorporated in Great Britain), and was the sole member in World Sailing Trust (incorporated in Great Britain, Limited by Guarantee).

19. QUASI SUBSIDIARY

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