

8 October 2018

J. Joesph Bainton  
Partner  
Barclay Damon  
1270 6th Ave Suite 600  
New York  
NY 10020  
USA

By email only: [jbainton@barclaydamon.com](mailto:jbainton@barclaydamon.com)

Dear Mr Bainton,

**World Sailing**

I write further to your letter of 19 September 2018, received 30 September 2018.

We have written to you to verify that the letter is a bona fide letter from your firm, as the copy of the letter forwarded to us was unsigned. If it is bona fide we asked you to confirm the name of your client, or if you had written on your own account. We have received no response to our letter so consider that we must write to correct the statements in your letter.

The comments you make in your letter are inaccurate, misleading and are an incorrect reading of our accounts and Constitution. The World Sailing Board is very surprised that a qualified lawyer has made these public statements that are damaging to the reputation of World Sailing and it is our duty to correct them:

- 1 There is no such entity as “World Sailing Marketing”.
- 2 World Sailing Limited’s financial year is 31 December. As such, the 2018 financial statements demanded by you do not exist for obvious reasons. The 2017 audited statements (including all subsidiary accounts) were approved by the Board in May 2018, provided to our Council, and published on our website.
- 3 The pattern of the income and deficits across an Olympic quadrennial cycle is not new. Since 1997, World Sailing has Olympic receipts received and recognised as income in the first year of the quadrennial and then has deficits in the next 2 – 3 years depending on the timing of the next receipt of income from the IOC. World Sailing finances are planned on a 4-year cycle. Accounting standards require the income from the IOC to be recognised in the year it is earned and received

Had any research been conducted into our published financial statements, you would have seen see that this is the case.

- 4 You appear to have failed to understand that the financial information you have based your analysis on, is the consolidated financial information and therefore the proposition that the deficits of World Sailing Event Management, as a subsidiary, should increase the number reported is fundamentally flawed.

**Presidents of Honour:**  
HM King Constantine  
HM King Harald of Norway

**Directors:**  
Kim Andersen  
Jan Dawson  
Torben Grael  
Gary Jobson  
Quanhai Li  
W Scott Perry  
Yann Rocherieux  
Ana Sanchez  
Nadine Stegenwalner

The information provided is always on a group or consolidated basis as anything else would be misleading and not reflect the correct picture. Your assertion that there are no projected profits or losses merely confirms this lack of understanding of the basics of accounting.

As is common with group company arrangements, WSEM is funded with inter-company loans.

- 5 You write that World Sailing must comply with Article 94 of its Constitution. It will do so this week when the Notice of AGM is issued and the 2017 audited statutory accounts will be circulated to MNAs at that time ready for their reading at the AGM.

Finally, I can assure you the World Sailing Board takes its duties under Isle of Man law as company directors very seriously. The Board meets monthly and receives a full report on the finances and affairs of the group companies. A full financial report has also been provided to Council at an extraordinary meeting ahead of its November meeting as well.

World Sailing reserves its right to take any action that it deems necessary as a consequence of your misleading public statements.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'KA' with a large flourish extending to the right.

Kim Andersen  
President

c.c. gnugent@barclaydamon.com

Recipient list of original open letter